

Building Better Outcomes:

Developing an Administrative Structure for Success

By Joyce Tucker, Executive Vice President, Managing Principal
October 2019



Introduction

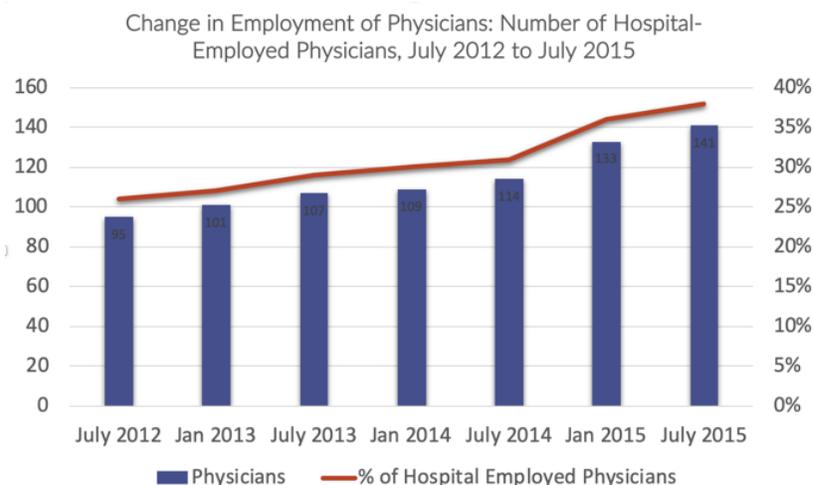
In this changing healthcare landscape, healthcare organizations are increasingly examining their operations closely, and from the ground up, to ensure they're ready to meet new challenges.

For physician group practices, this means building out or reorganizing a structure that takes into account complex ownership requirements and decisions, while also establishing an organizational model that effectively serves the patients and the providers.

Today, thriving medical groups are built on strong, agile, driven administrative teams, while ineffective groups suffer from a shaky structure and uncertain leadership. Building your group on a solid and strategic leadership foundation, then, is truly critical to your organization's success.

The Evolution of the Medical Group

Over the last two decades, physician group practices in the United States have grown and evolved – changing their team composition, ownership types, size, employment status and management structures. Before 2000, most physicians were self-employed or were part of a small practice. However, today's physicians are more often employed by integrated delivery systems and large healthcare organizations.



Source: Avalere Health and Physician Advocacy Institute, *Physician Practice Acquisition Study: National and Regional Employment Changes*, September 2016.

With more of America's health systems diving into the physician business, the traditional hospital voluntary medical staff model is a thing of the past. Now that ambulatory care and physician services encompass the majority of many health systems' revenue streams, the performance of and partnership with medical groups is now a key driver of overall

system performance. Additionally, as the healthcare industry moves from a volume to value-based care model, health systems can no longer afford to pacify under-performing medical groups. In today's market, high-performing medical groups are essential to successful future strategies for both hospitals and health systems.

Changes in Medical Group Leadership

The shift in physician employment is not the only evolution for providers in today's market. A greater number of physicians are moving into leadership positions and serving in critical strategic positions for hospitals, health systems and physician organizations.

The emergence of the physician administrator has led medical groups, hospitals and health systems to re-evaluate their C-suite roles, realign responsibilities and re-define levels of accountability. This process has clearly established that there is not one singular leadership role that will determine the success of an organization. In order to have a well-rounded, agile and productive administrative team, you must have multiple skill-sets represented and expertise must be aligned with the strategic goals of the organization.

Common Pitfalls in Building a Medical Group Structure



Putting an administrative structure in place for a newly formed medical group, or evaluating the current structure in an existing group, is a tenuous task for all involved. The importance of the decisions made and the leaders who join the group cannot be over-stated, and yet there are common pitfalls that medical groups continue to experience, including:

Making hiring mistakes.

Many groups put the dream of profit before practice and begin to hire specialists and large numbers of providers before the administrative structure is in place or an operational plan is established. Team members who join before those steps are in place often do not remain for the long-term.

Allowing operations to be fast and loose.

It takes time to build an administrative and operating structure and that process cannot be rushed. If things are allowed to progress with no structures in place, you end up with a 'wild west' mentality with every team member operating under their own set of rules. Once this culture has taken root, it can be very difficult to reign it in.

Getting lost in the numbers.

While the bottom-line is always a factor, it is not the only factor. The culture and operational processes, as well as the strategic goals of the organization are all important aspects in making decisions regarding daily challenges, recruitments or business opportunities. If the bottom-line is all that is being considered, you are missing large pieces of the puzzle.

Playing politics.

Medical groups today must be efficient and productive. There is no room for promoting from within in order to play politics, rather than seeking more qualified outside candidates. Hiring choices should always be made based on organizational needs and the quality of the individual leader.

Beginning with a lack of knowledge.

Medical groups cannot be run with the exact same hospital or health system mentality. Trying to bring IT systems, operational processes and administrative practices from one environment and place them into another will create problems right from the start.

Strategies for Successfully Building Your Administrative Team

To avoid the common pitfalls and make the most of the learnings based on the evolution of medical leadership structures, it is critical for organizations to set forth a path to success. Hospitals, health systems and medical groups must put a high-performing administrative team in place. This effort requires hiring for success, establishing clear strategic goals and understanding the needs of the organization moving forward. Beginning with establishing your leadership team, there are a few key components which must be in place:

The right leadership at the top.

