

The for-profit world has also recognized that CMOs can make a difference

Attributes that hospitals are looking for in a contemporary CMO

Notable trends emerging that will impact the hiring of CMOs

The Chief Medical Officer: Now Mission Critical To Your Hospital's Future

By Thomas J. Lynch, Jr.

Promotion of quality medical care and patient safety have taken on a sense of urgency for our nation's hospitals. An article in the June 26, 2003, New England Journal of Medicine reported that clinicians failed to provide appropriate care in nearly half of all cases. Astounding! Public accountability for what hospitals do to patients is now front and center in today's headlines about our healthcare system. It is no wonder that patient safety and quality care have become the overriding concern of our hospital Trustees.



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With the publication of the Institute of Medicine's report, "To Err is Human," which cited 98,000 preventable deaths each year, and numerous other reports in the media about medical errors, Boards want to be assured that someone is focused on clinical outcomes at all times. It is not surprising, therefore, that the Chief Medical Officer is becoming the focal point in the campaign to address this problem. Roger Scoville, Chairperson of the Board of Trustees at Newton-Wellesley Hospital, a 253-bed community teaching hospital in Newton, Massachusetts, agrees, "Our Trustees are focused on ensuring that patients receive the right care at the right time and at the right place. Our Chief

Medical Officer is leading the charge to see that this happens. I see the CMO as the lightning rod for anything to do with patient care. The

CMO is the "go-to" person when it comes to quality and patient safety."

The responsibility for the quality of care delivered to patients rests with the Board of Trustees. Traditionally, the task has been performed by the medical staff who, in turn, assigns the day-to-day oversight to the various chairs or chiefs of services. This "world order" for overseeing the delivery of quality care will not likely change. What is changing is the CMOs' role. Boards and CEOs are placing renewed emphasis on the CMOs' responsibility in assuring that patients are safe and quality outcomes are happening. They are expecting the CMOs to be sure that patient safety and quality assurance systems are in place and working. They also expect the CMOs to be readily available to support the medical and nursing staffs in their efforts to ensure quality patient care.

Michael Sack, President and CEO of Hallmark Health, a 368-bed, leading

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community-based healthcare system north of Boston, sees the CMO as vital to improving the quality of care. “We have set high standards and expect our CMO to spearhead our drive to provide the safest environment and the highest level of quality care because we know he is personally and professionally the best person to facilitate and to gain support as we change our operating systems.”

Recently, Applied Management Systems, a national healthcare consulting firm, published its top ten trends for the year 2010. First and foremost was a “Focus on Patient Safety.” Among the other top trends were the arrival of the electronic medical record (which helps support higher quality care) and pay-for-performance – an incentive-based program that will reward physicians and hospitals for quality care and improved outcomes. Each of these trends will be a major focus for the CMO. He/she will be expected to champion these causes.

The for-profit world has also recognized that CMOs can make a difference.

Tenet Healthcare, the Tennessee-based, for-profit hospital chain, recently announced the appointment of six new CMOs to ensure quality and patient safety at all the company’s hospitals. They will be prime movers in implementing Tenet’s comprehensive “Commitment to Quality” initiatives, a program designed to bring about significant improvements in quality of care and patient safety, nursing practice, medical staff governance, and other important areas related to the delivery of quality patient care.

All of this is not to say the CMOs will only concentrate on quality and

patient safety issues. They will continue to carry a full load of other important duties such as:

- Be the conduit between the medical staff and hospital administration.
- Assist the elected medical staff leaders in carrying out their duties and responsibilities. “Physicians in private practice are facing additional time constraints as they see reimbursements decline and demand for quality accountability increase,” says Jerrold Maki, Chief Administrative Officer of Bon Secours Richmond Health System, a four-hospital system in Richmond, Virginia. “We expect our CMOs to help our hospitals’ medical staff leaders carry out the duties of their offices so that we continue to have effective, voluntary medical staff organizations.”
- Provide direction and assistance to clinical departments and hospital administrators in evaluating new clinical programs and technology.
- In some community hospitals, they will serve as a liaison with tertiary or academic medical centers to ensure their hospitals gain maximum benefit from the affiliation.
- Be a key player in interacting with health insurance companies, managed care plans, and employers.
- Be a “medical strategist” from a business perspective. They will need to address the issue of rising financial tension between hospitals and their medical staffs and help find common ground where both can benefit.
- Champion the efficient use of resources. They need to be the “math professors” who lead the effort to



solve the cost-quality equation. Patrick Muldoon, President and Chief Executive Officer of UMass HealthAlliance in Leominster, Massachusetts, has recently undertaken a search for his health system’s first CMO. He said an understanding of the relationship between cost and quality was an important factor in the selection process. “Our mission is to provide the best care possible for our patients. This can only be done if we use our resources wisely. There is a direct relationship to the investment we make and the outcomes we get. The CMO will be critical in our effort to achieve this.”

According to James Butterick, MD, CMO at Cape Cod Hospital in Hyannis, Massachusetts, “Being the CMO today is much more complex. Clearly our focus is on quality, more than ever before, but that has not diminished our other duties. We have to be very good at prioritizing our time. We need to use our powers of persuasion to be effective.”

So, what are the attributes hospitals are looking for in a contemporary CMO who can play all of these roles in this increasingly complex environment?

