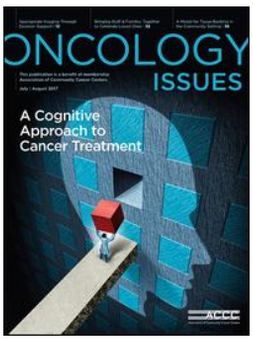

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Cancer Program Medical Directors In The '90s

190 19ACCC conducted a national survey of cancer program medical directors and administrators to update its information on the duties, reporting structures, compensation, and satisfaction of physician managers. This article presents the highlights of that survey.

ACCC conducted its second national survey of cancer program medical directors in August 1992. This article presents the results of that survey, based on 143 responses (see "How the Survey Was Conducted" on page 20). It also provides some comparisons with the results of the first ACCC survey, which was conducted in October 1988.

Titles

The predominant, official title of responding physician managers is "Medical Director" (73 percent)—a 5 percent increase over 1988. The only other titles mentioned with any frequency were Director of Oncology and Director of the Cancer Program (16 percent).

Management Experience

A significant percentage of medical directors have held their current position for 5 or more years (31%). However, the number of new medical director positions also appears to be growing: 20% have been medical directors for less than 1 year compared to 15% of respondents in 1988. The remaining respondents indicate that they have been a medical director for 1 to 2 years (24%) or 3 to 4 years (25%).

The majority of respondents indicate that they do not hold a business degree in addition to their medical degree (99%), and they have not previously held a hospital management position (78%). However, 63% have previously held an administrative post in a hospital (department chairman, chief of staff, etc.).

When medical directors were asked how they obtained their current position, 55% stated that they were approached by the management of an institution they were already affiliated with. An additional 17% were approached by an institution they were not affiliated with, 12% approached management and initiated the development of their position, and only 5% responded to an advertisement for the vacancy, while 3% used the services of a recruiting firm.

Table 1. Medical Directors' Written Contracts

Provisions	% of Respondents
Duties of the Position	98
Reporting Relationships	70
Periodic Performance Reviews	52
Education	36
Travel	34
Vacation	32
Specific Goals (i.e., increase market share)	21
Cost of Living Increases	12
Bonuses	7

Respondents' specialty reflects the growing dominance of medical oncology in cancer treatment—69% of physician managers are medical oncologists; 35% of whom specialize in both medical oncology and hematology. Other specialties included surgical oncology (13%) and radiation oncology (11%).

Reporting Structures

Many medical directors report directly to the CEO of the cancer program's affiliated institution (39%) or the Vice President for Medical Affairs (23%). In some cases, the director has a dual reporting structure—for instance, the CEO regarding administrative matters and the Board of Directors or a Physician Manager regarding medical policy (9%). Other reporting relationships include a vice president of the hospital (5%) and the Chief Operating Officer (4%).

Medical directors tend to have more employees under their indirect rather than direct supervision. Thirty percent (30%) of respondents directly supervise 11 or more employees, while 57% indirectly supervise 11 or more employees. In fact, 32% of all responding medical directors, and 28% of full-time directors, do not have direct supervision of more than one or two employees.

The positions within the cancer program that most frequently report to the medical director include tumor registry staff (65%), nurse data managers and/or cancer program administrator (58%), the tumor board (57%), and administrative secretaries (45%). Other reporting relationships include oncology unit staff (46%), oncology-related department managers (41%), radiation therapy staff (17%), the marketing director (14%), and the hospice director (12%). It should also be noted that only 20% of respondents state that their program does not have an administrative director.

Budgeting

Seventy-one percent of the medical directors have budget and resource allocation authority for their cancer programs. In those cases where the medical director does not have budget authority (29%), a member of hospital management is most frequently responsible for the program's budget (48%), followed by the administrative director of the cancer program (19%), or it is a joint medical director/program administrator function (13%). The most frequently cited areas for which the medical director has budget authority include travel (89%), education (83%), supplies (76%), research staff (59%), salaries (57%), and tumor registry staff (54%). The majority of physician managers and their staffs (73%) also have the authority to make resource allocation decisions.

