BoardBrief

Prepared for Colorado Hospital Association Trustees

Building Constructive Hospital/Physician Relationships and Alignment

The hospital/medical staff relationship should be a trusting partnership, where both the medical staff and hospital work closely together to provide quality care for patients. But hospitals and medical staffs often have differing perspectives and unique cultures, which can lead to a disconnect between the two. There are actions that board members can take to improve alignment to build a high functioning, strong hospital and medical staff relationship.

As the relationship between hospitals and physicians evolves, it is more important than ever for hospital boards to have a strong, trustful relationship with the medical staff. While the financial relationship between hospitals and physicians is differs between organizations, there are many challenges related to hospital/medical staff relationships that arise in hospitals of all types and sizes.

First, hospitals and physicians simply have different financial needs and financial pressures. These pressures can result in split interests, and a sense of disconnection. It's important for board members to understand how those financial pressures differ, as well as where they converge.

Second, hospitals and physicians don't always share the same mission, values and vision. The hospital's mission and vision is typically much broader and more community health improvement centered, while physicians' mission is more narrowly focused on individual patients and practice development. This is an area that is growing in alignment as hospitals and physicians increasingly collaborate together, but there is much room for improvement.

Finally, like everything that happens in the hospital/medical staff relationship, board inattention to the importance of building a culture of collaboration, cooperation and the pursuit of opportunities with mutual self-interest can contribute to the development of problems that may remain below the administrative and governance radar screen.

The hospital/medical staff relationship should be a trusting partnership, where both the medical staff and the hospital's executives and governing board work closely together to provide consistently high quality, safe care for patients. Unfortunately, there is too often a "division" between hospitals and their medical staff, a sense of "us" vs. "them" in many areas critical to the hospital's success in achieving its mission and vision.

What Alignment Creates

Alignment between the hospital and the medical staff creates a number of positive outcomes that are vital to success in meeting the needs of patients and the community. Once effective alignment occurs, it creates strong and meaningful participation, collaboration and mutual benefits for both the hospital and its medical staff. It encourages a sense of empowered and interdependent interaction at multiple levels through which both the hospital and the medical staff can build teamwork and align their understanding and solutions to common challenges.

In addition, it creates the capacity to form an agreement around a common commitment and a common strategic direction for achieving common objectives. And finally, alignment creates an atmosphere for the potential development of meaningful, value-driven economic integration that meets the needs of both the hospital and its physicians.

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There's Much at Stake

There's much at stake in the enhancement and success of the hospital/physician relationship. In order for the hospital to be successful in achieving its mission and vision, it must be successful in ensuring that it's able to offer the most appropriate and needed services with high quality and safety.

Patient loyalty is a critical component in sustainable service success. That loyalty is driven by the patient's sense that the hospital and its physicians are working together in a coordinated way to ensure that their health care needs are met.

Patient loyalty and service success drive the hospital and its physicians' market reputation as collaborative health care leaders committed to a common purpose, and united in their drive for quality, safety and patient satisfaction.

And clearly, the community will benefit significantly more when hospitals and their medical staffs understand the community's most critical health care needs and perceptions, and put their collective shoulders behind unified solutions designed to deliver the highest level of community benefit possible.

All of this - success and service delivery, building and sustaining patient and community loyalty, building an unassailable market reputation, and delivering a level of benefit the community wants and deserves - result in the greatest opportunity to build sustainable financial strength that will fuel the growth and relationships of the future.

Health Care Transformation Makes Hospital/ Medical Staff Alignment an Imperative

One of the most frequent criticisms of the nation's health system has been its fragmented, fee-for-service structure. Critics have long argued that this structure encourages providing a greater volume of services over focusing on services that provide superior quality and outcomes and/or reduce costs.

A 2008 Commmonwealth Fund study conducted by Harris Interactive asked patients about their care experiences, views of the U.S. health care system, and ways to improve patient care. The most important things patients said they wanted to see change include:[24]

- Better coordinated care, with one place or doctor responsible for their care;
- Easy access to medical records for both patients and providers; and
- Information about the quality and cost of care.

Accountable care organizations (ACOs), patient-centered medical homes (PCMHs), value-based purchasing (VBP), and bundled payments are being recognized as delivery systems and reimbursement models that may be able to give patients what they want. In response, the number of mergers, acquisitions and other partnerships among hospitals, health systems and physicians have increased significantly in the past couple of years.

