By Philip J Tuso, MD, FACP

Business Basics for Kaiser Permanente Physician-Managers

> ***Because your own strength is unequal to the task,***
> ***do not assume that is beyond the power of man;***
> ***but if anything is within the powers and province of man,***
> ***believe that it is within your own compass also.***
>
> *— Marcus Aurelius Antoninus[1:11]*

Introduction

When they joined Kaiser Permanente, most of our physicians might not have fully foreseen the present need to understand the basic business concepts necessary to help manage their medical practices. Over the years, the Permanente Medical Groups have realized that physician-leaders need certain skills to manage the business aspect of their medical groups more effectively. In the next decade, many Permanente physicians will increasingly be asked to use their managerial skills to improve the quality of care we provide our members. Indeed, Permanente physicians need basic business skills for several reasons:

- We are held accountable for developing and monitoring budgets.
- We are held accountable for exercising control over our business operations.
- We are held accountable to develop new ideas that will make us more competitive.
- We are held accountable for developing future leaders of our medical groups.

To supplement learnings from the didactic leadership courses developed by the Southern California Permanente Medical Group (SCPMG), this article presents for all Permanente physicians an overview of information not always specifically included in training seminars. *The road to being a leader in any organization is not always easy, and many of the skills we acquire as leaders are handed down to us by our mentors—but mentors are not all equal, and variation in mentoring techniques may prevent some managers from acquiring knowledge that will help them become more effective as leaders.* The cost of leadership is usually criticism, and many managers learn certain skills by trial and error. When Permanente physicians acquire business skills, they enable our medical groups to more effectively provide high-quality medicine at an affordable price while maintaining market strength.

The Economic Environment Outside the Permanente Medical Group

> ***Look for the obvious which no one else has bothered with.***
>
> *— Obvious Adams[2:36]*

The economic environment outside Kaiser Permanente is rapidly changing. Computer technology is changing the way we practice medicine and the way the nation does business. Many other health plans are struggling to provide high-quality medicine at an affordable cost. At Kaiser Permanente, we are recovering from recent financial losses by becoming a "leaner" organization.

In a sense, one of our biggest competitive threats is presented by the Internet. Like the rest of the economy, medical practice has entered an information age in which cashless, electronic financial transactions are common and in which, many economists believe, information is increasingly becoming as valuable as money. Many Internet companies are valued at billions of dollars (even if this value cannot be converted directly into cash). In addition, billion-dollar decisions in this highly competitive market are made much more quickly than just a decade ago. As an indirect result of these technologic advances, our major competitors in health care are not other physicians; instead, they are business managers skilled in developing new products and in marketing these products to consumers. Therefore, to maintain our competitive advantage in health care, we must learn to think like business managers and stay one step ahead in demonstrating knowledge and proficiency in business as well as in medicine. This way of conducting medical practice will require training different from that which we acquired in medical school.

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Health care costs have risen dramatically over the past decade. As health care in our country shifts to a "managed care" model, efforts are increasingly being made to reduce costs, prevent fraud, and ensure consistently high quality of care. Undoubtedly, we will soon be using more Internet technology to simplify paperwork and improve documentation as a way to reduce the number of deaths that have been attributed to "medical errors." Many health care providers are already looking carefully at new computer technology to help clinicians obtain information whenever, wherever, and however they want it. We also risk losing market share to companies that with the assistance of this new computer technology, will focus on caring for members with such chronic illnesses as hypertension, asthma, and diabetes mellitus.

One of the SCPMG's main assets is the information we provide to the Kaiser Foundation Health Plan. Because we belong to a prepaid health plan, the economic incentives for e-commerce have already been established: By providing information to our members over the Internet, we can effectively decrease our clinical costs of providing medical services; for example, members may schedule preventive studies, check test

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results, and schedule appointments over the Internet. Another benefit of Internet technology for clinicians is easier access to patient information, a benefit that will further improve the quality of care we provide our members.