First of all, they are not necessarily looking for a doctor with a newly minted MBA. While an MBA is nice to have, hospitals first and foremost want their CMOs to be clinically credible, especially with their medical staff. Usually a physician with real patient care experience is a



systems that are efficient and high quality – the combination is powerful!”

An understanding of medical management information is essential; one does not have to be a former Chief Information

Officer. However, an effective CMO needs to be comfortable with and know how to use data and technology to make his/her case. Accurate and persuasive data usually win the day with physicians.

The ability to relate to nursing is a must. After all, most of the care delivered is by nurses. The CMO will need to partner with his/her counterpart in nursing, the Chief Nursing Officer. Maureen Buckley, RN, PhD, Vice President of Patient Care at Penobscot Bay Medical Center in Rockport, Maine, says that the key to successful CMO and Chief Nursing Officer relationships is communication. “My CMO and I debrief at least three times per week. The synergy we have developed, as a result, has been invaluable in our efforts to deliver quality care.”

The CMO will need to have full knowledge and an appreciation of how hospitals and doctors are paid. With the arrival of the pay-for-performance model, this will take on an added dimension. The Leapfrog Group, sponsored by the Business Round Table and consisting of 170 influential companies that buy healthcare coverage, is encouraging its members to include language in their employer health plan contracts that clearly differentiate among providers based on quality and effi-

ciency performance, and vary provider compensation accordingly.

The CMO will need to understand the managed care environment and be able to interface with this market force payor. Ten years ago this was a greater driving force for CMOs than it is today. He/she must have a strategic business sense – or at least an appreciation and understanding of the market forces effecting future healthcare services and demands. Pay-for-performance and consumer-driven healthcare will likely modify the “buying” habits of tomorrow’s purchasers of healthcare. The federal government is embracing the con-

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cept of pay-for-performance. In May of 2005, the Centers for Medicare & Medicaid Services announced its rate increase for fiscal year 2006. Acute care hospitals that have agreed to submit data on ten quality measures will receive a 3.2% increase in their payment rates, while hospitals that do not will get a 2.8% increase.

requirement. Scott Bullock, President and CEO of MaineGeneral Health in Augusta and Waterville, Maine, believes, “Every CMO needs to have practiced medicine at some point in his/her career. The ability to understand and speak the language is imperative. But most importantly, knowing what constitutes quality care and being able to recognize inferior care are the crucial factors.”

Policemen need not apply. Hospitals are not looking for enforcers – this approach is usually a dead end, except in extreme cases. They are seeking a facilitator. Someone who can, through his/her power of persuasion, use of data, facts, and diplomacy, reach the desired result – namely, a quality outcome.

Integrity is a must; without it the CMO is out of a job. He/she must be viewed as a champion of the hospital’s values and focused on its mission. Any actions that prove self-serving compromise the CMO’s ability to get the job done.

An appreciation of how hospitals operate is expected. Bertine Colombo McKenna, PhD, Executive Vice President and Chief Operating Officer at Bassett Healthcare, an academic rural health system in Cooperstown, New York, says, “The CMO role has become the operations person’s best friend. By establishing a link between operations, quality, and safety, the CMO can be an effective partner in establishing

In addition to these attributes, there are some notable trends emerging that will impact the hiring of CMOs. They are:

- Hospitals are seeking full-time CMOs. No practice is required or expected. The job today is so demanding and complex, little time is available to see patients. There are exceptions to this, and some will argue you need to practice at the same time. The tilt is toward full-time.

- Competitive compensation is a must. Just like Chief Executive Officers, Chief Financial Officers, Chief Operating Officers, etc., the market is determining the salary and benefits. CMOs' compensation is often in the same category as these other "C" suite occupants.

- The trend is to go outside the organization. In the past, hospitals often identified their CMOs internally. While some hospital cultures still prefer finding their CMOs from within, the trend is towards external candidates. CMOs often come with an MBA and managed care experience. They are called upon to make tough decisions that may alienate some of their colleagues. This can be paralyzing for a CMO who has come up through the ranks.

- Managed care has become a breeding ground for CMOs. During the 1990s, numerous physicians took on roles with managed care companies. This has provided these doctors with a better sense of the "business of healthcare" and importantly a different perspective on quality outcomes. Many of these doctors are looking to return to the provider side – to have a real impact on outcome.

- Barriers to hiring CMOs, while weakening, remain. Medical staffs can resist the idea of someone "looking over their shoulder" who is paid by the hospital. Dollars can also be a roadblock. CMOs can command substantial compensation, as noted earlier.

- Boards now see patient safety and quality care as their number one focus. Stewardship is not just a financial responsibility. Too many embarrassing headlines about sub-standard care have shaken the volunteer trustees. After all, in most cases, they are trying to make a contribution to their community by serving on the Board. If their hospitals are not providing the best care possible, they ultimately bear the responsibility.

It was not long ago that the hiring of a CMO was driven by business interests and the demands placed on hospitals by managed care plans. In the future, the driving forces will be quality outcomes, patient safety, and pay-for-performance. Hospitals are realizing CMOs have become critical to their mission of providing quality care. The CMO will become as integral to the success of the hospital as the other members of the senior leadership team. Can you afford not to have one?

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