But success requires close hospital and medical staff alignment. Alignment between the hospital and its medical staff ensures strong collaboration, and encourages empowered, interdependent and trustful interaction between the two groups. Nurturing a trust-based hospital/medical staff relationship will help to ensure the hospital's ability to respond most effectively to reform issues and challenges.

True Physician Integration. Whether hospital leaders are considering an ACO or simply preparing for payment incentives that are based on patient outcomes, strong hospital/physician relationships are essential. Health care transformation encourages more than hospitals and physicians cooperating to care for patients. It requires hospitals and physicians to provide integrated care - care that is coordinated, uses seamless technology, and involves providers across the spectrum working together to care for each patient as an entire "episode of care."

This is a necessary shift in thinking for many health care leaders. Hospital trustees and leaders should be preparing for that shift now, working jointly with their medical staff and other providers in the community to develop shared solutions and

A Common Foundation and Understanding

Trust and alignment between the board, the hospital and the medical staff requires a foundation of collaboration, communication, common objectives and mutual dependence. Do the hospital and its medical staff have:

- A shared foundation of trust?
- Physicians involved in leadership?
- Clearly defined economic benefit for all parties?
- A shared commitment to meeting community needs?

forge partnerships that will provide better care and prepare all health care providers for a successful future.

Preparing the Hospital for Increased Care Coordination. Strong hospital/medical staff alignment will be critical to success in the more integrated world envisioned under health care transformation. Trustees should consider the following questions:

- How well aligned is the hospital and its medical staff?
- Are physicians meaningfully involved in hospital decisions that impact patient care and physician practices?
- How vibrant are physicians' voices in the hospital's strategic thinking and planning processes?
- Does the hospital work closely with the medical staff and other providers in the community to develop shared solutions and forge new partnerships that will be mutually beneficial in this new era of coordinated care?

The Goal: A Tight and Trusting Relationship

Without a strong, robust, trustful relationship based on mutual needs and expectations, the medical staff and hospital will not be fully aligned, and the quality, efficiency and effectiveness of care may be affected. Both must see the arrangement as a partnership with equal give-and-take, and listen openly to the other's ideas and needs. With a strong, vibrant relationship, quality care is provided to patients, preserving services and improving patient loyalty and market share. This helps hospitals build financial strength and improves workforce morale.

A Hospital Where Physicians Would Send Their Family. The ultimate achievement is creating a hospital that physicians are loyal to, a hospital where they would send their own families for care without hesitation. How is this done? According to a survey by Press Ganey Associates Inc., the best ways to promote physician loyalty are to improve ease of practice, improve quality of care and stay adaptable.

- *Improve Ease of Practice.* What will make a staff physician loyal? Making their job easier. How can you do that? Make sure they have the tools they need— the services, the equipment and the personnel they need to effectively do their job.
- *Improve Quality of Care.* Physicians are genuinely concerned with quality of care. When they see high quality of care, they are more likely to recommend the hospital to their patients. It is important that physicians see the leadership's commitment to quality of care. This leads to physician loyalty to the leadership, and to the hospital itself.
- *Stay Adaptable.* When physicians perceive that the facility's leaders are adaptable to the health care environment, they become more loyal.

Hospitalists Increasing Dramatically

According to an American Hospital Association survey, extrapolated with data from the Society of Hospital Medicine's own survey through 2014, hospitalists are growing dramatically. Hospitalists, or physicians focused on the sole purpose of inpatient care, are playing an increasing role in quality through readmission prevention, infection control, electronic health record use, improve patient experience scores, and more. Study findings include:[25]

- The number of U.S. hospitalists has increased from 100 in 1996, to 11,000 in 2003, to 44,000 in 2014.
- The percentage of hospitals using hospitalists grew from 29% in 2003, to 50% in 2007, to 72% in 2014.
- Hospitalist pay has increased 12.2% from 2010 to 2014.
- Hospitalists are not just employed by hospitals anymore—they are also employed by skilled nursing facilities, rehab units, long-term care, and more. About 2 in 5 work for medical groups or private clinics.

A Shared Mission: It's All About Quality

Both hospitals and physicians place a high importance on quality of care. Unfortunately, when the two are misaligned, quality may suffer—an unacceptable trend in today's environment.

