CANCER PROGRAM MEDICAL DIRECTORS: GROWING IN NUMBER AND IMPORTANCE

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What are the duties and challenges of cancer program medical directors? A national survey by the ACCC provides data on compensation, percentage of time devoted to management duties, reporting structures, and other aspects of this relatively new, but increasingly important position.

The ACCC has long been interested in cancer program medical directors and, some time ago, formed a Medical Directors Special Interest group (SIG). This ongoing interest spurred the development of a national survey of cancer program medical directors. This article details the results of the survey, based on 192 responses (see "How the Survey Was Conducted," p. 19).

In an attempt to discover how cancer program medical directors function within a cancer program, the survey by the Association of Community Cancer Centers asked medical directors about their reporting structures, compensation, employment contracts/agreements, official titles, previous experience, current and future challenges, and other pertinent aspects of their roles as physician managers.

Titles

The most predominant "official" title of responding physician managers is "Medical Director" (68 percent). An additional 11 percent of respondents have been given the title of "Director" of the oncology program or cancer center. Other, more infrequently used, titles include "Chairman of Oncology" or "Chief of Oncology."

Management Experience

A surprisingly high percentage of medical directors have held their current position for five or more years (40 percent). Twenty-two percent of respondents have been medical directors from one to four years. Only 15 percent of respondents have held their current position for less than one year.

The majority of respondents, however, do not have a management degree of any type (93 percent). The seven percent of respondents who do hold masters degrees have either an M.S. or an M.H.A. Less than half of responding medical directors (48 percent) state that they have had previous management experience. As the profession matures, and certification standards are considered for medical directors, it may become common for individuals who hold these positions to have management experience, as well as designated, advanced health degrees (e.g., health service administration, public health).

Those respondents who indicated previous management experience primarily served as directors of a cancer-related department, such as radiation oncology or medical oncology, or as a chief of staff,

TABLE 1

REPORTING STRUCTURES

Chief Executive Officer	41%
Cancer Program Administrator	18%
Chief Operating Officer/ Vice-President	14%
Chief of Staff/Medicine/ Surgery	9%
Executive/Cancer Committee	9%
Board of Directors	8%
Other	1%

TABLE 2

NON-MANAGEMENT RESPONSIBILITIES

Type of Responsibility	%Respondents	Avg. Hours/Week
Clinical Duties Within the Organization	**56**	**27**
Academic Pursuits	**41**	**7**
Research	**41**	**7**
Clinical Duties Elsewhere	**31**	**22**

TABLE 3

COMPENSATION FOR MANAGEMENT DUTIES
(By Number of Hours)

Percentage Responses

	0-10 Hrs.	11-30 Hrs.	More than 30 Hrs.	Total %
Less than $50K	38	23	0	61
$50K to $75K	3	11	3	17
$76K to $100K	1	3	1	5
$101K to $150K	0	2	5	7
$151K to $200K	0	0	7	7
$201K to $250K	0	0	3	3
Totals	**42**	**39**	**19**	**100**

medicine, or surgery.

The majority of medical directors supervise 10 or more employees (55 percent). There also seems to be a three-part natural relationship between number of employees-supervised, length of time that the respondent has been a medical director, and the size of the hospital. As length of experience increases, so do the number of supervised employees and the bed size of the institution.

Reporting Structures

A large number of medical directors (59 percent) report directly to the CEO of the cancer program's affiliated institution or the director of the freestanding center (see table 1). Other reporting relationships include the chief operating officer or a vice-president of the hospital (14 percent), and the chief of staff, medicine or surgery (9 percent).

Duties

Most cancer program medical directors devote only a fraction of their time to management duties. In fact, 56 percent of survey respondents devote 10 or fewer hours per week to management of the cancer program. Only 19 percent of respondents devote 31 or more hours per week to management functions.

Other areas in which medical directors play an active role include clinical duties within the organization (56 percent), academic pursuits (41 percent), research (41 percent), and clinical duties elsewhere (31 percent). The majority of medical directors spend the greatest portion of their non-management time performing clinical duties within the organization (an average of 27 hrs./week), closely followed by clinical duties elsewhere (22 hrs./wk.). (See table 2).

Management Contracts

Seventy-two percent of those who either had a contract/agreement/understanding have the agreement in writing. Respondents indicated that this agreement covered the following: (1) the compensation structure (36 percent); (2) the medical director's duties (job description) (32 percent); and (3) the length of the agreement (26 percent). The remaining 28 percent of respondents have some type of agreement/understanding with their employers, but it is not in written form. The average length of time that most respondents' agreements/contracts cover is one year (46 percent), followed by three years (20 percent), two years (17 percent), and five or more years (15 percent). However, many of the respondents who indicated contract agreements of one year's duration also indicated that their contracts were automatically renewed each year.

