WHITE PAPER

# Culture and Governance Create the Necessary Foundation for a High-Performing Integrated Provider Enterprise

amgaconsulting.com

AMGA™ CONSULTING

# Culture and Governance Create the Necessary Foundation for a High-Performing Integrated Provider Enterprise

*By Fred Horton, MHA, President, and Jill Powelson, DrPH, MPH, MBA, RN, CPC, CPPM*

**White Paper, July 2026**

When a health system acquires a medical group, promises are made that are sometimes difficult to keep: Nothing will change. You'll keep your autonomy. You'll set your own clinic hours. We're here to support you, not control you. All too often, the reality unfolds differently. Decision-making authority shifts upward to health system leaders. Provider voices begin to carry little weight. The result can be disengaged providers, low morale, and a health system struggling to achieve high-quality care, optimal patient outcomes, access standards, and ultimately, strong operational and financial performance.

Health systems that avoid this outcome share a common characteristic: They treat governance and culture not as soft concerns to be addressed after the operational work is done, but as the structural foundation upon which everything else depends. They also put mechanisms in place to disseminate the formal governance structure throughout the organization—distribution mechanisms here referred to as "the wiring." The combination of formal governance structures and the wiring ultimately drive the lived experience of an organization's culture. Get these foundational elements—governance, the wiring, and culture—right, and the organization is positioned to perform. Leave the foundation unattended, and no amount of operational initiatives or technology investment will fully compensate.

## Governance

An organization's governance structures define the formal decision rights, accountability mechanisms, and leadership frameworks that guide the organization. Governance elements are typically documented in writing, and in some cases, they are codified within legal agreements, bylaws, or regulatory requirements. Several elements contribute to a strong governance structure.

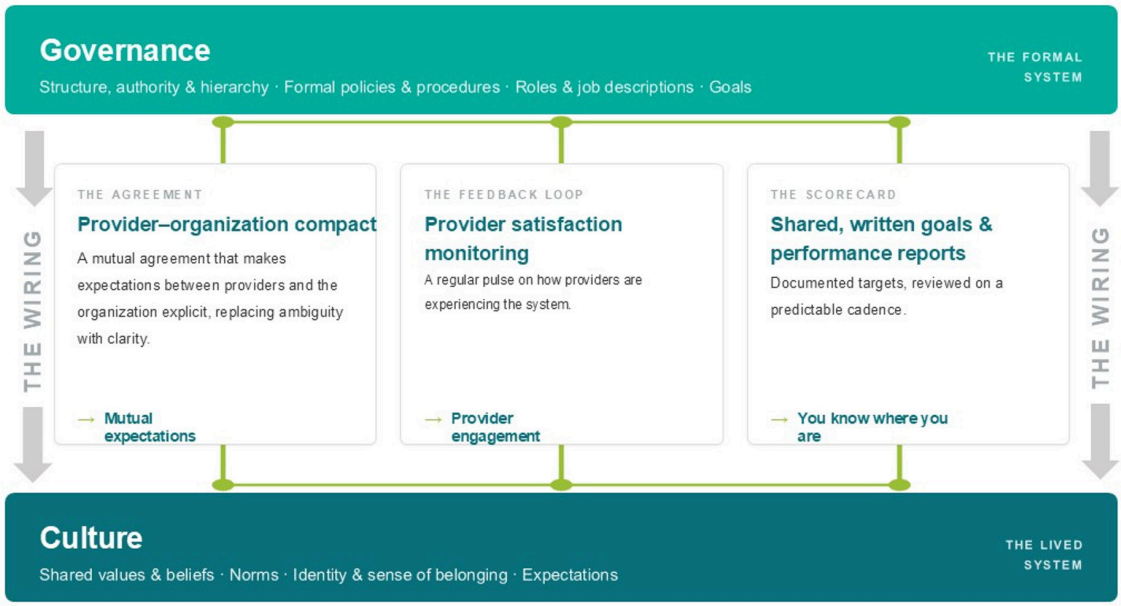
### Appropriate Organizational Structure

A provider enterprise is an essential pillar of a health system, and its place in the organizational structure should reflect that. In health systems that aspire to be truly provider-led, the medical group must be at the same level in the organizational chart as the hospitals and senior leadership, not below it. When the provider enterprise is structurally subordinate—when the head of the medical group reports some layers down from the CEO of the health system or when providers are absent from the highest-level strategic conversations—the organizational chart sends a negative message about whose voice matters.

