

11 Slices of Expert Advice For Today's Medical Directors

Whether you're stepping up to this position or already hold it and are looking to make a shift, get ready for tumult—and big potential rewards.

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When it comes to medical directors, the old saying applies: If you've seen one, you've seen one. Generalizing about this broad category of administrative pros is like characterizing "creatures" from the paramcium to the blue whale.

There are medical direc-

tors who simply volunteer a couple of hours weekly to do administrative work for their group or clinic, and others—their official titles may be chief medical officer or vice president of medical affairs—who are lavishly paid execs preparing to take the helm of multimillion-dollar organizations. But they all confront a health care industry full of daunting change. They all have

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to think about costs. And given the current obsession with improving clinical quality and efficiency, they all know their MD or DO degree is prized. If you enjoy feeling needed, one of these jobs may be for you.

"Most medical directors are in clinical enterprises, involved with improving the delivery of patient care," says Peter Angood, MD, CEO of the American Association for Physician Leadership (AAPL, formerly the American College of Physician Executives). "But there are also medical directors in virtually all other sectors of health care." That means not only hospitals, health systems, and health plans, but also PBMs,

pharmaceutical and device manufacturers, tech start-ups and consulting firms. "Often they have an advisory role as experts, or they manage a specific service or product line."

On the next few pages, you'll meet a few medical directors—or *former* medical directors—who illustrate the variety and promise of this protean post. Meanwhile, here are 11 tips, including a warning or two:

Don't expect the job to be an easy pre-retirement.

1 A few years ago, taking on medical director responsibilities (while perhaps cutting back on-call or clinical hours) was looked upon as a restful, honorific segue to the post-working years. That may have been rosy thinking even then; today, forget it. Brace yourself to "herd cats" with bristly medical egos, meet ever-escalating performance metrics, report lots of data to CMS, and worry about a bottom line in which the bleeding may be unstoppable.

It's true, says consultant Peter Boland of Berkeley, Calif., that a hospital medical director can be "an elder statesman whom everybody respects." But that person may now be charged with the dirty work, brokering competing personalities and interests. It can be, says Boland, "an awful job."

And if medical directors once pondered only clinical matters, those days have gone the way of the Hupmobile and the rotary phone. Warns Boland, a member of MANAGED CARE's Editorial Advisory Board: "The greater your responsibility as medical director, the more political—and therefore financial—acumen you have to have. I don't say the financial is your main focus, but there's no way to avoid the financial implications of how the organization works."

If you're ambitious, don't wait.

2 A clear corollary to the fact that the job's not a cushy preretirement: While *you're* not getting any younger, medical directors are. Bob Collins, managing partner of the physician recruitment company the Medicus Firm, says doctors who once might have considered taking on administrative

duties at the latter stages of their career are now seeking these much earlier. What used to be a career capstone is increasingly seen instead as a stepping stone. “Hospitals and health systems are now much more open to younger physicians taking on leadership roles,” he says.

Looking to move up to the really big headaches? Hospitals may be interested in grooming you for the top. You may start, for example, as the medical director for a single service line such as bariatric surgery and 20 years later be running the institution. “The percentage of hospital or system CEOs who are physicians is at an all-time high and continues to increase,” notes Collins. And for some good reasons. Angood—whose position admittedly calls for tooting the horn of physician execs—cites an informal study by Amanda Goodall, an associate professor at London’s Cass Business School. She studied the top 100 U.S. hospitals’ performance on *U.S. News & World Report* rankings and noted that in the key areas of cancer, heart disease, and digestive disease, physician-led institutions dramatically outperformed others. (She’s called for longitudinal studies to test whether this distinction holds up.)

When it comes to compensation, don’t be shy.

3 Whether or not you’re on your way to the top, you’ll earn your pay. How much do medical directors make? The website salary.com has a blissfully specific answer. The position’s median annual salary, based on survey data, is \$257,086, as of Aug. 29, 2016.

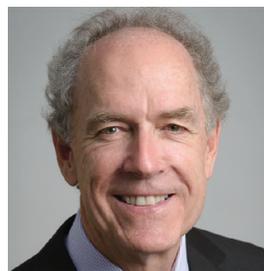
“That’s in the ballpark,” says Collins, whose company handles lots of hospital and health-system medical director searches and a few for health plans but almost none for pharmaceuticals or PBMs. Of course, if one includes everyone from part-timers in remote communities to CMOs in huge provider systems, medical directors’ pay can range from zero to many hundreds of thousands of dollars. It varies with the size of the organization and the level of responsibility, says Collins, but doesn’t differ significantly from one region of the country to another.

