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## **A Physician First**

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## Brief Bios

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### *Major Focus of the Case*

Much leadership literature stresses the important role of the charismatic hero-leader. Yet in today's world of far-flung operations in diverse contexts where people throughout the organization have to deal with complexity and uncertainty, this model may not be possible or effective. Shared leadership, where there are many competent leaders spread throughout the organization at many levels, is an especially critical concept for any non-hierarchical organization in an environment characterized by the need to continually adapt and improve. (Lawler & Worley, 2006). Shared leadership occurs when practices are distributed and interdependent, and where leadership is a social process, occurring "in and through relationships and networks of influence." It leads ideally to outcomes of "mutual learning, greater shared understanding...and positive action" (Fletcher & Käufer, 2003, p. 23). Shared leadership does not naturally occur. In the case of Jeff Weisz, Executive Medical Director of the Southern California Permanente Medical Group, it reflects his and his team's understanding that today's world demands many leaders collaborating to lead an organization to greatness.

*"I am a physician first, and my leadership is based on that premise." – Jeff Weisz*

### *Introduction*

Kaiser Permanente (KP) is both a health care delivery system and an insurance plan that provides comprehensive care to a defined population of members in exchange for a capitation premium paid by employers, individuals, Medicare, and MediCal (the State of California's Medicare program). It also provides charity care to uninsured patients. KP is comprised of the

Kaiser Foundation Health Plan, the Kaiser Foundation Hospitals, and the Permanente Medical Groups. Nationally, KP's eight regions serve more than 8.6 million members, delivering care in 35 hospitals and 454 medical offices. 15,129 physicians and 164,098 technical, administrative, and care providers work in the Kaiser System (About Kaiser Permanente, 2010).

An independent Permanente Medical Group contracts with each region of Kaiser Permanente to provide comprehensive physician services to the member population. This case concerns the leadership of the Southern California Permanente Medical Group (SCPMG). The Southern California region has the largest membership of any of the regions KP serves, with 3,284,540 members as of 12/2009.

Jeffrey Weisz is a hematologist/oncologist who was elected as the Executive Medical Director of SCPMG in 2003. During his tenure, the Group has experienced a substantial culture change, a growing sense of pride in the doctors and staff, and world-class success in both patient outcomes and financial measures. His success, in a position that doesn't have a lot of hierarchical power, is due to his knowledge as a practicing physician, his knowledge of how the KP system works, and his ability to assemble a team of change agents to encourage, enable, incent, and align his fellow doctors throughout the organization. Jeff is quite humble about his role. One could take this as a kind of false modesty, a curious window dressing. But it is genuine. In fact, Jeff's humility is a sign that the accomplishments of the Southern California KP Region are, in fact, a triumph of shared leadership. The SCPMG demonstrates this capability repeatedly.

The SCPMG is a partnership of almost 4000 partner and 1500 associate physicians. The partners co-own and self-govern the group, and who are accustomed to acting autonomously. They don't like being told what to do. As Dr. Jeffrey Selevan, Medical Director for Business

Management, has noted, Weisz’ “ability to directly manage the operations in our medical centers is tenuous at best, and mostly nonexistent.” Add to this the fact that Weisz’ position, per the bylaws of the partnership, is one elected by the Board of directors, and requiring two-thirds of partners’ to affirm the Board of Director decision. One can see that the traditional definition of leadership, where an individual leader makes decisions that are pushed down into the organization, could not apply in this case.

### *Woodland Hills, California*

Jeff Weisz always liked being a doctor and practicing medicine. He says it was a fluke that he first got into administration. Jeff started his leadership career by serving as the Woodland Hills Medical Center’s elected representative to the SCPMG Board of Directors for 9 years; he then was selected as the Woodland Hills Medical Director. Woodland Hills is one of 11 Centers in the Southern California Region. His “platform” for the Woodland Hills Medical Director position consisted of six focuses that have remained constant throughout his leadership at SCPMG: 1) timely medical care, 2) service and compassion to patients, 3) leading in clinical strategic goals, 4) developing and promoting clinical best practices throughout the region, 5) valuing KP people, with competitive compensation, high morale, collaborative labor management partnership, mutual accountability, and cultural diversity, and 6) building on the integrated relationship with KP Foundation Health Plan and Hospitals by increasing collaboration and reducing duplication of work.