When physicians and hospital leaders work together an environment of higher quality of care is created. Increased efficiency results, imaging and testing services are used more appropriately, and therapies are prescribed more carefully. Positive outcomes also may include a reduction in medication errors, better use of services, (such as outpatient services instead of inpatient), use of disease management programs and improvements in end-of-life care.

A quality project undertaken by the Centers for Medicare and Medicaid Services (CMS) demonstrates the potential quality of care improvement when the hospital and medical staff are aligned. Between 1991 and 1996, a CMS demonstration project tested the effectiveness of gainsharing. Gainsharing is a

payment arrangement aligning physician incentives with that of the hospital. Four hospitals agreed to accept a global rate covering Medicare Parts A and B for patients having a coronary artery bypass graft (CABG). Two of the hospitals chose to implement a gainsharing program.

These hospitals found cost reductions in intensive care, laboratory, routine nursing and pharmacy services costs. Not only were costs reduced, but operating room procedures, intensive care unit stays, and post-ICU stays were all reduced and patients had better outcomes overall.[7] Participating hospitals determined that "aligning surgeons' goals with hospital incentives to reduce costs was absolutely critical in changing practice patterns and improving department efficiency."[8]

When medical staffs and hospitals are aligned, medical errors are reduced, patients have better outcomes, efficiency is improved and overall quality of care improves. Increased cooperation between the hospitals and physicians leads to better patient care and improved satisfaction. This common mission should drive alignment initiatives.

Causes of Misalignment

The differences in the drivers and mindsets of physicians, administrators and trustees are often significant. But the facts of professional training, experience, needs and expectations must be taken into account as alignment strategies are developed.

Think for a moment about the environment in which physicians do their jobs, and the environment in which administrators and board members carry out their responsibilities.

Differences in Perspective. Physicians are trained to react quickly and provide evidence-based diagnoses and treatments. In many cases they're expected to have an immediate response and make rapid decisions under her intense time and emotional pressure. In addition, they work autonomously and independently as advocates for individual patients in their care. They identify primarily with others in their profession, and by nature think, plan and act independently.

Now think about administrators and boards of trustees. Their perspectives and mindsets are almost opposite. They're long-term planners and thinkers who engage in broad group discussions about organizational issues that may not be decided for weeks, months or years. They're individuals who delegate much of their work to others and collaborate with broad range of constituents and stakeholders. And rather than focusing on individual patients, they have a fiduciary responsibility to meet the needs of the broad community in both clinical and non-clinical ways. Rather than relying on their independence, they instead value an ethic of interdependence on one another for consensus-based thinking and decision-making.

"Physicians are not different creatures. Physicians do have a very different kind of pressure on them, though. It's hard for most of us to really imagine the decisions and judgments that physicians have to make every single day. I'm not sure we realize how difficult physicians' jobs are or how personally driven they are to do their jobs right."

-Richard deFilippi, a Cambridge Health Alliance trustee, Massachusetts Hospital Association board member and past chair of the American Hospital Association board of trustees

Besides the differences in the drivers and mindsets of physicians, administrators and trustees, several factors can disrupt the hospital/physician relationship, including a lack of consistent and meaningful physician involvement in hospital decision making; governance and leadership in attention to the current and emerging challenges that physicians face in building their practices; taking a dangerous "generic" view of the medical staff as a cohesive and like-minded group, rather than recognizing and understanding the real challenges, issues and needs of individual physicians and practices; and finding themselves in a situation where the hospital and its physicians compete in the service arena rather than collaborate in ways that add strength and value to their respective missions and visions.

Noblis studied the root causes of hospital/physician misalignment. Formerly known as Mitretek Healthcare, Noblis is a nonprofit science, technology and strategy organization that helps clients solve complex systems, process and infrastructure problems.

Noblis' electronic survey targeted 3,000 Society for Healthcare Strategy and Market Development members, and was completed by 362 individuals. In addition, more than 60 phone interviews were completed. One member, Richard deFilippi, a Cambridge Health Alliance trustee, Massachusetts Hospital Association board member and past chair of the American Hospital Association board of trustees, characterized the differences between physicians and hospital executives

this way: "Physicians are not different creatures. Physicians do have a very different kind of pressure on them, though. It's hard for most of us to really imagine the decisions and judgments that physicians have to make every single day. I'm not sure we realize how difficult physicians' jobs are or how personally driven they are to do their jobs right."

