

-WHITE PAPER-

Medical Practice Partnership as a Business Marriage

**BUSINESS IS LIKE MARRIAGE,
IT STARTS GREAT, THEN IT
BECOMES MUNDANE,
THEN YOU START TO HATE IT,
THEN SUDDENLY YOU REALISE
WHY IT'S ALL WORTHWHILE.**

[Contemporary Challenges]

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*The best executive has the sense enough to pick good men, and the
self-restraint enough to keep from meddling.*

Theodore Roosevelt

The Medical Practice Partnership as a Business Marriage

In small practices and large, partnerships are every bit a marriage with revenue expectations and demands more often than not topping the list of challenging issues and concerns. Ideally, physicians are committed to the partnership for a very long period of time, and they should respect and like one another enough and have enough similar interests so as to be independent yet have a healthy relationship as partners.

Unfortunately, not all physicians evaluate business partnerships from the perspective of how comfortably people might fit or work together. In short, they don't do the thorough first visit exam. Instead, when adding partners they tend to consider only the candidates' specialty, academics, their interest in joining and their ability to grow or manage a volume of cases on behalf of the practice. While these attributes are highly significant in a practice partnership, physicians who are looking to expand their practice will do well to weigh some of the additional components that define a successful partnership before adding someone new to the practice.

Obviously an individual's personal and business style play a key role in a successful partnership. Beyond personality fit, the culture, work environment, lifestyle approach and practice development capabilities also drive the importance of the match. It is wise to look for a partner who complements existing personalities and practice styles to make for a smooth working environment.

Likewise, it's important for the prospective partner to evaluate the practice and its members on these same traits. Compatibility between the prospect and the practice, the individual physician(s), the staff, the systems and the physical environment must be thoroughly evaluated.

REVIEW

1. Why does the practice want this partner? Why does the potential partner want the practice?
2. Does the potential partner fit your culture, style and approach as well as practice philosophy? Are your goals similar?
3. Is there a good balance between the strategy for the partner (i.e., grow volume) and the partner's goals (i.e., reduce call coverage)?

Determine Must-Haves

In his book, "Good to Great," Jim Collins says successful companies "first got the right people on the bus (and the wrong people off the bus) and then figured out where to drive it." All too often initiatives fail not because of poor strategy but because of the wrong people behind the project. The desire is strong to have the right people, the right road map and the right results. The deeper challenge is in taking the time to develop a culture strategy with a road map on how to recruit and train the right person, ending with your providing them a clear focus and strategy and enabling them to grow and develop in their work.

This same concept is highly relevant to a practice seeking to add a partner, develop a partnership with another entity or in their working relationships with office staffs and others.

Baseline clinical capabilities are the first step in evaluating a potential partner. They have the basic skills or they wouldn't be at the bus stop. Next, evaluate a would-be partner's overall fit within the practice by determining a set of criteria—"must-haves" versus "nice-to-haves"—that a new physician would need to bring to the practice. And because every partner is likely to have different needs, the list should be ranked and value-weighted so everyone agrees about priorities and emphasis. For example, the list of must-haves could include special clinical expertise, second language capability or an outgoing personality for a highly visible community practice. A criteria-based, value-weighted process helps avoid gut decisions and keeps all of the partners heading down the same path.

Create a ranking tool worksheet that puts skills, competencies and culture fit into a chart and assigns weight on a scale of 1 to 5 of how important each is to the organization. Use this tool in every step of the process, from reviewing resumes and phone screenings to one-on-one and team interviews, to obtain an objective view. This also keeps everyone engaged in the process and focused on why a person is truly a good candidate. A sample is provided below.

REVIEW

1. Have you clearly defined and agreed upon the "must-haves" versus "nice-to-haves" for the new partner or staff member?

2. Does everyone involved in the selection process understand an agreed upon definition of and the importance of cultural and personality fit? Have you designed interview questions to help you determine their fit?
3. Have you created a ranked/weighted system to track the candidates against the criteria desired?

Does the Shoe Fit?

If there are several partners within the group, each one could assess a specific criterion to be sure all the bases are covered. For example, one partner could evaluate the candidate's clinical capabilities, technique in the operating room and ability to work with the nursing staff. Another could explore how the prospect views working in the office environment, the rules and expectations he or she might have as it relates to decision making and interacting with the staff. In groups that are very community oriented, someone can weigh the candidate's interest and willingness to make a contribution in this area through speaking engagements, seminars and articles. As a group, determine a process, the types of questions or areas of review to ensure consistent capture of information and the ability to objectively review the ranked criteria to make a selection determination.

