



What's Next for PAs in
Leadership

Or.....

***What Happened After the
Dog Finally Caught the Car?***

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Chief Advanced Practice Officer, UPMC

Disclosures

I have no relevant relationships with ineligible companies to disclose within the past 24 months.

Educational Objectives

- Articulate a brief history of physician assistants and other advanced practice providers leadership development events
- Review and discuss APP leadership and management structures at health systems and future states of roles
- Identify key physician assistants who broke ground by ascending into prominent health system leadership positions

In the
beginning.....

Act 1

*A very little
about me...*

- Graduated PA school in 2002
- Worked FT clinically until 2010
- Started as a director of “midlevel provider relations” in 2010
 - ~400 NPs, PAs, CRNAs, CNMs
- Named Chief Advanced Practice Officer in 2017
 - Today: nearly 3,800 across 43 hospitals, and 800 offices and outpatient sites of care
- **Confession:** I’ve never worked for another PA or NP.

APP Leadership Roles*

- 2021: 30% of PAs in a formal or informal leadership roles
- Informal
 - Committees
 - “Unofficial” supervisory duties
- Formal
 - “Lead” (60.6%)
 - Director (16.9%)
 - Manager / supervisor (9%)
- 4.5% with formal roles were in executive-level / VPs

When did we get serious?

*"The 80-ho
residents b
Assistant E
-Tricia*



Resident 80-hour Work Week

- Set back for APP leadership??
- Managerial false equivalency:
 - APPs hired to supplement *free* labor. APPs aren't free.
 - Residents are professional learners. APPs are professionals.
 - Graduating physicians view APPs as *supplementary* to their productivity.
- So *why* manage APPs differently from residents?



When did we get REALLY serious?

2010: Patient Protection and Affordable Care Act

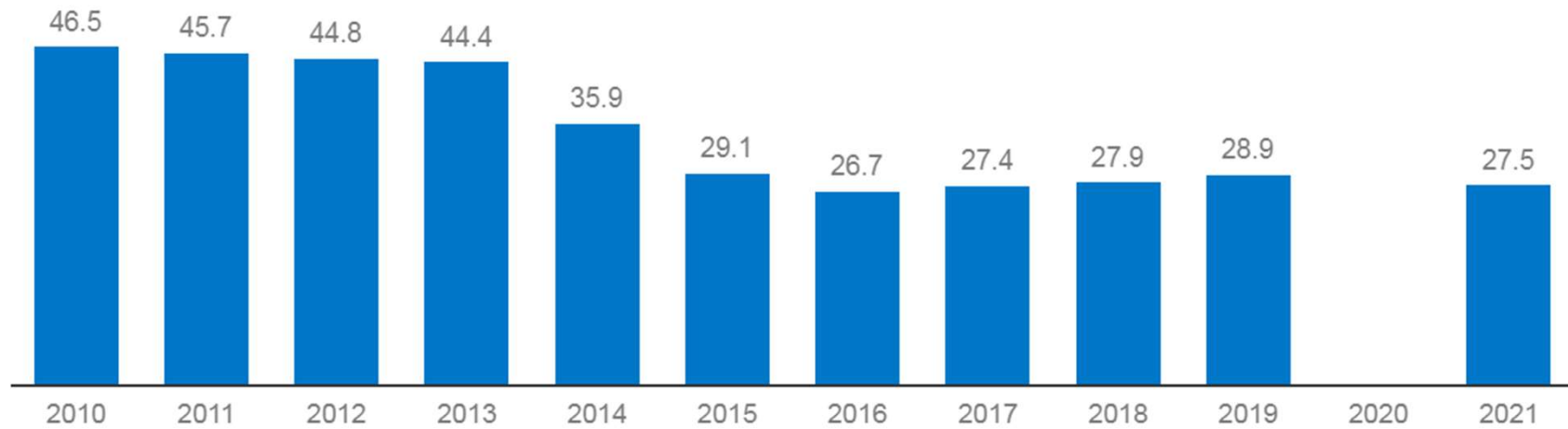
- Goal: Ensure Americans could afford or have access to insurance.
- Result: More Americans were insured.
- What else was happening: 78 million baby boomers living longer.
- Need: More providers to take care of patients who can now afford health care.



Figure 1

Number of Nonelderly Uninsured, 2010-2021

Number of Uninsured Uninsured Rate



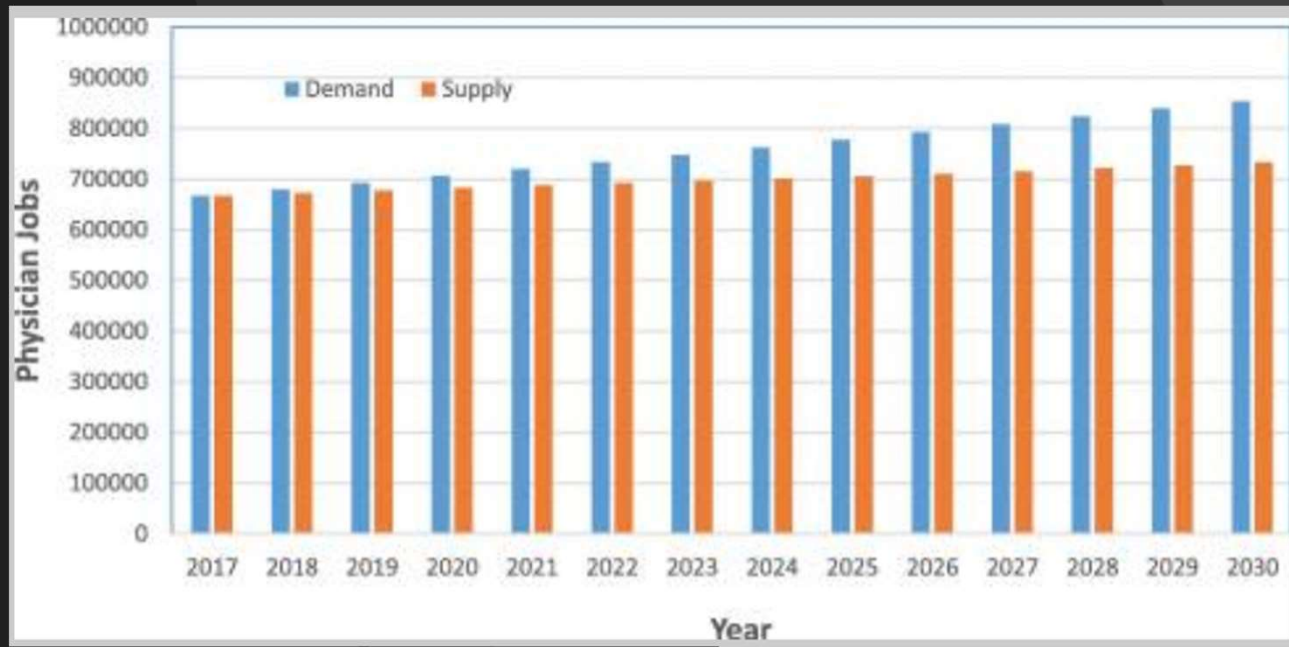
NOTE: Due to disruptions in data collection during the first year of the pandemic, the Census Bureau did not release ACS 1-year estimates in 2020. Includes nonelderly individuals ages 0 to 64

SOURCE: KFF analysis of 2010-2021 American Community Survey, 1-Year Estimates • [PNG](#)





