Speaking the Language of the C-Suite: From the CEO Perspective

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Objectives

- Understand how and why C-suite and medical staff approach their work differently and why it leads to conflict
- Discuss the new skill sets needed for physicians to successfully take on administrative roles
- Highlight how the future may look for the Physician Advisor

Physicians View of CEOs?

How CEOs May See Physicians

Perceptions

I care about quality of patient care, he/she only cares about money.

Which one said this of the other?

CEO or Physician?

Physicians and CEOs Have Ingrained Differences

Differences arise from:

- Education
- Career Paths
- Organizational Perspectives
- Fields Attract Different Personalities

http://cph.uiowa.edu/ruralhealthvalue/insights/Presentations/MacKinney%20-%20Physician%20Allies A. Clinton MacKinney, MD, MS Accessed March 3, 2014

Different Lenses

Physician

- Doer
- Solution-oriented
- 1:1 Interaction
- Always "on"
- Decision-maker
- Autonomous
- Patient Advocate
- Professional Identification
- Immediate Gratification

http://cph.uiowa.edu/ruralhealthvalue/insights/Presentations/MacKinney%20-%20Physician%20Allies A. Clinton MacKinney, MD, MS Accessed March 3, 2014

CEO

- Planner/Designer
- Process-oriented (Reduce Variation)
- 1:Many Interaction
- Some down-time (changing)
- Delegator
- Collaborative
- Organization Advocate
- Organizational Identification
- Delayed Gratification

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Friction from Changing Environment Factors

Physician Environmental Pressures

Just to name a few:

- Declining Revenues for Hospitals and Physicians
- Physician – Hospital Competition for Same Services
- Keeping up with Technology
- More Rules to Follow that Require Cooperation
  - EMRs
  - Billing Audits
  - Meaningful Use
  - ICD 10

Physician Environmental Pressures

- Affordable Care Act
- Increasing Physician Employment
- Physician Shortage
- Power Shifting to Institutions
  - Physicians Threatened at Deep Emotional Level
  - Worried about the future of patient care
  - Will physicians just be shift workers dependent on the Electronic Medical Record to know patients?

http://www.modernhealthcare.com/article/20130713/MAGAZINE/307139995 Win the Battle, Lose the War, Sean K. Murphy Accessed 3/3/13 3:20PM

Physician Environmental Pressures

Also Conflict Between Physicians

- Employed verses Independent
- Generational Differences
  - Baby Boomer Physicians value the relationship with patients and independent decision making
  - Younger physicians value balanced life and predictable work schedule
  - All physicians fear administrators in medical decisions . . . This probably includes physician advisors

http://www.modernhealthcare.com/article/20130713/MAGAZINE/307139995 Sean K. Murphy

Physician Environmental Pressures

- Traditionally physicians are very stable and stay in one location
  - New employment opportunities are changing the traditional model
  - AMGA and Cejka Search report more than one-third (36%) of reporting groups expect the pace of retirements to increase in the coming year, compared with 27 percent with that expectation two years ago
  - Highest Turnover in Late and Early Years of Practice
- Up to 70% of physicians across all specialties change jobs within their first two years, and hospitalists are at the top end

http://www.prnewswire.com/news-releases/physician-turnover-hits-new-high-as-housing-and-stock-markets-recover-198826841.html
http://www.todayshospitalist.com/index.php?b=articles_read&cnt=1320
http://www.todayshospitalist.com/index.php?b=articles_read&cnt=1320, Deborah Gesenswa

CEO Environmental Pressures

- Population Health - manage the Entire Continuum Including Physicians
- Uncertain Reimbursement
- Keeping up with Technology
- Move from Volume Driven to Value Driven Reimbursement (but still paid on volume)
- Shift from Departmental Management to Matrix Management
- Manage Multi-generational workforce

Generations in the Workplace Laura Putre 1.1.13 http://www.hhnmag.com/display/HHN-news-article.dhtml?dcrPath=/templatedata/HF_Common/NewsArticle/data/HHN/Magazine/2013/Jan/0113HHN_coverstory Accessed 3.4.14

Personal Observations

- Medical Staff Leadership Conflicts of Interest Difficult to Manage
- Miscommunication
  - CEO-it's just business
  - Physician-it's personal
- Smaller Medical Staffs to Perform the Work
- Full time employed physician leaders becoming more accepted

CEO Stability

Key statistics on CEO turnover and recruitment from a recent Black Book Rankings poll completed by 1,404 healthcare provider organizations' HR officers and board members

- Average hospital CEO tenure is under **3.5 years**
- **56%** of CEO turnovers are involuntary
- When a new CEO is hired, **almost half** of CFOs, COOs and CIOs are fired within nine months
- Within two months of a new CEO appointment, **87%** of CMOs are replaced
- **94%** of new CEOs without healthcare sector experience believe extensive healthcare knowledge is not necessary to replace senior management positions
- **89%** of people involved in the hiring process believe a broad area of business expertise is beneficial in a hospital CEO position
- Most new hospital CEO candidates come from a venture capital/private equity industry background (**42%**), followed by finance and accounting (**40%**), banking (**32%**) and marketing and sales (**19%**).

http://www.beckershospitalreview.com/leadership-management/10-statistics-on-ceo-turnover-recruitment.html
Akanksha Jayanthi12.18.2013 Accessed 3.4.14

What does all this mean?

