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Patients and Doctors Benefit When the Physician and Administrator Become a Team

### SHOULD DOCTORS ALSO BE RUNNING THEIR OWN PRACTICE PERHAPS A TEAM CONCEPT IS IN ORDER

Should doctors also be running their own practice, perhaps a team concept is in order. Welcome to the Clinician's Roundtable on ReachMD XM 157, The Channel for Medical Professionals. I am Bruce Japsen the healthcare reporter for Chicago Tribune and with me today is Dr. William Jessee. He is the president and chief executive officer of the Medical Group Management Association, MGMA, as it is known has more than 21,000 members who had more than 13,500 organizations in which is more than a quarter of million physician practice. Dr. Jessee has been MGMA's president since 1999 serving as the nations leading voice for Medical Group Practices. Before joining MGMA, Dr. Jessee served for 3 years as vice-president for quality and managed the standards of American Medical Association where he lead the AMA's activities and clinical guidelines, quality improvement, and accreditation. He also holds academic appointments as a clinical professor of preventative medicine and biometrics at the University of Colorado Health Science Center in Denver and is an adjunct professor of health policy and administration at the University of North Carolina School of Public Health in Chapel Hill. He joins us today from MGMA offices in Englewood Colorado.

#### BRUCE JAPSEN:

Dr. William Jessee welcome to ReachMD XM 157, The Channel for Medical Professionals.

#### DR. WILLIAM JESSEE:

Thank you very much Bruce, it is a pleasure to be here.

#### BRUCE JAPSEN:

So, this is an interesting concept that you are going to tell our listeners about that doctors are so overburden that should they really be running their own practice.

#### DR. WILLIAM JESSEE:

Well I think it has been an interesting transaction we have gone through in the healthcare in United States. I went to Medical School in the early 1970s and I remember vividly being told by my professors and mentors that if I mastered the art and science of medicine I would be a good physician and I would have a successful carrier. But today mastering the art and science is not enough, you have to also understand the fact that as a physician particularly in an office based practice you are also running a small business and the challenges of running the business side of medicine has increased tremendously over the last 20 or 30 years, it has become more complicated, the rules and regulations have become more arcane, the administrative complexity has gone up. So, today if you want to be a successful practitioner you have to manage not only be art and science, but also the business aspects and many physicians are finding that partnering with a trained professional administrator is the best way for being a successful physician in an office-based

practice. In the old days physicians often had high school graduate who was handling the billing, but today most of MGMA members are masters' degree trained or in some cases actually have other advanced degrees. So the administrator has become a key player in the business side of the practice and what we find is that the most effective practice is the one that are providing the best care and are having the best financial results with the physician owners are those where you got clearly defined physician and administrator team managing and leading the practice.

**BRUCE JAPSEN:**

Well is this a person who is, if you could may be how much do they make and also does the person have to be full time or can it be a person that could be shared with another practice.

**DR. WILLIAM JESSEE:**

Well it depends entirely on the size and complexity of the practice where on finding that obviously the smaller the practice the less likely they are to have master's degree MBA, MHA, trained administrator. We look at our membership and we have got members with master's degrees who are in practices of small as 3 or 4 physician. Obviously the larger the practice the more demand there is for trained administrative later. Some large multispecialty groups for example Mayo Clinic; Cleveland Clinic typically will have a whole cord ray of administrative leaders. One of the practices that we often hold up is an example of how the physician administrator team can work best is the Virginia Mason Medical Center out in Seattle that is about 450 physician multispecialty group with their own owned hospital and at every level from the CEO down they have got physicians and administrators paired as a team. So the CEO of the hospital who is physician and is administrative partner are essentially the co-leaders at the top and they need to go down to the department level, you got a physician leader and an administrative leader and they set goals in common. They have equal status. They have shared responsibility and accountability and they actually have shared financial incentives as well. Their bonus system is based upon the overall performance of the individual operating units and it is shared between the physician and administrative leader. So everybody is trying to make the organization run more efficiently and more effectively and yet comes into their own pocket as part of their compensation plan. That is the kind of teamwork that seems to be optimally effective in improving the function of the organization.

Well if you are just joining us or even if you are new to our channel you are listening to Clinician's Roundtable on ReachMD XM 157, The Channel for Medical Professionals. I am Bruce Japsen the healthcare reporter of Chicago Tribune and my guest today is Dr. William Jessee. He is the president and chief executive officer of the Medical Group Management Association and he joins us from Englewood Colorado where we are talking about physician administrator teams, which are I would assume a coming trend given the fact that healthcare is so complex and the patient's want to get their care and doctors want to focus on medicine.

**BRUCE JAPSEN:**

Doctor, for our listeners of all kinds not just healthcare professionals are there schools that are prepared to be all with these new phenomenons. I mean people are not just being trained to be hospital administrators any more. I know that there are might be some different degrees or what should doctors look for in their hiring and what should people do who want to get in to this.

**DR. WILLIAM JESSEE:**

Well that is a very good question Bruce. It is interesting to see the transition that is taking place in healthcare management education. As you mentioned the old-line hospital administration and training programs, we have found that there is more and more demand for trained administrators and settings other than hospitals these days. So we are seeing many of those programs, the traditional MAJ, masters in health administration program. Now many of them offer specialization in medical group practice management because of such a growing career path. One thing we certainly encourage physicians to do is look for an administrator who is a board certified medical practice executive, MGMA, through our sister organization the American College of Medical Practice Executive runs a program for certification and fellowship to individuals who have got the requisite knowledge and skills to be those professional practice leaders

and that is a very useful benchmark that a physician can look for in trying to recruit and retain a professional practice administrator.