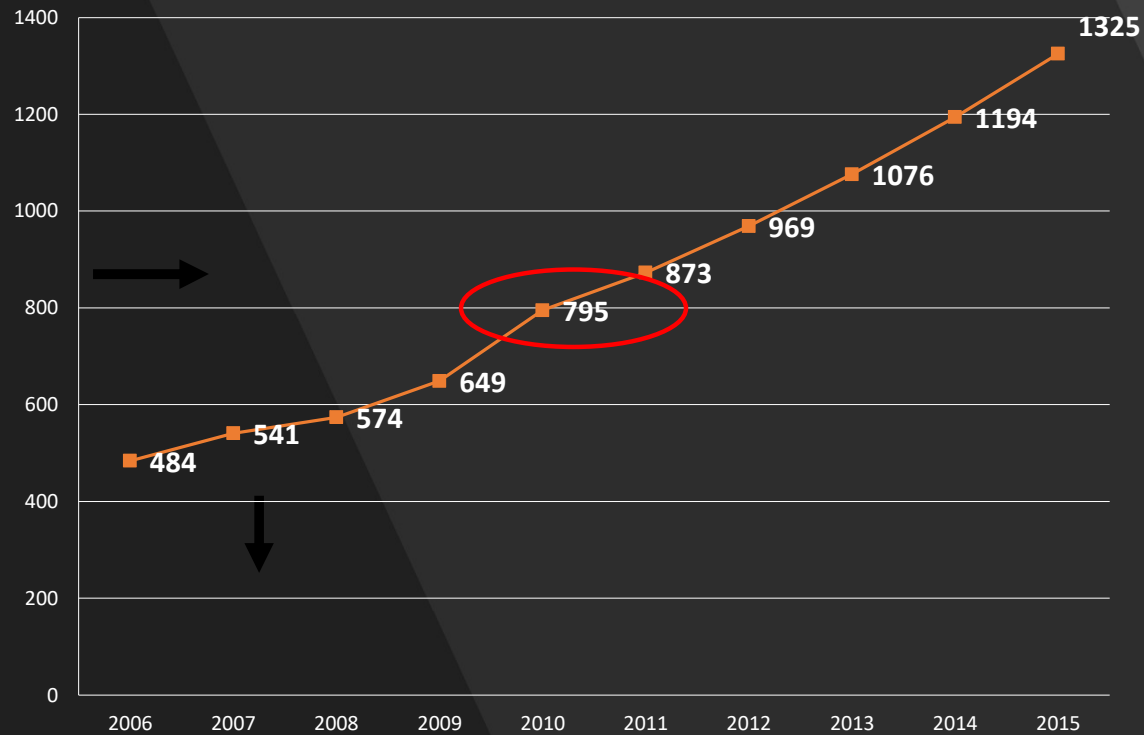
Human Resources for Health



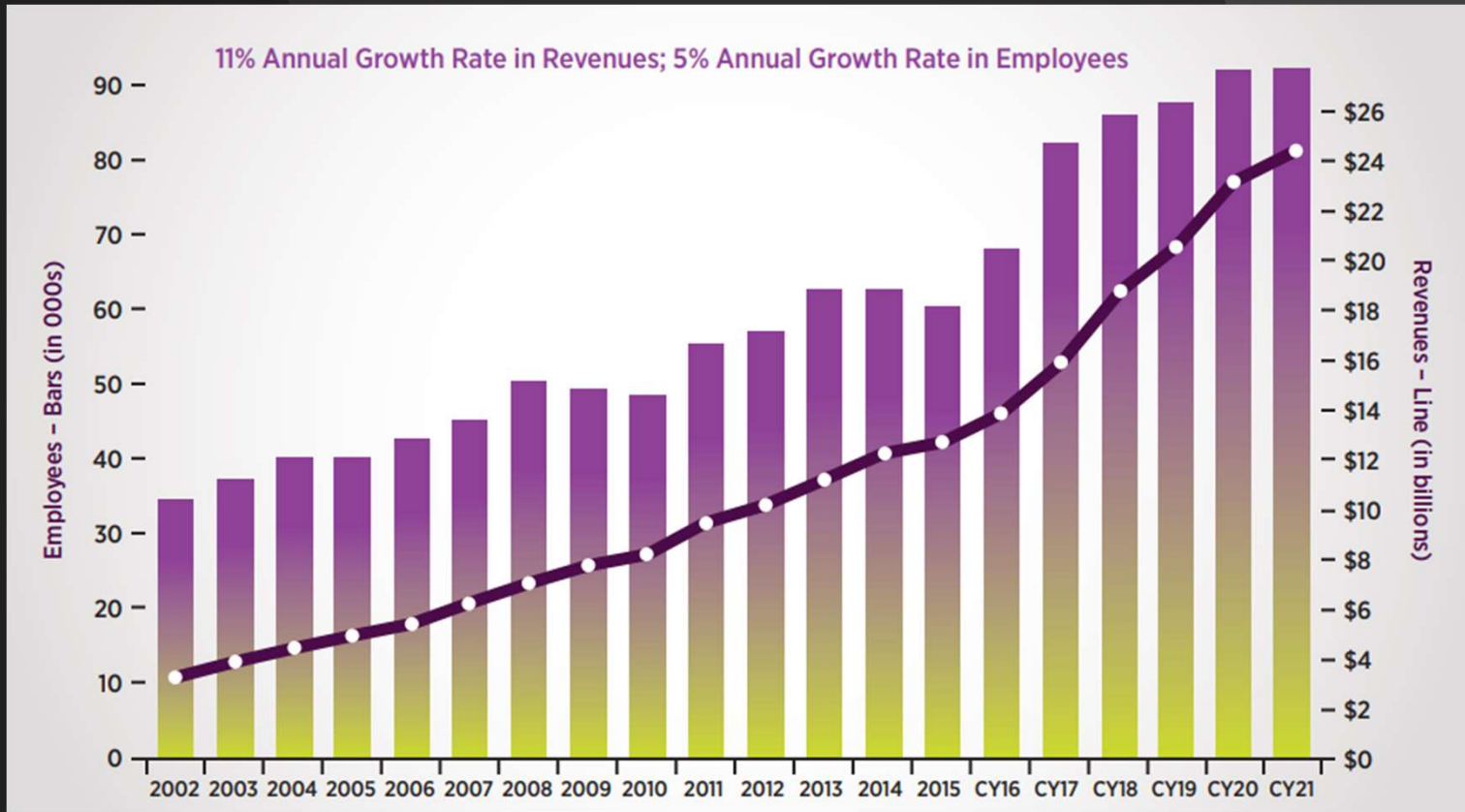
$$\frac{[\text{State}] \text{ Physician Demand} - [\text{State}] \text{ Physician Supply}}{[\text{State}] \text{ Total Population}} \times 10^5 = [\text{State}] \text{ Physician Shortage Ratio}$$

Zhang X, Lin D, Pforsich H, Lin VW. Physician workforce in the United States of America: forecasting nationwide shortages. Hum Resour Health. 2020 Feb 6;18(1):8. doi: 10.1186/s12960-020-0448-3. PMID: 32029001; PMCID: PMC7006215.

UPMC APP Needs Projection 2010



Actual number:
1500 NPs and PAs



What did
systems need
that they
didn't have?

- Someone to coordinate and develop the APP workforce to meet volume and quality challenges...
- Someone to set the standards for recruiting, retention, competence and performance...
- Someone to be sure that as APP growth happened policies, strategy and system processes adapted to the new models of care...

*Leaders Needed.
Apply Within.*

- APP workforce needs are different from every other health care worker group.
 - State by state regulatory variability
 - Ever changing billing rules / payer policies
 - Credentialing / privileging
 - Interprofessional inclusion
 - Business management.....
- No good road map or qualifications



A Community Develops

- Executive Leadership Conference, hosted at Cleveland Clinic
- Email group “Physician Assistants in Administration and Management”
- Advanced Practice Provider Executive, Inc.
- Center for Health Care Leadership and Management

What does
modern APP
leadership
look like?

Act 2

“If you’ve seen one reporting structure, you’ve only seen one reporting structure...”

