

# Secrets of the Best-Run Physician-Administrator Teams



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I couldn't believe my ears! I'm sure my face registered astonishment as my eyes met those of the surgeon who had just remarked, "Administrators are just an unnecessary expense." In fact, he made several more colorful comments inappropriate for publication.

Bad enough that he would make such tactless observations to my face—but his own practice administrator was sitting right next to him! He seemed oblivious to the thick silence that hung over the room for a few moments after he spoke. Everyone was shocked by his apparent lack of concern for anyone's feelings.

Physicians and administrators from three very successful groups had met to continue their discussions about a possible merger. Joining forces made good business sense—at least on paper. But in the end, only two of the practices actually got together. The third group, whose tyrannical lead physician had such contempt for administrators, turned out to be a poor cultural fit. A few years later, it disintegrated when the junior partners accepted employment with the hospital and the leader developed a consulting practice for other med-

ical groups after he himself filed a disability claim.

## Doctors as Managers

Popular blogger Dike Drummond, MD (*The Happy MD*) posted a challenging blog entry titled "Physician Leadership Skills—3 Reasons Doctors Make Poor Leaders and What You Can Do About It."<sup>1</sup> He offers some razor-sharp observations that provide some pretty good insight into the challenges confronting practice managers.

Drummond challenges, "Imagine the CEO of an automobile manufacturer who is simultaneously the only person who can install the car doors on the assembly line." No one would try to run a manufacturing firm that way.

- Physicians often demonize managers and thus become part of the problem. Physicians typically see anyone in management as "the enemy." The "bean counters" and "pencil pushers" interfere with their desire to "just be left alone to see their patients."

## Doctors are trained and socialized to be "large and in charge."

Drummond outlines some typical physician attitudes and behaviors that often result in dysfunctional practice leadership:

- The "default" physician leadership style is innately dysfunctional. Never taught the necessary skills, new doctors suddenly find an expectation to deliver their services as team leaders. They naturally fall back on their clinical experiences to develop a top-down leadership style. They feel the burden to come up with all the answers themselves (diagnosis) and then tell everyone else what to do (treatment).
- Physicians must work in a non-sensical business model. Drum-

mond challenges doctors to reverse these trends by recognizing the unique professional contributions offered by professional administrators and adopting a collaborative approach to working with administrators. Further, he urges physicians to pursue training to acquire essential leadership skills themselves and to participate actively in directing the systems in which they practice.

Drummond's frank criticism of his own profession is insightful. Doctors are trained and socialized to be "large and in charge"—and that works well in most clinical

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situations. Who wants to be seen by a doctor who hesitates and second-guesses himself when diagnosing and treating? But that approach will often prove counterproductive—or even destructive—when trying to manage people and systems.

### **What's It Worth to You?**

The rigors of medical training serve as a sort of natural selection process that ensures only the brightest and best survive to become physicians. They have exceptional analytical skills and the drive required to figure out almost any situation.

Even the most die-hard do-it-yourself doctor likely won't process insurance claims or wax the bathroom floors. Higher-level tasks, however, are harder to relinquish. Management and administrative duties have more to do with direction and control—understandable concerns for an owner. Delegating higher responsibilities and appropriate authority to fulfill them requires a cooperative, team-based approach. The best work as an administrator happens when the environment includes these characteristics:

- **Job descriptions that outline all responsibilities and duties:** Written job descriptions create a record of expectations and a measure for

their interests only as they become familiar with one another.

- **A covenant of trust:** The physician who has the greatest responsibilities for supervising the administrator should work hard to build trust. The administrator should sense that (within reason) the boss has “got his or her back” with the other doctors. In the same way, the doctor should watch for opportunities to demonstrate his or her trust in the administrator.

Developing an effective physician-administrator team has paid off handsomely for the best-run practices. It can unleash the power of your administrator's professional knowledge and skills. There are untold numbers of practice managers across the country who know what their organizations need, but they have no power to effect the necessary changes. Such practices likely won't come close to reaching their potential, and doctors who think they can save overhead by doing it themselves will incur tremendous opportunity costs for those suboptimal results.

A distorted sense of the value of your time can lead to incredibly poor decision-making. For example, an orthopedic surgeon personally decided his veterinarian was asking too much for routine procedures. Therefore he decided to save a hundred and fifty bucks by recruiting his dad (also an orthopedist) to help him neuter the family cat. “After all,” he said, “we're surgeons, right? How hard could it be?” **PM**

### **Reference**

<sup>1</sup> Drummond D. Physician leadership skills—why doctors make poor leaders and what you can do about it. [Thehappyymd.com](http://Thehappyymd.com). [www.thehappyymd.com/blog/bid/290715/Physician-Leadership-Skills-3-Reasons-Doctors-Make-Poor-Leaders-and-What-You-Can-Do-About-It](http://www.thehappyymd.com/blog/bid/290715/Physician-Leadership-Skills-3-Reasons-Doctors-Make-Poor-Leaders-and-What-You-Can-Do-About-It).

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## Delegating higher responsibilities and appropriate authority to fulfill them requires a cooperative, team-based approach.

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Given enough time, they can solve most problems one way or another.

As Hamlet might say, there's the rub: given enough time. However, physicians never have a surplus of time! Doctors who would rather do everything themselves don't seem to recognize the sheer value of their time. When you do the math, it becomes clear that a DIY approach to non-medical activities is a losing proposition.

A doctor working 50 to 60 hours per week to earn \$200,000 per year would have an effective hourly rate in the neighborhood of \$75 per hour (assuming four weeks off for vacation and continuing medical education). Surgical specialists can earn several times that amount, of course. When physicians take time to do delegable jobs, they don't save money at all. Rather they incur additional costs in the form of opportunity costs.

The trouble is, opportunity costs are almost imperceptible in the short run because you don't write a check to someone else. When you waste time that could be spent generating revenue, you waste the revenue itself. You can't get it back. Time isn't a renewable resource.

It's a matter of degrees, really.

evaluation. Without a description, all you have are disparate assumptions held by doctors and the administrator—and almost guaranteed disappointment.

- **Clearly defined limits on authority:** For doctors to be able to trust an administrator, they need to feel comfortable with the administrator's limitations. What can he or she sign? How much can he or she spend without board approval?

- **Clear lines of accountability:** The ideal situation places the administrator under the supervision of primarily one physician—usually the group's CEO or managing partner.

- **Reasonable reporting requirements:** All financial, personnel, and operational reports should be defined and scheduled.

- **Consistent communication and transparency:** Whether the administrator works primarily with the lead physician or an executive committee, both sides must make every effort to stay in constant contact. Weekly meetings (when properly planned and executed) are well worth the time. These exchanges assist the administrator in understanding what the doctor-owners really want. He or she can more accurately represent



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