A surprising number of cancer programs obtain 100% of their funding from hospital operating expenses (37%). The majority (55%) are funded through a combination of operating expenses, endowment funds, community fund-raising, grants and philanthropy.

Respondents cited budgets ranging from $25,000 to $30 million with a median of $1 million. However, 61% said their budgets do not include patient care expenses. Finally, a modest number of directors (21%) reported that their programs receive resource allocations in place of a set budget.

Table 2. Duties of the Position

	Level of Time/Effort		
Primary Responsibilities	**Low**	**Medium**	**High**
Keeper of the Vision	14%	28%	58%
Maintaining an Effective Cancer Committee/Tumor Board	16	28	56
Developing/Promoting Clinical Research	21	31	48
Implementing New Programs	24	30	46
Strategic Planning	22	35	43
Secondary Responsibilities			
Monitoring/Managing Contracts with Non-Physician Employees	86	14	0
Monitoring/Managing Contracts With Physicians	72	17	11
Helping to Develop Budgets and Financial Plans	75	21	3
Third-Party Reimbursement and Managed Care Issues	65	27	8

Compensation

Sixty percent of the medical directors surveyed are employees of the hospital, 15% are sole proprietors or part of a physician group contract, and 7% are independent contractors. The number of medical directors with a written contract has increased slightly since the 1988 survey (76% vs. 72%). For directors who have a written contract, the most common contractual provisions are the duties of the position (98%), reporting relationships (70%), and periodic performance reviews (52%). (See Table 1.) Only 11% of the medical directors surveyed receive additional compensation in the form of incentives/bonuses—a 3% decrease since 1988.

The length of medical directors' contracts is usually one year (41%). Eighteen percent have three-year contracts, 14% have open-ended contracts, and an additional 14% have contracts lasting 4 or 5 years.

Eighty-five percent of medical directors are paid a set fee for their management duties; only 7% receive an hourly rate. An additional 8% did not specify what other type of compensation arrangement is in place. Most part-time medical directors earn less than $100,000 and they spend a median of 10 hours per week on management duties. On the other hand, full-time directors have a median salary of approximately $200,000 and spend a median of 30 hours per week on management functions.

Only 58% of all respondents indicated what fringe benefits, if any, that they receive. The most common were travel (82%), health insurance and education (73%), and vacation (70%).

Duties of the Position

Few of the responding medical directors viewed their position as consisting primarily of management duties (4%). Leadership responsibilities were seen as the position's main role (80%), and the remaining 15% of respondents indicated that their time was evenly balanced between the two functions.

The areas in which medical directors noted that they spent the most time and effort varied significantly. The majority of respondents (58%) said they spent a high level of effort functioning as a "keeper of the vision" for the cancer program and in maintaining an effective cancer committee/tumor board (56%). On the other hand, medical directors stated that they spend a much lower level of time and effort on monitoring/managing contracts with non-physician employees (86%) or physicians (72%). (See Table 2.)

Table 3. Potential Threats to the Cancer Program

	Average Significance (from 1 "high" to 12 "low"	
Threat	**Rating**	**Total % Response**
Market Competition	3.38	98
Lack of Organizational Consensus	5.09	93
Competition Among Product Lines	5.31	84
Rapid/Expensive Technological Innovations	5.45	88
Inability of Cancer Care Providers to Work as a Team	5.67	90
Vertically Integrated Health Systems	5.81	93
Incompetent Management	5.90	91
Increased Inability to Provide Quality Cancer Care	7.19	90
Conflict of Interest/Fraud & Abuse Regulations	7.74	86
Physician Credentialing	8.96	84

How the survey was conducted

In August 1992, a questionnaire was mailed to 575 cancer program medical directors/administrators in the United States. A total of 143 surveys were received—a response rate of 25 percent. Follow-up among non-respondents was not conducted. Percentages presented in this article are derived by including only the medical directors that responded to a particular question.

