

The Evolving Role of the

Research by Lee Ann Runy

CMO



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The **average salary** of CMOs climbed over 10 years, hitting **\$292,000** in 2007.

Different Traits, Different Strengths

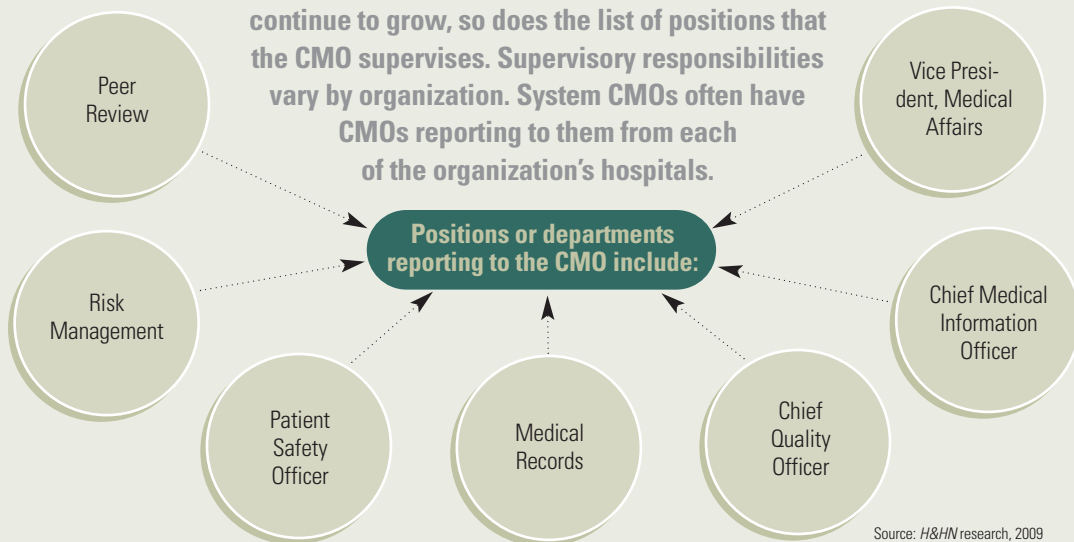
CMOs and other physician leaders, have unique leadership styles based on their training and professional background. Below is a look at the differences in leadership styles between physician leaders and nonphysician leaders. According to Cejka Search, knowing these differences can help build understanding and improve team effectiveness.

Nonphysician leaders	Physician leaders
<ul style="list-style-type: none"> • Master of Health Administration or Master of Business Administration 	<ul style="list-style-type: none"> • M.D., Master of Medical Management, M.B.A., M.H.A.
<ul style="list-style-type: none"> • Operational strength, clinical secondary 	<ul style="list-style-type: none"> • Clinical strength, operational secondary
<ul style="list-style-type: none"> • Thought leadership 	<ul style="list-style-type: none"> • Visionary leadership
<ul style="list-style-type: none"> • Intelligent, process-driven 	<ul style="list-style-type: none"> • Thirst for knowledge, data-driven
<ul style="list-style-type: none"> • Consensus-driven 	<ul style="list-style-type: none"> • Action-oriented
<ul style="list-style-type: none"> • Motivator, facilitator 	<ul style="list-style-type: none"> • Influencer
<ul style="list-style-type: none"> • Team-oriented, addresses conflict 	<ul style="list-style-type: none"> • Negotiator, decisive, avoids conflict
<ul style="list-style-type: none"> • Career-focused 	<ul style="list-style-type: none"> • Competitively driven
<ul style="list-style-type: none"> • Effective leader in community 	<ul style="list-style-type: none"> • Politically effective in public arena

Source: H&HN research, 2009

CMO Reporting Relationships

CMOs typically report to the CEO. As the CMO's responsibilities continue to grow, so does the list of positions that the CMO supervises. Supervisory responsibilities vary by organization. System CMOs often have CMOs reporting to them from each of the organization's hospitals.