**BRUCE JAPSEN:**

Lot of these folks do they necessarily have to have you know a full blown masters degree or is there something if you are a practicing you do not have lot of money to spend, I mean, are there different qualities and traits that MGMA would advice doctors to look for in someone who can help with their practice and to shape from a business perspective.

**DR. WILLIAM JESSEE:**

Absolutely. I think the first step is the physician has to realize that you need a professional practice administrator. You don't just need somebody to keep the books. Because in this day and age, I think the first challenge the physician has to overcome is to realize that it has become so complicated that if you really want to be successful in your practice you need to have a partner managing the administrative side who is of the same level of professionalism as the physician on the clinical side. Obviously some people have gained that experience through on-the-job training; they would not necessarily have come through a master's program. We are finding more and more of the younger administrators coming in to the field are coming in with MBA or MAJ because it is almost become an entry level degree requirement that there are lot of practice administrator up there well trained professionals many of whom have the board certification from the MGMA sister organization who do not have a master's degree, so I would not tell people to look only for the degree. What is important though is to recognize the value that can bring to the practice. I had an interesting conversation with a pediatrician friend of mine couple of years ago who said we would really like to hire professional administrator for our practice, but we don't think we can afford it and I told her that you can afford not to hire a professional practice administrator because if you don't have a skilled professional running the administrative side in partnership with your physicians you are probably leaving a lot of money on the table that could otherwise be generated as revenues for the practice and many practices have found that by hiring their first professional administrator they actually generate enough new revenues to more than cover the salary that they are paying for that administrator. We have got some practices, which I actually align the administrators income with the physicians income, so that the administrator income goes up as the physician's income goes up. So you got everybody rolling in the same direction if you will and trying to optimize the financial results for the practice. I don't know any physician that I have talk to who has stuck their toe in the water of hiring a professional practice administrator who had ever want to go back to running a practice without one.

**BRUCE JAPSEN:**

And how much would a practice looks to say I am a 25 doctor practice how much would you be spending on this that because I know that is gotta to be a question on the physicians who may be listening in their mind or may be the people out their who want to get in to this field. Because you know they are getting hit with the bunch of different costs and they are just leery on spending their money.

**DR. WILLIAM JESSEE:**

It is very interesting physicians tend to sometimes step over dollars to save penny and this is an area where you have to realize that making an investment in your practice is going to have return on that investment. So I would look at the cost of hiring a professional administrator as not an expense, but rather an investment. To answer you question more specifically how much is the cost for one of this people get really varies tremendously depends upon the size of practice, it depends upon the specialty, multispecialty groups tend to be more complexed and have higher compensation for their administrator than single specialty that one of the other resources that MGMA has available is a management compensation survey that we do every year that has typical medium compensation that would be paid for the administrative leaders of various job titles and different sizes and different specialty practice that is resource the physicians might want to consult. Typically, you are talking somewhere in the \$60,000 to \$100,000 range for small practice particularly when that focuses on primary care but there are some administrative leaders of larger multispecialty groups who are well up in to 6 figures.

**BRUCE JAPSEN:**

And you are also talking about a way that the physician can focus on practicing medicine; it is really that is what this is all about is not it.

**DR. WILLIAM JESSEE:**

It is, it is important for the physicians to be able to focus on practicing medicine, but it is also important for the physician to be an involved partner with the administrator and it is more than just the billing and collections. It is things like how do patients actually float for the practice how do you implement things like electronic medical record systems and not disrupt the workflow in the practice. It really requires teamwork between the physician and the administrator to make the practice efficient, effective, and patient friendly. It is always amazing to me how much better job my veterinarian does of doing things like sending reminders out about when immunizations are due than even my own physician. I could not help, but laugh. I recently visited my physician for physical and he said by the way when was the last time you had a tetanus shot and I paused and said oh probably about 40 years ago.

**BRUCE JAPSEN:**

Ha ha.

**DR. WILLIAM JESSEE:**

And yet my animals get reminder notices from the vets about their immunizations, but most physician offices don't do those kinds of things so that is an area where an administrator and a physician working together could setup a tickler file system to remind patients about immunizations and that brings the patient back to the office. It generates additional revenue and it is really a tremendous way of building better patient loyalty because patients really like to hear from the practice and know that they care enough about you as a patient to remind you it is time to come back in for your tetanus booster.

**DR. BRUCE JAPSEN:**

Well with that I would like to thank Dr. William Jessee the president and CEO of the Medical Group Management Association who has joined us to talk about the value of physician administrator teams and it's importance to not only doctors, but patient care. I am Bruce Japsen, healthcare reporter with Chicago Tribune. Thank you for joining us. To listen to our on-demand library visit us at [www.reachmd.com](http://www.reachmd.com) register with promo code radio and receive 6 months free streaming for your home or office. If you have comments or suggestions about today's show please call us 888 MD XM157 and I would like to thank you today for listening.

This is Dr. Jim King the president of American Academy of Family Physicians and you are listening ReachMD XM 157, The Channel For Medical Professionals.