Medical Specialties

The medical specialty of most medical directors is medical oncology (46 percent of survey respondents). There are more hematology oncologists who are medical directors (23 percent) than radiation oncologists (17 percent).

In addition, 74 percent of surveyed medical directors maintain a private practice outside of their administrative duties for the cancer program. And, in fact, these private practices are very active: 33 percent see 100-199 new cancer patients per year, 18 percent see 1-99 new patients, and 17 percent see 400 or more new patients per year.

Compensation

The average medical director received a total average salary of $101K to $150K for the previous fiscal year, but salaries ranged as high as $201K to $300K. The salary medical directors received strictly for management duties they performed ranged from less than $50K to as high as $201K to $250K.

However, only 28 percent of respondents receive 100 percent of their salary for their work as physician managers and, as mentioned earlier, only 19 percent of surveyed medical directors devote 31 or more hours per week to management functions. (See table 3.) In addition, a number

HOW THE SURVEY WAS CONDUCTED

In October 1988, a structured, confidential questionnaire was mailed to 650 cancer program medical directors/administrators in the United States. A total of 192 surveys were received, for a response rate of 30 percent. Follow-up among non-respondents was not conducted.

Percentages presented in this article are derived by including only the hospitals that responded to a particular question.

TABLE 4

TOTAL ANNUAL SALARY (By Region)

Percentage Respondents

	Northeast	Southeast	Midwest	Southwest	West	Northwest
Less than 50K	17	23	14	30	17	15
$50K to $75K	12	5	14	30	6	0
$76K to $100K	11	32	6	10	18	0
$101K to $150K	36	17	29	0	35	43
$151K to $200K	20	13	17	20	12	14
$201K TO $250K	0	5	17	10	6	14
More than $250K	4	5	3	0	6	14

of the medical directors who spend 1 to 10 hours per week performing management functions are not compensated for those duties (22 percent). A number of survey respondents (11 percent) also stated that they could not determine what percentage of their total annual compensation was attributable to management duties.

On a regional basis, more medical directors received higher, total annual salaries (more than $150K) in the Northwest (38 percent of respondents) than any other region, followed by the Midwest (37 percent), and the Southwest (30 percent). (See table 4.) The majority of medical directors received $101K to $151K in all regions except the Southwest, where the majority received from less than $50K to $75K, and the Southeast, from $76K to $100K.

Incentive/Bonus Compensation

When respondents were asked if they received additional compensation in the form of incentives or bonuses, only 14 percent of medical directors stated that their contracts/agreements provided for such compensation. Incentive/bonus compensation for the previous fiscal year ranged from $0 to more than $300K.

Of those respondents who do receive incentive/bonus compensation, the dollar amounts are primarily determined by the overall financial performance of the program/division that they manage (38 percent), followed by the overall financial performance of the organization (28 percent). Only 17 percent of respondents receive bonus/incentive income at the discretion of their supervisor or the board of trustees, or on the basis of objectives that they themselves develop.

TABLE 5

CHALLENGES MEDICAL DIRECTORS FACE

Challenges	Significance Ratings/% Respondents 1	2	3	4	5	6	Avg. Significance Rating	Total % Response
Recruiting Qualified Personnel	17	16	14	13	15	25	3.79	57
Obtaining Organizational Consensus	13	15	15	19	21	17	3.70	60
Relations with Oncology Physicians	15	14	15	23	16	17	3.59	59
Third-Party Reimbursement	14	16	27	11	18	14	3.45	67
Funding for Clinical Research	24	11	16	18	10	21	3.40	59
Technological Innovation	12	15	35	12	12	14	3.37	48
Relations with Non-oncology physicians	20	12	18	28	13	9	3.28	56
Competition for Market Share	20	18	18	15	16	13	3.25	73
Time Management	23	15	20	12	18	12	3.22	61
CEO/Administration Relations	26	21	14	11	5	23	3.19	60

Barriers To Creating a Medical Director Position

Thirty-nine percent of surveyed cancer programs do not currently have a medical director. The majority of such programs have not discussed the possibility of creating such a position (63 percent); the others are either currently discussing such a move (20 percent) or they decided not to create such a position (17 percent). Eight percent of all respondents have created a medical director slot, but have not yet filled the position.

When asked what they perceived as the greatest barriers to creating a medical director position and/or recruiting an appropriate candidate, respondents most often cited budgeting for such a position and the potential disruption of existing medical staff relations/practice patterns (17 percent). Other frequently noted barriers included determining the need for such a position, determining reporting relationships, and locating a qualified candidate.