Career Development

Medical directors are either satisfied (43%) or very satisfied (40%) with their decision to become a physician manager. The physicians who were somewhat dissatisfied (14%) or very dissatisfied (3%) were primarily part-time directors who viewed their role as medical director as a token position. They were also more likely to work in institutions in which the cancer program was not one of the top three product lines.

Satisfied directors pointed to the challenges of developing and expanding a cancer program, and having a greater voice in hospital management decisions as the main reasons for feeling fulfilled. Those who were dissatisfied expressed frustration with their lack of authority within the institution, their ill-defined duties as a medical director, and the fact that they enjoyed "patient" care more than "paper" care. Nevertheless, only 6% of respondents indicated that they intended to leave management altogether. Seventy-five percent (75%) of respondents intend to maintain their status quo as either a full-time or part-time physician manager,

and 6% of part-time directors plan to seek full-time employment.

The Future

When asked whether they believe there is a broad-based, national consensus that society is spending too much on health care, respondents either moderately (51%) or strongly (36%) agreed. Only 13% of directors somewhat disagreed, and no one strongly disagreed. Regarding particular reimbursement changes, 36% of directors believe that reimbursement by private insurers and managed care programs will cause the greatest dollar losses to their programs over the next two years, followed by RBRVS (25%) and DRGs (16%). Only 6% of respondents believe that APGs will be responsible for large reimbursement decreases in the near future.

Medical directors also believe that market competition poses the greatest threat to future of their cancer programs, followed by a lack of organizational consensus, competition among product lines, and the rapid introduction of expensive new technologies. Issues that did not seem to greatly concern physician managers included physician credentialing and conflict of interest/fraud and abuse regulations. (See Table 3.)

When asked what new programs or projects they were planning to implement during the next year, 60% of all respondents cited prevention/screening programs and initiating or expanding clinical research activities. A significant number of directors will also be initiating marketing efforts (43%), site-specific activities (38%), and outreach clinics (33%).

Market competition, the growth of managed care, and decreased funding for clinical research are causing some medical directors to re-evaluate current programs and, in some cases, to downsize their centers. However, the majority of respondents, regardless of the size of the institution, offer a wide array of multidisciplinary services, especially prevention/screening programs (84%), psychosocial services (83%), and home care (75%). Although institutions that have a medical director tend to have established cancer programs or an institutional commitment to develop a quality cancer program, a surprising number of respondents already offer progressive, innovative services, such as clinical research (63%); dedicated pain management programs (45%); brachytherapy (44%); outreach programs (44%); site-specific services (41%); dedicated rehabilitation programs (39%); BRM therapy (29%); bone marrow transplantation (either autologous [25%] or allogeneic [15%]); and stem cell infusions (19%).

ACCC publishes indepth monograph on survey

An indepth analysis of the results of this national survey of cancer program medical directors will be available in early 1993 through the ACCC. "Cancer Program Medical Directors in the 1990s" will contain comparisons of the duties, compensation, experience, authority, and responsibilities of full-time vs. part-time medical directors; as well as breakdowns of responses by size of institution and geographic location; and statistical comparisons between the 1988 and 1992 surveys. If interested in obtaining a copy, please contact ACCC by mail or fax: 11600 Nebel St., Suite 201, Rockville, MD 20852; Fax: 301/770-1949.

Summary

Overall, medical directors are employees of institutions that have made a substantial commitment to the oncology product line. In institutions where management has not made such a commitment, medical directors tend to regard their roles as token rather than serious positions, and they express frustration with their lack of authority.

Most physician managers view themselves as "keepers of the vision" whose positions consist primarily of leadership responsibilities, such as obtaining other physicians' participation and cooperation, planning for the future of their cancer programs, facilitating technological advances through clinical research, and providing their communities with access to a complete spectrum of cancer care, from cancer control and prevention to pain management and rehabilitation. It is the challenge of developing a cancer center of excellence that seems to fuel their optimism despite significant obstacles in the areas of reimbursement, market competition, and hospital management relations.