Woodland Hills had a history of never meeting its budget, and Weisz balanced the budget in his first year as medical director. He carefully, systematically, and deeply looked into the details of how the medical center was operating, which led him to examine the staffing patterns

and other uses of resources in order to make changes that increased the quality and access. Weisz had personal relationships and trust with the doctors. He believes that one reason he was successful was because he was a doctor who still practiced – so he was “one of them.” As Executive Medical Director of SCPMG, he has continued to articulate a three-fold mission: do what is good for patients, good for doctors, and good for the organization - always remembering that patients are first.

In service of this mission, he began to formulate a belief that if Kaiser Permanente became the best in the world at *Preventive Care*, true greatness as a system would result. It was clear that the healthcare expenses in the U.S. was becoming increasingly non-sustainable, consuming an ever-increasing percentage of the country’s resources at a time when demographics and disease patterns suggested that demand would increase astronomically over the ensuing years. It was apparent to Jeff that high quality preventive health care would be a win for patients and their quality of life, for physicians whose primary motivation is delivering high quality care, and for payers who were struggling to cover the rapidly rising costs of healthcare. His tenure as Executive Medical Director for SCPMG has been a period during which the physicians throughout the region started to operate with this vision of greatness, and indeed moved toward “best in the country” in many areas, most notably in the areas of preventive care.

#### *Shared Leadership in the Executive Team*

As Weisz began in his role as SCPMG’s Executive Medical Director in 2004, he assembled a small executive team. Included in that team were two physicians, Michael Kanter (Regional Medical Director of Quality and Clinical Analysis) and Paul Minardi (Regional Medical Director of Operations), who had sat with him at Paul’s Cafe several years earlier “blue-

sky” what Kaiser Permanente and American health care could become. As he did at Woodland Hills, Weisz, now with an executive team carefully chosen for energy, vision, and talent, would begin by closely scrutinizing the details in many areas of the SCPMG operation. They soon found significant inefficiencies in the system— where resources could be freed up to build a world-leading preventive system. As they chipped away at the inefficiencies, they were able to redirect resources to areas that made a positive difference in the lives of physicians and patients, and in costs. Other members of Weisz’ executive team were Dr. Jeffrey Selevan as Medical Director of Business Management, Marilyn Owsley as Business Administrator of Finance, Systems, and Contracts, and Tom Williamson, Business Administrator of Operations. Together they explored ways to get resources more aligned with clinical and patient needs, and they found opportunities to dramatically improve clinical and administrative processes. They demonstrated to the physicians that through the smart practice of preventive medicine and through improving clinical and administrative processes throughout the system, resources could be freed up to provide greater support to physicians, hire more physicians, and provide better care to members. The change was couched as a way to provide the environment in which physicians could practice great medicine.

Weisz said he assembled his team by “pick[ing] people who are smarter than me,” but more than just that, he assembled a team of co-leaders. Jeff may be the visionary – the person who puts a stake in the ground – but his team figures out what is needed and does the things to get it moving. Michael Kanter offered a perspective that is shared by the other members of the team: “Jeff articulated a vision of where we would go. He gave me and the others a lot of runway space. We’re very cohesive, and none of us worry about who gets credit.”



The executive team is composed of very independent, driven, high performers, who at the same time work closely together. Each member of the team has the power to make decisions. Weisz holds them accountable but doesn't micromanage. The team is small, and their responsibilities intentionally overlap, demanding a high degree of collaboration and cooperation among the team members for it to function. (By comparison, the executive team in Kaiser's Northern California region has at least 20 members.) "There is an extraordinary degree of cooperation among us," says Selevan. Kanter will "discover things as he works on quality and clinical analysis that affect me, and it gets handed over to me. And vice versa....So when we combine all these kinds of analysis, we collectively work synergistically with each other in a co-leader way," explains Minardi. The executive team members don't think alike and don't always agree amongst themselves or with Jeff. They feel free to challenge Jeff and each other, but always come together in the wake of a decision. The team members truly do not let egos get in the way when it comes to Kaiser, the doctors, and the patients.