- More uncertainty than ever
- More change than we have ever encountered in our careers
- The need to work together-including strategic planning

OPPORTUNITY!

Build on Shared Values

- Altruism
- Service
- Enjoy Challenges

http://cph.uiowa.edu/ruralhealthvalue/insights/Presentations/MacKinney%20-%20Physician%20Allies A. Clinton MacKinney, MD, MS Accessed March 3, 2014

Opportunity

- The Current Landscape Creates the Need for a Physician – CEO Middleman
  - Chief Medical Officers
  - Vice Presidents of Medical Affairs
  - Vice Presidents of Resource Management/Physician Advisors

Communication

- First we need interpreters since we do not always speak the same language
- Physician Leaders could bridge the communication gap between physicians and hospitals
- For Example:
  - Physician documents plan of care and notes in patient chart
  - CEO documents organizational plans and minutes of meetings to advance plan
  - Physicians talk about UTI, PTCA, CBC
  - CEOs talk EBITDA, FTEs, Cost per APD
  - Physicians round on patients
  - CEOs round on the organization

What Will Make Physician Leaders Successful?

- Relationship with CEO and C-suite
  - Be proactive in meeting with CEO
  - Provide insight to CEO
  - Provide data driven information
  - Don't take things personally
- Respect from medical staff
  - Viewed as Subject Matter Expert by Medical Staff
- Interpersonal Relationships
- Presence in clinical areas

What Will Make Physician Leaders Successful?

- New hybrid knowledge set - Medical training plus new skill set:
  - Expertise in resource management and quality
  - Understanding of how organizations function e.g. strategy and operational effectiveness
  - Getting things done through others (delegate to hospital staff)
  - Fundamental knowledge of finance
  - How to lead teams

How To Gain Knowledge

- Formal Education (MBA, Leadership Courses)
- Certifications and Associations
  - American College of Physician Advisors
  - American Board of Quality Assurance and Utilization Review Physicians(ABQAURP)
  - Other Professional Groups
  - Executive Groups
  - EXPERIENCE!

Get Support

- Ensure you have the power and know-how to hold staff and physicians accountable
- Know where you reside on the Organization Chart and Committee Structure
- Use both formal and informal power

Did I Mention Patience?

