



## The Value of Physicians on the Board

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**Most boards of academic medical centers and health systems have physicians among their membership.** However, the number and impact of physicians on boards is not always what it can and should be to be optimal for the benefit of the organization. Physicians offer myriad benefits to a board, not the least of which is to bring a frontline perspective on issues related to care quality and safety and overall operational performance.

For academic medical institutions, physician leaders and faculty on a board shed light on the quality and effectiveness of undergraduate and graduate medical education efforts, while also providing in-depth perspectives on the viability and significance of current research initiatives. They reinforce the tripartite mission. As many academic medical systems expand into ever-larger and more complex clinical enterprises, “the need for effective governance becomes even more critical to ensure that the business of patient care does not compromise the rest of the triple mission.”<sup>1</sup>

Despite the critical function that physicians play on boards, statistics show that, at least on hospital boards, it is common to have perhaps one or two physician leaders or members from the clinical ranks, in addition to the occasional member of the nursing staff.<sup>2</sup> According to The Governance Institute’s 2019 Biennial Survey of Hospitals and Health Systems, the total average number of physicians on the board is

- 1 Ramya Chari et al., “[Governing Academic Medical Center Systems: Evaluating and Choosing Among Alternative Governance Approaches](#),” *Academic Medicine*, Vol. 93, Issue 2, February 2018; pp. 192–198.
- 2 Bhagwan Satiani and Suraj Prakash, “[It Is Time for More Physician and Nursing Representation on Hospital Boards in the U.S.](#),” *Journal of Hospital and Medical Management*, Vol. 2, No. 1, 2016.

1.7, which is down from 2.9 in 2017.<sup>3</sup> This is despite the strong sense that clinicians add to the knowledge and effectiveness of boards.

Physicians themselves overwhelmingly believe that they should have a prominent place on boards—more than 90 percent of physicians surveyed by PricewaterhouseCoopers said they should be involved in hospital governance, such as serving on boards to assist in performance improvement.<sup>4</sup> This includes both private and employed physicians, as both groups want their interests duly represented.

There are cautions to be exercised in naming physician leaders or staff physicians to board seats. For instance, conflicts of interest can arise when physician compensation is closely tied to decisions made at the board level. In addition, physician members can be ineffective or problematic when they exhibit certain misunderstandings about

### → Key Board Takeaways

- Having multiple physicians on the board serves incredible value as a means of shedding light and sharing expertise on matters related to quality and operational performance.
- Physicians themselves overwhelmingly believe that they should be sufficiently represented in governance matters.
- Physicians have an impactful role as educators of their board colleagues, helping others to become literate in the tripartite mission areas of patient care, academics, and research.
- Just as they educate their fellow board members, physicians serve as a conduit with the workforce related to matters of governance; they help staff to understand governance and why certain decisions have been made on behalf of the institution.
- Select physicians for board seats who are good listeners and communicators, have gained the trust of clinical staff throughout the organization, live and breathe the organization's mission, and have ample time and motivation to serve.

3 Kathryn Peisert and Kayla Wagner, *Transform Governance to Transform Healthcare: Boards Need to Move Faster to Facilitate Change*, The Governance Institute's 2019 Biennial Survey of Hospitals and Health Systems.

4 PricewaterhouseCoopers, *From Courtship to Marriage: A Two-Part Series on Physician-Hospital Alignment*, 2011.

their role, such as a lack of understanding of governance and the roles of board members, insistence on managing rather than governing, and a failure to establish trust between themselves and other members.<sup>5</sup> Their role is to act on behalf of the whole versus advocacy for a particular constituency.

These issues, however, tend to be minimal, and with planning and care can be avoided. They stand in contrast to the advantages of having adequate physician representation among the board's directors. It is essential that boards clearly communicate to the body of physicians and other staff the reasons for increased physician involvement in governance, so as to alleviate potential concerns within the organization.<sup>6</sup>

## The Clinical View

Let's consider the benefits that physicians bring to medical center or academic health system boards:

- **They bring the view of the clinician into all proceedings.** This can include conversations that tend to be complex and challenging to solve: "The paradox of ensuring conformance (patient safety) at the same time as pursuing performance improvement and innovation (clinical effectiveness and efficiency) is ever present. This suggests the need to include physicians on the board both as outsiders (in a monitoring and advising capacity) and as insiders (in an expert capacity)."<sup>7</sup>
- **They serve as educators,** enlightening other board members on the finer points of care delivery, quality and safety, challenges presented by various patient populations, and so forth. Given that quality and safety are often fiduciary responsibilities of board members,<sup>8</sup> this knowledge sharing is not only welcome but essential. The goal for each board should be that all members become "quality literate" — aided by physician input — in order to provide effective

5 James S. Hernandez, "[Some Advice for Physician Leaders Tapped to Serve on Boards](#)," American Association for Physician Leadership, July 27, 2018.

