Are Your Physicians Aligned?
An Assessment Tool for Healthcare Leaders

Authors: Mark J. Werner, MD and Cynthia Bailey
Success in today’s uncertain healthcare environment requires engaging physicians as fully committed “owner-operators” of the clinical enterprise – leaders aligned with system strategy and operational goals, and accountable for achieving results.

Physicians must be positioned to take the lead in innovating and transforming the delivery of care to create sustainable value, improve outcomes and reduce costs. But what does true physician alignment look like? How can health systems and medical groups build physician commitment, while addressing concerns around physician professional satisfaction, engagement scores, turnover or “burn-out”?

Physicians must be positioned to take the lead in innovating and transforming the delivery of care to create sustainable value, improve outcomes and reduce costs.
What Does Advanced Physician Alignment and Accountability Look Like?

Provider organizations need to foster high-affinity physician engagement and ownership to drive clinical and operational change, and achieve required performance levels.

Success in today’s environment requires that providers:

- **Demonstrate market leading clinical outcomes and cost of care management**, to ensure success under new payment arrangements, including MACRA.

- **Provide adequate access and capacity to meet patient demand and grow market presence** while addressing operational workplace issues that impact physician professional satisfaction (e.g., burnout).

- **Maintain a market differentiating affinity with physicians** to drive clinical integration, strong referral management, physician engagement and satisfaction.

- **Engage physicians in clinical change management** to achieve highly reliable, consensus-driven excellence in clinical outcomes.

- **Position physician leaders as “owner operators” of the clinical enterprise** and provide physician training and leadership development programs to build management capabilities that drive performance accountability.

- **Foster an organizational culture of transparency, trust and open communication** among administrators and physicians as a foundation for engagement, alignment and professional satisfaction.

- **Implement physician compensation and incentive models** that promote practice growth and alignment with organizational goals, strategic imperatives and performance expectations.

- **Deploy clinical and information technologies with demonstrable returns on investment** and positive impact on care delivery, patient and provider experience.

- **Strategically plan for physician manpower needs** based on anticipated innovation and transformation of care delivery and new performance-contingent payments.
It is critical to assess the current level of collaboration, shared-planning and alignment among physician and administrative leadership with regard to mission-critical objectives including physician practice and broader health system strategic priorities, performance requirements and expectations, and roles and accountabilities. Understanding and addressing the organization’s governance structure and culture – how decisions are made, how authority and accountability is determined, the way information is shared, the level of trust among different stakeholder groups, existing motivations, expectations and incentives, and perceptions of trust, transparency and inclusion – is essential to achieving sustainable change.

The framework below outlines the key characteristics of high-functioning alignment between a health system and its physician constituents, and provides a useful starting point for evaluating current physician alignment, commitment and leadership across the enterprise.

**Advanced Physician Alignment and Accountability Framework**

1. **Enterprise Strategy:** Physicians are engaged and actively participate in the development of a clearly defined, shared strategic plan that includes specific goals and performance requirements for the entire enterprise. There is broad physician alignment – with stated strategic priorities and physician-specific performance expectations – that cascades throughout the ranks from leadership to front-line clinicians.

2. **Clinical Outcomes:** Clinical and non-clinical leaders are aligned around a shared vision and purpose for quality and performance improvement, capable of achieving high reliability and quality goals. Robust quality leadership, governance and management structures, and infrastructure are in place. Physicians drive the development and implementation of quality programs and metrics, including the definition and dissemination of clinical practice standards and ongoing clinical management improvement.

3. **Practice Operations and Management:** Physicians are actively engaged and accountable for improving patient access and experience and achieving key operational and financial performance targets. The physician organization maintains management responsibilities and capabilities for optimizing patient access and capacity, budgeting and other operational processes, and referral management. Physicians properly share accountability for all aspects of practice management and associated results.
4. **Physician Group Economics**: Performance expectations and accountabilities for physicians are clearly defined and effective physician-administrative partnerships consistently support achievement of group economic goals. There is alignment around productivity requirements and goals, and leadership and management structures are adequate to address improvement opportunities. Physician leadership understands and has the capabilities to effectively address current economic opportunities, including the ability to perform and achieve optimal results under all payment models—specifically MACRA, bundled payment, and ACOs.

5. **Leadership Capability**: The organization effectively identifies, develops and supports strong physician leaders, and positions them to lead and execute on needed changes in clinical practice, clinical variation management and care delivery. Aligned, committed and capable physician leadership is actively developed through critical skill development, management and leadership training, role and responsibility definition, and performance goal-setting and review processes.

6. **Culture**: There is a culture of collaboration, trust and transparency among physicians, and between the physician enterprise and the broader organization that supports the enterprise’s ability to achieve the clinical and financial performance required for future success. Information is articulated and communicated across the organization in ways that not only inform but also build support and engagement among clinical and administrative leaders and staff.

7. **Information and Technology**: Physicians actively participate in information and technology (IT) governance and decision-making regarding the selection, design, deployment, utilization and optimization of information and technology platforms. IT systems and processes support effective clinical practices and care delivery, referral management, seamless sharing of data across care sites, and transitions of care. Performance targets are clearly defined and progress is consistently measured, monitored and reported.

