



## New study finds: The best hospitals are run by physicians

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Top-performing hospitals are typically ones headed by an M.D. instead of a manager. That is the finding from a new US study of what makes a good hospital.

The research, to be published in the elite journal *Social Science and Medicine*, is the first of its kind. Its conclusions run counter to a modern trend across the western world to put generally trained managers – not those with a medical degree – at the helm of hospitals. This trend has been questioned, particularly by the Darzi Report, which was commissioned by the U.K. National Health Service, but until now there has been no clear evidence.

Amanda Goodall PhD, the author of the study, and a senior researcher at the Institute for the Study of Labor (IZA) in Bonn, Germany, constructed a detailed database on 300 of the most prominent hospitals in the United States. She then traced the professional background and personal history of each leader. The research focused particularly on hospital performance in the fields of cancer, digestive disorders and heart surgery.

The study shows (see Figure below) that hospital quality scores are approximately 25% higher in physician-run hospitals than in the average hospital.

Goodall said: “Over the last few decades there has been a growing tendency for hospital boards to appoint managers as CEOs. These findings raise some warning signs over that trend.”

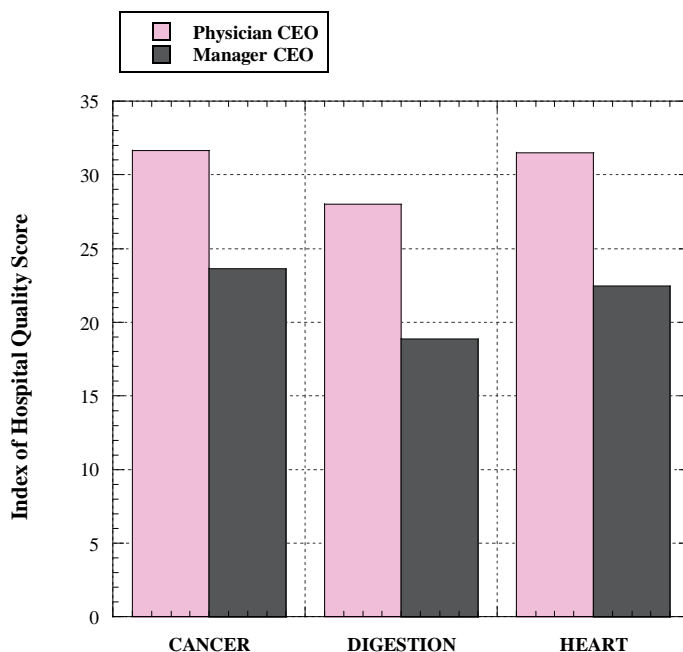
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She said: “According to the latest data, outstanding hospitals tend to be those run by somebody with a medical degree. I was surprised by the strength of the pattern. It seems that age-old conventions about having M.D.s in charge – currently an idea that is out of favour around the world – may turn out to have been right all along.”

Barry Silbaugh M.D., the CEO of American College of Physician Executives, commented: “We are watching Dr Goodall’s research carefully because it seems to finally provide a real evidence-base for physician leadership. This is something we have long supported.”

Goodall stressed that more research would be needed before cause-and-effect could be truly understood. The study, a cross-sectional one, uses data from 2009. “This is an intriguing pattern but these snap-shot results for a single point in time do not prove that doctors make the best heads of hospitals, although they are consistent with that claim. More research following a range of hospitals through time is urgently needed,” she said.

**Figure 1: Average Quality Score of Hospitals Led by Physician CEOs and Manager CEOs in Three Specialty Fields**



The new study, “Physician-Leaders and Hospital Performance: Is There an Association?” by Amanda H. Goodall is to be published by, and is in press at, *Social Science and Medicine*. It can be downloaded free of charge as IZA Discussion Paper No. 5830: <http://ftp.iza.org/dp5830.pdf>

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