6 Molly Gamble, "[7 Tips for Physician Representation in Hospital Governance](#)," *Becker's Hospital Review*, February 18, 2011.

7 Naomi Chambers et al., "[Who Should Serve on Healthcare Boards? What Should They Do and How Should They Behave? A Fresh Look at the Literature and the Evidence](#)," *Cogent Business & Management*, 2017.

8 Diana J. Mason et al., "[The Representation of Health Professionals on Governing Boards of Health Care Organizations in New York City](#)," *Journal of Urban Health: Bulletin of the New York Academy of Medicine*, Vol. 90, No. 5, October 2013.

governance of quality-related matters.<sup>9</sup> For academic medical center or health system boards, this educational responsibility includes instructing other members on matters of, for example, physician training and curricula and ongoing research initiatives and collaborations. Those are core missions of academic centers and under increasing scrutiny and fire for the costs associated with them. The physician voice is essential to appreciating the contribution of those missions to future generations of patients and providers.

- **Physicians bring the perspective of the care team** and can convey the importance and functions of various roles in the provision of care.
- **They convey the impact of capital purchasing, clinical equipment, building design, and prioritization of expenditures on the physical plant on quality and efficiency of patient care.** These topics speak to some of the most costly and risky investments that academic medical centers and health systems make, and having the input of those individuals who ultimately are the primary users of the equipment and facilities lends a credibility and user-experience perspective to board decisions.
- **They have experience with the impact of the social determinants of health.** Many physicians see the health outcomes of patients struggling with everything from homelessness to transportation challenges to poor access to healthy foods, and this direct experience is a significant addition to board discussions around community health needs, as well as strategic plans and priorities.<sup>10</sup>

## Cautionary Tales

What happens when there isn't a physician voice on the board? A number of challenges or obstacles can surface:

- Decisions, often very significant ones, can be made without an understanding of the impact on the frontlines of care delivery.
- Assumptions about the pace of change and growth do not include full information as to the capacity of the clinical workforce to adapt and expand to meet the demands of change and growth.
- There is limited understanding on the part of the clinical workforce around how governance decisions are made, and the macro forces impacting the governing body. A physician board member can serve as the conduit of that information

<sup>9</sup> Chambers et al., 2017.

<sup>10</sup> Kim Russel, *The Voices of Physicians on Your Board: Maximizing a Hidden Asset*, The Governance Institute, Summer 2020.

back to the workforce—meaning, a physician board member plays a bidirectional role, both providing the perspective of the clinical community to the board, as well as the perspective of governance (meaning long-term sustainability and fiduciary responsibility) to the institution.

- Quality and patient safety measures can take on lesser importance or take on a more superficial tone without the grounding provided by board physicians.

## Selecting Physicians for the Board

How is a board to decide which physicians are best to serve? First of all, it is essential to aim beyond tokenism and the belief that simply appointing one or two qualified physicians will address all of the challenges described above.<sup>11</sup>

Academic health system boards may use the following questions as a guide as they consider candidates:

1. Is the physician influential, in a positive and constructive way? Do they have the ear and trust of the clinical staff?
2. Do they have the capacity to routinely see both sides of an issue? Can they look beyond their stature as clinicians to understand disparate arguments and have the best interests of the institution at heart?
3. Are they a skilled listener and communicator?
4. Are they prepared to make the necessary time commitment? The argument is often made by board members to select the busiest individuals, as they seem to be the ones who get things done. This can be a dangerous proposition, however, as serving on a board is a major commitment. Either way, make clear to board recruits that they will need to devote significant chunks of time to their board service.
5. Have they demonstrated a long-term commitment to the organization and its mission? Physicians on boards must exhibit a passion for the institution.
6. Are they free of apparent conflicts of interest? Some boards worry about this with physician members more than necessary, when in fact lay board members themselves (e.g., bankers, insurance executives, general contractors, and large donors) often bring their own conflicts to the boardroom.

Once physicians are selected, the board must take steps to help them become acclimated and effective. This can include establishing appropriate orientation

<sup>11</sup> Mason et al., October 2013.

programs, mentoring and training courses, and allowing them to serve on various committees. These steps will ensure that the physicians on the board are able to take advantage of the tremendous opportunity they have to participate effectively in governance and to effect positive change.

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