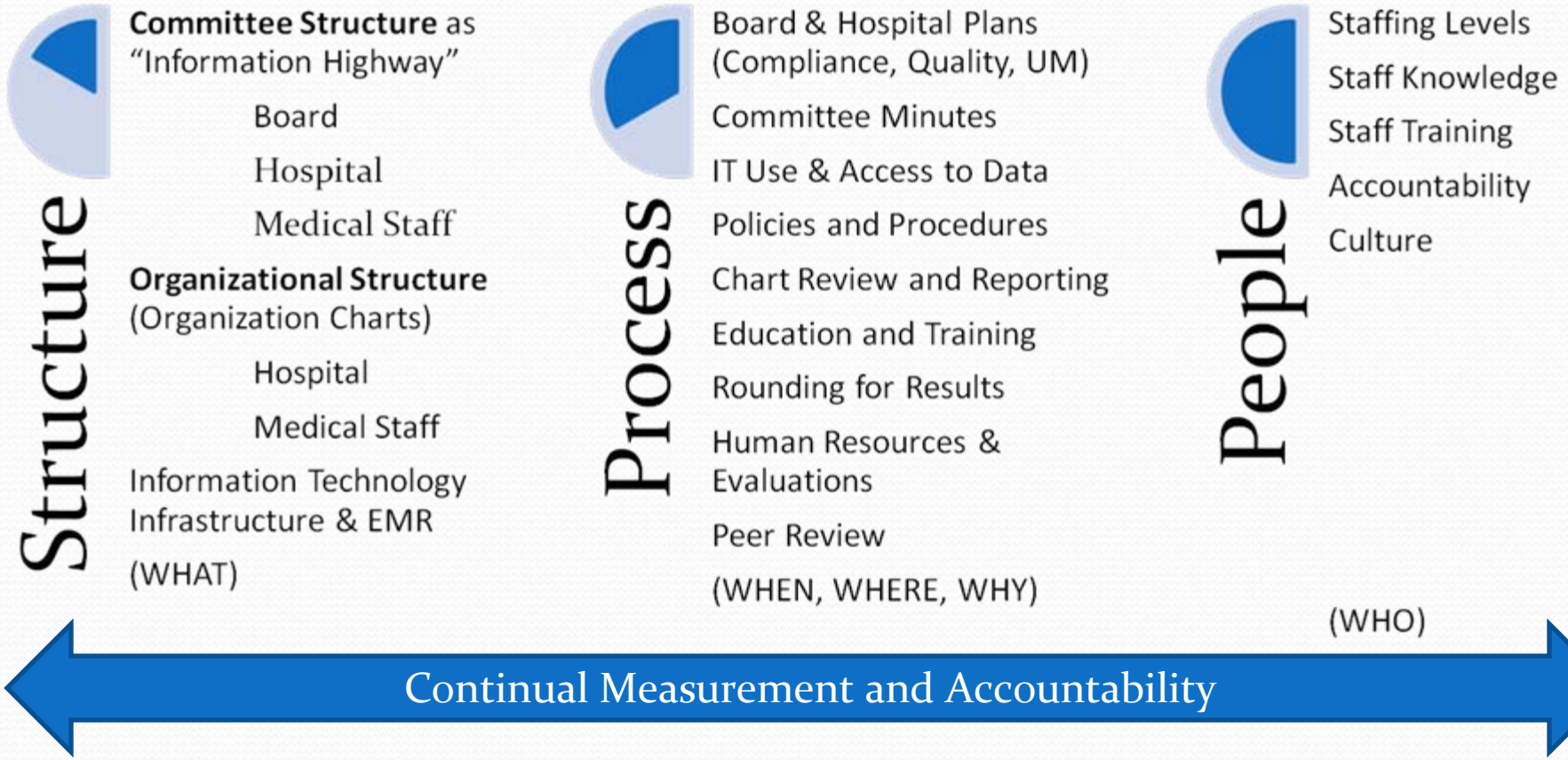
Fundamental Organizational Systems

Must Understand Organizational Building Blocks

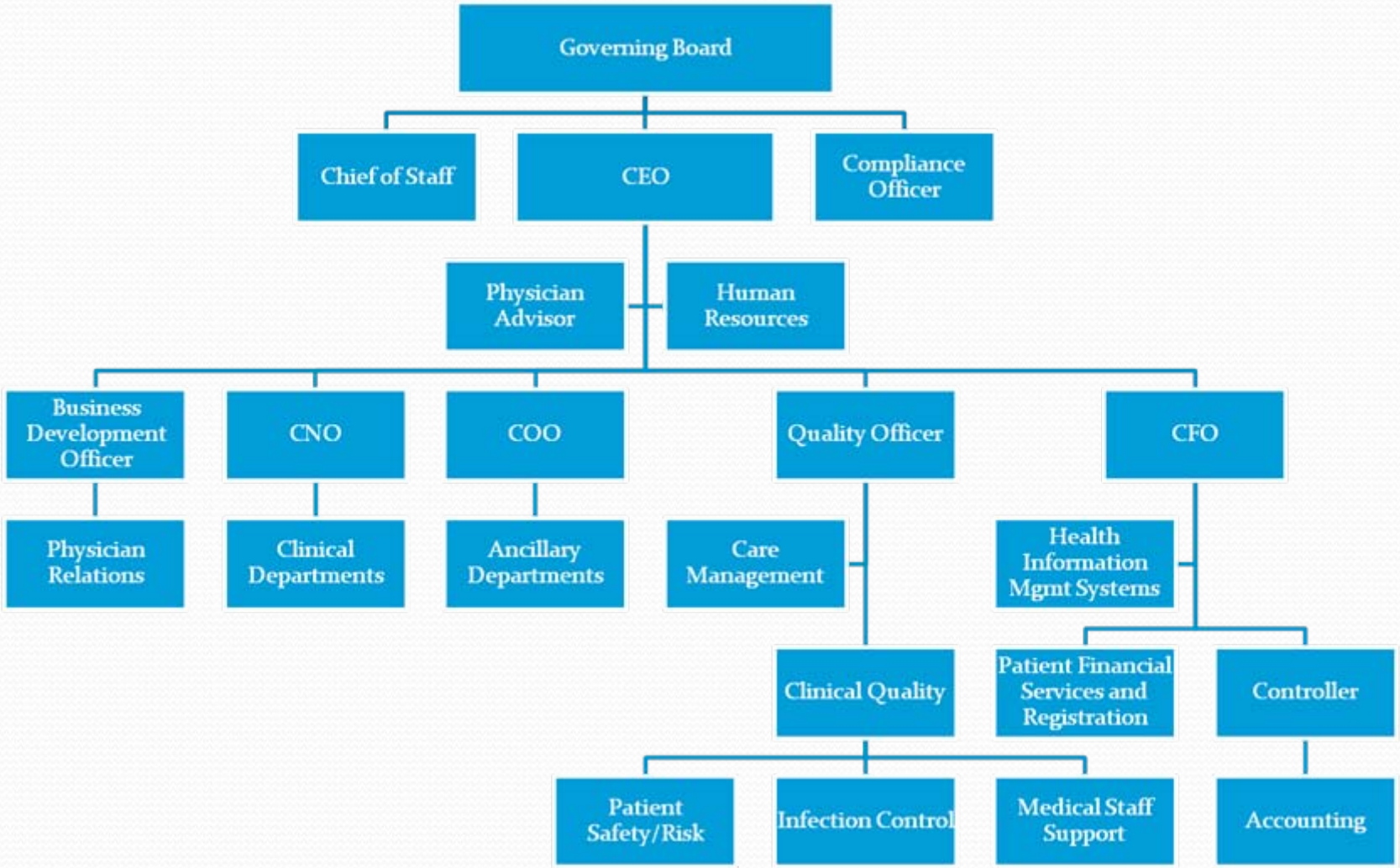
Pop Quiz!