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**How Does Your Organization Compare?**

Based on our work with health systems across the country, we developed the Physician Alignment and Accountability Evolution Scale for evaluating, comparing and contrasting an organization’s relative areas of improvement opportunity across all key dimensions of physician engagement and alignment. By identifying your organization’s current strengths and opportunity areas, the alignment scale on the following page can help clarify where you are and where you want to head on your physician alignment journey. The scale on the following page serves as a powerful tool for leadership to define the future vision, build organizational momentum and drive change.

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By identifying your organization’s current strengths and opportunity areas, the alignment scale on the following page can help clarify where you are and where you want to head on your physician alignment journey.
Are Your Physicians Aligned? An Assessment Tool for Healthcare Leaders

<table>
<thead>
<tr>
<th>ENTERPRISE STRATEGY</th>
<th>Clinical Outcomes</th>
<th>Practice Operations &amp; Management</th>
<th>Physician Group Economics</th>
<th>Leadership Capability</th>
<th>Culture</th>
<th>Information &amp; Technology</th>
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<tbody>
<tr>
<td>No physician involvement in enterprise strategic planning or goal setting</td>
<td>No physician role in developing/leading quality programs</td>
<td>No physician accountability for operational or financial performance</td>
<td>Physician leaders not involved in discussions of group practice P&amp;L</td>
<td>Physician leadership not consistently understood as essential</td>
<td>Physician-administrative partnerships are rare and ineffective</td>
<td>Physician are passive recipients of decisions made about I&amp;T systems</td>
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<tr>
<td>Physicians lack clear performance expectations</td>
<td>No accountability for quality performance</td>
<td>Physicians not involved in managerial/operational decision-making</td>
<td>No physician productivity standards</td>
<td>No set standards for leadership competencies or support for physician leadership development</td>
<td>Lack of essential trust between physicians and broader organization</td>
<td>Poorly developed decision support tools</td>
</tr>
<tr>
<td>Some physician participation in health system planning, goal-setting and some discussion around physician performance expectations</td>
<td>Physicists in leadership roles of quality program</td>
<td>Physicists in management roles aware of budgets and P&amp;L targets, but no direct engagement in improvement efforts</td>
<td>Some limited physician productivity standards</td>
<td>Some established physician leadership, but not consistent or system-wide</td>
<td>Some recognition of importance of physician-administrative partnerships, including the C-suite</td>
<td>Some department/group participation in setting priorities but no authority for implementing or leading change</td>
</tr>
<tr>
<td>Meaningful physician involvement in enterprise strategic planning and established physician performance management program but no enterprise level accountabilities</td>
<td>Evolving accountability for quality performance</td>
<td>Physicians in management roles aware of budgets and P&amp;L targets, but no direct engagement in improvement efforts</td>
<td>Some limited physician productivity standards</td>
<td>Limited leadership development opportunities</td>
<td>Increasing presence of effective physician-administrative partnership</td>
<td>Some department/group participation in setting priorities but no authority for implementing or leading change</td>
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<td>Strong physician leadership in developing and implementing quality metrics</td>
<td>Most physicians engaged in addressing access and capacity issues</td>
<td>Physicians in management roles help develop budgets, operating plans and metrics</td>
<td>Physicians in management roles have some role in budgeting and improvement efforts</td>
<td>Potential physician leaders identified informally and inconsistently</td>
<td>Physician leaders have formalized P&amp;L accountability, with adequate organizational support to fulfill leadership roles and achieve superior results</td>
<td>Some decision support embedded within EMR</td>
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<tr>
<td>Physicians share accountability for optimizing access and capacity and patient experience</td>
<td>Physicians in management roles help develop budgets, operating plans and metrics</td>
<td>Physicians in management roles have some role in budgeting and improvement efforts</td>
<td>Physician productivity standards exist in all areas and are increasingly aligned with enterprise goals</td>
<td>Strategic investment in leadership development</td>
<td>Consistent, aligned physician productivity standards</td>
<td>Some decision support embedded within EMR</td>
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<tr>
<td>Physicians are accountable for key operational, financial, and performance metrics</td>
<td>Physicians in management roles have some role in budgeting and improvement efforts</td>
<td>Physician productivity standards exist in all areas and are increasingly aligned with enterprise goals</td>
<td>Physician leaders have formalized P&amp;L accountability, with adequate organizational support to fulfill leadership roles and achieve superior results</td>
<td>Physicians positioned as &quot;owner-operators&quot; of the clinical enterprise: fully integrated into the leadership team at all levels</td>
<td>Physicians are accountable for key operational, financial, and performance metrics</td>
<td>Some department/group participation in setting priorities but no authority for implementing or leading change</td>
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<tr>
<td>Significant, broad-based physician participation in development of enterprise strategic plan</td>
<td>Physicians are consistently aligned around shared strategic priorities, performance requirements, expectations, accountabilities</td>
<td>Strategic plan specifically addresses physician related and/or led activities</td>
<td>Physicians effectively integrated into governance, leadership, management and clinical care teams</td>
<td>Physicians are accountable for key operational, financial, and performance metrics</td>
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<td>Some decision support embedded within EMR</td>
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Advanced Physician Alignment and Accountability Scale