### Decentralized Dyad/Triad Teams

To tap into knowledge and creativity within a physician enterprise, distribute decision-making authority to providers, and not just those in the C-suite. This is particularly imperative in large health systems, in order for the organization to be nimble and adaptive to rapid change. High-performing integrated organizations have moved toward dyad and triad leadership teams to distribute authority and communication. In a dyad, a provider leader and an administrative leader share accountability for a clinic, service line, department, or the enterprise as a whole, each bringing complementary expertise. Triads add a third individual, often a nursing or quality leader, to manage a full range of clinical and operational concerns.

**Figure 1**




This structural approach functions best when accompanied by clear, written job descriptions that define each leader's role and authority, including financial authority. A provider leader who is nominally responsible for a service line but has no budget authority, or who must seek administrative approval for every meaningful decision, is not truly able to lead. Dyad and triad models, done well, help to distribute decision making and communication throughout the organization.

### Provider Representation on Committees

Provider-staffed committees can be practical and powerful governance elements, and a particularly beneficial one is the provider compensation committee. At first glance, a compensation committee may seem like a technical or administrative body, a group that reviews work RVU (wRVU) targets and market data. It can be far more impactful: a microcosm of the culture a health system is trying to build. Providers, including advanced practice clinicians, should have representation on the committee. While the compensation committee is typically advisory in nature, in most high-performing organizations, we see that its recommendations are thoughtful and balanced. As a result, their recommendations are nearly always accepted. The compensation committee serves an important role in demystifying provider compensation because the methodology behind compensation decisions is reviewed and explained. Genuine dialogue occurs between frontline providers, provider leaders, and health system administrators about the tradeoffs involved in various compensation decisions. Through this process, providers begin to experience an organization that listens to them. Transparency about how compensation is structured signals that leadership has nothing to hide and trusts providers to participate in complex business decisions.

The compensation committee, however, should not be the only table at which providers sit. High-performing integrated provider enterprises extend meaningful provider representation across the full range of areas for clinical, operational, and financial work: quality and patient safety committees, technology and electronic health record (EHR) advisory groups, strategic planning bodies, and operational committees that govern how care is delivered day to day. Each of these areas is an opportunity to reinforce the same message the compensation committee sends: that including the provider perspective is a structural requirement for good

decision making. However, providers do not want to waste their time on meaningless committee work. To be successful, committees should deal with relevant and important topics and have a committee charter, clear objectives, and defined authority. A good facilitator and administrative support are also important to enhance productivity in committees. As referenced above, it is important that providers be engaged in the financial performance of the organization. When that financial transparency does not exist, we find that organizational performance suffers.

*Ambiguity about provider authority and agency will undermine provider satisfaction and engagement. Ambiguity must be replaced with clarity.*

### RACI Matrix

One of the most common sources of provider disengagement is ambiguity about where provider input is genuinely welcomed, where it carries decision-making weight, and where administrative authority ultimately resides. Ambiguity about provider authority and agency will undermine provider satisfaction and engagement. Ambiguity must be replaced with clarity. We recommend developing a formal process built around the RACI (Responsible, Accountable, Consulted, Informed) framework to bring transparency and discipline to decision making across the organization. A RACI matrix maps specific decisions and operational domains to the individuals or roles that own, influence, or need visibility into each one.

Figure 2 illustrates a high-level version of a RACI matrix as a starting point. In practice, however, a more in-depth matrix—customized to the organization's specific decision areas, service lines, and leadership structure—should serve as a living governance reference document. It should be reviewed and updated regularly to reflect leadership transitions, structural changes, and evolving organizational priorities.

**Figure 2**

## Decision Rights Matrix

RACI Framework — Responsible · Accountable · Consulted · Informed

| Decision Area | Provider | Provider Leadership | Administrator | Administrative Leadership |
|---|---|---|---|---|
| Patient diagnosis & treatment | R/A | I | I | |
| EHR | C | C | A | R |
| Budgeting | I | C | R/A | R |
| Payer contracting | C | C | R/A | R |
| Provider compensation plan design | C | C | R/A | R |

R Responsible  A Accountable  C Consulted  I Informed

## Culture

Our definition of organizational culture is the values, beliefs, and unwritten norms that drive individual and team behaviors. In contrast with governance, culture rarely appears in any official document.

