

At the Heart of the Game: Leadership & Governance for Cardiovascular Market Advantage

By Jackie Johnson, RN, MBA, CHE

Now more than ever, collaboration and joint governance between the hospital and its 'heart doctors' yield powerful benefits in advancing cardiovascular program development. Medical leadership within a cardiovascular program is critical as physicians battle over the vascular service line and other turfs, feel the pinch of declining payments, and struggle to recruit needed human resources.

In many markets, cardiologists are merging practices and forming larger groups. And, many are becoming 'corporatized' to address the challenges of referral loyalty and contract negotiations, and to increase bargaining power within their hospital relationships. The emergence of an array of joint ventures, including for-profit heart hospitals, emphasizes the need for a trusted partnership and shared governance to create the 'win-win-win' for the cardiovascular program, the hospital, and the key physician stakeholders.

PROGRAM LEADERSHIP

How do we define program leadership? Most hospital leaders know when they don't have it, but can't always articulate the elements of leadership that will make the difference. What are the leadership qualities and governance structures that differentiate the top-performing programs? An enthusiastic and dedicated program champion, positioned at the executive level and empowered to lead the program, is a vital asset. A capable administrator plays the lead role in daily operations and market management of the program. This, combined with committed medical staff leadership, furnishes any program with a formidable competitive advantage. Dr. Grant Parr, Vice Chair of the Department of Cardiovascular Medicine at Morristown Memorial Hospital in northern New Jersey, believes empowered leadership is key. He offers, "Authority must be commensurate with responsibility and, preferably, the administrative and physician leaders of a cardiovascular program should have a lot of both – that is, if the organization wants strong and effective leadership."

PHYSICIAN LEADERSHIP

The cardiovascular program's administrative focus must be aligned with respected and committed physician leadership. The appointment of a Medical Director for the program will clearly underscore the importance of the program, gain physician support, and assure alignment with medical staff interests. We share the opinion of Bill Thompson, an attorney with Hall, Render, et al., who brings extensive experience in the design of governance structures for new ventures in cardiovascular services. Mr. Thompson notes that "leaders of cardiovascular service lines need to be 'bureaucracy-busters,' able to strike a balance between the bureaucracy inherent in institutional settings like hospitals and the need to anticipate and quickly respond to market changes." Balancing the Program and Medical Director roles to optimize each contribution provides the greatest return on your leadership investment.

ADVISORY BOARD GOVERNANCE

Many of our clients have employed an Advisory Board Model wherein the program's medical leadership and the hospital's executive leadership are charged with overseeing program performance and strategically directing ongoing program

development. Program leadership is accountable to this Advisory Board, which in turn should be accountable to the Hospital Board.

MANAGEMENT CONTRACTS

In some situations, organizations have looked to physician leadership to manage all or certain aspects of the program. In our experience, institutions have contracted to outsource the management of the program or a key component in order to forge physician commitment. In more and more cases, organizations are using some form of a management contract to compensate physicians for managing critical areas of the program in order to meet or exceed performance targets promoting accountability for physicians to achieve higher levels of operating performance in the cardiovascular program and may be the next generation of the service line management model.

MANAGING BOARD

Dedicated Board management for the CV service line has emerged as joint ventures evolve and as physicians seek a greater stake in program affairs and returns. This structure calls for a legal entity to be formed among the key CV physician stakeholders through an LLC or equivalent structure. This type of governing Board is conferred with fiduciary responsibility and autonomy in directing all program development. The key roles of this governing Board usually include quality oversight, strategic initiatives, education, and marketing. This arrangement usually calls for an equity investment in the program by stakeholders.

Most importantly, the CV program's leadership must believe and trust in the ability of the organization to manage future changes and challenges. Leadership and decision-making must be shared; any debate must be open, honest, and sensitive to each agenda. The steadiness and belief in a long-term committed relationship between the hospital and medical staff will transcend momentary changes. Indeed, a strong relationship will withstand the tides of market turbulence.



Jackie Johnson is the President and Founder of Corazon Consulting, LP, a national leader in specialized consulting services for cardiovascular program development from strategic business planning through clinical implementation.

Corazon combines business planning, market and financial analysis, feasibility studies, clinical operations, Heart Hospital design, best practice benchmarking, and staff education for newly established or existing cardiovascular programs.

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