Why Vascular Surgeons And Specialists Should Always Be Looking And Planning For Their Next Job: Firing Or Forced Exit Is Always A Possibility: We Should Be Ready

Professor Sigrid Nikol
Clinical and Interventional Angiology
Asklepios Klinik St. Georg
Hamburg, Germany

Good old days – changing roles in medicine

• Early hospitals were military hospitals or public hospitals with cost covered by the government or church
• Then private hospitals were founded, owned and run by medical doctors
• Medical directors of all these hospitals were typically administrative directors at the same time.

Good old days – changing roles in medicine

• In early days, medical doctors determined the conditions of their work
• Patients paid directly their doctors for their services

• The necessary access for the overall population to medical care added increasing overall cost for medical care in the society, thus increasing economic pressure.
• Health insurances added more complexity to the situation.
• Technical progress with costly machines, new drugs and disposables or implants led until today to a continuous further increase of cost for the overall medical care.
Private versus Integrated/Consolidated Ownership Ratio

- The complexity of healthcare system led to a dramatic decrease of hospitals owned and run by medical doctors within less than a decade

... with a relative increase of employed MDs

The Present

- Administrators take care of negotiations with health insurers and pharma and medical products companies, application for public money for investments
- Also take care of law issues and enforce quality control
- Are usually not acting independently in the presence of hospital chains

Changing roles in medicine

- Complexity also led to a separation of patient care and hospital administration

Health system more complex – changing roles in medicine

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US Population Health

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Figure 2: Overall Ranking of Health Systems and Associated Total Health Expenditure per Capita, OECD Countries, 2013

- It is amazing that people who think we cannot afford to pay for doctors, hospitals, and medications, somehow think that we can afford to pay for doctors, hospitals, medication and a government bureaucracy to administer it. - Thomas Friedman
Cooperation of administrators and doctors

What is a prerequisite?

- Common core value(s)
- Willingness to work together toward a common mission and vision
- Clear and transparent communication with each other and the organization
- Mutual respect
- Complementary competencies

Changing roles in medicine

- Initially, administrators were hired by and therefore served the doctors
- Now, administrators hire, control and fire doctors (and other medical personnel) at their discretion.
- Medical leaders positions are no more „safe“.
- Financial interests dictate quality of patient care.

THE PUBLIC’S VIEW OF HEALTHCARE MANAGEMENT IS NOT ALWAYS FLATTERING.

THE PERCEPTION OF AMERICAN HEALTHCARE
Why are MDs „Better“ Hospital CEOs?

„Physician leaders are viewed more as a peer to physicians because there is a sense of collegiality that comes from having a leader within the same profession as employees. That’s just natural,“ says Mr. D’Eredita.

Anthony D’Eredita, executive vice president of the Advisory Board, says physicians CEOs tend to approach their decision-making through the lens of the clinical delivery model. „They work these models to respond to the business and market demands that are required to be successful, but they originate from a clinical perspective because that’s their training and expertise,“ he says. „At the end of the day, it’s a clinical business."

The health care industry has entered an era marked by an explosive growth is physician leadership. Today, approximately 5 percent of hospital leaders are physicians, and that number is expected to increase rapidly as the health system moves toward value-based care.

A constellation of forces place physicians at the center of this stage:

- The shift from a volume-based to a value-based system.
- The public health-oriented focus on the management of populations toward wellness.
- The fundamental redesign of clinical care models in several settings.
- The financial payment models that have begun rewarding health care organizations for clinical excellence and coordinated care at reduced cost.
- The emerging shared risk, capitation and bundled payment strategies.
Physicians are STILL the Best Leaders in Health Care Systems

- The top 5% of best performing Healthcare Systems in the U.S. have physicians as CEOs (may not be causative – good hospitals may choose MDs as CEOs)
- Healthcare systems that give physicians responsibility but no authority are less likely to be in the top 5%
- If WE are not at the IMPORTANT table, where key decisions are made (read $ decisions), WE will certainly be „on the menu”

Jeff Marschall

Conclusion

- Only recently, initiatives aim at quality over volume medical care involving MDs in leadership.
- Majority of MDs depend on hospital administrators
- Yet, MDs always need to have a plan B ready....
- ....perhaps as physician / surgeon CEO of your hospital!

Thank-you
s.nikol@asklepios.com

Physicians as Hospital Leaders

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S.A. pack: Best hospitals (top in the nation)

Administrators: Move over to let your physicians drive innovation

2:30 PM on September 8, 2016 by Michelle Maltin, MBA

Hand over the car keys

Some administrators still confuse engagement with compliance, and focus more on tactics to achieve short-term results than they do on sustaining a culture of engagement. But a compliance-driven relationship with physicians does little for building a strong, committed culture over the long term.

Imagine that senior executives at a health system want to make a certain change, so they pull in a group of physician leaders to oversee implementation. These executives have already created the agenda and are simply asking for it to be followed—leaving minimal decision-making power for the physicians. At best, administration will get only what is asked for and nothing more; at worst, they will struggle to see any improvements at all.

It reminds me of something my previous CEO at Piedmont Atlanta Hospital once said: “You need to fill up the car with gas and give physicians the keys.” While it might sound frightening for some administrators to allow the lead of their physicians, with proper guardrails in place and clear accountability for outcomes, they can create a breeding ground for innovation.