Similarly, physicians and executives have different expectations in relation to time. According to Dr. Joseph Bujak, Vice President of Medical Affairs for Kootenai Medical Center in Idaho and a leading health care consultant, perceptions of time can create a division between physicians and hospital leaders. The definition of "now" is different to a physician than it is to an executive. For example, a member of the medical staff may tell an administrator that he needs new surgical equipment "now" and the administrator may agree to purchase the equipment, but it may not be purchased until the next budget cycle, which is "now" to the executive. These varying expectations can create frustration for physicians and lead to anger or distrust.

Poor Communication. Communication problems can also contribute to misalignment and are often due to cultural divisions and false assumptions between physicians and executives. Dr. Bujak states that physicians have an "expert" culture while hospitals have a "collective or affiliative" culture. In the latter, process is more important and respecting emotions is essential. On the other hand, accomplishing goals and exerting power motivate the physicians working in the expert culture.[10]

Dr. Bujak also lists two specific false assumptions that impact communication, negatively affecting hospital/medical staff relationships:

- *False: The medical staff is organized and structured.* Bujak argues that physicians long for autonomy, but are asked to work as a collective group, making decisions for the organization as a whole. This can cause the group to be reactive and not proactive. It hinders leadership, because when acting collectively, "physicians function as a town hall democracy in which one person gets one vote and majority rules."
- *False: All physicians are alike.* Another false assumption is that all physicians are alike. Bujak believes that there is not enough dialog between the hospital leaders, board members, and physicians, and this creates a hostile environment where money and control becomes the focus.

  Building an organizational culture and dispelling false assumptions will improve communication between hospital leaders and physicians creating a stronger, robust alignment.

Lack of Trust. A lack of trust can directly affect alignment between hospitals and physicians. When physicians become unhappy or disgruntled with their experience with a hospital, they may become competitors.

Although both hospital executives and physicians believe in treating patients with quality care, each may have its own vision as to how to execute that goal.

A lack of trust will only continue to negatively affect relationships between hospital leaders and the medical staff. In order to create a meaningful partnership for patient care, both physicians and hospital leaders must move beyond competition to build better relationships and improve alignment.

Lack of Hospital Appreciation of Physicians' Challenges. The changing health care environment continues to strain physicians as they experience a loss of autonomy, high malpractice costs, increased administrative responsibilities, competition, regulatory requirements, and tighter reimbursement. Many board members and executives do not fully understand the difficult economic pressures faced by physicians, or are not aware or educated about these issues. This lack of understanding and support has the potential to alienate physician participation.

The board needs to be willing to listen to and work with physicians in order to provide a positive outcome. It is also important to identify key objectives that affect both the board and physicians, strengthening the working relationship between the two through open communication. Effort must be made to recognize physicians' goals and work to align these with hospital practices in order to encourage the two parties to work together.

But despite differences in mindset and direction, and despite the factors that can disrupt the hospital/physician relationship, one critical, common bond that binds both hospitals and physicians together is the joint commitment to service, quality, patient safety and patient loyalty.

This is the centerpiece of creating meaningful hospital/medical staff alignment. Because while hospitals and physicians may disagree, or find themselves at odds on many things and in many areas, the commitment to providing the right care in the right way at the right time, in the safest manner and with the highest level of quality will always be at the heart of what hospitals and physicians are all about.

Bridging the Gap: Strategies for Success

Dr. Bujak suggests getting rid of the "generic image of physicians." He explains that boards "see doctors as this generic entity and are constantly asking questions conveying this bias. 'Tell me, what do the doctors think?'…What 'he said' suddenly becomes the gospel. The medical staff is not a singular entity, it is pluralistic. Boards…must stop dealing with THE medical staff and start dealing with physicians in subsets."

The question is, how do you do that?

The three strategies described below will help encourage a successful, steadfast relationship between hospitals and their medical staff. They include: 1) involving physicians; 2) understanding physician needs; and 3) creating mutually beneficial collaborative business relationships.

Involve Physicians. One key strategy for success is to involve physicians in hospital leadership. Physician leadership encourages loyalty to the hospital, and physicians have experience and knowledge that is beneficial to leadership.

What does the ideal physician leader look like? According to a roundtable discussion of health care experts, a number of important characteristics describe the ideal physician leader.