Because national economic changes may indirectly affect Health Plan membership, physicians should understand current events in our country from an economic perspective. Whereas increases in home sales or in retail sales are taken as signs of a robust economy (a situation that may lead to increased membership volume and increased revenue), indicators of a weakening economy may mean layoffs and lost membership for health plans. Monitoring these and similar economic indicators will help us to develop effective strategic plans and budgets and to determine the best time to hire additional health care practitioners.

The Economic Environment Inside the Southern California Permanente Medical Group

> ***In battle, one engages with the orthodox and gains victory with the unorthodox.***
> *— Sun Tzu*[3]

The economic environment inside SCPMG can be determined by understanding our net worth (ie, tangible and intangible assets minus liabilities). A company is doing well if its net worth increases over time. The net worth of our medical group is difficult to determine. Because we are not a corporation, our worth is determined by our contractual relationship with the Kaiser Foundation Health Plan and by our intangible assets (eg, trademarked or servicemarked programs developed within Permanente Medicine). Every year, our main tangible asset—the cash received from the Health Plan—is distributed entirely as income to our physicians and employees. Our liabilities are zero because the buildings that we use to help care for our members are owned by the Health Plan. Therefore, at the end of each year, our net worth (assets plus liabilities) on paper is zero.[4:110]

If our net worth is zero, how can we determine if our medical group is successful? Profitability ratios are used by corporations to measure a company's earning power and management's effectiveness in running operations.[4:143-7] For SCPMG, this ratio would be computed as partner earnings divided by total revenue (ie, total cash received from the Health Plan). High profitability ratio thus indicates high effectiveness. Our profitability ratio may increase if we decrease outside medical costs. However, profitability ratio may not correlate with success; for example, if we do not hire an adequate number of physicians to meet member demand, profit ratios may increase—but member satisfaction may decrease, resulting in lost membership or in multiple complaints to the State of California Department of Corporations. A different measure, profitability, may be defined as the amount of cash dollars needed to meet our year-end projections and to allow us to hire and retain qualified physicians. If our costs were to exceed Health Plan receivables, then each partner would be at risk for paying to SCPMG that member's share of the deficit. Fortunately, this situation has never occurred.

When membership declines, we can adjust our accounts payable by physician attrition (whether by death, voluntary resignation, or retirement) or by staff layoffs. In the California Division's Southern California Region, annual attrition is about 100 providers, or about 2.5% of the Region's physician pool. Because, on average, we employ about one physician per 700 Health Plan members, we could withstand loss of about 70,000 members before we would need to consider implementing layoffs. A 2% change in our membership volume would thus be problematic. In contrast, a 2% gain in membership would indicate difficulty meeting members' access needs (Irwin P Goldstein, MD, personal communication).[a] Because our contract with the Health Plan is closely related to volume of membership and because our main asset is the cash we receive from the Health Plan, our net worth is vitally linked to membership volume.

Increased membership volume and high rates of member retention are key to the economic success of SCPMG. Every year, we lose thousands of members to other health care programs because we did not meet members' expectations. By not retaining these members, the Health Plan loses thousands of dollars previously invested in adding these members to the KP team. In the future, if we retain most of our members from year to year, we will have a differential advantage over our competitors.

Membership can be increased by achieving high scores in both quality of care and member satisfaction. Overall health plan ratings obtained through satisfaction surveys and from quality indicators (eg, rates of administering Pap smear and mammographic examination, care for elderly members, and care for members with diabetes mellitus or asthma) are now widely published and certainly will allow further opportunity for the public to voice opinions about the health plans that have earned members' business. If, as is hoped, the state-of-the-art quality of service delivered by Permanente Medicine will allow us to move from competitive pricing to value pricing, we will definitely gain another differential advantage over our competitors.

Thus, customers are the economic and motivational lifeblood of our medical group, and everyone working in our organization should be aware of this fact. Responding to customers' needs can be difficult, but these customers often give us ideas for new products and may provide interesting insight into how our competitors may be doing something better than we do. Investing in today's members will go a long way toward guaranteeing our future as a successful health care organization.