### *Relationships and Networks*

In the shared leadership model, we see movement, initiative, and change emanating from all parts of the organization, facilitated through SCPMG-wide relationships and networks, not just via Jeff Weisz and his executive team. Especially in a professional partnership, much has to come up from the bottom. Under Jeff's leadership, robust Region-wide networks have been built to share best practices, exchange knowledge, and innovate and improve processes. Medical Centers that previously ran quite independently have been connected through a web of cross-cutting relationships.

Regional chairs of the different medical specialties are a lateral type of leadership that cuts across the enterprise. Regional chairs in a particular medical specialty, such as gastroenterology (GI), build connections with the GI chiefs at the 13 medical centers in the region. Jeff has challenged each chair to work with the network to identify outcome areas where the Region will become the national leader. They meet regularly as a group to coordinate best practices, and the regional chair also meets individually with each medical center chief on a peer-to-peer basis. It's important for both learning and for developing personal relationships. Alexander Lee, the Regional Chair of Gastroenterology in Southern California, says that talking frequently is "very important because in an organization of this size it's easy for people to practice in a silo." Lee notes that this practice of sharing has grown beyond Southern California, so that now the nationwide network of Kaiser's GI regional chairs have conference calls bi-monthly and face-to-face meetings twice a year.

Similarly, each medical center has a physician champion for a particular chronic disease state, such as asthma. The champions are leaders for total health and preventive care, and they meet regularly to share best practices. If another medical center is having better outcomes than you are with your asthma patients, you'll hear about it here. It's a way to share learning, but it's not mandated from the top; instead, it is a "friendly competition that we take seriously," which is fueled by the extensive metrics collected from a variety of electronic databases, including KP's HealthConnect Electronic Medical Record (EMR), comments Julia Bae, the Area Medical Director of Kern County.

Jeff Weisz and his lateral counterpart, Dr. Ben Chu, the President of Kaiser Permanente Southern California (which encompasses the Kaiser Foundation Health Plan and the Kaiser Foundation Hospitals), share the vision of great healthcare, work as a team, and trust each other.

They don't question each other's motivations, which was not necessarily how the heads of these separate pieces in the Kaiser system worked previously. This trust has been the foundation for many collaborative initiatives and for a flexibility in the application of resources to achieve region-wide objectives.

The Proactive Office Encounter (POE) concept has built on the capabilities of the system's HealthConnect EMR to create a virtual system of care around each patient. No matter where in the system patients show up for care, they will be reminded of preventive measures and routine care that needs to be done, and staff will take responsibility for reaching out to patients when care is overdue. This system built on practices that were being introduced in the Orange County Medical Center. These were fine tuned by Kanter and Minardi and others, who worked with physicians and staff throughout the region to develop tools and protocols, and to define the roles for the various support staff. POE was rolled out to the entire Southern California region with measures, tools, consulting, training, and other forms of support being provided from the Region.

Minardi points out that much change emanates from the Centers, and that the executive team gets "involved in the [ideas] that can be scaled up and make a difference across the system." POE, for example, emphasizes proactive care and prevention. Two-thirds of visits by patients needing a mammogram are with specialists, not primary care physicians, so it made sense, for example, that if a patient came in to see a dermatologist, but hadn't had a mammogram, the dermatologist could alert the patient, order the exam, and get her scheduled right then and there. It made sense – but initially violated long-standing norms of practice and divisions between primary and specialty care. Together, Weisz, Kanter, Minardi, and other leaders built a data-based business case that demonstrated the clinical and financial benefits, and

provided the support to physicians and other medical staff in changing roles, relationships, and processes and in achieving aggressive new targets for preventive medicine. The POE was one innovation that led to SCPMG now leading the nation in breast cancer screening among women ages 52-69 and having similar national leadership outcomes in other areas of prevention.

