Successful passage of the Patient Protection & Affordable Care Act has thrust the United States into a multi-faceted, multi-year journey whose outcome remains uncertain. Among the many important elements embedded in the legislation, one – the accountable care organization (ACO) – has received a disproportionate share of attention because it appears to offer a model that, if fully realized, should improve patient care across the continuum while stabilizing or reducing the cost of that care.

The ACO concept has generated a myriad of commentaries, seminars, articles, webinars and other vehicles intended to educate and guide individuals and organizations on the basic and more advanced elements that comprise an ACO. To date these programs have addressed organizational design, required infrastructure, legal requirements and various reimbursement alternatives. Many authors and speakers have acknowledged the central role physicians are expected to play in the design, implementation, and operation of ACOs, and some have suggested that the model offers qualified physicians an opportunity to lead and demonstrate their clinical, managerial, and leadership skills.

This article examines some of the critical competencies required of physicians to effectively lead an ACO. The decision as to whether the ACO leader is a physician or a non-physician executive will undoubtedly be made on a case by case basis, guided by the competencies of individual candidates, the critical skills each organization requires, and the preferred candidate’s fit with an organization and its culture.

The seven attributes considered are not presented as an exhaustive list; rather they should be viewed as an important core supplemented by additional content knowledge, managerial and leadership experience, and interpersonal skills. Five of the seven (integrity, strategic perspective, leadership, motivating others, and teamwork and collaboration) were selected from a larger set (see Table 1 on page 8) of behavioral core competencies that staff at the Morgan Executive Development Institute (MEDI) and faculty from the University of North Florida identified in a recent survey of four thousand physicians and health care executives. The other two qualities (courage and constancy of purpose) are well known and particularly relevant for this new and challenging role.

**Integrity:** Personal integrity and the trust it generates in others is the keystone in the arch of critical leadership competencies required for this role. The other six attributes cluster around and support it but are not sufficient by themselves. An ACO leader needs to demonstrate trustworthiness by being transparent, honest and consistent. A trustworthy ACO leader begins by listening effectively to the numerous constituencies he represents. He ("he" and "his" will be used throughout for simplicity) strengthens his "trust account" by demonstrating through words and deeds how he has incorporated key elements of what others advance into the strategic or tactical plans for the ACO. Depending on circumstances he may need to explain why some programs or practices championed by one or more parties were not included. On occasion the latter message may not be favorably received, but it's likely the leader’s "trust" account will not be debited if he has listened and explained why certain recommendations were not adopted. This approach is preferable to one where the leader fails to acknowledge or explain or is inconsistent and unpredictable. Behavior of the latter type rapidly undermines trust and makes it difficult for the leader to maintain his credibility.

**Courage:** The second important characteristic of an ACO leader is courage. Leading an accountable care organization, especially in its early stages, will be difficult. Important decisions will have to be made with incomplete information and/or within narrow timeframes. Competing interests will be an ongoing challenge, uncertainty a constant companion. A willingness to establish and maintain a position that serves the greater good in the face of strong opposition requires courage. An ACO leader needs to effectively communicate why he has taken a particular stance, remain open to appropriate feedback, and be willing to adjust his position if and when new facts emerge or circumstances change. He must also be prepared to acknowledge if he makes a mistake of significant import. Such admissions require courage and will strengthen the leader’s credibility.

ACO leadership courage will be repeatedly tested as the leader and his team work to ensure that accountability is evident in more than just the organization’s name. The ACO leader’s management team must be individually and collectively accountable for executing strategic and tactical plans on schedule and within budget. Clinical leaders and providers at all levels need to be accountable for executing care plans and protocols with fidelity; communicating with patients and families in a timely, compassionate, and informative manner; and being efficient and effective in all their actions. Failing to execute on a consistent basis will require ACO leaders to hold non-compliant parties accountable and effect remedial action to ensure organizational integrity and success – another example of the need for leadership courage.
**Strategic Perspective:** A strategic, systems-oriented perspective is another key competence. An ACO leader must have an over-arching vision for the organization and be personally committed to its realization. The vision needs to be grounded in reality but capable of inspiring others to pursue patient care that is safe, timely, personal, effective, efficient, and equitable. The vision also needs to inspire and encourage others while realistically positioning the organization in the larger context of care delivery at the community, regional, state, and national levels. Especially in difficult times a powerful vision, effectively communicated, can serve as a beacon and rallying point for everyone who works in the ACO or receives care from its providers. Real evidence that the ACO is making progress realizing its vision enhances employee and provider engagement and patient and community loyalty.

**Inspired Leadership:** Successful leaders inspire and motivate others. An effective ACO leader must be able to communicate the organization’s mission, vision, and values convincingly to internal and external audiences. Inspired leadership is not synonymous with charismatic leadership. A leader who is trustworthy, courageous, strategic, and visionary may utilize a variety of leadership styles and communication media to advance the ACO’s goals in a manner compatible with his personality and style preferences. However, he needs to be visible and authentic on a consistent basis. If he is able to do this others will engage and commit in pursuit of a shared mission and vision.