- **FOUNDATIONAL**
  - Physicians are passive recipients of decisions made about I&T systems
  - Poorly developed decision support tools
  - No physician involvement in development of metrics

- **ASPIRATIONAL**
  - Some degree of physician participation in I&T decisions
  - Basic decision support tools
  - Limited physician involvement in development of metrics

- **PROFICIENT**
  - Meaningful physician involvement in I&T decisions
  - Advanced decision support tools
  - Significant physician involvement in development of metrics

- **ADVANCED**
  - Broad physician participation in I&T decisions
  - Integrated decision support tools
  - Extensive physician involvement in development of metrics
In our experience, it is not uncommon for an organization to find that its performance varies significantly across the multiple dimensions of physician alignment. For example, a health system may have an “advanced” level practice management structure that effectively supports efficient operations, but only minimal or “foundational” resources dedicated to physician leadership development across the enterprise. Or they may be “advanced” in economic and funds flow alignment, but as yet, only “proficient” in creating the clinical and cost management outcomes needed for shared success under those economic arrangements. Frequently, health systems and physicians have “proficient” or better alignment around clinical outcomes, but remain “aspirational” in terms of the culture and shared leadership necessary to truly drive the clinical transformation required. By identifying and crystallizing these pockets of opportunity along the assessment scale, leadership can begin to develop actionable insights and targeted improvement initiatives to build the advanced physician alignment, accountability and capability needed to support essential improvements in operational efficiency, cost structure, revenue capture and clinical performance. This type of structured assessment can also help uncover important obstacles or barriers to physician engagement and professional satisfaction, which can often derail organizational improvement efforts.

**Energizing Your Journey to the Next Level**

Every health system and physician group needs clear goals for advancing the level of physician alignment, with associated strategies and implementation roadmaps. The path forward will look different for each organization based on identified areas of relative strength and opportunity, strategic priorities and internal resources and capabilities. Potential strategic initiatives are listed in the table below and may include:

- Modified leadership and management roles and structures;
- Dyadic partnership implementation;
- Leadership and skill development program design;
- Improved financial and quality outcome data reporting and analysis;
- Deployment of information systems that effectively support clinical decision making and referral management; and
- Incentive models that cascade throughout the physician enterprise.

### Potential Strategic Initiatives

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<td>Regularly scheduled physician-administrative leadership retreat and consistent process for strategic plan development</td>
<td>Framework for enterprise quality and clinical variation management program</td>
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<td>New membership and charter for executive committee responsible for developing an integrated strategic plan to address medical group, physician network, and hospital-based services and programs</td>
<td>New governance structure for quality program</td>
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<td></td>
<td>Timely, reliable quality outcomes data and reporting</td>
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### Potential Strategic Initiatives (continued)

| Practice Operations & Management | - Effective practice management capabilities, including performance management tools  
|                                | - Infrastructure or resources required for effective practice operations  
|                                | - Timely and reliable dissemination of operational data and reports  
|                                | - Physician engagement strategies that improve physician satisfaction and clinical effectiveness, and build affinity to the organization  
|                                | - Physician recruitment and onboarding processes that tangibly address mutual value proposition, culture, expectations, performance management, and orientation of physician enterprise and its role in the health system |
| Physician Group Economics      | - Physician incentive models that align with broader strategic requirements  
|                                | - Consistent physician productivity, access and capacity standards  
|                                | - Financial and operational data and reporting  
|                                | - Operational supports for physician leaders |
| Leadership Capability          | - New governance and organizational structure, including leadership committee charters and membership  
|                                | - Defined roles, job descriptions and accountabilities for physician leadership positions  
|                                | - Programs focused on physician leadership development, skill-building and mentoring programs  
|                                | - Methods for engaging physician leaders and front-line physicians that cultivate a sense of being “owner-operators” of clinical operations |
| Culture                       | - Establishment of physician-administrator dyads  
|                                | - Mechanisms for collaboration and shared decision-making within the physician enterprise and within the health system  
|                                | - Communication and information-sharing channels and vehicles designed to increase physician engagement  
|                                | - Transparent and honest communication between the physician enterprise and the broader organization to foster collaboration and trust |
| Information & Technology      | - Information systems that support physician productivity, clinical excellence and operational efficiency  
|                                | - Performance measurement and monitoring system, including dashboards, reporting and target-setting process |

A prioritized, sequenced roadmap that integrates leadership's vision, goals and performance requirements for physician alignment with identified opportunity areas can help drive improvements in the organizational structures, systems, processes and culture that support strong physician engagement, commitment and performance on critical health system and medical group outcomes.

Every aspect of health system performance is directly related to decisions and behaviors influenced by physicians. Choices made by physicians drive the core business of healthcare and will make or break provider organizations. As such, physician alignment will be the critical success factor for all health systems and physician groups. Having a purposeful and well-executed physician alignment strategy is a command imperative. Knowing where you are, where you are headed, why you must get there, and how you will navigate the journey, should be a primary focus of every health system and physician group's strategic plan.
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