- Peer Hierarchical
- Non-peer Hierarchical
- Matrixed Reporting
- Policy and Relation Support





Non-peer Hierarchical

- APP reports to a non-peer, usually non-clinical supervisor.
- Practice manager, administrator, MBA, MHA
- Many times, use “delegated” performance evaluation process
 - Supervising physician evaluates the APP’s performance



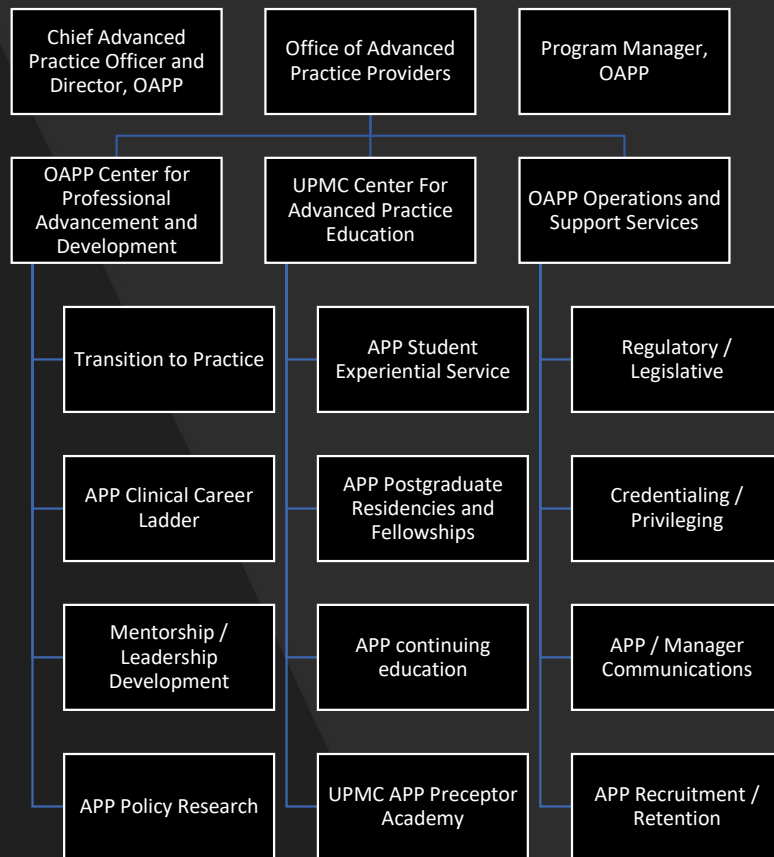
Non-peer Hierarchical

- **Favors practice level operational management rather than clinical oversight (ie. Finance, business priorities).**
- **Efficacy in managing APP issues can be experientially dependent.**
- **Business priority focus can be advantageous to implementing new models of care.**

Matrixed Reporting

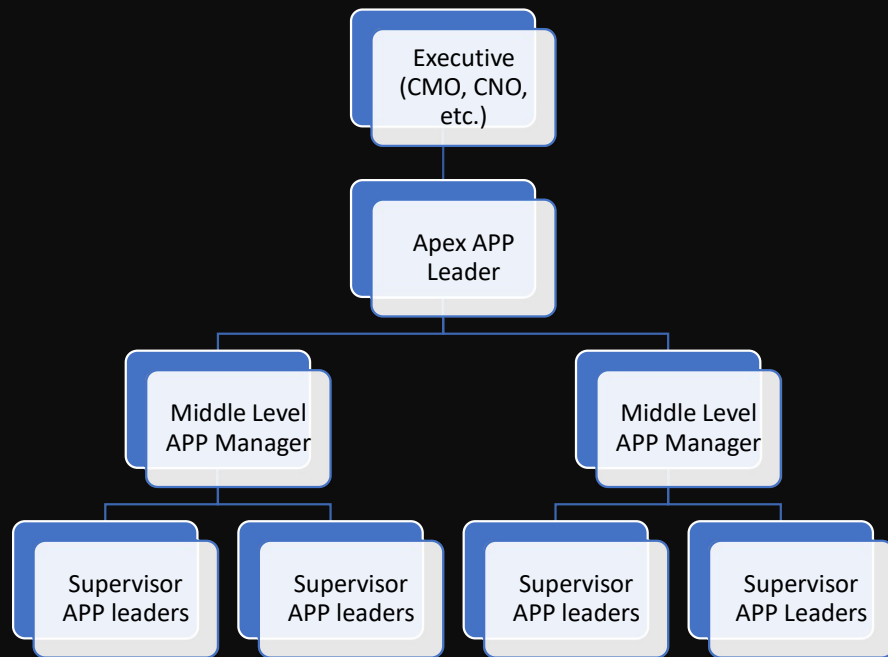
- **Blend of non-peer and peer hierarchical structures**
- **Clinical level APP supervisors report to non-clinical supervisors but matrix to a top-level APP leader.**
- **Apex (top level) APP leader sets policy, standards, programming and other curricula that supports all APPs**
- **Less disruptive, less cost.**





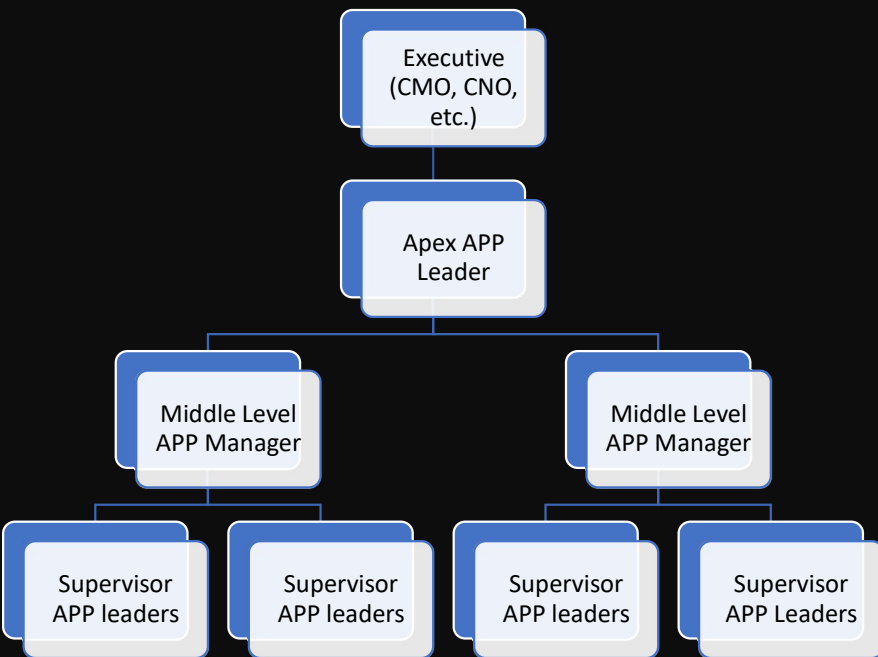
Peer Hierarchical

- Line-of-sight reporting relationship of the APP to *another* APP in a leadership position.
 -
 - Modeled after nursing and physician reporting
 - Most progressively modeled.
 - “Ideal”
-



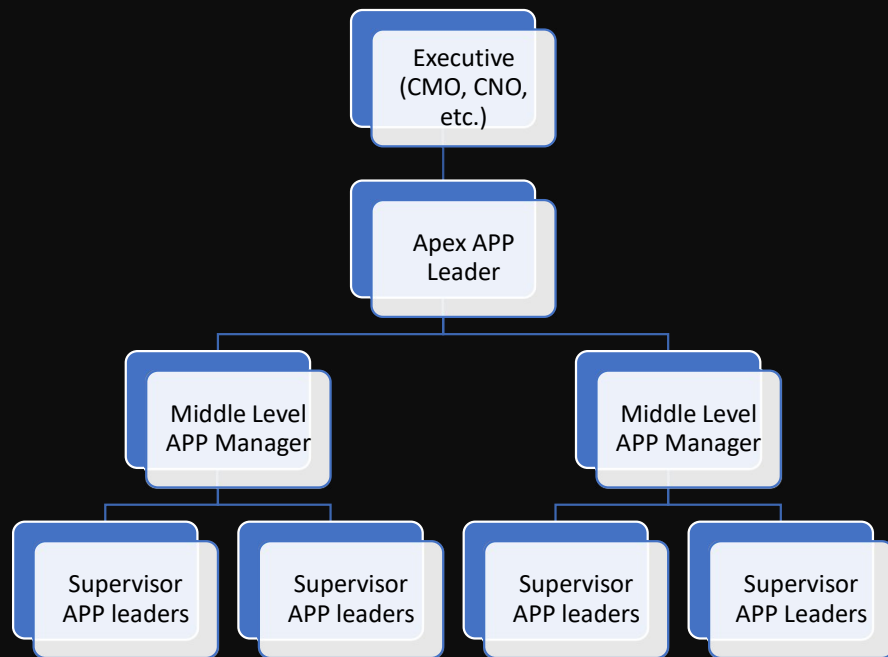
Peer Hierarchical*

- **Top APP Leader (ie. CAPO, executive director, VP or similarly titled)**
 - Reporting is highly variable (ie. CMO, CNO, EVP).
 - Strategic / management
- **Middle-Level APP leaders**
 - Accountable for management and performance outcomes by department or specialty area
 - Accountable for a particular function or outcome (ie. Education, practice quality)
- **Supervisor level APP leaders**
 - Accountable for day-to-day management of APPs
 - Performance evaluations
 - Scheduling
 - Onboarding / orientation, continuing education, work scheduling



