

# Quick-Hitting Survey Medical Group Organizational Structures

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## Executive Summary

### Methodology

In March 2020, The Health Management Academy collected the organizational charts of Leading Health Systems (LHS) to better understand medical group leadership structure. The 16 respondents represent health systems with an average Total Revenue of \$4.1 billion that own or operate 186 hospitals and have approximately 1.8 million admissions per annum.

### Key Findings

- Most (78%) medical groups have a single leader, with fewer (21%) having a dyad leadership structure.
- The largest proportion of medical group leaders (43%) report to the system CEO, while only 28% report to either the system CMO or COO.
- The majority of health systems (69%) have a dedicated finance function within the medical group structure, while 31% of medical groups have a finance function only at the health system level.

## Results

Medical group organizational structures vary from system to system, however, with notable similarities across organizations. The majority (78%) of LHS medical groups have a single leader while only 21% have a dyad leadership structure (Figure 1). For those with a single medical group leader, titles of the head of the medical group vary greatly. Titles include CEO, President, EVP and COO of the medical group. Dyad leader titles may be more distinct, such as Chief Medical Administrative Officer and Chief Medical Officer. Those titles are not seen in single leader structures.

While leadership titles vary greatly, professional degrees do not. Every medical group leader has a clinical degree (e.g., M.D., D.O.), with some (6%) having dual degrees (e.g., J.D.).

Medical group leaders most commonly report to the system CEO (43%), system CMO (28%) or the system COO (28%) (Figure 2). There is some variation in reporting structure by size, with large systems tending to have their medical group leader report to the CEO or CMO, while medical group leaders at smaller health systems report to the COO.

Figure 1. Leadership Structure by LHS Size

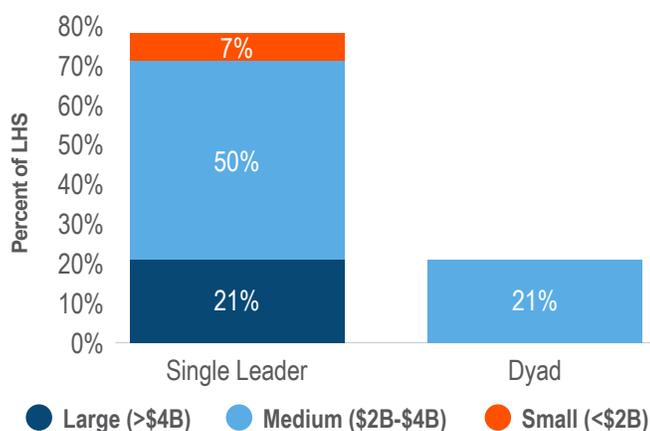
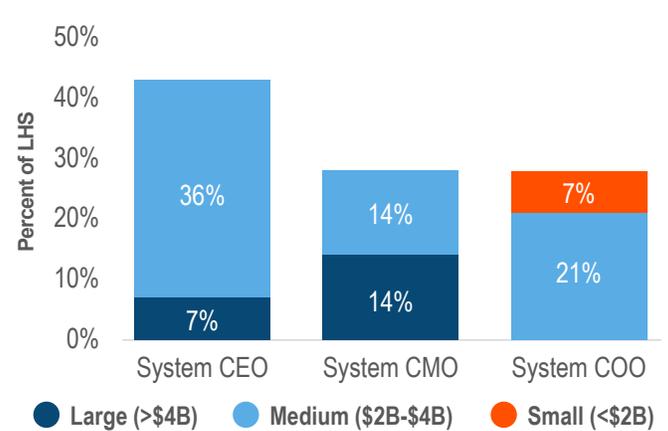


Figure 2. Medical Group Leader Reporting Structure by LHS Size



Across health systems' overarching C-suite structure, the CMO is typically the primary clinical role represented (Figure 3). However, one-third (33%) of organizations include both a CMO and medical group leader in the C-suite structure. Interestingly all of the health systems who have both the CMO and medical group leader in their C-suite are medium sized health systems based on their revenue.

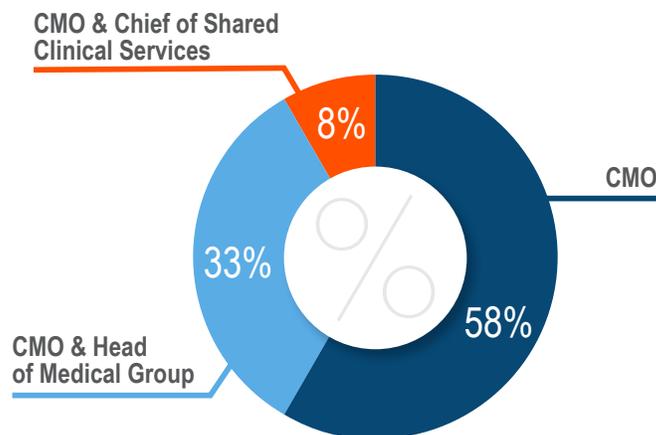
While medical group leader reporting structures are fairly uniform, roles reporting directly to the medical leader vary significantly from system to system. Analysis revealed that there are dozens of vice president roles reporting directly to medical group leaders, but most medical groups can be broken into two main categories: C-suite style organizations and Clinical style organizations (Figure 4).

C-suite style structures typically have administrative functions incorporated into the medical group, including vice presidents of finance, operations, legal, human resources and even marketing. These medical group structures emulate the C-suites of health systems and most major companies.

Other medical groups take a more clinically focused organizational structure, in which direct reports to the medical group leader include functions such as population health, primary care, specialty services, and quality. The clinical style medical group structures primarily leverage the system-level administrative functions (e.g., HR, legal) rather than incorporating those into the medical group structure. Some clinical style medical groups may have finance and operations in their reporting structure but are still predominantly clinical in the other roles at that level. Interestingly, there does not appear to be one structure style that is more prevalent across LHS, with 50% of groups using each structure.

Finance is the most common administrative function incorporated across both C-suite style and clinical style medical group organizational structures. Of the medical group organizational charts analyzed, the majority (69%) have a dedicated finance function within the medical group structure, while 31% of medical groups have a finance function only at the health system level (Figure 5).

Figure 3. Clinical Roles in System-level C-Suite



Note: Figure may not add up to 100% due to rounding

Figure 4. Medical Group Organizational Structure by LHS Size

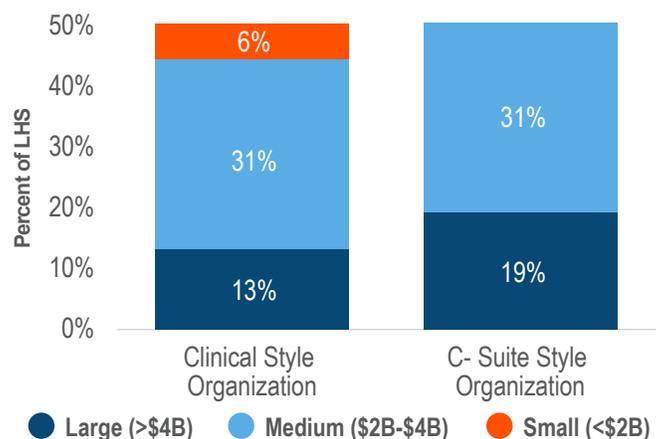


Figure 5. Medical Group Finance Functions