- How do the next set of slides make you feel?

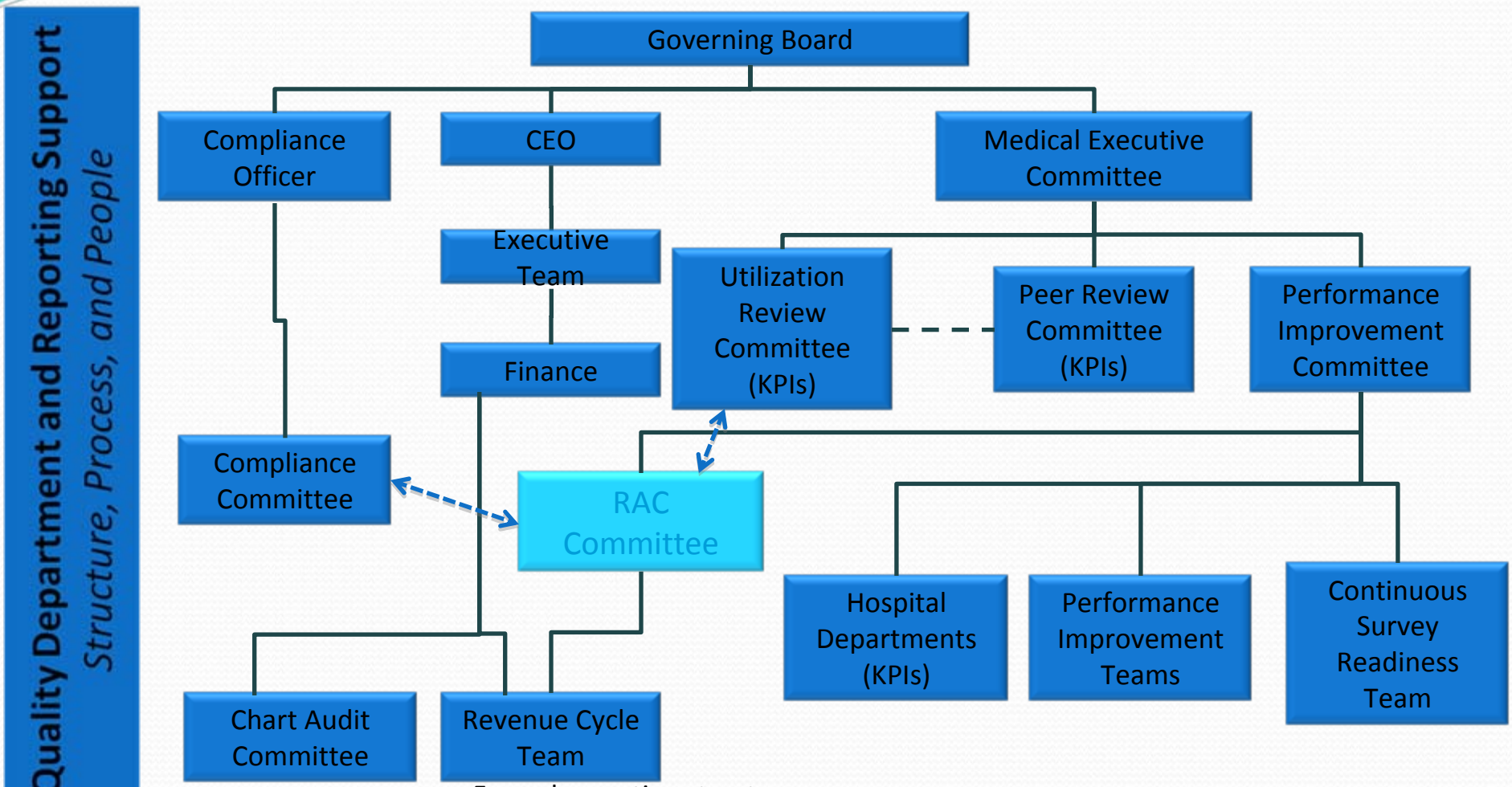
Building Blocks of all Organizational Systems