Specialty is a much bigger determinant, he explains. “If you’re an orthopedic surgeon making \$650,000 and you’re interviewing for a medical director or a vice president of medical affairs job that pays \$300,000, that’s an awfully big cut unless you’re at the point in your career when you’re ready for that kind of transition.” That’s one reason (besides primary care doctors’ greater familiarity with medicine across the board) why most organizations’ CMOs tend to come from primary care. Similarly, market realities dictate that a medical director who’s a practicing surgeon devoting

20% to 25% of his or her time to administration will command more for that time than a pediatrician or a family physician making a similar commitment.

Prepare for a post that’s grown tougher—and better.

4 The medical director’s job has changed, says Thomas Lee, MD, chief medical officer for Press Ganey, a consulting firm that specializes in patient experience measurement and performance analytics. These days, it calls for actually shaping care delivery and helping to implement population management techniques. “Fifteen to 25 years ago, the role was basically putting out fires, dealing with crises, fixing things when they were broken,” says Lee, another member of MANAGED CARE’s editorial advisory board. “There’s still a lot of that, but today



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things are more interesting because you’re actually trying to create norms in your community so that everyone understands there’s a certain way we take care of patients—we’re safe, we’re coordinated, we’re empathetic. How do you create these norms? You can’t do it just with money; it takes leadership. So I think medical director jobs today are a lot harder. They require more emotional intelligence and social science skills. But they’re much better jobs.”

Be ready to dangle carrots—and wield sticks if need be.

5 Better? Consultant Boland emphasizes “harder.” He likens the job of a large insurer’s medical director, for instance, to the task of “a circus performer trying to ride 15 different horses at once.”

Despite all the rhetoric about value-based care, Boland says, there’s a dirty little secret: Most of the industry isn’t there yet. Current outcomes measures, for example, are still a rudimentary substitute for the real thing. (“Readmission rate?” he scoffs. “That’s an outcome? That’s more like ‘Here’s what happened when things *really* got screwed up.’”) While “medical directors will probably not admit this, they’re *highly* concerned about the bottom line,” says Boland. For most hospitals the priority is still bringing in cash. (Asked about this claim, Collins at Medicus says:

“There’s probably more truth to it than many would like to admit.”) For a health plan, because the medical director doesn’t do underwriting or control who’s covered, it’s a matter of incentivizing doctors to achieve certain performance standards. “Your job is to figure out how to cascade those standards down to your whole delivery system,” says Boland. “Do you do it with a carrot? With a stick? With contractual obligations? You’re basically trying to get buy-in from all the medical groups that you’re contracting with.”

Prepare to lead the charge to value-based care.

6 And here’s more challenging news: If your prospective employer hasn’t yet reached the promised land, guess who’s supposed to take it there! “A case can be made,” says Collins, “that organizations making the shift from volume to value are looking for medical directors who can help lead them in that direction so they’ll be practicing what they preach.” It’s a key duty, for example, to implement “team-based care,” in which groups of clinicians work together efficiently and midlevel providers are used for tasks for which physicians aren’t required. This explains the emphasis on teamwork skills that many doctors encounter when they apply for medical director jobs. Instead of asking about clinical or business matters, says Collins, the interviewer may reach into the situational interviewing playbook for a challenge like “Tell me about a time when you felt strongly about an issue but didn’t prevail. How did you deal with it?”

Get your meeting mentality on.

7 The medical director’s job calls for a mindset different from that of clinical practice, warns Lawrence Wilson, MD, vice president, medical affairs, for Midland, Tex.-based Midland Health, who put in several years as medical director of Midland Memorial Hospital’s Emergency Department. “It’s a lot easier to lead by getting people to agree on the same goals and visions than by giving directives.”

In fact, there’s a premium on collaboration, which isn’t instinctively a doctor’s style. “The historical stereotype of physicians is that they’re highly intellectual, strong-willed, autonomous, independent-thinking individuals who always expect things to go their way,” says Angood. Like any stereotype that was never fully true; it’s less true today, but there are remnants. By contrast, he says, “the effective medical director has to work well with a team and know when it’s best to go with the group decision as opposed to clinging to one’s opinion. He or she needs to respect the others in the leadership group and demonstrate a certain humility.”

Collins suggests thinking carefully about your

motivations before becoming a medical director or moving to a different medical director position than the one you now hold. (Switching from hospitals to health plans or pharma is much more common than the other way round, he says.)

Because organizations’ cultures differ sharply, in either case you’ll be entering a new world. If it’s your first such position, “you’ll be dealing with many more issues, and your ability to ‘fix’ things may be more limited than it is in your life as a physician,” says Collins. “There are bigger issues, more people, more meetings, and more committees where you’re just *one voice*.”

Buff up your education.

8 Eneida O. Roldan, MD, a former medical director who is now CEO of the FIU Health Care Network at Miami’s Florida International University, has an impressive set of initials trailing after her name. In addition to the normal MD, there’s an MPH and an MBA.

