

# Warbird Consulting Partners helps healthcare administrators develop productive working relationships with physicians

As the healthcare environment continues to change, collaboration with physicians will be essential

By David Ebel

To say that relationships between hospitals and physicians are sometimes difficult or even adversarial is perhaps an understatement. However, healthcare is changing in ways that make positive, productive physician-administration collaboration increasingly important for making decisions, setting direction and implementing policies. Consider the following:

- Physicians are increasingly employed by hospitals. Some studies indicate the majority of practicing physicians are now hospital employees. Rather than being separate groups or individuals, more and more they are “part of us.”
- With continuing pressure on reimbursement, physicians have a critical role to play in expense reduction by helping identify real waste and ensuring reductions are clinically sound and do not sacrifice quality.
- Physicians are critical to successful standardization of processes and reduction in practice variation, as well as to holding the gains achieved.
- Finally, physicians must play a leadership role in successfully reconfiguring the healthcare delivery system in response to a change to outcomes-based reimbursement.

In order to develop more positive working relationships with your physicians, it is important to understand who they are, and how they see themselves and their role at the hospital.

- Physicians are very bright, competitive, highly educated people. The requirements to get in to medical school ensure that anyone with M.D. after his or her name is very intelligent. Further, they have completed four years of medical school, sometimes six or more years of residency and fellowships, and in many cases board certification examinations. As a result many believe, with some justification, that they can master any other field they choose.

- Older physicians (50+) were selected and trained as autonomous decision-makers. For them, efforts to standardize and reduce practice variation can be very threatening.
- Physicians are trained as scientists. This has two very important implications to working with them effectively. First, they are skeptics and as such may not be willing to accept what they are told at face value, particularly if they don't like its implications (they are human after all). Second, and key, as scientists they value and respect facts, even ones they may not like.

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- Physicians have a strong sense of mission about their profession, healing the sick and injured, helping patients deal with afflictions and advocating for them. They view what they do as a calling and are proud they answered. This can be easy for administrators to forget, both because physicians are relatively highly compensated and because we never see most of our physicians in the act of caring for patients.
- Physicians have a special relationship with other physicians; they share a common calling, educational and training

experiences, and scientific mindset. Physicians' relationships with each other start with mutual respect and collegiality – some of which is not available to non-physicians and some of which non-physicians must earn.

The above are generalizations of course; however, they will serve you well as the foundation and starting point for developing positive working relationships with physicians. With that in mind, here are some guiding principles for this important effort.

- Treat physicians as respected partners and colleagues, not as subordinates or employees. Be the person who discusses financial matters with them, in person.
- Be as open and transparent as possible about financial matters. Start a monthly or quarterly presentation about financial results especially for physicians, outside of normal working hours so most can attend. Keep it simple – many physicians will not know even the basics of hospital finance. Don't expect the entire physician staff to attend, but talk to those who do as if you were talking to the entire staff because in many ways you will be. Recognize that questions, even ones that are really challenges, are indications of interest.
- Demonstrate a “mission” perspective. Tell physicians you understand your hospital's mission is not to make money, but to care for the sick and injured. Money is an essential means, but only that. When addressing a difficult issue, be able to relate it to the mission.
- Include physicians on internal oversight and governance committees, a finance committee in particular. If you don't have one, start one. A few respected physicians who understand the institution's finances and actively participate in its financial processes will help build credibility with the entire physician staff.
- Involve physicians in communicating with physicians. When the messages are difficult, it can be very helpful to have a knowledgeable physician assure colleagues that their concerns

are being considered. And when a ‘maverick’ needs to be brought into compliance, a practicing physician of the ‘same generation’ will be by far the most effective communicator.



- Seek physician input on major issues. Be clear that you value their thoughts because they are part of the team and their clinical and mission perspectives are absolutely critical to making good decisions. At the same time, be candid about other factors (e.g. “no money, no mission”) and constituencies that also are critical and need to be considered. Make sure you listen to physician input and can explain how it was used in the decision process. Asking for input then ignoring it will do much more harm than good to your working relationship.
- Ensure there is no doubt in anyone's mind that institutional policies, procedures and values apply to physicians as they do to any other member of leadership and all other employees.

Although many hospitals have made substantial progress in developing better working relationships with their physicians (employed or otherwise), others may be early in the process or not yet started. Wherever you are in this endeavor, striving to make physicians partners in the process will facilitate more positive relationships and better outcomes.

Warbird Consulting Partners provides a tested, trusted resource to help hospitals and their CFOs solve the complex challenges of sound fiscal management in a rapidly changing environment. Warbird's healthcare practice offers expertise in all aspects of operations and administration, with perspectives informed by decades of experience. A member of Warbird's Healthcare CFO Consulting Network and former CFO of Mayo Clinic, Director David Ebel specializes in strategies for physician-driven organizations, administration-physician relationships, shared services operations and hospital growth planning.

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