### *Challenges*

Although leadership is disbursed throughout the system, Jeff Weisz is a lightning rod, because he sticks his neck out and advocates for his vision, which can sometimes involve unpopular measures. The many changes that were effected during Jeff's first term led to him losing reelection as Executive Medical Director. Weisz frankly blames this on the fact that he asked physicians for a much higher level of performance within a defined amount of resources. Jeff and his team had to find ways to free up resources to address the truly important challenges and raise performance levels. They also were tasked with having to energize partners (the owners of the group practice) who were dispersed through a huge geographical area in medical centers and area structures with their own elected leaders and cultures. Weisz didn't give up, however – he reran for the position and was successfully reelected, without compromising his values and vision.

HealthConnect, KP's national EMR, was introduced during Weisz' first term, and it was a huge sticking point. "HealthConnect killed me for three years," Weisz wryly noted. Many physicians felt completely overloaded trying to practice medicine and learn the new system of record keeping (in some cases, learning to type!) and accepting a new level of measurement and transparency to their practice. Many of them simply hated it at first. Although Weisz at one point scaled back the pace of the roll out, he continued to be dedicated to it, because he knew

that an EMR would increase patient outcomes and bring greater transparency and accountability to how doctors practiced, and to the quality of care by the SCPMG.

### *How They Succeeded*

How does an agenda that is basically values and performance based get implemented in a far-flung organization of professionals who value autonomy and medical centers used to managing themselves? Weisz and his team kept in their minds the best vision of what a physician can and should be – continually learning, striving for the best outcomes, always focused on the patient. To effect their agenda, they asked more of the whole health team, worked to encourage connections at all levels, created an environment of bubble up of ideas from below and enabled broad dissemination from above, as well as introducing transparent and accountable management.

The HealthConnect EMR was a critical component in the changes that occurred in the SCPMG because it allows about 130 very detailed metrics to be taken on a regular basis, which permits real-time research into effective care. From all these metrics, the Vital Signs report is issued monthly, in which all the medical centers are ranked according to quality, financial, and service measures. People have a bit of a love-hate relationship with metrics. “Without the metrics, everyone thought they were doing great,” commented Selevan. The transparency about data, care, and outcomes had a real impact on the physicians, and drove increasingly greater levels of system performance.

In addition, the measures generated in the Vital Signs report—a monthly report on a slew of measures of elements relating to quality, prevention, cost, and patient satisfaction and outcomes – feed into the incentive pay system that Weisz and his team developed. Someone

hitting identified clinical strategic goals receives additional incentive pay, over and above his/her base salary. Under Weisz' tenure, base pay has gone up every year for physicians across the board, and the incentive pay program has helped in driving desired changes. Although the amount of incentive pay is not large, Lee noted that it is useful because it gives physicians "a goal to focus on.... Physicians in general are self-motivated and a little bit competitive."

### *Conclusion*

Keeping a vision of doing what is good for patients, doctors, and the organization alive in the minds of their colleagues, Jeff Weisz and his team have demonstrated, encouraged and enabled shared leadership throughout the Southern California Permanente Medical Group. They have worked to align incentives, develop pride in achievement, and have called upon the competitive urge of doctors to effect lasting change. The Southern California Region of KP is ranked #1 in the U.S. in a number of metrics, and is listed in the Top 8 on *U.S. News and World Report's* ranking of Health Plans for Medicare members (Best Health Plans Search, 2010). The *Economist* wrote that Kaiser Permanente as a whole is a possible model for healthcare worldwide (Anonymous, 2010).

### *Discussion*

1. Jeff Weisz practiced medicine in the Kaiser Permanente system for 25 years before he became the executive medical director of the SCPMG. What role does his knowledge of what physicians experience play in his success?
2. How important do you think the electronic medical record really is, for both physicians and patients?

3. Why would incentive pay, which is at most only 20% of an SCPMG physician's salary, help drive change?
4. Would shared leadership work in a more traditional, hierarchical organization?

### *Key Leadership Lessons*

1. Although innovation and change within a non-hierarchical system are difficult, they can be done.
2. The literature shows that shared leadership is extremely difficult to accomplish, especially in executive teams, which are often teams in name only. Yet, carefully chosen teams with clear mutual expectations can greatly leverage their impact through collaboration and shared vision.
3. Shared leadership extends down into the organization, both vertically and horizontally, with the networks in the organization providing the knowledge sharing and cohesion required to move a complex system forward.

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