Source: H&HN research, 2009

CMOs Making an IMPACT

Hospitals are in the midst of a fundamental transition in care delivery. The growth of transparency in quality and patient safety is propelling evidence-based practices and the science of high-reliability systems. As hospitals move along this path, the need for greater physician leadership is apparent. That's where the chief medical officer comes in. The role of the CMO has grown significantly over a 20-year period, from part-time, midlevel manager to full-time senior executive.

"Whatever happens in health care, physicians need to be in leadership roles," says Barbara Linney, vice president of career development for the American College of Physician Executives, Tampa, Fla. Hospitals now recognize that fact, says Bruce Hamory, M.D., executive vice president and system chief medical officer emeritus of Geisinger Health System, Danville, Pa. "We will continue to see more physicians as part of the executive team," he says.

As their roles expand, so must their skills, says MaryAnn Digman, R.N., vice president of interim leadership at B.E. Smith, a health care executive search firm in Lenexa, Kan. "The CMO is leading the organization to improve quality outcomes and help physicians adopt best practices," she says. "They are also very business savvy." CMOs now play an important part in the strategic planning process by identifying areas for growth and performing other general leadership tasks. CMOs also have to be technologically proficient to help select, implement and manage clinical information systems.

Unlike their predecessors, who often stumbled into executive positions, today's CMOs plan their careers with that clearly in mind. "CMOs are at the heart of the physician executive profession," Linney says. "The CMO position is the goal of most physicians who venture into management after a successful clinical career." The ideal candidate for a CMO position has an advanced degree in business or management, has previous management experience and is a well-respected clinician. An advanced degree isn't an automatic ticket into a management position, Linney notes, but it will help physicians get the experience necessary to take a senior management role.

Beyond clinical and management skills, CMOs must possess strong interpersonal characteristics. "The people skills rank very high," says Kenneth Smithson, M.D., vice president of clinical improvement services for VHA Inc., Irving, Texas. "They frequently have to deal with difficult situations." Adds Thomas Lynch, senior consultant for Phillips, DiPisa & Associates, a health care executive search firm in Hingham, Mass. "Diplomacy is huge. One of the most important factors is integrity and trust." Those traits help CMOs bring about consensus on crucial matters and build influence within the organization.

Fifteen years ago, most observers predicted a steady stream of CMOs moving into CEO roles, says David Kirschman, president of the Physician Executive Management Center in Tampa. So far, it hasn't happened to the extent expected. "CMOs feel they can make the most impact in their current positions," Kirschman says. But Peggy Naas, M.D., vice president of physician strategies for VHA, sees signs that the CMO-to-CEO career path is picking up steam. "We are seeing an increase in physician CEOs," she says.

Although CMO roles vary dramatically from one hospital to the next, in nearly all cases the scope of responsibilities has expanded far beyond what it was 20 years ago. Some larger health care systems have created dual CMO positions, with one CMO overseeing medical staff and quality and safety programs and the other focusing on business and administrative tasks. In other hospitals, the CMO may delegate certain responsibilities to a vice president of medical affairs or to other vice presidents or directors.

What's certain is that no two CMO positions are alike. The common saying is, "If you've seen one CMO job description, you've seen one CMO job description." ●

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Why Should a Physician Become a CMO?

- To become part of the health care solution
- Interest in management and leadership
- Challenge of practicing medicine has waned
- Potential income improvements
- Frustrated with managed care environment
- Wish to enhance management skills

Source: H&HN research, 2009

The Progression of the CMO Position

The role of the CMO has evolved significantly over the past 20 years. Technology advances, the increasing focus on quality and patient safety, pay for performance and the shift toward greater transparency, among other things, have drawn more physicians into the executive suite.

