

# Trustee Insights

## PHYSICIAN ENGAGEMENT



## A Governance Model to Get Physicians on Board

### Creating a healthier work environment

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**T**he environment of today's practicing physician probably has little in common with the idyllic patient-focused practice that many physicians may have envisioned in medical school or enjoyed early in their careers. Today there's cumbersome technology. Too much admin-

istrative work. A volatile regulatory environment. New compensation models. And the latest challenge: the impact of COVID-19.

No wonder many physicians are becoming disengaged, experiencing burnout and planning to retire early.

According to [Medical Economics'](#) [third annual survey](#) on physician burnout and wellness, published September 2021, four out of five physicians say they are burned out. Before the pandemic, seven out of 10 physician respondents to a [2018 survey](#) conducted by The Doctors Company said they would not recom-

mend the medical profession to their children or other family members, and more than half of respondents planned to retire within five years.

To paraphrase a colleague, today's physicians are often practicing alone together.

### The Culture Challenge for Hospitals and Health Systems

Burnout and disengagement present a challenge not only for physicians but also for the hospitals and health systems that are increasingly employing them. A poor work culture can have significant consequences on financial and operational performance.

Prevailing employment models that strip physicians of decision-making influence held by their independent counterparts contribute to disengagement. Physicians who are part of independent practices are more involved in strategic, financial and operational decision-making, which drives their engagement and, in turn, practice performance.

Employed physicians need similar input into decision-making so they have "skin in the game." Physicians should be willing and equipped to take ownership of decisions so they can become partners with health care leadership in setting targets and achieving goals. Physicians should and want to have a sense of pride in performance.

Hospitals and health systems, then, are tasked with creating a

healthier culture within their medical groups to reduce burnout, improve engagement and cultivate a partnership with their physicians.

### Creating a Governance Structure: Case Example from Providence

To be sure, there are many models that will facilitate engagement and buy-in with employed physicians.

One of them is the medical group governance model used by Providence, a not-for-profit Catholic health system with 52 hospitals across seven states and headquarters in Renton, Washington, and Irvine, California. With nearly 8,000 employed and affiliated physicians, Providence Physician Enterprise is the vertically integrated business unit of Providence that oversees physician practices. It is ready-made for a structure that gives unity of voice to its practicing physicians and also provides cohesion between medical groups and system leadership.

One approach that Providence has found to be effective is a governance structure at regional and system levels that is dedicated solely to physician interests and activities. This medical board structure provides a channel of communication from those on the front lines of care to regional leadership and on to system-level leadership; this structure acts as a mechanism for governing the business side of the medical groups across the system.

Such a governance structure is not unique to Providence medical groups. But Providence employs strategies that provide a greater potential to deliver measurable results.

### Granting Decision-Making Authority

Within Providence, medical group governing boards are more than advisory boards: They are composed of practicing physicians and administrators who hold decision-making authority — fiduciary or delegated — over matters that pertain directly to physicians. This authority helps to seal physician interest in organizational goals and direction. Without such authority, physicians may not fully engage in organizational goals and strategy.

When taking on major initiatives, such as risk-based contracting, hos-

would normally have. By embracing a venue for developing greater interaction with physicians, health care leaders can achieve a better understanding of what is important to physicians, such as their perspectives on quality expectations, organizational strategies and opportunities for growth.

Physicians will be much more engaged with an organization if they have a level of control over their own future, which a governing board can offer. They become partners in oversight of the business side of the medical practice, taking ownership of those decisions they held a part in making.

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pitals and health systems need physician buy-in and support. Physicians want to and should have input on what quality metrics are being considered in the contract. Likewise, physicians want a say in the design of their compensation and benefits programs. If patients want improved access to clinical appointments, physician input should be cultivated and used to inform decision-making on that patient experience.

A formal governance structure that grants physicians such decision-making authority can drive engagement to a level that's far beyond what employed physicians

### Medial Group Governance in Action

The Providence Physician Enterprise is a prime example of how a formal medical group governance structure can promote a healthy culture, resulting in improved engagement and better performance.