Roldan credits the added education with acquainting her not just with business principles but also with advanced techniques borrowed from the manufacturing world that have proven critical in managing populations and in making the shift to value-based care. (See “Climbing the Physician Leadership Ladder: The Top is Tough and Not for Everyone,” page 21.)

But don’t make the mistake of thinking that advanced degrees make you an executive. Doctors’ experience misleads them: They get their MD, and they’re physicians, but it doesn’t work that way with the other credentials. They can definitely help you get an interview. And they might help you do the job once it’s yours. But “just because you have an MBA behind your name doesn’t mean that you’ve got the skills in leadership and management,” says Angood.

Salesperson? Éminence grise?

Determine which “flavor” of medical director you are going to be.

9 Have it clearly understood before taking a position whether and to what degree you’ll be involved in sales support or promotional or customer or public relations responsibilities for your new organization. Says Angood: “Some companies see having an MD as an integrity builder for their public profile.”

Neil Minkoff, MD, is CMO of Maynard, Mass.-based EmpiraMed and chief medical officer of the Medical Directors Forum, an online networking platform for medical directors sponsored by MediMedia Managed Markets, publisher of *MANAGED CARE*. Some health plan medical directors, he says, are simply expected to

“look distinguished and benevolent and put the nicest face on any decision the plan makes.” And some are “basically salespeople,” he adds.

Get clear about your clout because you might not have much.

10 Organizational cultures differ widely, so find out all you can about the company, facility, or network before you take that new title. “Each medical director position is different,” says Minkoff. “I know of a health plan where the medical director has tremendous authority and can make medical policy decisions and overturn decisions when they’re appealed. And I know of plans where the medical directors are basically in-house quality control and don’t make *any* decisions.”

Angood advises potential medical directors to make sure on taking a position that they’ll be effectively utilized. “Otherwise, you’ll risk being too subservient inside the organization and won’t be able to effect significant change.”

Prepare for some lonely days.

11 On the medical director’s plight as “just one voice,” John-Henry Pfifferling can give you an earful. An applied medical anthropologist who looks at medicine’s “tribal culture,” he has counseled physicians at his Center for Professional Well-Being in Durham, N.C., for 37 years. He doesn’t pretend to have seen an unbiased sample; doctors don’t usually reach out to him when everything’s going swimmingly. But hundreds of medical direc-



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tors have confided in him as they sought his help in dealing with stress and avoiding burnout for themselves or their staffs.

“The minute you become an administrator, something happens to your legitimacy and trust in the eyes of clinical colleagues,” he warns. “You try to build it back, making rounds and such, but the staff may still be antagonistic. And suddenly you find yourself *thinking* like an administrator.”

In the worst-case scenario, you’re a lonely voice. Among the executives, you’re viewed with suspicion as the clinical purist, while in the ranks of physicians

5 ways to handle medical director stress

For nearly four decades, John-Henry Pfifferling of the Center for Professional Well-Being in Durham, N.C., has helped physicians—including medical directors—maintain health, balance, and perspective in their own lives while caring for others. As a new medical director, he says, “all of a sudden, you’re all alone as a clinician in a room full of management people.” Some tips:

- Keep current with what your full-time clinician colleagues are experiencing by working clinical shifts and making rounds.
- Seek formal training in conflict resolution to broker disputes more effectively.
- Make time, even if it’s just half a day each year, for mentoring a noncompeting professional, for social support and a chance to hear yourself explaining your role.
- Attend—or, if necessary, start—forums, workshops, and retreats with other medical directors in which it’s safe to share your professional frustrations and what’s really going on for you emotionally.
- Get counseling if you could benefit from it.

you’re the management stooge. “You go down to the doctors’ cafeteria and nobody sits with you,” says Pfifferling. “It’s just like middle school!”

He knows of no hard data on longevity or burnout rates among medical directors. But he says doctors often think a medical director’s job will be an easy semi-retirement, only to discover it’s not. Or they have “a mythical belief” that they’ll be able to solve problems in their new role “with less intrusion into their personal lives” and are disappointed.

The remedies? Know how your success will be measured in your new position and take care to have people you can safely confide in, he says. (For more ideas, see “5 Ways to Handle Medical Director Stress,” above.)

Being a medical director isn’t for everyone. “In some ways, it’s like with sales or any other field,” says Collins. “Salesmen often think they want to be a sales manager, then when they get there they say, ‘Holy cow! This isn’t nearly as much fun as I thought it was going to be. Let me go be a sales guy again.’”

On the other hand, health care is one sixth of the economy, a current national obsession, and a business that touches every life where it matters most. And if you truly want to make a difference in health care, a medical director position will put you right where the action is. **MC**