To start, and remain, on the right track, it is imperative to have the right Chief Executive Officer/Administrator in place for your medical group. This position must be held by a leader who can assist physician executives with establishing a strategic direction for the practice, no matter what the ownership structure. This leader needs to be familiar with the challenges and opportunities within different ownership structures and needs to have expertise in building a strong, supportive culture. For the organization to develop and maintain a climate that understands the importance of the patient experience, increased access and retaining key employees, the CEO/Administrator has to set the tone and lead by example. Additionally, a successful CEO/Administrator for a medical group practice will have experience in leading strategies for building volumes, expanding locations and growing market share.

To ensure the tools the CEO/Administrator puts in place are hardwired into the organization's operations and culture, the senior leaders must utilize performance dashboards with consistent metrics to drive performance improvements and create

routine practices for physician management. Key performance indicators (KPIs), established by the CEO/Administrator and the senior team, should be reviewed regularly to ensure they are linked to strategic and operational goals. Your chief executive must be able to communicate openly with providers and physician leaders in defining the set of metrics that are most critical to success and discussing clinical, financial and operational results.

A knowledgeable IT executive.

Today more than ever, strong Informational Technology leadership is a key differentiator for successful medical groups. Your senior IT executive must understand how to leverage data and analytics to increase value and lower costs. In successful medical groups, Information Technology, Information Management and analytic resources are optimized to support strategic operational goals and to create an innovative clinical environment. Utilizing all available technologies, from electronic health records to decision support tools, skilled IT leaders are able to develop workflows to improve your provider's efficiency and clinical effectiveness.

Forward-thinking medical groups also leverage their IT executives to support performance management. Accurately measuring and managing data, analytics and operational reporting impacts providers, patients and the organization's bottom line. Utilizing the right technology tools to measure quality, cost and service components of your organization can give you a true market differentiator and ensure you always have the information to quickly address future challenges.

Strategic Revenue Cycle leadership.

It is key for medical groups to have Revenue Cycle leadership that understands how to streamline reimbursements, bundle payments and how value-based care influences payments. Putting the right Revenue Cycle leadership in place can help to unite stakeholders around one vision and direction. Experienced, future-focused leaders will successfully optimize your operations for all payers and patient segments and ensure your group revenue model reflects anticipated changes in payment models.

Skilled operations leadership.

Operational leadership for medical groups can take many forms. As more physicians move into executive positions, we have seen a strong emergence in the use of dyad management models, linking clinical and administrative leaders in a unified management structure, handling operational leadership tasks. Successfully managing clinical resource utilization and eliminating clinical silos to create a culture of coordinated care often requires both physician and administrative leadership.

Today's medical group operations executives must understand how to establish operational strategies focused on improving workflows and appointment templates to enhance the provider's productivity while remaining attuned to the needs and frustrations of the patients. The concept of patient access, including patient scheduling, registration and billing and patient follow-up, is an area that cause stress and confusion

for patients. For forward thinking operations executives, these areas of focus are at the forefront and creating a culture of continuous process improvement is essential.

In identifying the right operational executive for your practice, it is also important to look for a leader with the ability to put a governance model in place that supports your practice's long-term, strategic goals. Building an effective medical group requires leadership that can establish a formal governance structure and implement consistent practice policies that align with the organization's future plans and internal culture. Establishing a culture of excellence is also a key responsibility of operational leadership, ensuring that providers are engaged and that clinical, strategic and operational decision-making all reflect the values and goals of the entire organization.

Building a Foundation for the Future

While there is no one-size-fits-all model for growing a successful medical group practice, building your administrative team is a critical first step. Beginning with these key roles, you can build your team around the talents of your senior leadership and develop your operations to attain the long-term goals laid out in your strategic plan.

About Joyce Tucker



Joyce Tucker is an Executive Vice President, Managing Principal with Cejka Search. A seasoned clinical and operational healthcare executive for more than 30 years, Joyce is responsible for senior-level healthcare search services and consultation.

Prior to joining Cejka Search, Joyce's executive recruitment experience included leadership positions with The Chase Group and a leading healthcare executive search firm. Joyce's healthcare management experience includes serving as Administrator for Hunkeler Eye Institute, LLC/Nova Med, Inc., where she was responsible for a large, physician-led practice with specialty surgery centers nationwide. She served as the Vice President of Patient Care Services for Park Lane Medical Center/Health Midwest, an integrated delivery system with 13 hospitals, a health plan, home health and a hospital-sponsored, multi-specialty medical group with 140 physicians in approximately 35 locations.

Joyce holds an M.S. in Health Services Management from Webster University and a B.S.N. from Maryville University of Saint Louis. She is also an active member of the American Organization of Nurse Executives.

About Cejka Search

Cejka Search ranks among the top five largest healthcare executive search firms in the U.S., providing services exclusively to the healthcare industry for more than 35 years. We partner with organizations to identify and recruit talented C-level executives, physician leaders, key members of senior management and academic health science faculty. Cejka Search is a Cross Country Healthcare, Inc. (Nasdaq: CCRN) company, a diversified leader in healthcare staffing services.

For more information, call us today at (800) 209-8143 or [inquire online](#).