The road to being a leader is not easy.

How to be An Effective Permanente Physician-Manager

Every little deed counts, every word has power, everyone in the organization understands the meaning of life is to build life.

— Robert K Greenleaf, Servant Leadership[5]

The road to being a leader is not easy. The price of leadership is usually criticism and a multitude of problems. To borrow a financial analogy, leaders are the "bottom line." Few individuals are born to be leaders. In the Information Age, leaders must develop many skills that are not always described in manuals. Whereas most Permanente physicians have mastered—and regularly receive the rewards of—the multitask training required to care for our patients, effective managers reap rewards only after months or years of planning.[6] As part of this planning, physicians may become more effective as managers by developing seven skills on which to focus:

- effective time management;
- matching performance to results (access, satisfaction, and budget);
- effective communication (eg, in presentations and in meetings);
- development of strengths ("feed opportunities and starve problems");
- development of ideas;
- career development;
- caring for themselves so they can take care of others.

Some Principles of Time Management for Physician-Managers

To be effective as managers, physicians must effectively manage their time. Managers who are always in the office and who do not take time to talk to their employees or customers risk losing their focus and risk becoming isolated from the real problems facing the organization. Ineffective time management also depletes important personal time (eg, time spent with family). Over the long run, insufficient personal time affects managers' overall mood and individual effectiveness. As part of effective time management, physician-managers are well advised to prioritize decisions on the basis of saving the organization money or developing important strategic goals.[6] Some helpful hints are listed below:

- touch each piece of paper only once: trash it, refer it, answer it, or file it;
- write replies or memoranda directly on existing memoranda;
- do not open junk mail, and complete necessary forms promptly;
- minimize the number of copies of reports kept in the office (clip and file articles);
- minimize telephone voicemail and length of telephone greetings;
- eliminate nonproductive time;
- to eliminate overstaffing, identify jobs that can be done by others;
- prevent recurrent crises.[4:55]

Access, Satisfaction, and Budget: Focusing on Results

Every accomplished Permanente physician-manager should agree that the success of SCPMG depends on developing ways to allow our members to see their own health care practitioners and to be satisfied with that experience. As stated earlier, adding and retaining members is the lifeline of our growth and cash flow. By providing access to our members and by maintaining high satisfaction scores, we will increase our membership by word of mouth and will retain our members. We have found that two indicators are particularly useful in monitoring access to our health care practitioners:

- **"percent match":** percentage of visits a member has with primary care practitioner equals number of visits with primary care practitioner divided by number of primary care visits;
- **supply/demand ratio:** availability of health care practitioners divided by empaneled members' demand for these practitioners' services.

The percent match is useful because it tells us what percentage of the time a member sees his or her primary care practitioner when that member comes to the clinic. That is, the percent match measures the efficiency of the appointment center in obtaining for the member an appointment with that member's primary care practitioner. We feel strongly that the higher the percent match, the more likely members will be satisfied with their health care experience. When members see practitioners other than their own primary care practitioner, they are less likely to have all their needs met and thus may become frustrated—for example, when they are sent back to their provider for follow-up. Indeed, this procedure results in duplication of services, a phenomenon that makes us less effective as an organization. We have also seen that urgent care visits do not substitute for clinic visits with members' own primary care practitioner; traditionally, satisfaction scores for urgent care visits are much lower than scores for visits with members' own primary care practitioner.

The supply/demand ratio allows managers to determine if the number of providers in a clinic creates enough appointments to meet overall member demand for appointments. In the past few years, on average, our Health Plan members have generated about three visits per year. Therefore, a population of 100,000 members can be estimated to generate 300,000 visits in one year. The key to success is controlling demand, and the difficulty of this task lies in meeting member demand for appropriate appointments (in contrast with demand for inappropriate appointments). The three-visits-per-member-per-year statistic was calculated by using prospective and retrospective data from our Health Plan clinic in a three-year period and represents the actual number of patients seen in the clinic. The statistic does not estimate unmet demand (ie, patients who wanted an appointment but did not come to the clinic).