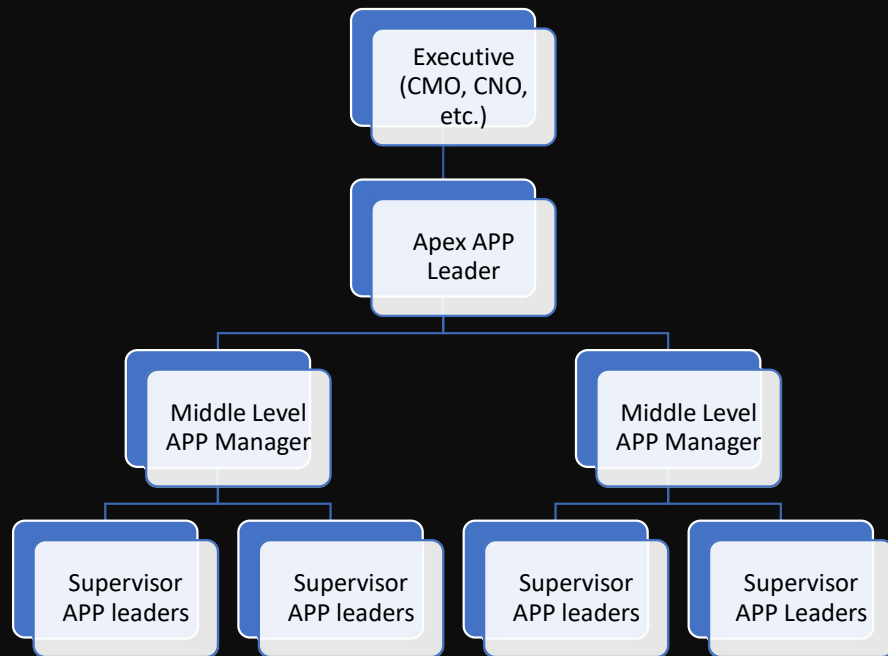
Peer Hierarchical

- **Dedicated financial support to APP workforce and development.**
 - **Model for succession planning and upward mobility in leadership.**
 - **Can be matrixed (ie. ML manager reports to non-clinical manager, etc.)**
 - **Greatest opportunity for building a high functioning APP workforce.**
-



Peer Hierarchical

- **Costly to implement at scale.**
 - **Bloats middle management.**
 - **Can decrease revenue.**
 - **Clinical practice capable leaders have protected management time away from revenue generating activities.**
-



APP Leadership Prevalence

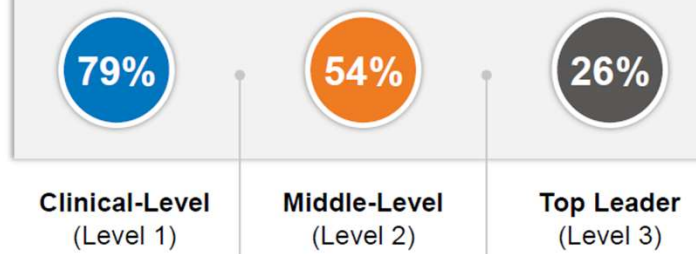


58% of responding organizations have designated APP leaders (n=233)

Leadership Compensation Data

2017	
110 Organizations	1,266 Individuals
2018	
139 Organizations	1,605 Individuals
2019	
164 Organizations	1,740 Individuals

Prevalence of APP Leaders by Level



Source: SullivanCotter 2017-2019 Advanced Practice Provider Compensation and Pay Practices Survey Report

How much Time?

- Hardest question to answer. Highly variable answers:
 - **Top level APP leader:**
 - depends on size and type of reporting structure AND direct reports
 - 0.5-1.0 FTE
 - **Middle level APP leader:**
 - Budget responsibilities?
 - Administration beyond just APP workforce?
 - Direct reports?
 - Big mistake: UNDERbudgeting time.
 - **Supervisor level APP leader:**
 - Span of control 5-? direct reports
 - Lots of additional responsibilities
 - Never entirely 1.0 FTE
 - Hardest working group...



“If you give a hungry man a fish, you feed him for a day, but if you teach him how to fish, you feed him for a lifetime...”

-Anne Isabella Thackeray Ritchie



“Give a man a fish and you feed him for a day. Don’t teach a man to fish and you feed yourself. He’s a grown man, fishing’s not that hard...”

-Ron Swanson on Parks and Recreation (played by Nick Offerman)



Prepare your Leaders

- Management isn't taught in traditional APP programs
- It's hard going from co-worker to becoming one's boss.
- "Hard" skill preparation:
 - Excel / computer skills
 - Email writing
 - Budgeting
 - Performance evaluations
- "Soft" skills
 - Resolving conflict
 - Leading groups
 - Verbal communication
 - Patience
 - Time management



Advanced Practice Provider Leadership Certificate Course

Sponsored by UPMC Office of Advanced Practice Providers and the
University of Pittsburgh School of Health and Rehabilitation Sciences.

Program Goals

- Introduce Advanced Practice Provider (APP) leadership pathways
- Offer tools for the provider to navigate the transition into APP leadership
- Discuss communication strategies and how to develop an executive presence
- Provide insight to the dynamics of a healthcare system allowing you to emerge as an effective leader



APP Leadership Has Arrived.

Challenges,
Decisions,
and
the Future...

Act 3

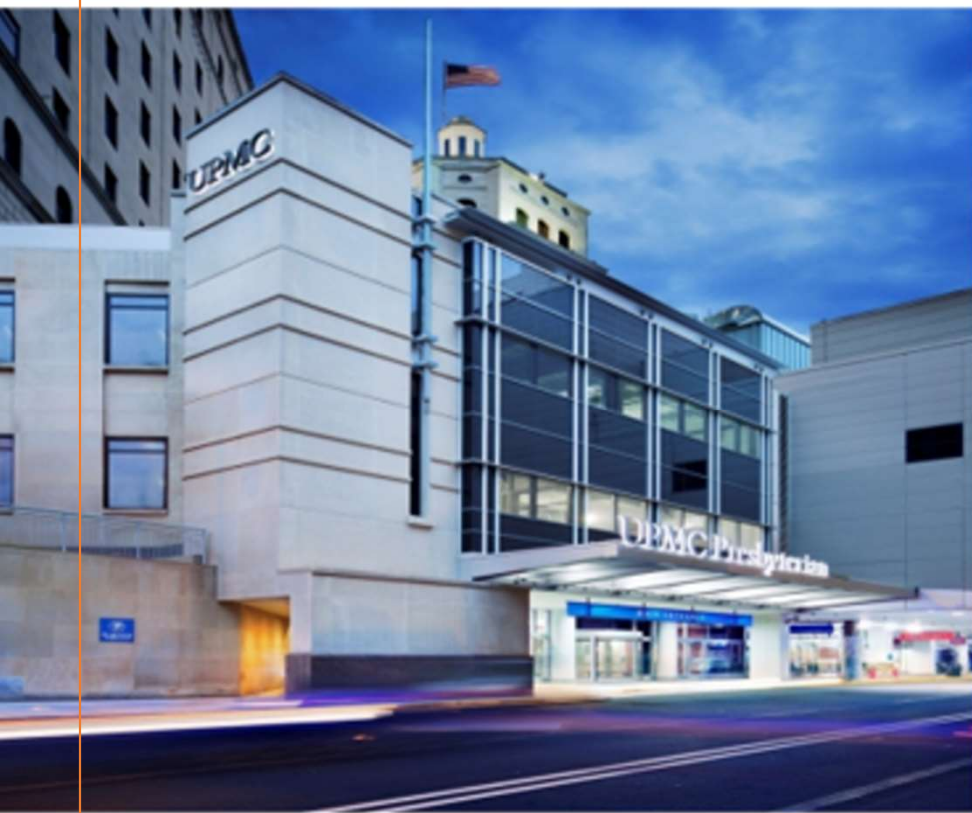
“Where there is
great power comes
great responsibility.”