Leaders set the tone for culture, but sustainable culture change requires involvement at every level of the organization, not just the C-suite. Culture is shaped by the thousands of small transactions that occur daily across clinics, departments, and service lines: how a medical director responds when a provider raises a concern, whether a committee meeting starts and ends on time, and whether follow-through on commitments is the norm or the exception. This reality creates both a challenge and an opportunity. In large health systems, no single leader can control, or even observe, the full range of interactions that collectively determine culture.

So what can senior leaders do? While it is not possible for senior leaders to control all of the factors that drive their organization's culture, there are actionable steps that senior leaders can take. In addition to the steps outlined in this document (see summary list on page 8), senior leaders must select leaders who embody and actively support the desired culture. Senior leaders should consistently strive to engage physicians every day, in multiple ways, to build the desired culture. The questions below can provide an initial assessment of where there may be areas of opportunity.

### Culture Self-Reflection Questions

In our health system ...

1. Are there intentional actions taking place to build the desired culture?
2. How much input do providers have in decisions that impact them?
3. How do individuals, including providers, talk to each other in meetings, emails, and other communications?
4. Have senior leaders prioritized the satisfaction and engagement of key stakeholder groups: patients, providers, frontline staff, others?
5. Are expectations of providers and administration clear and in writing, and are they held accountable to meet them? (As a test: If a random provider or administrator is asked this question, could they answer it?)

These questions are diagnostic. If the answers reveal gaps between the culture a leader intends and the culture that providers and other key stakeholders actually experience, action should be taken to close the gaps.

## The Wiring

We have seen in some healthcare organizations that there is a disconnect between what executives at the top level of organizational governance want their culture to be vs. what providers and staff report experiencing as their culture. We often find that these organizations are missing what we refer to as "the wiring." The wiring enables a downward cascade from formal governance structures throughout the organization to influence and guide daily work and interactions that drive culture. Three examples of the wiring that we have found very beneficial are provider-organization compacts, provider engagement surveys, and written provider goals and performance feedback.

## Provider-Organization Compacts

A provider-organization compact is a written agreement, developed collaboratively by providers and organizational leaders, that makes explicit what each party can expect from the other. It is not a legal contract; it helps to fill in some of the gray areas of expectations between these parties within a health system context. Rather than leaving these expectations implicit—a common source of friction and mistrust—a compact names them directly: what the organization commits to provide, support, and protect, and what providers commit to contribute in return.

The process of developing a compact is itself culturally significant. When providers and executives come to the table to openly articulate their expectations, it models the dialogue and mutual accountability that healthy integration requires. Consultants Jack Silversin and Mary Jane Kornacki have specialized in compacts and culture-building for three decades. Silversin and Kornacki note that while it is not practical or efficient to ask providers to provide input on every decision that is made in running a provider enterprise, they should have a voice in the decisions that most impact their practices. And to have that influence, providers need to work together and collectively generate ideas for improvement or solutions to friction they experience. Teams, departments, or divisions that can speak with one voice are more likely to be heard and taken seriously. Figure 3 is a sample of a provider-organization compact.[1]

**Figure 3**

NORTHPOINT HEALTH

### OUR MUTUAL COMMITMENT COMPACT

**Our vision is to be the most sought-after healthcare provider creating measurable, world class quality outcomes at the lowest cost. Achieving this vision depends on trusting, collaborative partnerships.**

The foundation of this partnership is a set of clearly defined expectations that are mutually beneficial. Every element of our organization is responsible to hold themselves and each other accountable to the expectations in this compact. This document serves as a framework of needed behaviors and is intended to be adaptable and to evolve over time. Our dedication to continued dialogue is key to making this compact a valuable and useful set of agreements that support our ability to achieve our vision.