Available supply of appointments—number of appointments practitioners have available per year to see their patients—is usually calculated by multiplying full-time equivalents (FTE) in a clinic by number of appointments per FTE. For example, a practitioner who works in the clinic 46 weeks per year and sees 22 patients per day generates about 5060 appointments in a 12-month period. The supply/demand ratio indicates the ability of primary care practitioners to see their patients when these members come into the clinic. For example, if a practitioner is assigned 2530 members and has 5060 appointments available during the year, that practitioner's supply/demand ratio is computed as

5060 appointments
÷ 7590 visits per year
(ie, 2530 members
x 3 visits per year)
= 0.66

A supply/demand ratio of <1 indicates that a practitioner lacks enough available appointments to meet the predicted demand for appointments by that practitioner's empaneled member population. A supply/demand ratio of >1 indicates that the practitioner has more available appointments than the practitioner's empaneled population is expected to generate. Traditionally, this ratio would indicate that this provider panel is open to new patients. For supply to equal demand, a manager may wish to consider closing a practitioner's patient panel when the supply/demand ratio approaches a value of 1.

- Member satisfaction is measured routinely by most Kaiser Permanente Regions. Satisfaction scores indicate our success in meeting the needs of our members and in increasing our ability to grow. Unhappy customers are not good for business and can cause unhappiness among our employees. Over time, this situation could demoralize the medical groups, create disinterest in developing new programs, and cause physicians to leave a medical group. Undoubtedly, improved access for our members will improve member satisfaction as well as member retention.[7]

To be effective, managers must experience frontline customer interaction …

Effective change and customer-centered growth will be at the center of our economic success as a medical group. Companies that excel in customer-centered growth focus on being the best in their business and on establishing a responsive customer interaction process. To be effective, managers must experience frontline customer interaction: Several times per day, a manager should leave his or her office just to walk around the clinic and "put an ear to the wall." Another useful technique is to listen carefully to the complaints of unhappy customers: These customers can give us valuable information that tells us what is wrong with our medical group. The stories these customers tell should not be undervalued: they can give managers important new ideas and insight.

The general rule in the business world is "never go over budget." You may go under budget or meet budget, but you must avoid going over budget. To stay financially solvent, a company must consistently meet its budget.[4:187] To managers, therefore, cost is the enemy. Although managers are paid to manage budgets, various factors cause departments to go over budget (examples include unexpected costs of chemotherapeutic drugs or unexpected increases in the number of evening clinics required during flu season to meet appointment demand). These factors are known as explained variances; managers should try to avoid unexplained variances because they may reflect on the manager's ability to manage the department.[4:178]

As physician-managers, our major budgetary components are salaries (for physicians and for other employees), supplies, and outside medical costs. Cost-benefit analysis of these components underlies almost every decision we make during the budget year. The supply/demand ratio model can help us predict future need for practitioners on the basis of member enrollment. If a department's supply/demand ratio is <1, budgetary goals will not be met, and unmet demand will add a costly expense: overtime clinics. Departments go over budget for several reasons:

- poor prediction (supply/demand ratio much lower than 1);
- excessive overtime or sick call when a department lacks enough nurses to cover on-call clinics or sick call (overtime pay for nurses can be as high as two times their normal pay);
- unexpected outside medical costs, often explained by poor repatriation of members from community hospitals (outside medical costs can be as much as 12 times the cost of care provided at our own medical centers).

Skilled physician-managers have learned ways to effectively develop budgets so as to prevent crises and unexplained variances during the upcoming year. By planning carefully and by working closely with their departments, managers can help their departments to be successful and to avoid going over budget.

The Importance of Good Communication

In this Information Age, impersonal communication pervades daily business life: Every day, we are inundated with messages from e-mail, fax machines, voicemail, and pager systems. Managers should therefore try to combat this impersonality: When someone does something special in the department, reward him or her with a handwritten note on special stationery. The employee will probably treasure this note and keep it for future reference. Do not undervalue the importance of recognizing and praising good behavior. Acknowledging good performance encourages similar behavior. Bad behavior also should be addressed quickly, discussed, and documented. In general, praise physicians in public and deliver necessary criticism in private.