-Theodore Roosevelt

Now what?



No Shortage of Challenges for APP Leaders



- **Health System**
- **Workforce**
- **Personal**



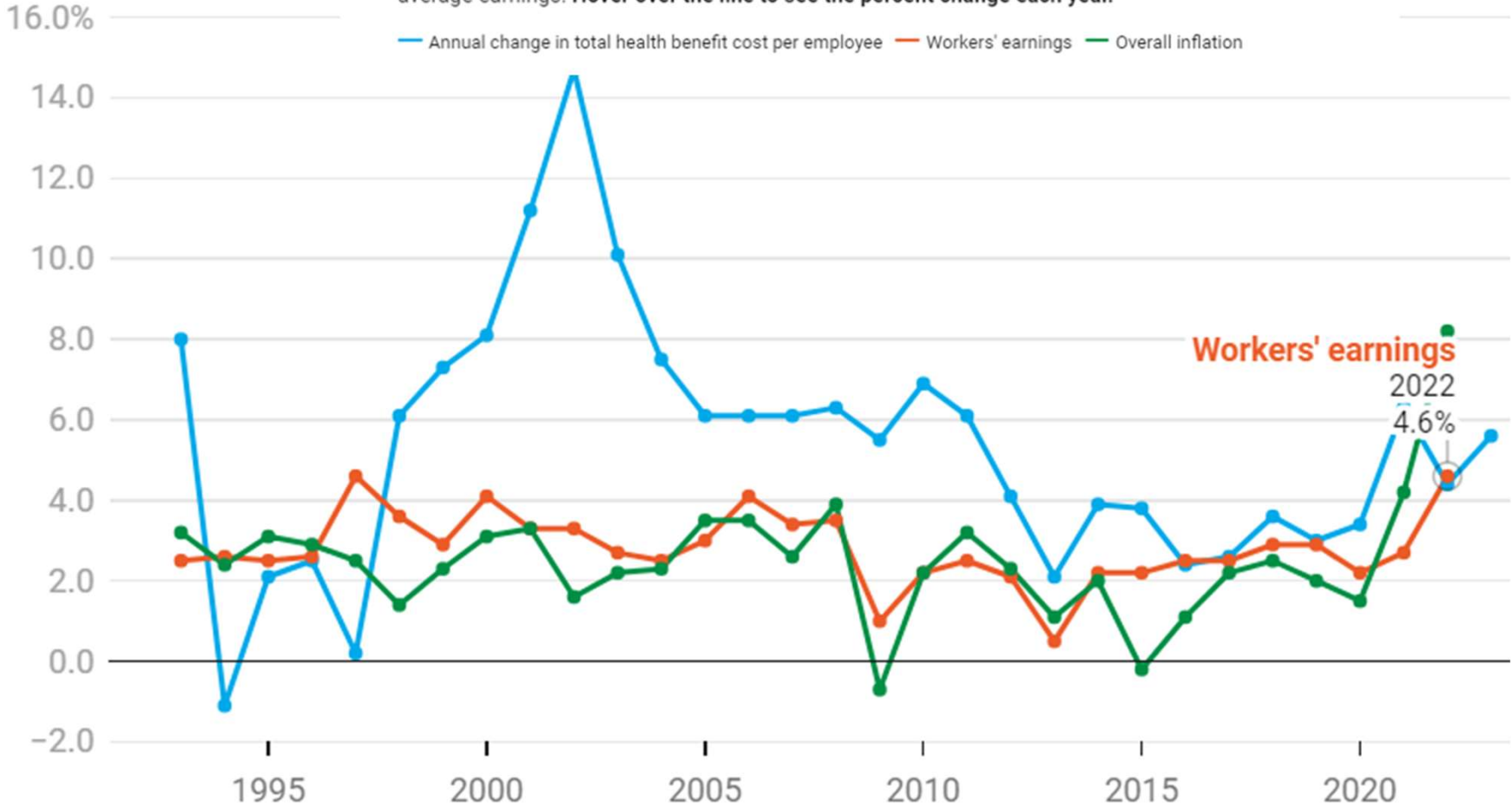
Health System Challenges

• Cost of care continues to go up

- Keeping health care workers in their job remains a struggle.
- Revenues continue to decrease.

Change in Health Benefit Cost per Employee

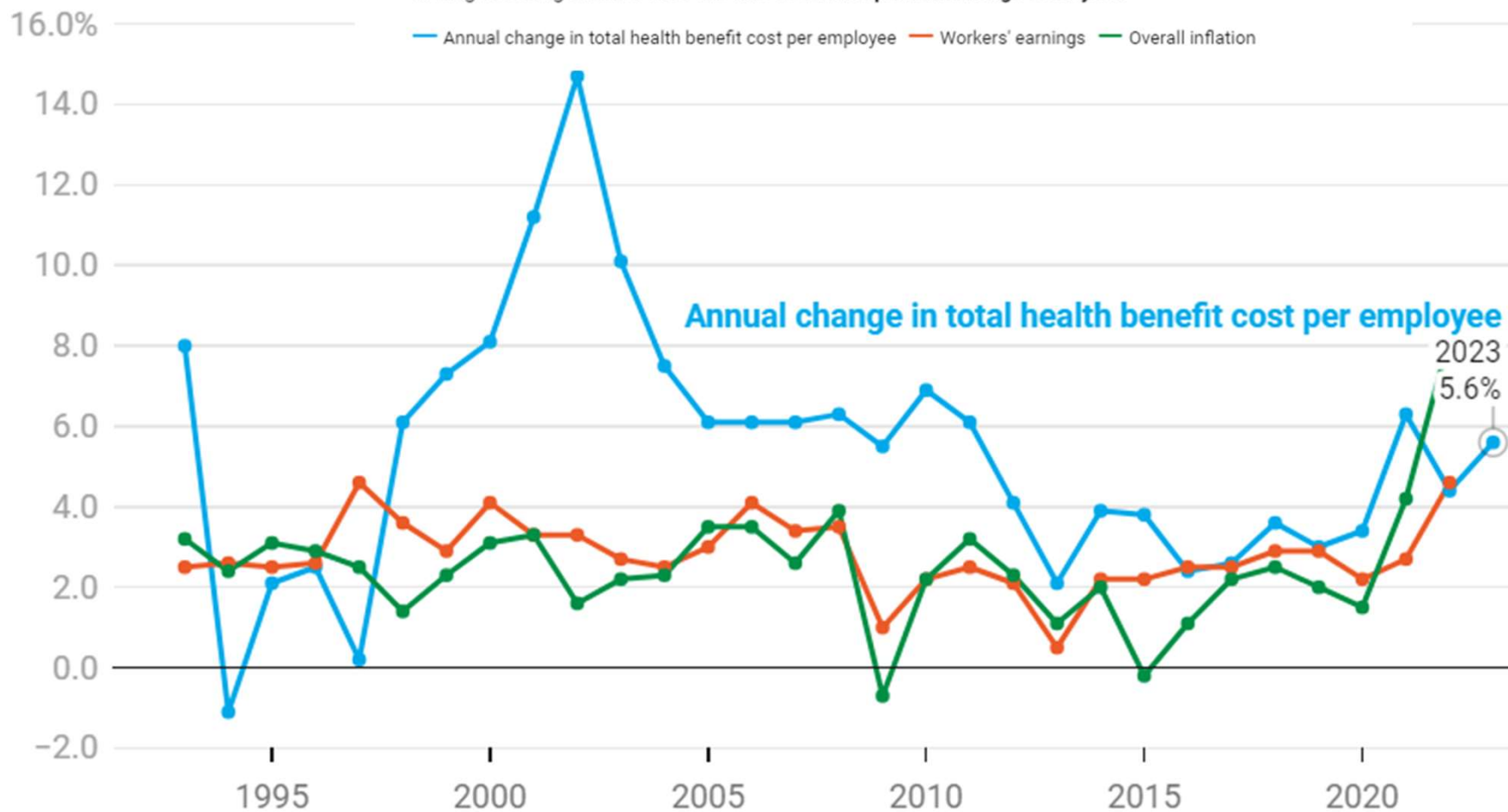
Change in total health benefit cost per employee compared to the consumer price index and workers' average earnings. **Hover over the line to see the percent change each year.**