**Motivating Others:** ACO leaders will be called on to motivate a variety of stakeholders; however, their greatest test will be presented by the physicians they are endeavoring to align and integrate to deliver value-based, personalized, effective care. In the book *Leading Leaders: How to Manage Smart, Talented, Rich & Powerful People* the author, Jeswald Salacuse (AMACOM, 2006) reminds readers that motivating learned professionals (including physicians) requires a different approach than one would adopt when leading an athletic team, a military unit, or a group of mid-level managers in a multinational manufacturing company. Learned professionals (physicians, attorneys, architects, others) are educated and socialized to think and act independently and to rely on their own knowledge, expertise and experience, i.e., they are not team players by preference or natural inclination.

The professions cited share a number of characteristics that have a profound impact on their practice patterns and their world view. These shared features include: (a) mastery of a specialized body of knowledge and expertise; (b) collegiality within the profession; (c) professional autonomy; and (d) a commitment to use their specialized knowledge and skills on behalf of others and society. These elements often lead professionals to view their careers as more than a job; therefore, strategies and tactics that motivate others may be less effective when attempting to align three or four hundred independent physicians in an ACO with the goal of obtaining their consent to adopt a common clinical protocol or agree on a single formula for redistribution of the funds in an ACO incentive pool. [The author spent fourteen years in various leadership positions in a 1000-member multi-specialty group, and each time a significant change was presented observed an opportunity for a “thousand points of veto”.]

Motivating physicians to align and integrate their efforts requires active listening combined with effective education regarding the ACO’s needs and expectations, while simultaneously appreciating that the “students” are highly educated and may be more intelligent, better informed, or more innovative than the ACO leader and the management team. To effectively motivate physicians to pursue a common objective, e.g. delivering high quality care across the continuum at an affordable cost; an ACO leader needs to enlist the help of his physician colleagues and, with their assistance, design recognition and reward systems they will respond to favorably and create an accountability framework that meets the organization’s needs and expectations as well as the people and communities they serve. Certainly not a task for the faint of heart!

**Teamwork and Collaboration:** Teamwork and collaboration are essential ingredients in the conception, development, and execution phases of an ACO. An ACO leader must be able to recruit and retain collaborators who are comfortable being in either a leader or follower role as needs and circumstances change and evolve. He needs to be able to convene meetings with disparate individuals and groups to create shared solutions for delivering care, managing the enterprise and designing the accountability structure of the ACO. As part of these activities he will be expected to mediate when there is an impasse or manage conflict constructively in pursuit of effective, equitable solutions.

Teamwork and collaboration should become “the way we do things” within the ACO, whether the task is to transfer a patient seamlessly from a hospital to a skilled nursing facility or sharing responsibilities among members of a care team in a medical home. Teamwork and collaboration must be an integral part of a successful ACO and evident at all levels of internal and external interaction. Achieving this degree of cooperation is a formidable challenge given the fragmentation and lack of communication that characterizes many aspects of contemporary health care delivery in America today.

**Constancy of Purpose:** The last of the critical competencies examined – constancy of purpose – is second only to the ACO leader’s integrity and the trust it encourages in others. Constancy of purpose, while not new, is an enduring trait of successful individuals and organizations. In the late 1980s it was identified by Dr. Edward Deming as the most important of the fourteen points he championed on behalf of continuous organizational improvement. It is a readily apparent theme in the lives of professional athletes, world class musicians, and other high achieving individuals and also a feature that permeates the business literature on successful companies, often recognized by a firm’s enduring core competencies.
Other words that capture the spirit of constancy of purpose are perseverance and tenacity. Regardless of the nomenclature, a successful ACO leader must have this characteristic as an integral part of his personality. Designing, developing, managing, and leading an accountable care organization will be an exciting, but also at times an exasperating, experience. The leader and his team will enter uncharted waters, with incomplete knowledge, uneven support, and powerful forces working to maintain the status quo. A commitment to persevere in the face of multiple obstacles will be a powerful personal and organizational resource when accompanied by an ACO leader's courage and integrity, strategic vision, and ability to inspire and motivate others to work together for a shared objective – the health and wellbeing of the people and communities served by the ACO.

**Table 1. Physician Executive Leader Behavioral Competencies**

- Integrity
- Trust & Respect
- Develop Relationships
- Leadership
- Skillful Communication
- Conflict Management
- Judgment
- Accountability
- Collaborative Facilitation
- Motivate Others
- Strategic Perspective
- Adaptability

Source: Morgan Executive Development Institute & University of North Florida Health Care Administration survey; 2010

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