In addition, good presentations and good meetings help managers to run their departments effectively. In addition, presenting themselves well to other leaders and practitioners allows managers to develop programs that bring their departments recognition as well as the funding necessary to support growth. When preparing and delivering presentations, managers should consider these key points:

- Introduce yourself and your main points, support your points, and then briefly repeat your points;
- Avoid reading the presentation and avoid tangential discussions;
- Use simple visual aids with no more than five bullets and two minutes of discussion per slide;
- Practice the presentation in advance;
- Get sufficient rest before the presentation;
- Arrive early at the presentation location to become familiar with the speaking environment.[4:57-60]

When preparing for and conducting meetings, managers should consider these guidelines:

- Invite only those who must attend;
- Plan and follow both a preset starting time and a preset closing time;
- Have a written agenda and take notes about the agenda items discussed;
- Chair the meeting and establish clear outcomes;
- Eliminate useless meetings.[4:61-2]

Good managers make decisions only after they stop, look, and listen—other aspects of good communication.[8:81-2] Indeed, many energetic, bright people do not listen well. Just as we experience in our clinical practice—as managers, we must listen to the entire story, look for what has not been said, and try to understand both harm and benefit associated with our decisions. Look at others while they speak, and observe facial gestures and body movements. As clinicians with years of experience, many of us acquire a "sixth sense" that helps us know when someone is not healthy. This gift can be helpful to us also in business negotiations. (The older I get, the more I look and listen!)

One of the more difficult parts of a manager's job is to develop other leaders …

How Physician-Managers Can Develop Their Strengths and the Strengths of Others

Working on budgets and developing new programs can be both fun and exciting for managers who have gained experience in these tasks. One of the more difficult parts of a manager's job is to develop other leaders, recruit new health care practitioners, and respond effectively to problem employees. By far the most difficult part of my job has been to terminate a practitioner from service at SCPMG.

Interviewing new physicians is time-consuming but can save time and headaches if done properly. When interviewing candidates, managers should ask themselves two important questions: 1) whether the candidate can do the job, and 2) whether the candidate will do the job.[4:41] When asking questions, managers should remember to listen carefully for the response; and if the answer is not complete, candidates should be asked to be more specific. Responses should be monitored closely for inconsistencies. Letters of reference can be invaluable for determining the candidate's performance record and potential for doing good work in the department. Impermissible questions include those pertaining to the candidate's health, religion, marital status, family plans, and age.[4:41]

Problem employees must be treated with great care. A manager's inappropriate judgment in this area can attract legal action both to the manager and to the organization. The first step in avoiding problems in this area is to evaluate practitioners annually and to take these appraisals seriously. Practitioners should never be rated highly if they do not deserve this rating. To assist documentation of improvement or lack of improvement, managers should outline for each practitioner clear goals for the upcoming year. Evaluation forms must be signed by the person being evaluated. When a practitioner needs counseling, the manager should document these discussions and place a copy into the practitioner's personal file. If the manager decides to place a practitioner on probation either for performing a job improperly or for disruptive behavior, the manager should document—in writing—areas of concern and goals to achieve within a specified timeframe.[4:43]

A practitioner who is found to be dishonest, threatening, violent, refuses to work, or is abusing drugs on the job should be immediately terminated from employment. This task should always be done in a neutral place in the presence of another physician who is invited to attend the discussion. Before the meeting, the manager should prepare a formal notice or brief letter unapologetically stating that the company no longer requires the professional services of the practitioner. When the discussion is finished, the practitioner should be asked to leave the clinic or hospital property. If the practitioner threatens to institute legal proceedings against the manager, the manager should respond with a phrase such as "you have to proceed the way that is best for you." Having the terminated practitioner leave the property prevents an angry employee from inappropriately taking valuable information or destroying property. Such behavior would not be expected of a trained physician.[4:46-7]