| PROVIDER GIVES | THE ORGANIZATION GIVES |
|---|---|
| **Patient-Centered Care**<br>I will provide exceptional service for our patients by anticipating and exceeding their unique needs, especially in an evolving competitive market. | **Commitment to Primary Care and Specialty Relationships**<br>While valuing all members of the group, we will build XYZ's special value proposition on the primary care provider-patient relationship model. |
| **World-Class Quality**<br>I will provide measurable, world-class clinical and service quality (>95th percentile performance) that is visible to patients, employers, and our communities. | **World-Class Resources**<br>We will invest in the resources and skills necessary to enable providers to have satisfying careers and achieve our vision. |
| **Collaboration and Communication**<br>I will work toward a common vision by collaborating and communicating effectively with patients, team members, specialists, and all parts of our health system. | **Collaboration and Communication**<br>We will actively involve our providers in shaping strategic, clinical and operational decisions. |
| **Leadership**<br>I will demonstrate leadership through active involvement at the site, call group, and organizational level. | **Leadership**<br>We will demonstrate leadership by setting a vision that reflects our commitment to lead the market through excellence and innovation |
| **Create a Positive Work Environment**<br>I will model and create a work environment that is open, trusting, respectful, and fulfilling. | **Create a Positive Work Environment**<br>We will model and create a work environment that is open, trusting, respectful and fulfilling. |
| **Flexibility**<br>I will seek new solutions and adopt new practices in order to improve my performance. | **Flexibility**<br>We will continuously seek ways to improve how we lead and manage our organization. |
| **Recognition and Reward**<br>I will recognize and celebrate the accomplishments of the organization, and my team members. | **Recognition and Reward**<br>We will provide compensation and benefits that reflect XYZ's accomplishments and enable us to attract and retain the best providers. We will demonstrate appreciation and celebrate provider and team contributions. |
| **Fiscally Responsible**<br>I will manage resources that ensure the best value for my patients, and for the organization and its customers. | **Fiscally Responsible**<br>We will deliver the best value – exceptional quality at the lowest cost for our customers while exceeding financial targets. |

*Paul J. Witherspoon*

**Paul J. Witherspoon**
CEO
Northpoint Health

*Pam Blankenship*

**Pamela T. Blankenship, MD**
Internal Medicine

Northpoint Health • 7220 Yager Drive - Sommerville, Idaho 83702 • 208-987-1239 • NorthPointHealth.org

## Provider Engagement Surveys

Surveying providers offers one of the most direct windows into the lived cultural experience at the organization—how providers feel about their work environment, their relationships with organizational leadership, their sense of autonomy and voice, and their confidence in the organization's direction. Survey responses and open-ended comments frequently surface cultural patterns that leadership may not otherwise see, such as pockets of disengagement, mistrust of a particular process or leader, or a gap between the organization's stated values and the day-to-day reality providers experience. In this way, a well-designed survey is not a report card but a diagnostic tool.

[1] Example courtesy of AMGA ProPact Provider-Organization Compact Services

Figure 4 shows a sample of output from a provider satisfaction survey.[2] Note that culture and governance are the first two dimensions in the report. Leading practices in provider satisfaction surveys include surveying providers annually or every other year; the cadence should be consistent enough to detect trends over time. Such a survey is an important monitoring tool. High-performing organizations follow up on what the survey shows. They share findings with providers, discuss results transparently, develop concrete action plans tied to specific areas of concern, and then follow through with the action plans.

Provider satisfaction measurement and the completion of associated action plans should be tracked alongside financial and quality metrics in leadership dashboards. When provider satisfaction is embedded in the same accountability structures as operating margin or patient experience scores, it signals to the entire organization that provider engagement is a performance indicator that leadership takes seriously enough to measure, report on, and act upon. It also underscores the important relationship among provider engagement, financial performance, and organizational success.

## Written Provider Goals and Performance Feedback

Some organizations are reluctant to have written goals for providers, much less to conduct provider performance reviews based on them. However, we see high-performing organizations do just that. Written goals that are co-created and shared with providers offer a clear reference point for what success looks like. Monitoring performance against those goals closes the feedback loop. If done regularly, it can surface

**Figure 4**

**AMGA Provider Satisfaction Survey**

| | Very Dissatisfied Strongly Disagree | Dissatisfied Disagree | Neutral | Satisfied Agree | Very Satisfied Strongly Agree | Overall Results: Average Score | Overall Results: Top Box % | Percentile Rank: Average Score | Percentile Rank: Top Box % |
|---|---|---|---|---|---|---|---|---|---|
| **Dimension Summary** | | | | | | | | | |
| Overall | 5% | 9% | 19% | 44% | 22% | 3.68 | 22% | 24 | 16 |
| AMGA Sample Size — Groups: 40 | | | | | | AMGA Median: | 3.98 | 33% | |
| Providers: 10,742 | | | | | | AMGA 90th Percentile: | 4.22 | 50% | |
| Culture | 2% | 5% | 12% | 44% | 37% | 4.09 | 37% | 31 | 31 |
| Governance | 7% | 14% | 23% | 28% | 28% | 3.56 | 28% | 29 | 26 |
| Loyalty | 6% | 9% | 20% | 38% | 27% | 3.71 | 27% | 34 | 26 |
| Leadership | 10% | 14% | 24% | 31% | 21% | 3.40 | 21% | 24 | 24 |
| Resources | 6% | 15% | 24% | 38% | 17% | 3.44 | 17% | 24 | 16 |
| Rewards | 7% | 15% | 26% | 34% | 19% | 3.43 | 19% | 31 | 21 |
| Time Demands | 6% | 15% | 21% | 32% | 26% | 3.59 | 26% | 16 | 18 |
| Well-Being | 3% | 5% | 15% | 45% | 32% | 4.00 | 32% | 16 | 11 |
| DEI | 5% | 5% | 19% | 36% | 35% | 3.91 | 35% | 32 | 35 |