However, when respondents were asked to rate specific barriers on a scale from 1 (less significant) to 6 (very significant), potential disruption of existing medical staff relations/practice patterns was rated a "5" by 52 percent of responding institutions. Disruption of the medical staff also received the highest average significance rating (3.77), followed closely by budgeting concerns (3.66). Few responding institutions, however, viewed developing a job description as a significant barrier (average rating of 1.85) or determining reporting relationships (2.53).

Interestingly, cancer programs/institutions that had considered creating a medical director slot, but then rejected the idea, perceived their ability to recruit a candidate to their particular area of the country as a more significant barrier than any other impediment (a 6.0 significance rating), but a greater number of these respondents said that disruption of the medical staff was also a significant barrier.

Predictably, institutions that are currently recruiting a medical director viewed their ability to locate a qualified candidate as a more significant barrier than other respondents (a 3.33 significance rating), but still viewed disruption of the medical staff as the most significant barrier (4.25).

Challenges	Significance Ratings/% Respondents 1	2	3	4	5	6	Avg. Significance Rating	Total % Response
Budgeting for such a position	—	24	—	9	43	24	3.66	68
Disruption of existing medical staff relations/practice patterns	14	10	14	10	—	52	3.77	68
Determining whether or not such a position is needed	45	22	11	11	—	11	2.22	58
Determining reporting relationships	35	23	18	—	—	24	2.53	55
Developing a job description	43	29	29	—	—	—	1.85	45
Locating a qualified candidate	18	12	29	29	—	12	3.06	55
Recruiting a candidate to a particular area of the country	20	20	27	13	—	20	2.93	48

Fringe Benefits

Twenty-eight percent of respondents receive travel/education reimbursement as a fringe benefit of employment as a manager. An additional 26 percent receive medical insurance and malpractice insurance. Other common fringe benefits include a pension plan (24 percent), a dental plan (18 percent), and directors and officers (D&O) liability insurance (11 percent). Only 8 percent of medical directors are paid for relocation/housing expenses, and only 3 percent receive auto insurance.

Challenges

Respondents state that recruiting qualified personnel is the greatest challenge that they face as physician managers. This aspect of being a physician manager was rated as a "very important issue" by more respondents than any other perceived challenge (an average significance rating of 3.79 on a scale of 1 (less important) to 6 (very important). Other challenges that received high point scores in terms of importance were obtaining organizational consensus (3.70), establishing or maintaining good relations with oncology physicians (3.59), and coping with third-party reimbursement (3.45).

However, in terms of sheer number of responses, the largest percent of medical directors stated that competition for market share is an important challenge (73 percent), followed by third-party reimbursement (67 percent), and time management (61 percent). (See table 5.)

Summary

In conclusion, cancer programs are increasingly creating or considering creating a medical director slot. However, at this point in time, the majority of cancer program medical directors devote no more than 10 hours per week to management functions and earn only a small percentage of their total salary for performing management duties. Indeed, a significant number of medical directors state that they are not compensated for management functions.

Less than half of surveyed medical directors held previous management positions, and seven percent have a masters degree.

The majority of medical directors report to the CEO of the institution with

A Medical Director Profile

If you were to create a profile of an average cancer program medical director, many of the following characteristics would be evident, based on ACCC survey results:

- Medical specialty: medical oncology
- Official title: medical director
- Reports to: CEO
- Average total salary: $101K to $150K
- Average salary for management duties only: $50K to $75K
- Amount of time spent on management duties: 6 to 10 hours per week
- Amount of time spent on clinical duties within the organization: 27 hours per week
- Number of years experience as a medical director: 5 or more
- Number of employees under direct supervision: 10 or more
- Previous management experience: none
- Management degrees: none
- Maintains a private practice: yes
- Number of new cancer patients seen in private practice each year: 100-199

which the cancer program is affiliated, which is indicative of the importance of the cancer program to the hospital's overall financial health and its competitive stance within the community.

Cancer program medical directors continue to be active in private practice, clinical duties within the organization, research, and in academic pursuits, such as teaching. However, necessarily, the time devoted to such activities decreases as the amount of management time increases.

The majority of cancer program managers have written contracts/agreements that delineate their duties, compensation structure, and the length of the agreement. However, most of these agreements are reviewed and redrafted on an annual basis.

Medical directors face many important and demanding challenges, the most significant of which include improving third-party reimbursement, recruiting qualified personnel, obtaining organizational consensus, and effectively managing their time. ■

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