The nuances of solving problems encountered in practice are too numerous to be discussed thoroughly in this paper. Nonetheless, some general advice may suffice for many situations:

- think of what is right and true;
- practice and cultivate the science;
- become acquainted with the art;
- know the principles of the craft;
- understand the harm and benefit in everything;
- become aware of what is not obvious;
- be careful even in small matters;
- do no useless activity.[9]

Processes and Advantages of Developing New Ideas

Developing new ideas helps every organization gain a differential advantage over its competitors. New ideas help us to use technologic change to do our job faster and more efficiently. Ideas can be generated by listening to our customers or by observing our competition (and we should remember that our competition is usually watching us).[4:255-6] Examples of new ideas generated within our Permanente Medical Groups nationally include development of population-based care management programs (designed to effectively care for our members with chronic disease) and our hospitalist programs (that have been shown to improve utilization of hospital resources).

Once generated, an idea must be developed. Proper planning prevents both poor performance and waste of valuable resources. Managerial skill lies in focusing not on who generates the idea but on the idea itself and how it can best be executed. Some factors involved in planning a successful project include assembling the right team, developing measurable outcomes of the planning process, and carefully considering the resources available to the team. Leaders should remember that their departments depend on them to manage practitioners' time and money wisely. Managers can—and should—delegate responsibility without losing oversight of "the big picture." Project development also presents an opportunity for training others to be effective managers: They will learn by the manager's example. Moreover, a new project will be implemented easily if the planning phase has been well thought out; in this regard, measurable outcomes for the project will help managers demonstrate success to their peers. As managers in the health care industry, we should remember that the only barriers to meeting our goals are self-imposed; we should focus not on the status quo but on the way things should be.

How to Develop a Career as a Physician-Manager

Many physician-managers erroneously believe that the Medical Group will construct a career path for them. To the contrary, job advancement is not preordained. Although some physicians are groomed, most leaders develop skills and make substantial contributions to the Medical Group that allow promotion within the corporation. These contributions are as beneficial to the organization as to the physician-manager making the contribution: If all managers constantly work to improve a medical group, then that medical group will easily become (and remain) a leader in the health care industry.

As a general rule, therefore, health care managers must plan their own career. In business generally these days, employees are told not to expect to retire from the same company they currently work for, and economists estimate that the future of management may involve working for several companies before retirement. Most leadership books agree that promotion within a company involves following three simple rules.

1. Actively contribute to the company's financial—and other types—of success; if the company succeeds, you too will succeed.[4:326] Remember that as one individual, you cannot do all the work yourself and must therefore develop others and encourage teamwork. This strategy often involves hard work, constant monitoring of the department's progress, and much patience. However, as programs in the physician-manager's department gain visibility, the physician-manager too will gain visibility. My experience as a manager has taught me, for example, that because SCPMG wants to be successful, it identifies leaders and places them into positions that will help them develop the skills necessary for becoming successful managers. In any given Kaiser Permanente Region at any given time, several individuals are being groomed to become leaders. Successful leaders spend a lot of time developing and mastering the skills that will help them lead their departments, medical centers, or local service areas.

2. Be sure to learn the business thoroughly.[4:327] Great leaders understand not only the internal business environment but also the external business environment—in our case, the health care environment outside the Permanente Medical Groups. To be successful, our managers need to understand the threats as well as the opportunities challenging Permanente Medicine—for example, Internet companies may be developing care management programs. Especially important for SCPMG is that we know how to measure our success and must understand the importance of our history in making business decisions. This understanding is crucial if, for example, we are to develop ways of integrating represented employees into our long-term strategic planning. Leaders in our medical group also need definitive knowledge of the regulatory bodies that oversee our Health Plan, because these regulatory bodies are crucial in determining how insured persons view existing health care models. By thoroughly learning these aspects of the health care industry, health plans that provide high-quality care can capture market share and can charge more for services provided.