Traditional Organization Chart



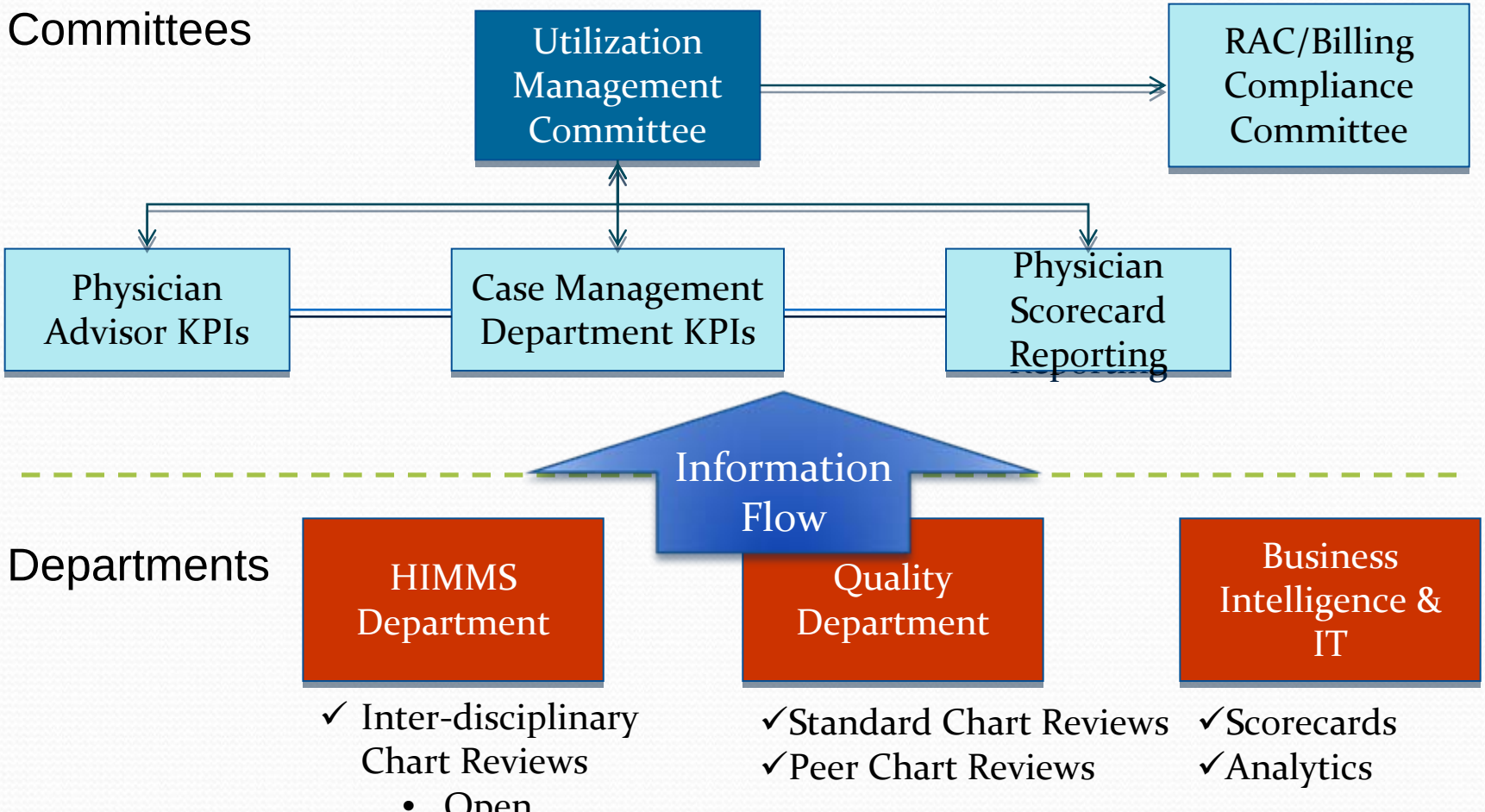
Committee Structure



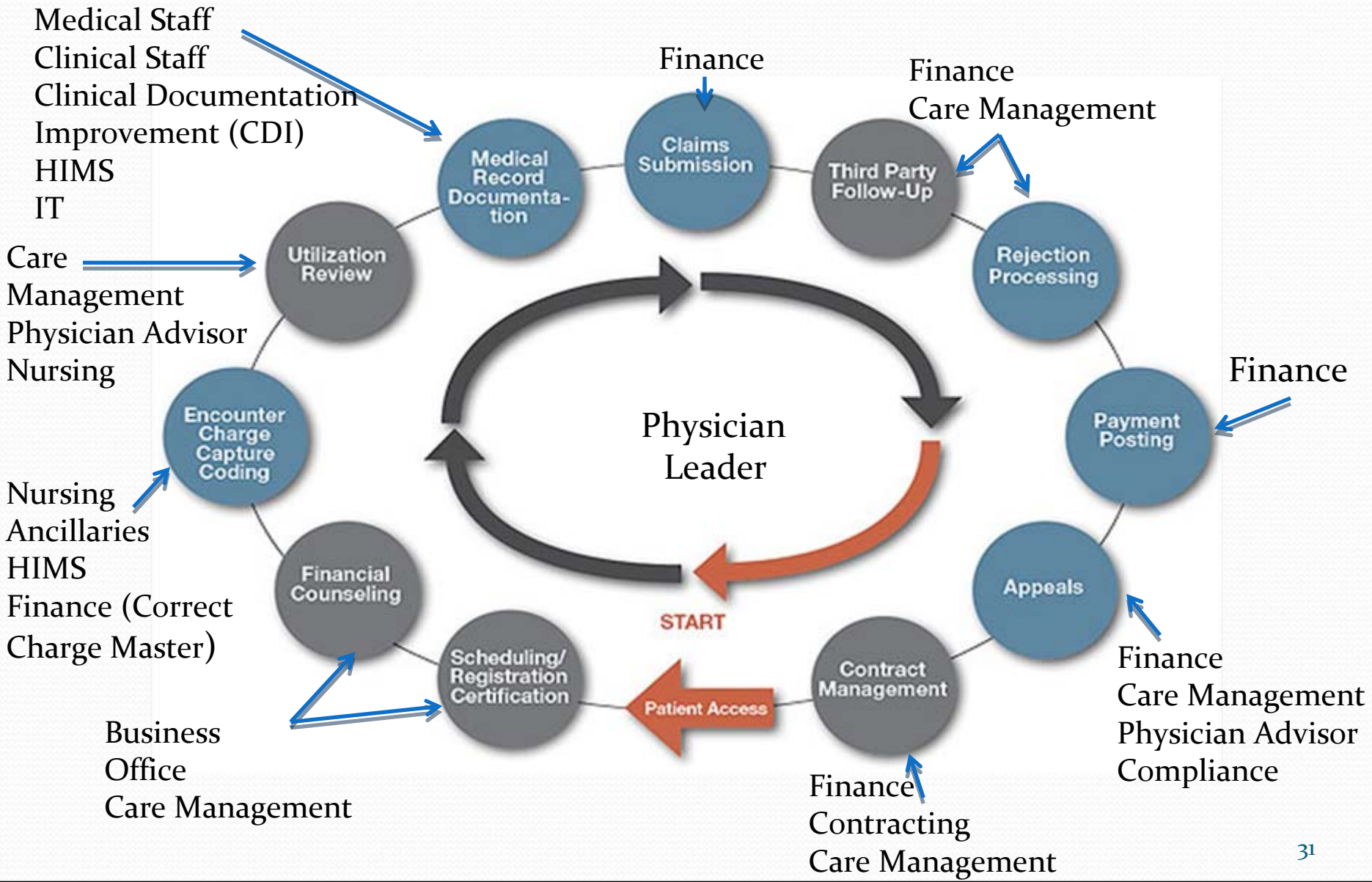
The Power of the Committee

Pearson's Law: "That which is measured improves. That which is measured and reported improves exponentially." - Karl Pearson

Physician Utilization Management Committee



Your Team for Revenue Cycle Integrity



Your New Toolkit

For Herding Groups

Use Agendas to Provide Structure and a System of Accountability for Outcomes

RAC Committee Meeting Agenda

Date: _____ Time/Location: _____

Facilitator: Care Management Director Record Keeper: Administrative Assistant

Majority of Work is Completed Outside of Committee / Purpose: Committee has Oversight and Accountability of Structure, Process and People Related to RAC and Billing Compliance

#	Topic/Action Items	Time Limit (minutes)	Tab	Responsible
1	Call to Order	1		Chair
2	Approve Minutes (distributed via email prior to meeting)	5	A	All
3	Standing Reports 1) Update on RAC/OIG websites/Issues 2) Results of Risk Assessment 3) Actual Recoupment for Quarter 4) Other External Billing Audits in Process 5) Education: a) Staff b) Physicians 6) Chart Review (Variances/Trends) 7) Revenue Cycle (Denials/Bill Holds) Trends	10	B	As assigned
4	Care Management/Physician Advisor Report (Variances) 1) Concurrent Chart Review Findings a) Medical Necessity b) Continued Stay c) Other 2) Physician Issues (Trending Report/No Names) 3) Discharge Appropriateness 4) Code 44 Usage 5) Other issues	10	C	Chair and PA

Use Agendas (cont.)