The experts discussed the importance of key personality characteristics. Good communication, people skills, honesty and the ability to be straightforward are all vital to gain respect as a leader. For those physician leaders who do not have formal business training, developing business skills through experience and further education can be important to supplement a clinical career. Keep these in mind as you make decisions about physician leaders. Encourage physician leaders, as they can improve physician loyalty and improve relations between the medical staff and the hospital.

Understand the Needs of Physicians. To maintain physician loyalty to the hospital, it is important to understand their needs, demonstrate to physicians the hospital's understanding of the difficulties they face in practicing medicine, and show them what action is being taken to minimize or remove these obstacles. To ensure understanding, it is a good idea to conduct an annual medical staff satisfaction survey. This survey will clarify physicians' opinions about a broad range of issues relating to their practice needs, and their relationship with the hospital.

Create Mutually Beneficial Collaborative Business Relationships. In today's health care environment there are two choices for hospitals and physicians: either compete or collaborate. As Dr. Charles Peck stated in a story in *The Physician Executive*, "Physicians and hospitals collectively suffer from 'mural dyslexia,' characterized by an inability to read the handwriting on the wall. The handwriting is indeed clear."

"Hospitals must collaborate with doctors because the most expensive piece of medical technology is the physician's pen. In turn doctors must collaborate with someone, and the hospital remains the natural partner." Creating mutually beneficial collaborative business relationships can lead to a robust, successful alignment and increase financial success.

Joint ventures are growing in popularity because they benefit both hospitals and physicians. Collaborative business relationships provide both defensive and offensive solutions, as hospitals want to continue to protect their existing market share and grow. It also allows them to have better control of the market while improving patient satisfaction and efficiency.

Steps to Build Alignment

Consider the five essentials below to help build a strong, sustainable relationship with the medical staff. When these five elements are embedded in the relationship, physician and hospital allies will be created.

1. *Trust.* Trust is an essential part of any successful relationship and is critical for building successful, lasting relationships. Without trust, doubt, uncertainty and reservations will ruin any potential for alignment. According to an article in the *Journal of Healthcare Management*, "no matter how innovative, equity-oriented, or financially beneficial the physician-health system relationship may be, they will fail in the absence of mutual trust and feelings of shared destiny that are engendered by the environment in which the relationships are forged."

   Physicians and hospital executives must trust one another. Barriers to trust include miscommunication, different backgrounds, and other issues discussed earlier. Renew trust and create an alignment between the hospital and medical staff by understanding the needs of both entities and using a board-driven alignment strategy.

   Specific ideas for establishing trust include:

   - Make a clear commitment to support physicians in the turbulent economic and operational challenges they face;
   - Answer commitments with concrete actions to make the hospital a more productive, efficient environment for physicians;

- Include physicians in various stages of planning and budgeting to give them more responsibility for the hospital;
- Respond to physician input about quality and the general practice of medicine at the hospital; and
- Keep the board up-to-date on increasing restrictions and economic challenges that physicians face. Allow opportunities for the medical staff to share these issues with board members directly.

2. *Communication.* When good communication is lacking, misunderstanding occurs. Steps for improving communication include:
   - Make the CEO regularly available to physicians through dedicated time listening to and communicating with members of the medical staff;
   - Create systems that alert physicians of critical issues. Allow the medical staff an opportunity to provide input with the board about these issues before decisions are made;
   - Create means for regular communication with the entire medical staff; and
   - Provide physicians with a forum to provide input into important decisions before they are made.
3. *Voice.* Allow physicians to share their expectations, experiences and ideas in order to encourage a relationship built on trust and communication. Provide physicians with a voice by:
   - Giving physicians adequate representation on the board of directors and on relevant board and hospital committees and subcommittees;
   - Including medical staff leaders at meetings where critical issues are discussed; and
   - Creating a formal program for training physician leaders.
4. *Relationships.* Building positive relationships between physicians and executives is critical. Tips and strategies to improve relationships include:
   - Conduct an assessment of the current relationship and identify strengths and weaknesses that need to be addressed;
   - Provide assistance to help physician groups develop organizational maturity;
   - Improve communication between the hospital, the board and physicians. Include physicians on the board, and in joint planning activities, leadership retreats and social events;
   - Address conflict at the earliest possible stage;
   - Monitor the relationship and look for opportunities to constantly improve it;
   - Host informal social gatherings to promote relationship growth between administrators, board members and medical staff; and
   - Create opportunities for community events where executives, physicians and board members can see first-hand the impact of their joint initiatives.
5. *Connections.* Creating mutually beneficial collaborative businesses will establish a link between physicians and executives. Although creating joint ventures may not be an option for every hospital, there are many other ways to build alliances between the hospital and physicians and create opportunities for success for both.