When it comes time to decide on hiring, partners can share information and impressions based on their prioritized, agreed-upon criteria and in this way, make a more informed decision about which candidate would be the better overall fit.

REVIEW

Has the group determined the types of questions and areas that they will use with the candidate?

1. Have you assigned each person involved in the screening process specific areas to discuss and evaluate?
2. Have you developed a plan for debriefing on the candidate and facilitating discussion if there is not agreement?

Integration as a form of Partnership

A growing trend toward so called “in-situ practitioners” where specialists include internists in the practice or a primary care practice adds a specialist to address the needs of a large number of patients with a specific need. This clearly indicates that physicians are more business savvy, are becoming more sophisticated in driving the growth of the practice, and better understand the structure and needs of the local health care market. Regardless, the basic principles of relationship building and relationship management apply – treating each party with mutual respect and engaging in open and honest dialogue.

Orientation and On-Boarding

You’ve selected the right partner. Now what? Signing the contract is not the final step. Have a clear plan from day one of how to bring the person on board and keep them there while also making them feel welcome and valued. Second in importance to practice basics is internal exposure and access.

Make sure they get introduced throughout the practice, meet the right people, understand operational procedures, experience how service is delivered and have exposure in the right meetings. Consider several days of shadowing with a role model physician in the practice to allow the new partner to observe the practice in action and learn about processes and procedures as well as team members before he or she begins seeing patients.

As part of the orientation and integration program at the Austin Regional Clinic in Austin, Texas, the physicians developed “single-page, practice management pearls” to advise new physicians and increase consistency in the clinic. They chose the topics of the pearls based on which subjects prompted the most questions, problems or complaints from new physicians in the past. Seventeen topics include angry patients, coding, poor outcomes and unexpected deaths, refills and utilization management.¹

Don't limit on-boarding only to the practice environment. It's important to expose the new partner to other external relationships such as hospitals, outpatient providers and referral sources. Seek assistance from the hospital's physician sales staff, medical staff services department or hospital employed physicians. Ask outpatient providers to provide a separate orientation. Use professional meetings to introduce your new partner to colleagues and referral sources.

Unfortunately, few groups approach physician retention with the same intensity that they put into recruiting. The reason most physicians leave a practice is because they feel they cannot fit into its culture or the local community. A physician may leave a practice for unavoidable reasons, such as changes in the needs of the physician or a family member, retirement, disability or death.

Avoidable losses are those that could have been corrected or prevented in the first place through more careful recruiting and consideration. Marshall P. Grodofsky, M.D., Practice Management Committee Chair, American Academy of Allergy Asthma & Immunology, notes the following issues that could be avoided with a solid onboarding plan.

- J *Professional* - The departing physician didn't get along with or bond with colleagues.
- J *Spouse* - A family member of the physician could not adapt to the local community.
- J *Feedback* - The physician could not provide meaningful feedback into the work environment.
- J *Compensation* - The physician felt that the income outlook was not good or likely to improve over the long term, or the practice buy-in was not reasonable or attainable.
- J *Quality* - The physician felt the facility, equipment or personnel impeded the practice of quality medicine. ⁱⁱ

REVIEW

1. Do you have a detailed onboarding plan and assigned roles by the practice members that covers practice expectations, general office practices, employee standards and rules and financial and legal issues?
2. Have you identified a role model physician that the new partner can shadow for several days?

3. Have you asked external partners to participate in the onboarding process and arranged the partner's schedule accordingly?

Mentoring

Once the decision is made and the new candidate has arrived, a strong mentoring relationship and plan will safeguard the investment the practice has made to bring the new physician on board. Physician leadership coach Francine R. Gaillour, M.D., blogs that “being a mentor is not a game of perfect; it’s a game of being accessible and being emotionally, mentally and energetically available to the other person.” A mentor doesn’t have to be an “expert” or have all the answers. Simply being approachable is a quality that most protégés rate highly, according to Gaillour.

A mentoring plan should detail the types and timing of orientation and training activities to be accomplished. This helps ensure a nurturing environment and helps the new physician understand how he or she can fit in and who they can count on to help them with some of the nuances of practice style, practice politics, offices routines and lifestyle issues.

Partners can use the same hiring model to mentor the new recruit to be sure he or she is succeeding in each specific area such as clinical, office and community relationships. In private meetings, partners also should find time to discuss and evaluate the new hire to be sure the relationship is off to a smooth start. Although impromptu, hallway conversations are a fact of life in many practices, the mentor should have standing appointments with the new physician.

