



Physician Collaboration

Is money the only answer?

The issue of physician collaboration is a challenging one. From the hospital executives' and board members' perspective, however, many have reduced it down to one concern—money. When asked about it, they are fond of saying, “In working with physicians, it’s not *about* the money; it *is* the money.” But is this true? This cynical expression begs a critical question: Is money the only answer when it comes to encouraging physicians to work collaboratively with hospitals and health systems today?

Money Is Important, But...

Physicians pulling back their support in hospital systems and participating in competitive ventures are rational responses to the time demands and reimbursement pressures they are experiencing—after all, no one wants to work harder and see his or her income go down. The popularity of various economic “deals” between physicians and hospitals and increased interest in gain-sharing programs are predictable reactions. However, numerous studies and anecdotal evidence suggest that money is not the only answer and may not even be the most important ingredient in encouraging hospitals and physicians to work together to achieve shared goals.

The late management theorist Frederick Herzberg’s research on human motivation supports this conclusion. According to Herzberg, money is a “dissatisfier.” He theorizes that the lack of it will cause people to be dissatisfied with their situation, but having it will not produce true satisfaction. For most physicians, satisfaction comes from improving their patients’ health status, learning continuously and knowing that they are practicing high-quality medicine. Hence, money alone will not result in the kind of satisfying relationship that hospitals and physicians must have to improve clinical quality and lower the cost of providing healthcare.

Herzberg’s theory explains instances of physicians sacrificing time and money for the good of the hospital. We have all heard stories of doctors choosing not to bring ancillary services into their offices, refusing to invest in ventures that would hurt the hospital, or spending significant amounts of time serving on hospital committees without reimbursement. Contrary to the cynical view, physicians *do* care about the quality of the healthcare delivery system in their communities and derive a sense of pride in being associated with organizations that are dedicated to pursuing excellence in clinical quality and customer service.

A Stronger Foundation for Collaboration

In addition to doing what makes sense to assist physicians with the economic issues facing them, hospital executives and boards would do well to focus on the matters that Herzberg would classify as “satisfiers”—things that truly motivate people to work collaboratively to achieve a higher purpose. Those hospitals that work continuously at developing physician relationships built on mutual trust, candor and fairness end up with medical staff who are more satisfied and willing to work collaboratively with the hospital on mutually beneficial initiatives. This requires executives, board members and physicians to look beyond their negative perceptions of each other and strive for complete honesty and understanding of each other’s situations. To develop a strong, positive connection, both sides need to stop viewing themselves as locked in a win-lose struggle.

There are numerous ways that hospitals and physicians have built the kind of trusting relationship needed for productive collaboration. Some relationship-building approaches include:

- Involving physicians in decisions that affect them—rather than selling them on the decisions after they

have been made by management or the board, healthcare leaders should engage them at the front end of the decision-making process.

- Practicing “open book” management by letting the physicians know the true state of affairs of the hospital especially in the area of finances, quality control and business arrangements. Information withheld breeds mistrust.
- Committing to one another’s success by starting with the hospital making it easier for physicians to practice medicine. For example, hospitals should help with scheduling procedures, providing support in building physician practices, sharing information systems, and being attentive and responsive to physician needs. In turn, the hospital’s expectations concerning physician support should be clarified and documented in a set of agreed-upon principles that guide the relationship between the hospital and physicians.
- Creating meaningful leadership roles for physicians on operating committees, quality initiatives and the board.
- Providing multiple opportunities for hospital/physician alignment that range from joint ventures to employment, recognizing that one size does not fit all physicians.
- Engineering numerous events for interaction between physicians and the hospital, both in formal meetings and during informal situations.

Building collaborative relationships is a process that requires a lot of hard work and attention. The process is limited only by the imagination and level of determination of the parties involved.

The Board’s Role: Leadership

Some hospitals have developed positive working relationships with their medical staffs without the board playing much of a role. However, when the board provides leadership to ensure relationships are built and maintained, the chances of success increase dramatically. Boards can demonstrate their leadership by concentrating on three imperatives:

1. Physicians as Partners

The board must embrace and communicate continuously its belief that the hospital and physicians are in a symbiotic relationship—one cannot achieve the desired level of success without the other. Viewing and treating physicians as “partners” in the healthcare enterprise, instead of customers or competitors, serves as a powerful framework for building collaborative relationships. Some physicians will expect to be treated as customers and some will continue to compete with the hospital. However, boards that have an unwavering commitment to transforming the relationship with physicians usually succeed in entering into mutually beneficial relationships with physicians and, most important, averting open warfare.

2. Quality Focus

Many boards have not played an active role in performing one of

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their core responsibilities: ensuring quality care and patient safety. In the past, boards have been comfortable delegating this responsibility to physicians and staff. Unwittingly, these boards have denied themselves the opportunity to engage with physicians on matters important to them. A board that demonstrates its commitment to providing excellent patient care by putting quality at the top of its agenda and participating actively in quality improvement initiatives will find receptive partners within the medical staff. This type of engagement then sets the stage for other types of collaborative initiatives.

3. Clear Policies

In The Governance Institute's *2005 Biennial Survey of Hospitals and Healthcare Systems*, 94 percent of the respondents indicated that it is important to have written policies outlining the organization's approach to physician competition and conflicts of interest. However, only 30 percent actually have such policies. This discrepancy between thought and action suggests that boards have avoided dealing with what many view as "radioactive" issues.

To ensure that the hospital's mission is preserved, it is a fundamental duty of the board to develop clear policies concerning relationships and activities

with and among physicians denoting what behaviors the board supports and those it does not tolerate. Many boards fear establishing policies that may anger physicians, such as loss of privileges for engaging in competitive ventures that threaten the hospital's mission or enacting minimal requirements for continued medical staff membership. They fear that such policies will destroy the fragile relationships between the hospital and medical staff. In reality, the absence of such policies creates an impression on the part of the medical staff that the board either does not have a clear point of view on these matters or does not really care about them and they are free to do what is in their best interest. The key to developing these policies is to demonstrate the board's commitment to its partnership philosophy and actively engage the medical staff in the creation of the procedures. This will reinforce the board's intention to ensure the hospital and physicians collaborate on important matters.

So, is money the only answer? Money counts, but strong relationships built on trust, candor and fairness mean more. Once boards and physicians focus on their primary goal of providing high-quality care and communicate with each other that this goal is a priority on both sides, a strong, collaborative relationship can come to fruition. ▲

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