Note: Health benefit cost data for 2022 and 2023 is projected.
Source: 2022 National Survey of Employer-Sponsored Health Plans (Mercer) and U.S. Bureau of Labor Statistics. • Created with Datawrapper

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Health System Challenges

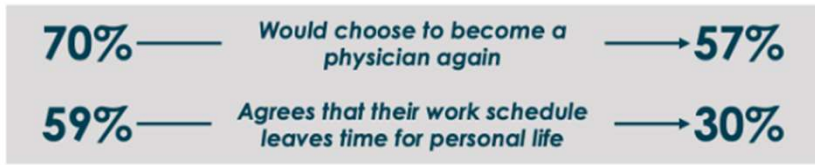
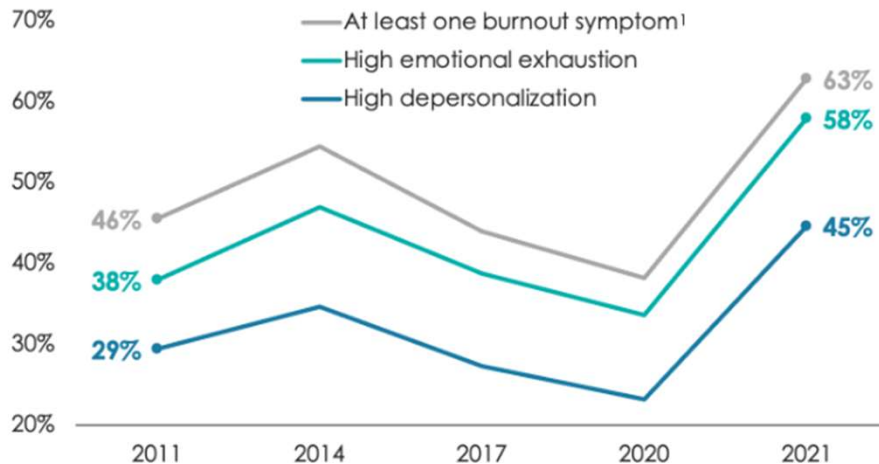
- Cost of care continues to go up
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Physician Burnout Rose Sharply in Late Pandemic, Possibly Driving Career Changes

Eleven Percent of Physicians Have Exited the Profession Since the Pandemic Began

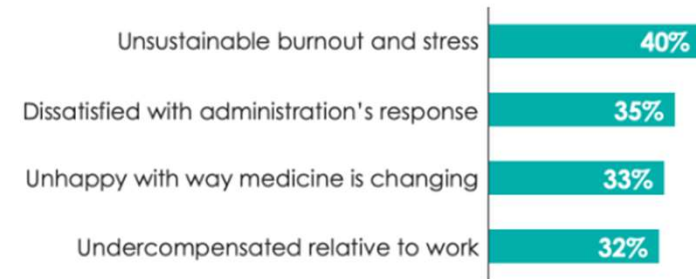
Percentage of Physicians Experiencing Burnout Symptoms, by Year

n = 2,440; Jan. 2022



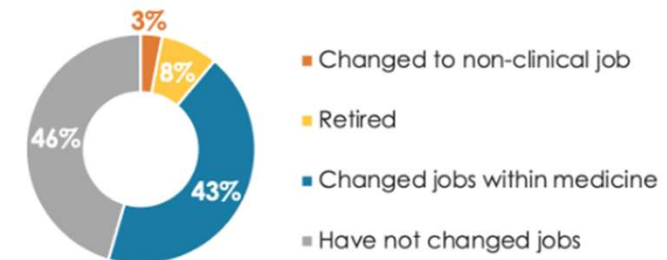
Top Factors Physicians Cite for How Pandemic Impacted Their Career Decisions

n = 534; Apr. 2022



Physician Career Changes Since 2020

n = 534; Apr. 2022



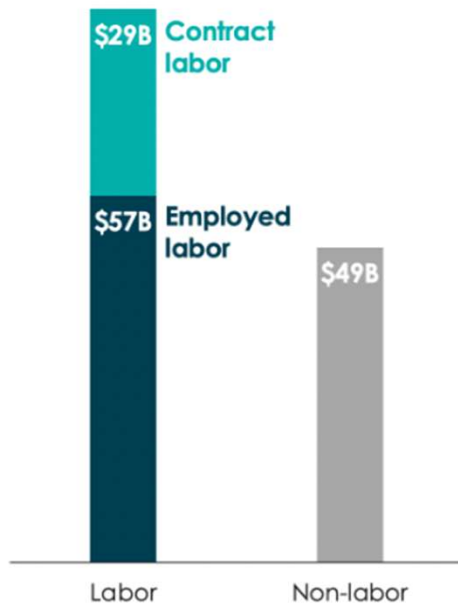
1. Based on Maslach Burnout Inventory, derived from emotional exhaustion and depersonalization.

Source: Shanafelt, T. et al. "Changes in Burnout and Satisfaction With Work-Life Integration in Physicians During the First 2 Years of the COVID-19 Pandemic." *Mayo Clinic Proceedings*. 13 Sep. 2022; Saley, C. "Survey: Nearly half of physicians changed jobs during the pandemic." *CHG Healthcare*. 27 Jun. 2022; Gist Healthcare analysis.

Labor Costs Driving Hospital Expense Growth, Negative Margins

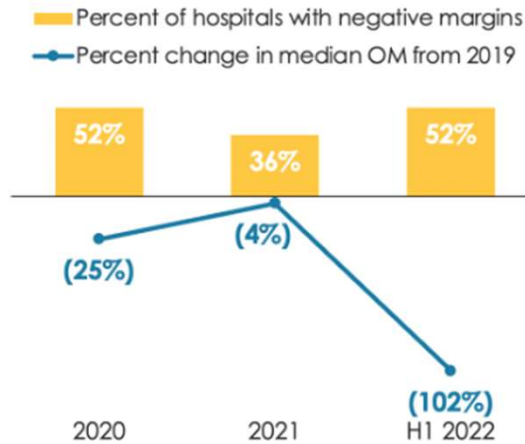
Even the Largest Not-For-Profit Health Systems Reporting Operating Losses