The Role of the Board: Creating a Culture of Collaboration

Think about the initiatives that hospital boards are pursuing to improve relationships and alignment between the hospital and physicians. What governance leadership is the board providing to ensure constructive relationships? In establishing goals, what is your future vision for hospital/physician relationships?

Create Partners for Progress. As trustees you must work to create partnerships between the medical staff and the hospital. The Center for Healthcare Governance suggests that the board do three things to facilitate a business partnership between hospitals and physicians.

- First, move beyond operational relationships into more physician-based partnerships for system-wide services, governance, accountability and incentives, and continuity of care and care improvement through technology.
- Second, create an environment that encourages physicians to work on business development, quality of care, customer service, simplifying internal systems, staying abreast of business trends and balancing risks and rewards.
- Finally, build an entrepreneurial infrastructure based on collaboration that develops funds for investment, establishes a business strategy, develops new business opportunities, and publishes results. For some

Creating Opportunities for Collaboration
❑ Ask what makes a physician's life more convenient
❑ Invest significant time in building relationships
❑ Engage physicians intellectually
❑ Challenge physicians to advance the institution

organizations creating a business partnership between the hospital and physicians is the best way to align the two and improve relations.

Promote Collaboration. Board members need to be supportive and open-minded about new business ventures and the potential for improving the current business model. There may be many risks involved and trustees should determine if the benefits outweigh the risks. In order to maximize benefits and decrease risks, create hospital collaboration policies and principles. Boards need to advise and consent to the mission, vision and goals, and create an environment of collaboration. All of these should emphasize partnership and acceptance of nontraditional health care models.

The Center for Healthcare Governance encourages collaboration that is supported by the board. "Hospital governing boards will need to take the lead in moving their organizations beyond only seeking excellent relationships with physicians to creating an environment of ongoing market-based collaboration. While proven models and emerging opportunities for these types of collaborations exist, the impetus for them needs to start with the board."[19]

Understanding Needs, Aligning Focus, Building Bridges: A Board-Driven Process

One of the ways to build trust, open up lines of communication, provide physicians with a real voice and build personal relationships is to involve physicians in very meaningful ways in understanding community needs and designing collaborative strategies for meeting those needs.

Accomplishing that requires a board driven process that engages physicians in assessing service area needs, gauging medical staff needs and opportunities, and collaborating on mutual opportunities for community service and community health improvement.

Here's a nine step process for accomplishing these important objectives:

1. *The Market You Serve:* Work with the medical staff to assess your service area. That includes gathering historical market information, developing a demographic profile, with projections for the future, gathering and assimilating local-area market and economic data, assembling readily available information on community health status and risks, and analyzing the payer mix, and potential changes to that mix based on projected market trends.

2. *Medical Staff Resources Today and Tomorrow:* Work with the medical staff to develop a medical staff profile that defines medical staff resources today, and development needs for tomorrow. This part of the process would include an assessment of physicians by specialty, age, clinic affiliation, and other relevant factors; admission trends and volumes, by specialty; and an analysis of turnover and recruitment trends, with an eye toward determining medical staff development needs the future.

3. *The View from the Physician Front Lines:* Secure viewpoints from the physician front lines. You can do this by conducting a medical staff survey of physician viewpoints about the hospital, equipment and support needs and major issues and challenges facing physicians. In addition to a broad medical staff survey, some physician leaders should be interviewed personally to gain their insights about emerging opportunities, areas of physician need and requirements for future medical staff development.

   The medical staff needs assessment can be conducted as an online survey or printed survey (or both), whichever best meets your medical staff's needs. Questions on the survey should be precise and focused, and the survey should be constructed to determine areas of agreement and disagreement in a variety of areas. It should also include several open-ended questions where physicians are invited to express their verbatim views in a variety of important areas.

   Areas you may want to assess in your medical staff needs survey included viewpoints about hospital performance and support, ways to build increased hospital competitiveness, influencers of individual practice success, views about significant community health issues that need to be addressed, patient care issues, hospital strategic development challenges, information about referral patterns and the rationale for those patterns, ideas for service expansion of service improvement, and views about hospital recruitment needs and objectives.

