# Physician Leadership and Governance

Spurred by the importance of clinical quality, safety and medical perspectives on business strategy, governing boards of health systems increasingly are deciding that having one or more physicians as trustees is a smart move. But if doctors aren't brought up to speed in a markedly new environment, with rules and a culture that are vastly different from the clinical world, the move may end up not being smart at all.

"Many people feel that by asking a physician to be on the board, or by asking a physician to serve on an important committee or on the leadership team, their bases are covered," says Bob Clarke, chief executive officer of Furst Group, a health care executive search and leadership consulting firm. But though a doctor may have been practicing medicine for many years, he or she is sitting down at a table "with people who have been practicing leadership, practicing governance for years. They're not at the same level."

Physicians go through a decade of medical training, but as trustees they can find themselves in roles "with literally less than five minutes of formal training in the whole world of leadership, management and board governance, and the requisite skills required for those roles," says Joe Mazzenga, Furst Group vice president. Dropping a doc onto a board can lead to disconnects: Other board members may think the doctor inherently knows more than he does; the doctor may feel he can't reveal a lack of knowledge; or colleagues may not presume to inform doctors about health care issues. Meanwhile, the physician "is potentially more intimidated about joining the board than doing challenging surgeries," he says.

Doctors have a lot of catching up to do in both the basic responsibilities and the cultural nuances. For starters, their

medical education "has not trained them on the corporate requirements of a fiduciary, so they don't understand the technical aspects of it," says Michael Wagner, M.D., president and CEO of Tufts Medical Center, Boston. Financial complexities on the hospital side "are not typically what a physician thinks about from the way they run their practice," including things as basic as accounting on an accrual basis in a health system versus the cash basis of a practice, says Wagner.

### Governance is Different

Acting like a trustee also is a learned skill. "For the most part — whether it's medical school, residency, fellowship — [physician training] is very focused on clinical skills and less so on how you might as a physician participate in leading an organization," says Nicholas Wolter, M.D., CEO of Billings (Mont.) Clinic.

A key difference to emphasize in governance is that trustees don't, and can't, know about everything that lands on the table,

## BILLINGS CLINIC: The Fundamentals of Team Membership

Billings (Mont.) Clinic develops both physician and executive leaders through a program that "has a lot to do with leadership skills," says CEO Nicholas Wolter, M.D. "How do you communicate? How do you have a purposeful conversation? Are you a good listener? … There are a lot of behavioral things that are discussed."

The sessions, three days at a time, five times a year, emphasize group dynamics, often the opposite of what's been considered good doctoring. "As physicians, we are trained to develop individual skills, to have a lot of knowledge about diseases, and make individual decisions about what's best for our patients," he says. "As an executive, we're often having to address complex problems for which there's no obvious answer."

Working with others is critical. "How do you deal with disagreements? How do you deal with different points of view? These are the things we address in Leadership Billings Clinic and, for both physician and nonphysician executives, these are valuable skills to learn," Wolter says.

For the development track, "We try to pick high-potential people, executives and physicians, and it does become, if you want to use the phrase, a 'farm team' for future, more permanent leadership positions."

Two physician members of the multispecialty clinic are elected to the 12-member board by the organization's practicing physicians, says Wolter. Thus, having medical staff respect and support for doctors serving on the board, which is a chief purpose, is built right in.

Once seated, physicians "understand that their role on the board is to represent the community, the region, what's really important for the organization to stress," he says. However, Billings also has a council of seven physicians, also elected by peers, and "most of the issues that are dealt with by our board of directors go to the leadership council" before the board takes them up. Physicians, then, are responsible for much of the business of the organization, says Wolter.

## AURORA HEALTH CARE: Multiple Channels for Input

Milwaukee-based Aurora Health Care has two clinical experts on its board, but both fly in from out of state. All of the other trustees also are external, which means no doctors hail from the health system except Nick Turkal, M.D., who, as president and CEO, is an ex officio member.

The governing body, downsized from 21 internal and external members in 2007 to the current 11, is as a result "a very engaged board that provides input from outside the organization," Turkal says," and I think we've done that without giving up anything around physician input and, in fact, I think we've enhanced it."

The representation starts with the chief medical and nursing officers and two doctors who are leaders of the medical groups, provideing "constant input and dialogue at the board meeting even though these folks are not voting members of the board," Turkal explains. "That's the very important way we make sure that for any issue that comes up for discussion, there are clinical leaders in the room."

Board committees such as those for finance, quality and social responsibility have physicians from across the system's 14 hospitals and 159 clinic sites. "Our board members have regular interaction with physicians, and the physicians who attend those meetings have a regular view into how we're making financial decisions or how we reshape our quality programs," he says.