#	Topic/Action Items	Time Limit (minutes)	Tab	Responsible
6	RAC Correspondence 1) Pre-payment Audits 2) Post Payment Review Results Letters a) Automated Reviews b) Complex Reviews c) Extrapolation 3) Demand Letters 4) Overpayment Amount 5) Reserve Set Up 6) Notification to Compliance/C-Suite	10	E	Revenue Cycle RAC Coordinator
7	Appeals 1) Number of Claims that Meet Criteria for Appeal 2) Number of Actual Appeals 3) Percent Logged into Internal Appeal Tracking Database 4) Report on Active Appeals 5) Report on Appeal Status in Regional RAC Tracking 6) Appeals Requiring CEO Approval for Continuance (Cost/Benefit Analysis)	5	F	Care Management RAC Coordinator
8	New or Old Business	5		All
9	Set time for next meeting	5		Chair
10	Adjourn	1		Chair

Utilization Management Committee (UMC)

Example Utilization Management Committee Meeting Agenda

Date: _____ Time/Location: _____

Chair: Physician

Facilitator: Care Management Director Record Keeper: Administrative Assistant

Majority of Work is Completed Outside of Committee / Purpose: Committee has Oversight and Accountability of Structure, Process and People Related to RAC and Billing Compliance

#	Topic	Time Limit (minutes)	Tab	Responsible
1	Call to Order	1		Chair
2	Approve Minutes (distributed via email prior to meeting)	5	A	All
3	Standard Reports/Scorecard: Admissions/Length of Stay/CMI Top Ten DRG's Focus DRG's Readmissions Avoidable Days Denials One Day Stays Compliance with Two-Midnight Rule Observation Bed Status and Hours Transfer Data for inpatient patient and ED Operative and Invasive Procedure Review PEPPER Report Summary	20	B	All as assigned

UM Agenda (cont.)

#	Topic	Time Limit (minutes)	Tab	Responsible
4	Clinical Protocols Policy Reviews UR PI initiatives RAC Activity and Updates Tracking and Trending of Physician UM Performance issues Referrals to Peer Review	10	E	All
5	Customize to Facility Needs	5	F	All
6	New or Old Business	5		All
7	Set time for next meeting	1		Chair
8	Adjourn	1		Chair

Section of UM Scorecard

Observation Status		
Observation ALOS in hours		
Unit Occupancy Rate		
Percent Discharged Home		
Observation OP Days		
Observation OP Cases		
Observation Cases Converted to IP		
Observation IP conversion %		
Observation Days % of Total Patient Days		
Observation OP Cases % of Admissions		
Discharge Times		
Average DC Time of Day for Medicine		
Average DC Time of Day for Surgery		
DC after 11am %, Medicare		
DC after 11am %, Surgery		
Readmissions within 30 Days		
Total Readmissions (30 days, % of DC)		

scorecard
go to
www.pace
hcc.com

Physician Scorecard Reporting

	Physician Record Key Performance Indicators (All Payor Except Where Indicated)	PHYSICIAN A	ALL OTHER PHYSICIANS	TOTAL CASES HOSPITAL	DEPT OF MEDICINE
RAC READINESS & INPATIENT UTILIZATION REVIEW	# Patient Accounts	419	14,102	14,521	4,364
	Patient Days	1,576	58,283	59,859	18,782
	Case Mix Index	1.0988	1.2908	1.2853	1.1993
	Average Age	77.3	59.3	59.8	78.6
	Denied Days	79	1,515	1,676	526
	% Denied Days	5.0%	2.6%	2.8%	2.8%
	# Deaths	5.5488	205.3056	210.8544	100
	%Mortality	1.3%	1.5%	1.5%	2.3%
	ALOS	5.3	5.9	5.8	6.1
	'GMLOS	3.9	3.7	3.7	4.0
	Pot Excess Days	328	11,633	11,961	4,765
	% Medicare Cases w/ALOS >GMLOS	41%	38%	38%	43%
	'Pot Avoid $ (@$600d cost)	$196,998	$6,979,851	$7,176,848	2,859,058
	# One (1) Day Inpt Stay	57	2,800	2,857	690
	% One (1) Day Inpt Stay	14%	20%	20%	16%
	# Three (3) Day SNF DC (excludes pts from SNF)	7	183	190	84
	% Three (3) Day SNF of all SNF Dispositions	9.5%	11.3%	11.2%	8.7%
	Total Charges	$10,942,721	$398,169,496	$409,112,217	127,182,738
	'Payor Actual PMT Net Rev	$2,512,886	$122,168,902	$124,681,788	32,964,979
	'PMT-DIR COST (CM)	$447,392	$27,181,592	$27,628,984	7,706,187
	# Cases w/Charges >$50K	31	1,628	1,658	492
	% Cases w/Charges >$50K	7.3%	11.5%	11.4%	11.3%

Needs Update for Two Midnight Rule

Administrative "Charting" Minutes

Organization Name

Meeting Name: [Insert Meeting Name]
Date: **[Date]**
Time/Location: **[Time/Location]**
Facilitator: **[Insert Name]**
Recorder/Timekeeper: **[Insert Name]**

Purpose/Name:

Insert names of all committee members. Use an "x" for attendees and leave the box blank for members not at the meeting

Mark X	Possible Attendees	Mark X	Possible Attendees	Mark x	Possible Attendees
	Guest: _____		Guest: _____		Guest: _____

Topic	Discussion	Conclusions/ Recommendations	Responsible	Date
Approval of Minutes				

Pop Quiz Results

If you did not fall out of your seat in a catatonic state, there is hope to bring you over to the dark side . . .