In March 2020, Providence launched a system-level medical group governing board "intent on creating greater synergy among our physicians and the medical groups across the system by developing a more coherent, unifying physician governance structure." The board is composed of 20 members and includes at least one member from each of Providence's regions. Ten of the members are practicing physicians; one is an advanced practice clinician.

In its first months of existence, the Providence Medical Group Board was instrumental in helping

craft and endorse the Physician Enterprise's response and recovery plans during the COVID-19 pandemic. The board guides planning and policy at the system level, and members act as ambassadors and advocates within their regions and across the provider culture.

Practices in Providence regions that historically have used such a structure have performed better, based on quality outcomes, provider engagement surveys and financial indicators, than practices in regions where there has been no such structure.

In California, where the corporate practice of medicine doctrine prohibits physician employment by corporations, Providence medical groups, totaling almost 3,000 providers, had their own fiduciary governing boards, as required by law, prior to becoming affiliated with Providence.

The fractured structure of these individual medical group governing boards resulted in a lack of synergy in strategy with the overall health system. As the Providence Physician Enterprise grew, it became more challenging for the "voices" of these individual medical groups to be heard. Fiduciary responsibility for some of the medical group boards rested with the health system board, which was not well tuned to local needs or opportunities. Variation in administrative and management systems and processes resulted in inefficiencies and suboptimal performance.

In 2019, Providence created a regional-level governing board that acts as a representative or mirror board to the existing California medical boards. (The same members hold seats on the regional

medical group board and individual boards.) Called the California Medical Foundations Board, the new regional-level board consists of about 20 members; 50% are practicing physicians, and 50% are administrators.

The California medical groups are now among Providence's highest-performing groups in key performance indicators, including:

- Provider engagement
- Caregiver (nonclinical) engagement
- Quality outcomes
- Patient experience
- Financial indicators (e.g.,

productivity, profit and loss, and value-based care performance)

## Overall Governance Strategy

The California Medical Foundations Board reports to the newly created system-level medical group governing board, which presides under Providence's corporate governing board.

In general, the role of the medical group governing board is to:

- Provide medical group influence and input into the system's integrated strategic and financial plan.
- Develop broad physician strategy relating to value-based readiness.
- Provide direction on shared services, such as technology.
- Provide strategic input into contracting.
- Support and monitor system-wide quality and performance goals.
- Explore new vehicles for physician retirement, benefits and investment in their practices.

Additionally, Providence is creating a medical group governance

board for each region. The composition of these boards will be 50% administrators and 50% providers, including primary and specialty care physicians and advanced practice clinicians — another key element of Providence's governance strategy. Populating the boards with advanced practice clinicians reflects a recognition of the movement toward team-based care.

These regional boards will serve to unify provider voices on priorities for the region and across the system and offer insight and perspective on vision and strategic direction. The boards will have delegated authority in specific areas, such as physician engagement and recruitment/retention strategies, transition to value-based care, and informatics design.

## Fostering Peace of Mind

Creating a healthier culture for medical groups through a governance structure facilitates the development of a true health system with integrated strategies and shared goals, rather than a fragmented hospital system.

Of course, there is a certain amount of risk in delegating decision-making authority. The risk of not doing so, however, is greater. Physicians and other providers who are neither included in nor support organizational strategy will not be accountable to it; that detachment can be detrimental to the well-being of the health system.

Implementing a medical group governance structure fosters a partnership between leadership and practicing physicians that ultimately drives better performance in key

performance indicators tracked by leadership and payers.

But it's not just about the business case. Health care leaders can no longer ignore the stressful environment in which physicians work. Physicians must be treated as the valued contributors they are to the overall health — quality and financial — of the organization.

A governance structure needn't be the only tool that hospitals and health systems use to address

physician disenfranchisement. It is an approach that should at least be considered. The Providence experience is proof that when designed and applied effectively, medical group governance can create a more results-driven, productive partnership between health care leaders and practicing physicians.

Equally importantly, in times of transition and unease, such a governance structure will provide peace of mind for your physicians.

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