With the decision to get board perspective from outside, Aurora redoubled efforts to develop internal physician-led guidance, including a two-year, rapid-development leadership track. Graduates are candidates for a medical group leadership council that works through priorities such as care redesign, patient experience and how to continue integrating.

"There is sometimes too much emphasis on [having] physicians on the board vs. physician input into governance," Turkal says. "There are many ways to get what is so important here, which is clinical input, and it doesn't have to be board seats."

Mazzenga advises. By contrast, starting from residency, physicians "were discouraged from admitting they didn't know," because of peer pressures and because "that would not make patients feel comfortable."

In general, docs "are very bright, they have since kindergarten been at the top of their class and, in many ways, they are voracious learners, so that's what we have to make sure we hold onto, and recognize that they are wired that way," Mazzenga says. "However, we have to make it clear to them that we don't expect them to have all the answers, or strong opinions on everything, the way they may have in other parts of the work that they do."

### Knowledge Gaps OK

Nonphysician board members start with a lot to learn, too, even if they hail from leadership positions in business and industry, says Wagner. He finds that this is true of "any director on a board." Unless they were hospital executives, there are aspects of board-level conversations that trustees may not understand and may feel vulnerable expressing their ignorance.

**'It's clearly important to have physician leadership driving many of the decisions we do in health care — but not necessarily in a vacuum.'**

"This can be very difficult in a very highly charged place like a boardroom," he says.

Even for an incredibly successful business executive, Wolter says, "health care is very complicated, the regulatory environment in health care is unique, so they're also learning and having to ask themselves questions like, 'What do I know, what don't I know?' Physicians observe that, and so they learn from each other." Nonphysician trustees "really like having physicians on the board who understand the operation and the issues in health care around safety and quality. But, they're both on a learning curve, and they both realize that early in the game."

The value of a physician is not to become a generalist, but rather to provide perspectives and depth in such matters as quality improvement challenges and patient experience, says Clarke. "Physicians by training are scientific, there's a linear progression of thinking, which is a blessing, and a curse sometimes. But it's clearly important to have physician leadership driving many of the decisions we do in health care — but not necessarily in a vacuum."

## Adding Physicians to the Board: 5 Strategies

**Know the facets of leadership.** Success requires being effective in several areas, says Furst Group Vice President Joe Mazzenga. *Personal leadership competency*: how a leader communicates, influences, builds trust and creates effective followers; *leading others*: how to create engagement, motivate others, develop talent and coach people; *understanding the business*: the core metrics, drivers, levers and paths to profitability; and *leading change*: emphasizing that change is constant, consistent and here to stay.

**Be inclusive in teaching board strengths.** New board members of any stripe should get much the same orientation that physicians require. That would include what to expect from a doctor in the mix. If other board members assume the doctor knows all, it's their perception problem, not the doc's, says Bob Clarke, CEO of Furst Group. "It is important that there is leadership development and training and interaction around the table, not just aimed at one individual."

**Tap docs with boss duties.** Having department head experience provides a head start in acclimating to the board, says Michael Wagner, M.D., CEO of Tufts Medical Center. Hospitals "are selecting people — or should be selecting people — who have some organizational experience in running something at the hospital or have enough of a presence from a business perspective." For example, physicians on Tufts' board include the American Psychiatric Association president; a heart center director with leadership experience at the National Institutes of Health; and chairs of medicine, surgery and radiation oncology.

**Chair has duty to unify the board.** New members should be acculturated to "the way people interact, and to what is an open and trusting environment. … That tenor is set by the chair and by board culture," says Wagner. One practice of the Tufts chair is to meet with physician members every two to three months to assure open dialogue without administrative leaders present. The chair also meets periodically with other members, given they might "feel somewhat intimidated by saying things in the presence of physicians."

**Physician environment may not carry over.** A physician is accustomed to showing up to clinical meetings in a lab coat draped with a stethoscope. When a cellphone rings, it's answered in mid-meeting. "That's absolutely normal behavior" for a doctor, Clarke says. But it changes the board dynamic and what the priorities are supposed to be. "Obviously, patients are important, but so is governance, so is that meeting." Leadership development addresses the differences between the two settings, and how to respect them.

# Seamless leadership.

Organizations need physician executives to help them achieve value-based care. Physicians need organizations who value their clinical skill set and can help them ramp up their leadership abilities in an administrative landscape that can be unfamiliar terrain.

Furst Group's ***Accelerated Physician Leadership Program*** provides a catalytic boost to integration and executive development – and to your success.

***Accelerated Physician Executive Development***

*One of the expanded leadership solutions from*

FurstGroup

Executive Search | Integrated Talent Management | **800-642-9940** | furstgroup.com