Hospital Administration!

or

You can create a new hybrid leadership style able to operate in both worlds

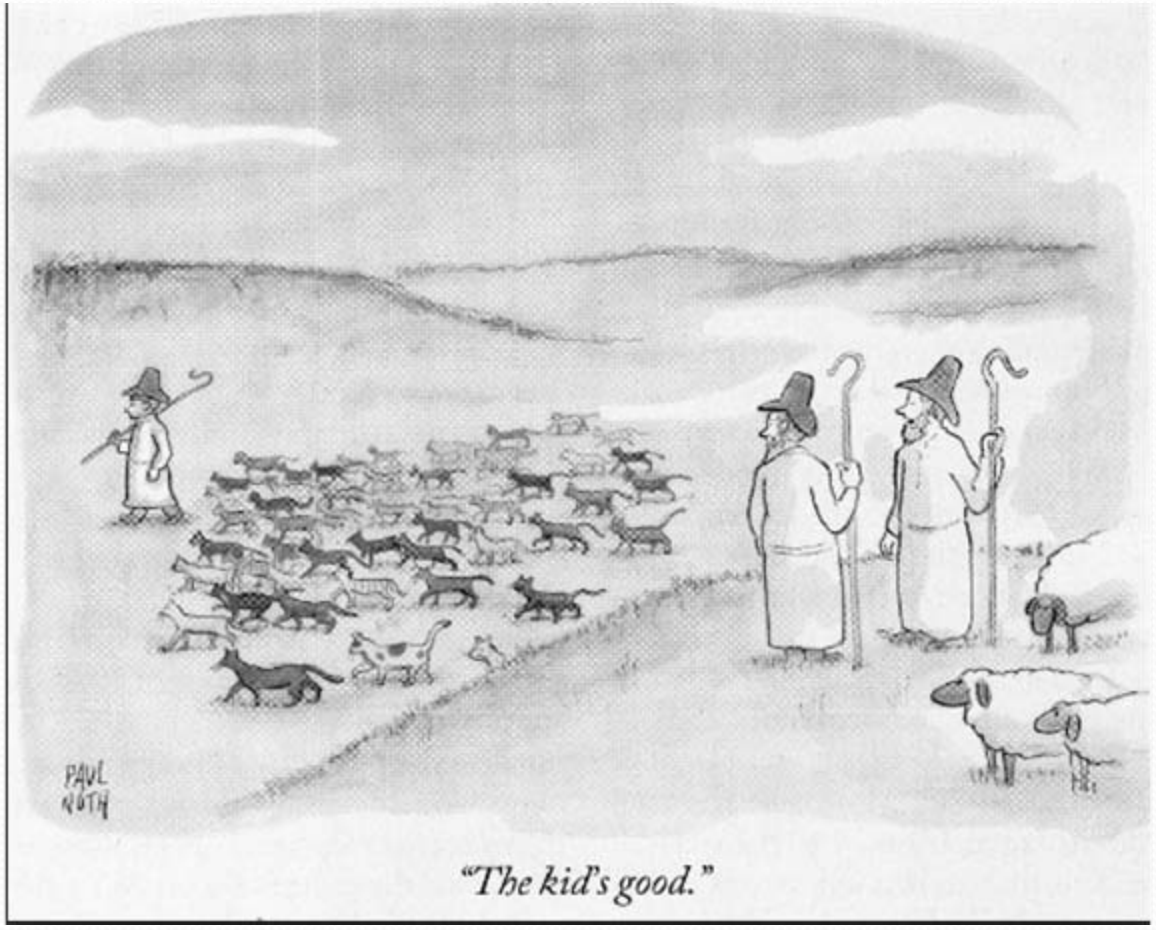
The Future for Physician Leaders

- Offer stability in an organization
- More leadership opportunities with greater influence
- Consider a new delineation of privileges for credentialing a Physician Advisor
- Continue to define the role and job title
- Internal and external needs will expand
- Needs at multiple levels
  - Both doers and leaders

Conclusion

- The future brings both challenges and opportunities
- We cannot survive without a coordinated effort so we need to take the time to understand each other
- Opportunity for new physician leadership role that may launch more Physician CEOs

The New Physician Leader



Thank you!

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