20 YEARS AGO

The CMO was generally positioned as the vice president of medical affairs or the medical director. The typical candidate was a popular, long-term member of the medical staff and the position was usually part time. While the candidate did have some leadership experience, he or she did not have experience with hospital financial and operational matters. "Fifteen to 20 years ago, the CMO was preoccupied with medical staff organizational functions," says Kenneth Smithson, M.D., vice president of clinical improvement services for VHA Inc., Irving, Texas. Adds Peggy Naas, M.D., vice president of physician strategies for VHA, "The CMO of the past worked the doctor's lounge to take the pulse of the medical staff." In comparison, today's CMOs are trained to be working members of the C-suite.

Primary Tasks

- Credentialing
- Privileging
- Peer review
- Liaison between medical staff and administration
- Quality improvement
- Physician recruiting

10 YEARS AGO

The role of the CMO expanded to include additional operational and administrative functions. The CMO title became more common to reflect the elevation of the position to the executive office. CMOs continued to focus on medical staff management and relations but they also took on more operational responsibilities. "The complexity of managed care and the increased focus on patient safety and quality led to the rise of the CMO," says Thomas Lynch, senior consultant for Phillips, DiPisa & Associates, a health care executive search firm in Hingham, Mass. The CMO position became a full-time responsibility and hospitals began to recruit candidates from outside the organization to find new skill sets and individuals who did not have long-standing relationships with members of the medical staff.

Primary Tasks

- Credentialing
- Privileging
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- Quality improvement
- Physician recruiting

Plus

- Utilization review
- Program growth and development
- Budgeting
- Reviewing payer contracts
- Physician practice acquisition
- Physician practice management

TODAY

CMOs still tend to come from outside of the organization. The role has expanded to cover a broad range of responsibilities. The exact responsibilities vary from organization to organization. They've taken a more strategic, operational role. The majority of their work is administrative; few continue to practice medicine and if they do, limit their clinical work to about a half-day a week. The majority of CMOs today have an advanced degree in business or management and have prior management experience. "The role of the CMO is becoming more specialized," says Deedra Hartung, vice president and practice leader for Cejka Search, St. Louis. "As such, the position requires a different background."

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Plus

- Business development
- Capital equipment decisions
- Clinical integration
- Technology adoption
- Patient satisfaction and marketing
- Increasing market share
- Process improvement
- Regulatory compliance

Core Competencies

In addition to strong clinical skills, CMOs need a thorough knowledge of the health care industry, including hospital operations and the regulatory environment. Barbara Linney, vice president of career development for the American College of Physician Executives in Tampa, Fla., says CMOs must:

1. Understand health care law
2. Manage physician performance
3. Lead quality improvement
4. Understand the ethical implications of care delivery
5. Participate in marketing and strategic planning
6. Be influential
7. Possess effective negotiating skills
8. Understand clinical informatics
9. Know the science of high-reliability systems
10. Have a strong executive presence
11. Possess good one-on-one interpersonal skills
12. Be a team builder
13. Provide effective feedback
14. Manage conflict resolution

Web Extra

Go to www.hnmag.com for more exclusive content on this topic.

Source: American College of Physician Executives, 2009

Sample CMO Candidate Criteria

Academic Training

- Reputation of institution for residency and fellowship
- Board certification and subspecialty
- Master of Business Administration, Master of Medical Management, or Master of Public Health

Employment History

- Size of institution/net revenue
- Complexity of organization
- Reputation of organization
- Integrated delivery system experience or community/stand-alone hospital

Track Record

- Strong reputation as a clinician
- Recognized medical leader in current organization
- Noted for work in quality, disease management and/or evidence-based medicine
- Demonstrated implementer of medical staff quality systems and processes
- Experienced in medical staff function, structure and policies
- History or capable of organizing and promoting CME and physician social activities

Quality Review

- State-of-the-art quality systems and initiatives implementation track record
- Participation in national quality initiatives and organizations
- Publications, grants, research or other initiatives in quality, disease management and/or evidence-based medicine

Leadership Skills

- Style of leadership
- Capable of making tough decisions
- Collaborator, inclusive, shares information, coalition builder
- National, state and/or community leadership positions
- Strong communication skills, inspires others, models values of the MDs who practice there

Innovation

- Examples of documents, proposals, joint ventures and new quality initiatives

Cultural Fit

- Clinical connectivity with physicians; employed and private
- Organizational credibility as physician leader
- Negotiation skills, finesse, influencing skills
- Balances needs of multiple constituencies; meets needs of employed and private physicians
- Strong social skills, including with medical staff

Health Care Vision

- Priorities, understanding and philosophy consistent with executive team

Reputation

- Style of leadership and quality of intellect consistent with standards

References

- Multiple constituencies—360°

Source: Cejka Search, 2009

Howard Grant, M.D.