Nine Practical Steps to Understanding Physician Challenges and Building Alignment	
The following nine steps describe a plan to gain understanding of the challenges and needs of physicians and the community and how to create a plan to improve alignment between medical staff and the hospital.	
1	Develop a service area analysis. Research the payer mix, economic data and gather historical market and community health information in order to paint a picture of the needs of the community.
2	Profile the medical staff, examining hospital admissions and turnover and recruitment trends, listing physicians, by specialty type, age and clinic affiliation. This step will reveal how to create the right balance within the medical staff.
3	Survey and interview the medical staff to determine how to keep current staff loyal and motivated to provide great care for patients.
4	Interview trustees and hospital administrative staff to understand their view of medical staff needs for the hospital.
5	Examine trends in discharges and market share trends by major diagnostic code and zip code to understand market trends like outmigration.
6	Survey the community, examining viewpoints about physicians and the hospital, health risks and barriers to care in order to understand the needs of residents in the area.
7	Identify "gaps" in the medical staff, like emerging staff shortages, while involving physicians in planning to create a common mission and vision.
8	Create a medical staff/community needs summary report, summarizing the needs of the community and medical staff and incorporating the mission and vision of the hospital, projecting the staff needs and opportunities, and recognizing the factors needed for success will facilitate collaboration on opportunities.
9	Present results to the board, medical staff, management and others so they can understand and learn what is needed to improve alignment and build the best hospital to serve the community.

4. *Expanding the View: Additional Perspectives:* Other personal interviews should also be conducted as part of the strategic assessment, including interviews with the hospital's administrative staff and trustees. These interviews should be used to compare and contrast non-physician leadership ideas and viewpoints with those of the medical staff to determine areas of concurrence and areas of divergence.

5. *Where Do They Go, and Why?* Develop an analysis of patient outmigration trends. Outmigration should be determined by measuring discharges from various hospitals of residents of zip codes in the primary and secondary service areas. It should define the hospital's market share by major diagnostic category, or by DRG.

6. *What Are the Needs? Making the Community Connection:* Conduct an assessment of perceptions about community health needs. This involves surveying residents' viewpoints about physicians and the hospital, community satisfaction with available health resources, an assessment of health risks, barriers to access to care, and perceptions about unmet health care needs. It should result in a projection of both current and future needs that will provide clear insights into service expansion opportunities and medical staff development needs.

7. *Identify the Evidence-Based Medical Staff Gaps:* At this point in the process you'll have the evidence you need to define any gaps between medical staff needs and medical staff supply. Your physicians will have been intimately involved in the strategic assessment process, and should be fully engaged in helping to design solutions and recommendations to fill the emerging gaps.

   At this point you'll also begin to engage physicians in identifying ideas for joint hospital/physician planning to meet emerging needs, and you'll begin to come to a consensus around a common mission and vision for moving forward.

8. *Collaborate on Opportunities:* Once all this work has been completed you'll be in a position to develop a report that will summarize your process and findings to-date. The report would likely include the mission and vision, and relevant elements from the hospital's strategic plan that relate to process findings. In addition, it would include a projection of future medical staff development needs and opportunities, critical factors in ensuring alignment success moving forward, and joint recommendations to the board of trustees from medical staff leaders, administrative team members, trustees and others who worked together in the process.

9. *Come to a Consensus:* And finally, with a properly prepared and well-executed process will come a consensus that will be evident in the report that is presented to the board of trustees, the medical staff, the management team and others whose understanding and buy in to the process is critical.

Action Agenda

Real, effective alignment will not occur without strong leadership from the board. Here are some ideas for putting the power of governance to work:

- Have a focused discussion about the state of alignment at your hospital - your risks, needs and opportunities;
- Ask what initiatives are being pursued right now to improve hospital/physician relationships and alignment;
- Assess the scope and value of the specific government's leadership your board is providing to ensure constructive hospital/physician relationships;
- Conduct a thorough, evidence-based, physician-centered community needs assessment; and
- Make hospital/medical staff alignment a strategic board priority, and back it with the appropriate resources.

Conclusion

In the final analysis, trust between the hospital and the medical staff will be built on a foundation of collaboration, communication, common objectives and mutual dependence. Nurturing a trust-based hospital/medical staff relationship will help to ensure the hospital's ability to respond effectively to future issues and challenges.

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