Projected Hospital Sector Expense Increases, 2022 vs 2021



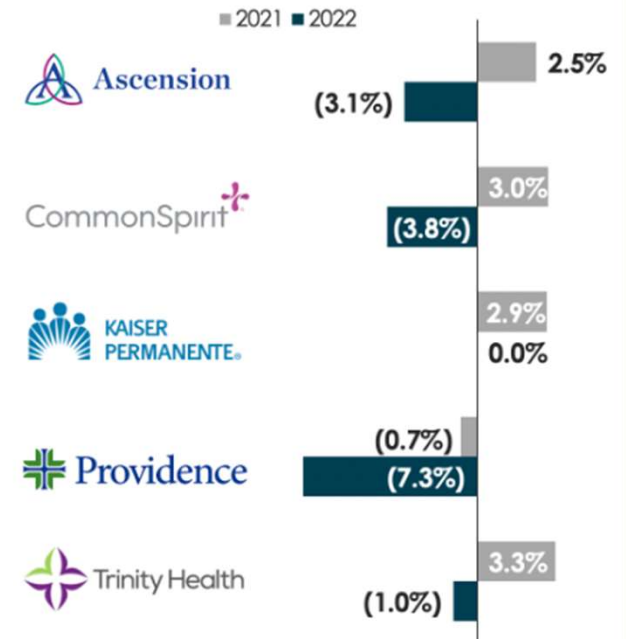
Hospital Operating Margin (OM) Performance, by Year

n = 900+ hospitals



Fitch Ratings revised its **nonprofit hospital sector outlook from neutral to deteriorating** in August 2022

Select Large, Not-For-Profit Health System Operating Margins, 2021 vs 2022¹



1. Ascension and CommonSpirit margin data from 12 months prior to Jun. 30, 2022 and 2021; HCA, Kaiser Permanente, and Providence margin data are from H1 2022, vs H1 2021.

Source: Kaufman Hall, "Current State of Hospital Financials: Fall 2022 Update," Aug. 2022; Lis, S., "Outlook for nonprofit hospitals is 'deteriorating,' Fitch says," HealthcareDive, 17 Aug. 2022; Publicly available investor forms, various health systems; Gist Healthcare analysis.



Health System Challenges

- Cost of care continues to go up
- Keeping health care workers in their job remains a struggle.
- Revenues continue to decrease.



Research Announcement: Moody's Not-For-Profit Healthcare 2023 Outlook Remains Negative, as Inflation and Labor Drive Higher Expenses

07 December 2022

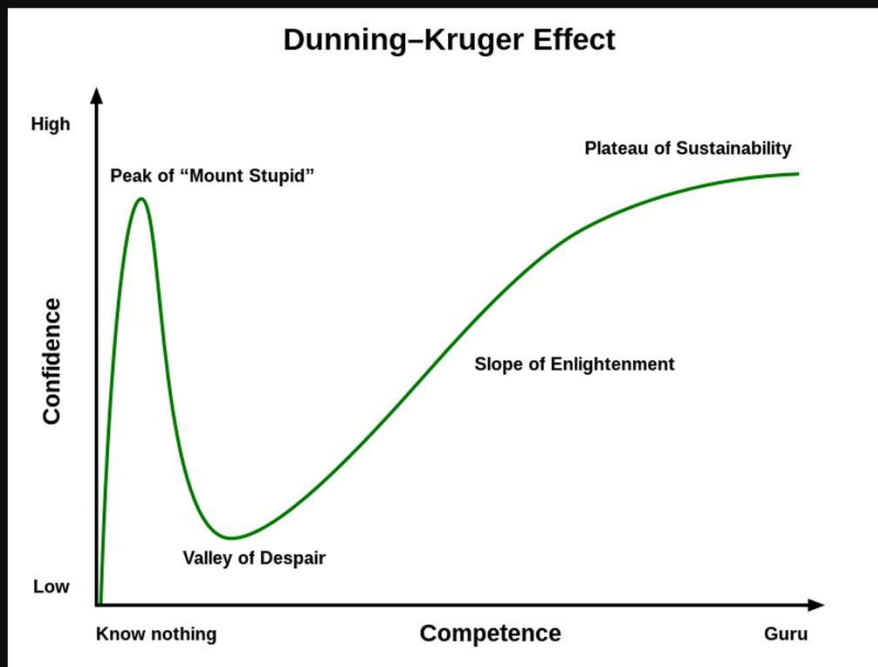
- Operating cash flow will improve, but only against the background of a substantial decline the previous year. Liquidity will decline due to lower operating margins, higher interest rates and continued investment market volatility
- The cessation of CARES funding, net Medicare cuts and the ending of the Public Health Emergency will negatively impact hospital revenues

Workforce Challenges

- Preparation of entry level APPs
- Making the APP value proposition.
- Professionalization...



Preparation of entry level APPs



- **Too many learners, too little space**
- **Confidence at graduation**
- **Employer capacity to fill the gap**

Workforce Challenges

- Preparation of entry level APPs
- Making the APP value proposition.
- Professionalization...



$$\text{VALUE} = \frac{\text{QUALITY}}{\text{COST}}$$

Making the APP Value Proposition

Stanford University

Stanford | Health Policy
Freeman Spogli Institute and Stanford School of Medicine

Stanford Health Policy is a joint effort of the Freeman Spogli Institute for International Studies and the Stanford School of Medicine

Physicians or Nurse Practitioners: Evidence From the Emergency Department

In this National Bureau of Economic Research working paper, Stanford Health Policy's David Chan and Yiqun Chen consider the productivity of emergency room physicians vs. nurse practitioners.

September 2022

- Data from VA health care system
- Studied productivity difference between MDs and NPs in EDs
- NP cohort increased resource utilization with worse patient outcomes
- Net increase in costs with NPs when accounting for ½ the wages of MDs

- **Interprofessional inclusion by physicians**
- **Engineering new models of APP delivered care that are inherently revenue generating**
 - Productivity attribution is NOT shared.
- **OWNING OUR OUTCOMES**

Split (or Shared) Billing

Qualifying Activities to Determine Time Spent on a Split/Shared Visit Encounter*

- Preparing to see the patient (e.g., review of tests)
- Obtaining and/or reviewing separately obtained history
- Performing a medically appropriate examination and/or evaluation
- Ordering medications, tests, or procedures
- Counseling and educating the patient/family/caregiver
- Care coordination (not separately reported)
- Referring and communicating with other healthcare professionals (when not separately reported)
- Documenting clinical information in the electronic or other health record
- Independently interpreting results (not separately reported) and communicating the results to the patient/family/caregiver

Not Qualifying Activities for Time Spent Determination*

- The performance of other services that are reported separately
- Travel
- Teaching that is general and not limited to discussion that is required for the management of a specific patient

*Adapted from 2022 Medicare Physician Fee Schedule Final Rule. Federal Register, page 65154

Workforce Challenges

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WILLIAM P. SULLIVAN
ATTORNEY AT LAW

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[Legal Cases](#)

[Medicolegal](#)

Nurse Practitioner and Physician Assistant Standard of Care


NPs and PAs who provide independent medical care similar to that provided by a physician should be held to the legal standards of a reasonably well-trained physician.

https://sullivanlegal.us/nurse-practitioner-and-physician-assistant-standard-of-care/?fbclid=IwAR013USOtK8BOCaGHwixRqFp_W9IAHfhSZ3xiBcLMF-kijMoan-u4MvyMFE

No Shortage of Challenges for APP Leaders



- **Health System**
- **Workforce**
- **Personal**

A hand is shown in the process of pulling a wooden block from a tall, wobbly stack of Jenga blocks. The stack is composed of many light-colored wooden blocks, some of which are slightly offset from each other, creating a precarious structure. The hand is positioned on the left side of the frame, with the thumb and index finger gripping the block. The background is a plain, light-colored surface.

Invest in Yourself to Invest in the Future

- **What table do APP leaders want to sit at next?**
- **What are the qualifications?**
- **How do we get there?**



Where are APP Leader Voices Needed?