[2] Example courtesy of AMGA ProSat Provider Satisfaction Survey, for illustrative purposes

problems early, before small gaps become entrenched patterns. A discipline of conducting regular provider performance reviews creates a structured, recurring moment to revisit goals, review data, celebrate successes, course correct where goals are not being met, and ultimately reinforce accountability.

## The Path Forward

Healthcare leaders cannot legislate culture directly, but they are not powerless over it. Culture is intangible; governance and the wiring that connects it to daily practice are not. Organizational structure, provider committees, dyad and triad roles, compensation transparency, provider-organization compacts, satisfaction surveys, and written goals are all levers leaders can pull. Pull enough of them, deliberately and in concert, and the conditions for a healthier culture can take hold.

This is the case for treating governance and culture as a necessary foundation rather than a soft initiative or an afterthought: The organizations that get this right are intentional about culture-building. They build it into how decisions are made, how performance is tracked, and how expectations are set, and they revisit that foundation as deliberately as they revisit any other strategic asset.

The challenges facing integrated health systems require providers who are engaged, trusted and trusting, and genuinely invested in the organization's success. That kind of engagement does not happen by accident, and it does not happen all at once. Enterprise-wide culture change can feel overwhelming to tackle all at once. A single clinic, department, or service line is a manageable place to start. Implement the governance levers discussed here, including a RACI matrix, provider-organization compact, and provider satisfaction surveys. The early wins that follow can become the proof points that build the case—and the momentum—for implementing them at scale.

A foundation of good governance and a strong culture is built one deliberate choice at a time.

### Culture-Building Activities for a Physician Enterprise Within a Health System

- Ensure the medical group has an appropriate position in the health system org chart (equal to hospitals)
- Distribute leadership via dyad/triad teams
- Include providers in committees
- Develop a RACI matrix
- Create a provider-organization compact
- Survey providers about their engagement and create action plans
- Document provider goals in writing and provide performance feedback

**Fred Horton, MHA** (fhorton@amgaconsulting.com), is president of AMGA Consulting Services. Fred is a dynamic healthcare advisor who possesses industry experience, market insight, exemplary capabilities managing diverse and challenging projects, and the ability to create tangible results on behalf of his clients. Fred has more than 20 years of experience working inside the healthcare industry. He brings his operational, strategic, and financial acumen to his clients in order to create effective and market-sensitive solutions to their challenges.

**Jill Powelson, DrPH, MPH, MBA, RN, CPC, CPPM** (jpowelson@amgaconsulting.com), is a vice president at AMGA Consulting. Prior to joining AMGA, she was vice president for physician services at the University of Tennessee Medical Group and an executive director at Baptist Medical Group (both in Memphis, TN). She is an experienced administrator in medical group operations and quality leadership.

AMGA Consulting is your long-term partner on key business issues. We provide unprecedented access to market data and best practices derived from America's leading health systems and more than 170,000 physicians nationwide. With decades of experience, our team of talented consultants will assist your organization in effectively addressing your challenges. We provide timely and cost-effective solutions customized for your organization. Our methodology, industry experience, and customized approach provide a foundation for effective solutions that match your unique situation.
For more information, contact us at **info@amgaconsulting.com** or visit **amgaconsulting.com**.

AMGA is a trade association leading the transformation of healthcare in America. Representing multispecialty medical groups and integrated systems of care, we advocate, educate, and empower our members to deliver the next level of high performance health. AMGA is the national voice promoting awareness of our members' recognized excellence in the delivery of coordinated, high-quality, high-value care. More than 170,000 physicians practice in our member organizations, delivering care to one in three Americans.
For more information, visit **amga.org**.

AMGA™
CONSULTING

AMGA | One Prince Street, Alexandria, VA 22314-3318
Phone: 703.838.0033 | Fax: 703.548.1890 | amgaconsulting.com