> ***Great leaders understand not only the internal business environment but also the external business environment …***

3. Have a positive outlook toward solving problems, and focus more on solving big problems than on solving small ones.[4:327] Related personality habits of effective managers include emotional control, honesty, and the ability to refrain from complaining. Managers can demonstrate their effectiveness by trying to resolve for the company a difficult, longstanding problem such as inadequate access to care, low member satisfaction, and needs for improved care management. In solving problems, managers should formulate contingency plans and should never write nasty memoranda.

Unfortunately, Permanente managers sooner or later must make decisions that may affect liability of a medical group. Even though SCPMG has always had excellent legal counsel, legal procedures such as depositions can provoke much anxiety. Nonetheless, some simple guidelines can be helpful. For example, a manager who foresees being involved in legal proceedings should prepare for depositions long before being summoned by a lawyer. This preparation is done by documenting discussions with providers and members. These discussions should always consider risks, benefits, and alternatives to any treatment that is the subject of the legal proceeding. Appropriate answers to deposition questions include clear affirmative and negative responses (ie, "yes" and "no"), conditional responses (ie, "It depends …"), a range (in response to questions concerning numeric quantities), and responses indicating extent of memory (eg, "I do not remember"). Managers should always try to use common sense and to think before responding. When in doubt, they should ask for legal advice. They should always be careful about what they sign, and they should obtain legal representation if the other party has an attorney.[4:315]

To Care for Others, Physician-Managers Must First Care for Themselves

Our brains help us generate ideas that help our members, but our bodies need nutrients to nourish our brains—and many physicians are in less-than-optimal physical condition. Frequently, we hear that physicians die young and that consumers should therefore think twice before listening to the advice of health care practitioners who do not care for themselves. Whether or not this admonition is correct, being in good physical condition helps physician-managers to work harder and for longer periods and provides them the extra energy needed when working late in the office.[8:11-2]

As a leader of other physicians, you must set an example in this area, usually by arriving early and leaving just a little bit late.[8:35-6] Physician-managers who arrive late to work—or who leave for home early—send the message that they really do not like their jobs. Nonetheless, staying in the office until 10 pm is also not a sign of an effective leader, because it sends the message that the manager either cannot keep up with the workload or else has poor quality of personal life. Leaving 15 minutes late helps the physician-manager to be available for physicians who may have questions at the end of the day—and also allows enough time to arrive home in time to spend quality time with family members.

When physician-managers arrive home, they should take time to listen to their families' needs and stop thinking of work. As we see with many of our patients, not spending time with our families early in our careers creates problems later in life that affect our ability to be fully effective as physician-managers; giving our families first priority will also help bring us success as physician-managers.[8:138-9] In addition, failing to take our earned vacations prevents our departments from learning how to function in our absence; future departmental leaders must experience firsthand the challenges we face every day. Taking vacations can also strengthen our careers by giving us the opportunity to meet people who may someday be helpful to us professionally or personally. In addition, vacations may even give us an opportunity to observe the way other businesses (even hotels and cruise ships) provide excellent service.[8:57-8]

Conclusion

We know what we are but not what we may be.

— Hamlet, Act 4, Scene 5

All difficulties are but easy when they are known.

— Measure for Measure, Act 4, Scene 2
William Shakespeare

This review of some basic business skills may help physicians to become more efficient managers as well as more efficient physicians. Being a manager is not necessarily fun and is often a thankless job; criticism can far outweigh praise. So why invest the time to become a good manager? Because we want to do what is best for patients—and because the success of Permanente Medicine depends on our effectiveness in developing future leaders.

As managers, we have the opportunity to develop new programs that will benefit many members. For example, SCPMG's work on care management programs for asthma will improve the care we provide to more than 100,000 asthmatic members. (If I saw 5000 patients per year in my office, I would need more than 20 years to reach that many people!) Successful care management programs as well as successful hospital and clinics programs require managers who have daily contact with Health Plan members and who interact effectively with other health care practitioners as well as with the members we serve. ❖

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