- **Health Care Delivery**
- **Academia**
- **Public Policy**
- **Research**

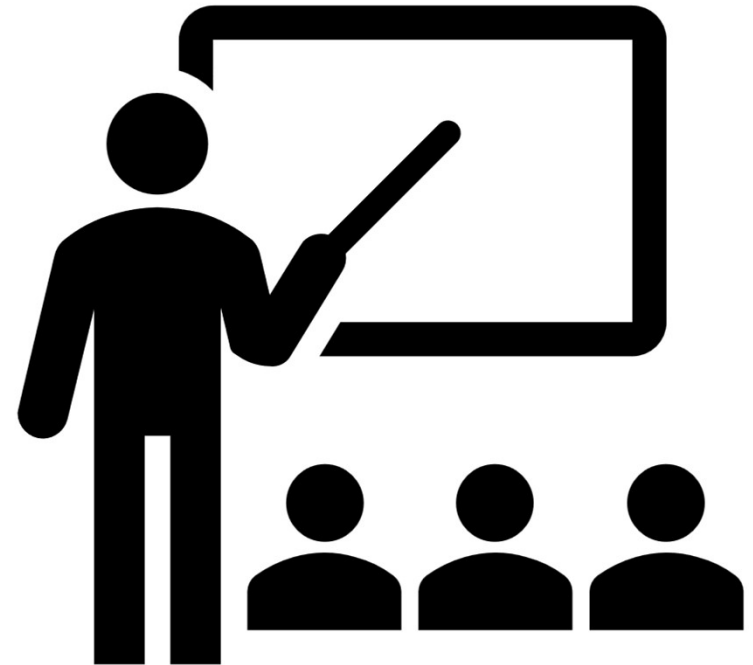
Health Care Delivery

- **Positions beyond managing APP workforces**
- **C-suite roles**
- **Consumer facing leadership**
- **Data analytics / digital health**
- **“Chief Transformation Officer”**



Academia

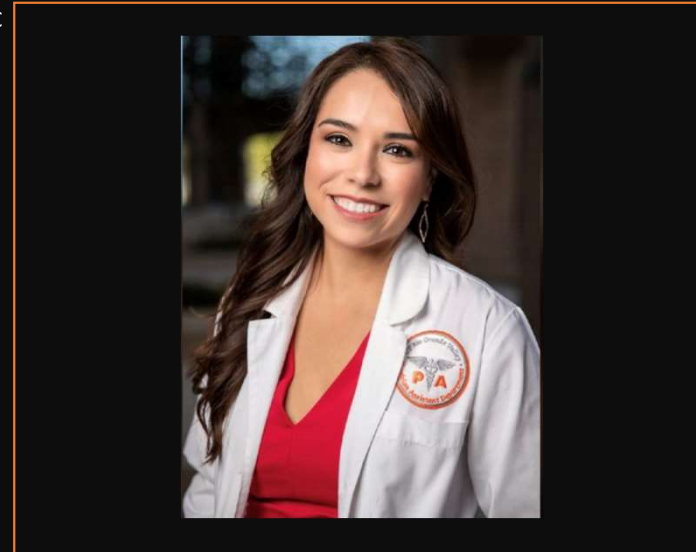
- Academic / Health Care Partnership Innovation Leader
 - Coordinates health care system needs with curriculum design to keep pace with change.
 - Coordinates academic needs with health care system clinical education environments
 - Supports graduate educational needs of practicing APPs / health care providers
 - Manages enrollment against health care system recruitment needs
 - Joint health delivery / academic research



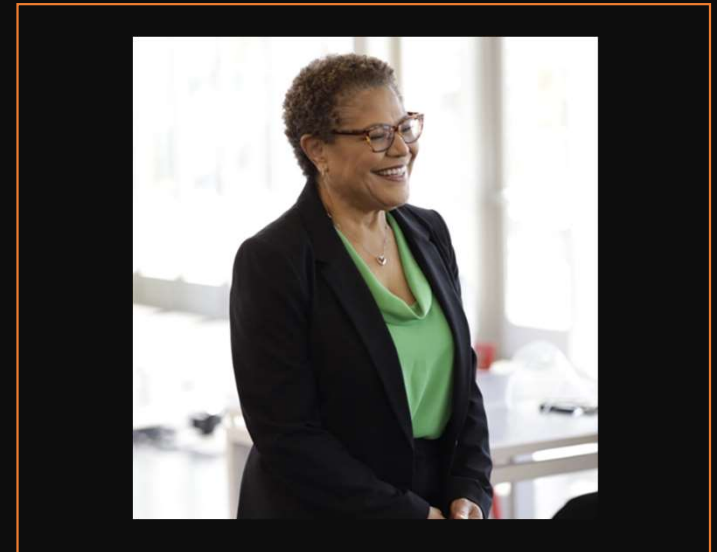
Public Policy

- **Run for Office**
 - **Make the policy and lead the change**
 - **Bridge the gap between ideologies**
 - **Who could be more credible?**
- **Health Policy Adviser / Fellow**
 - **Executive branch**
 - **Legislative branch**
 - **Additional academic qualifications?**

Vanessa Cobarrubias, PA-C
White House Fellow



The Honorable Karen Bass
Mayor of Los Angeles, CA

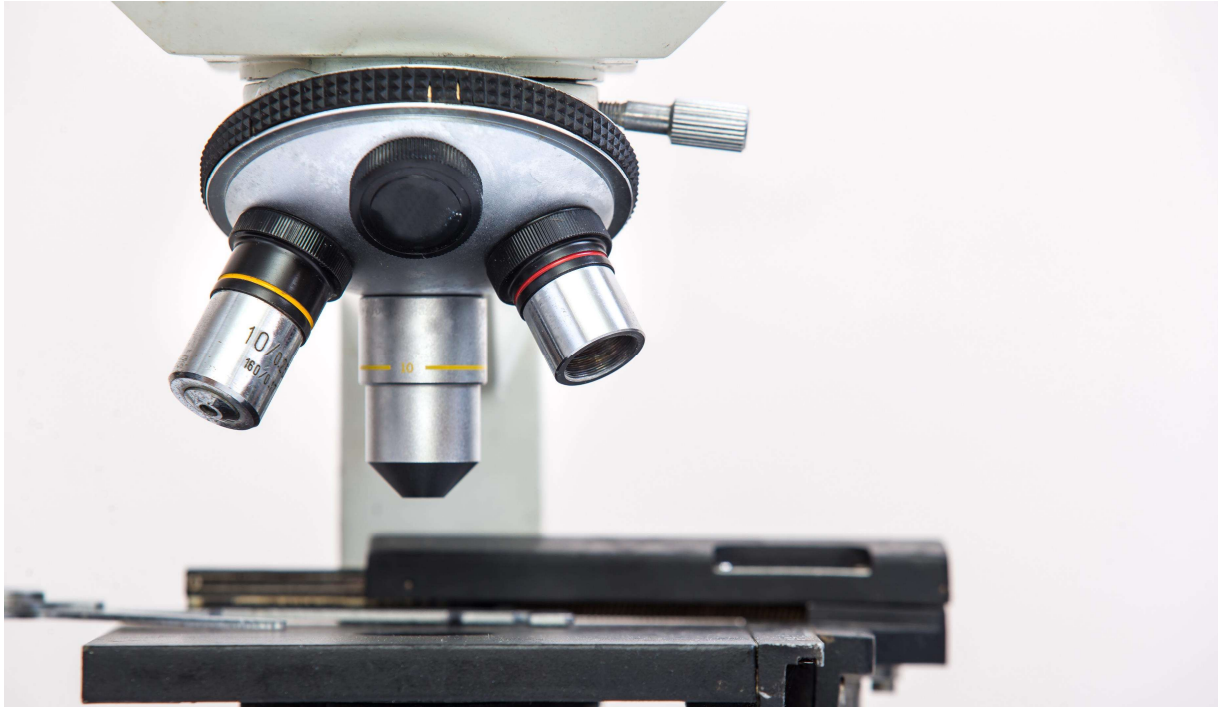




PRESIDENTIAL LEADERSHIP SCHOLARS



Research



- **APP OUTCOMES RESEARCH**

- In general, a black box but we cannot be afraid of what the science tells us.
- Inform coming debates
- Basic Science / Clinical Application
 - Where the dollars are...
- **Quality Improvement / Process improvement Leadership**



In Summary...

- Health care systems and practices now regularly implement an APP leadership strategy.
- While there are different structures, a top-level APP leader can help drive a common strategic approach, building pathways for upward mobility.
- We are now the leaders and the challenges are ours to face.
- The dog caught the car. Let's drive it.



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