Regular, uninterrupted conversations—weekly, monthly and eventually quarterly—can address and resolve any issues that might arise. The mentor also should provide access for situational advice or support and include the new partner in meetings or other opportunities to observe the mentor’s leadership activities.

REVIEW

1. Have you identified the best mentor or rotation of mentors for the new partner?
(This may or may not be the same physician as the role model shadow mentioned previously.)
2. Have you developed a mentoring plan that defines the expectations of the mentor and the new partner as well as a timeline for mentoring activities?
3. Have you built a plan for consistent meetings and “pulse checks” with the new physician coupled with internal leadership reviews to ensure that he or she is working out and is happily settling in?

Living Happily Ever After

Recognizing that in a business relationship, just like a marriage, there is no perfect partner, what is the physician’s role in making new relationships work? The magic salve is flexibility. When physicians are flexible, available, open and amenable to helping one another, they can learn together and succeed.

Obviously it’s important to try very hard to make new partnerships work because of all the time, energy and dollars that are invested in moving that person from candidate to colleague.

When issues do arise, and they certainly will as new people settle into a practice, the physicians involved might consider options to change, adapt or compromise for both parties to meet halfway. Negotiation skills are essential to relationship building, although this isn't the kind of expertise physicians typically draw upon in the world of clinical care. However, being flexible enough to negotiate what will work for all—instead of decreeing this is the way the practice has always operated or handled a particular issue—will go a long way toward advancing relationships, embracing innovation, change and improvement, and building a team environment.

Another step for moving a relationship forward is deciding on and evaluating ways to measure success. It could be as simple as one partner saying to another, “Let’s review charts together to see if that works better,” or “let’s agree to meet next month to revisit the issue and assess how we feel.” Some practices have instituted a scorecard system with agreed upon measures and targeted performance levels. Scorecards are used with physicians and staff and focus upon key productivity or patient care standards. This assists in regularly scheduled review of agreed upon measures and helps to facilitate communication about areas that require improvement and/or new systems that need to be developed.

In some practice partnerships, it is best to formalize the process, agree upon the measures and consistently review, discuss and agree upon actions to address areas of concern. Identifying areas for improvement and eyeing each with a measuring yardstick is another opportunity for a positive connection, a chance to share information and a surefire way to build trust and respect.

REVIEW

1. Is flexibility and teamwork embraced by the practice?
2. Is there a process for addressing issues and seeking input into solutions?
3. Have measures of success been defined and agreed upon? Is there a regular check on progress?

Make it Work

In the spirit of “let’s make it work,” it’s helpful for physicians to keep in mind that there is no one right way to address issues or connect with partners or colleagues. Unlike clinical protocols, where there are specific and detailed standards of care to follow, relationship building comes down to personal style and a desire to get to the other side with direct communication instead of assumptions. It involves a commitment to managing the relationship and negotiating ways to continue to move forward together. This is true in single-physician practices and large multispecialty practices.

If, after all manner of steps and processes and options have been exhausted including use of outside consultants if necessary, both the practice and new partner just can’t find middle ground, then parting company may be the best option for all parties concerned. But even ending a relationship can be accomplished from a win-win perspective, using a plan, process and dialogue. Some practices have added “walk away” policies, procedures and talking points to negotiate in order to remove the personal issues from a need to disentangle the partnership.

The very act of just talking with one another, instead of pointing fingers, may uncover some room to close gaps in expectations and performance. Steering the new hire to outside recruiters or practice consultants also can help each party find another person or situation that is a better fit.

As much as you don't want to think about it during the hiring and orientation process, the practice has to plan for a possible termination. The practice should have a policy in place that addresses terms of employment, length of service required before an offer of full partnership is considered and specific conditions of partnership such as buy in, division of net income, seniority, non-competes, debts and termination. While dismissing any employee is hard, dismissing a partner in your practice is complicated and potentially has legal ramifications. Clearly plan and communicate what the practice will provide as well as what the terminated physician is expected to do before he or she leaves.

REVIEW

1. Is there a conflict resolution process for the practice?
2. Have you identified an outside resource that can help the practice and/or the physician when mediation or termination is pending?
3. Are employment policies reviewed on a regular basis? Is there a plan and process in place for dissolving a relationship?

THE BUSINESS OF MEDICAL PRACTICE

TRANSFORMATIONAL HEALTH 2.0
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THE END

ⁱ Grimshaw, Randall. "Tailoring New Physicians to Fit Your Practice." Family Practice Management April 2001.

ⁱⁱ Academy News. American Academy of Allergy Asthma & Immunology January 2006.