Executive Vice President and CMO
Geisinger Health System, Danville, Pa.



I entered management full time early on. Over time, the CMO position has gotten more complex. In the past, the role focused on more traditional tasks, particularly medical staff office operations. We did tend to regulatory matters, but they were not overwhelming at the time. Today's CMO has to be operationally sophisticated. They have to work in teams to simultaneously improve quality and reduce costs. One of my roles is to standardize practices among our 750 employed physicians across our three hospitals and 40 clinics and to collaborate with our ambulatory care centers and health plan. Geisinger is a fully integrated system with each service line led by a physician leader. The physician leaders report to me; they are also partnered with an administrative vice president. The CMO of tomorrow must be able to masterfully manage the clinical and operational aspects of the job to accomplish a balance between quality and efficiency. The easy stuff is done. The CMO must be able to influence others to change the delivery of clinical care while improving quality. That will be the ultimate challenge.

Richard Iseke, M.D.

Vice President, Medical Affairs and CMO
Winchester (Mass.) Hospital



When I started emergency medicine out of training in the early 1980s, it was rare that you saw a CMO. In the mid-1990s, the position moved to a part-time role at the vice president or director level. By 2000, the position was full-time and well-established in hospitals at the executive level. The role has expanded because of the move toward greater transparency in quality and patient safety. We are in a transition currently—trying to transition medicine to a safer, higher-reliable endeavor. The CMO will emerge as a facilitator for the board and the medical staff to move in the right direction. I had a fair amount of clinical and administrative experience before becoming a CMO. I oversee the department of change management and quality. I may be different from others, but I've always felt that a true love and passion for patient care and the medical profession is the top characteristic that CMOs and other physician leaders must possess. Physician leaders must have a love for the work. It is an adjustment for clinicians to recognize they are members of a team and not always the leader. My job is to execute the plans laid out by the CEO and support and assist my team members in their roles.

David Pryor, M.D.

CMO
Ascension Health, St. Louis



I have an eclectic background. I served seven years in a CIO position and I also served as president of New England Medical Center Hospitals. CMOs today are more integrated into the operations of the organization, making sure the organization is successful in both clinical and financial roles. Financial pressures will continue and regulatory requirements for quality will continue. We will see increasing dimension around accountability to patients and consumers, improving the experience beyond the hospital walls. The CMO will be important to deliver upon those experiences. As a CMO, I'm responsible for all clinical activities at a strategic and operational level and I share responsibilities for how the whole organization runs and functions. We are focused on how to improve clinical quality and the efficiency of our operations. We are very mission-driven and focused on how we can best provide care to the poor and vulnerable within our communities. I love my job not only because of the role I'm playing but also because the values and mission of the organization I'm working in are the same as my own. It energizes me every day. The CMO position varies by organization and particularly whether the position is CMO of a hospital or a small or large system. Hospital CMOs are focused primarily on medical staff alignment and managing quality and costs. At the system level, CMOs are focused on improving efficiencies and developing systemwide quality and patient safety initiatives. At the larger system level, the role is more strategic in nature. For example, at the hospital level the CMO will make sure the right medical staff is in place and whether there are enough nurses and pharmacists. At the system level, specific recruitment strategies are addressed with a regional focus. CMOs of larger systems may focus on the workforce pool 10 years out and on growing the talent pool across the organization.

Expert Advice

H&HN

How We Did It

This gatefold was produced by researching published studies and articles and conducting interviews with hospital and industry executives.

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