

The CEO Forum

The Quarterly Publication **by CEOs for CEOs**

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Howard P. Kern
President & CEO
Sentara Healthcare



Michael J. Dowling
President & CEO
Northwell Health



Kathleen Silard
President & CEO
Stamford Health



Tom Mihaljevic, M.D.
President & CEO
Cleveland Clinic



Robert C. Garrett
CEO
Hackensack Meridian Health



Warner Thomas
President & CEO
Ochsner Health System



Frans van Houten
CEO
Royal Philips



Kathleen Ruddy
CEO
St. Baldrick's Foundation



John M. Hauptert
President & CEO
Grady Health System



Dawn Zier
President & CEO
Nutrisystem



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The CEO Forum



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PIONEERING the POSSIBLE



Hackensack Meridian Health is New Jersey's largest integrated health network with 17 hospitals, 500 patient care locations, 7,000 physicians and 34,000 team members.



Hackensack Meridian Health Carrier Clinic is writing a new narrative for the treatment of behavioral health care. With new addiction treatment centers and the region's first behavioral health urgent care centers, we are expanding access, pioneering innovations in care and creating pathways to emotional harmony.



Hackensack Meridian School of Medicine at Seton Hall University is transforming medical education for a new state of health care. Our innovative curriculum combines traditional science and the new frontiers in medicine including genetics, population health, and team-based care.



Hackensack Meridian Health Convenient Care partnered with American Well, a leading national telehealth company, to provide telehealth services within the network. ConvenientCare NOW is available through the use of smartphones, tablets, mobile devices and online video. Patients have access to quality physicians any time of the day. It offers a convenient, accessible, patient-centered solution for non-emergent health care.



Hackensack Meridian Health Center for Discovery & Innovation is led by renowned global researchers who focus on a single mission: produce groundbreaking discoveries in cancer, infectious disease and other illnesses to save lives. We also created the **Bear's Den**, a \$25 million investment to support the creation of trailblazing products and health care services.



The Hackensack Meridian Health vision is rooted in innovation. We say it's part of our DNA because we are not satisfied with the status quo. Instead, we are working every day to create a world where: the highest quality is human-centered, accessible and affordable; we deliver outcomes that matter most; and excellence is the standard.

Get to know us by going to HackensackMeridianHealth.org



**Hackensack
Meridian Health**

Life years ahead



Robert C. Garrett

Robert C. Garrett, FACHE | Chief Executive Officer



Power Shift to Consumers

Healthcare in America is like no other industry: it drives \$3.5 trillion of economic activity, is predicted to create more jobs than any other sector in the next two decades, and impacts our very well being.

I recently asked visionary healthcare CEO Patrick Charmel of Griffin Health Services about his take on the future of healthcare. He shared, “While the providers, insurers and suppliers that benefit most from healthcare’s growth, fueling fee for service incentives and price opacity, try to preserve and exploit an unsustainable system, enlightened healthcare leaders are driving a radical disruption resulting in resource reallocation, a reordering of the food chain, and a power shift from insurers and providers to consumers. Those that fail to embrace and lead this change face disintermediation, commoditization and irrelevance.”

With this drive towards healthcare transformation, in your hands is a special and important issue of The CEO Forum magazine, our 2nd annual on “10 CEOs Who Are Transforming Healthcare in America.” Every CEO and their company in this issue has met our criteria system in evaluating how they have added new value that is contributing to the reinvention of the healthcare industry. Each interview starts with specifics of why they have been awarded as a 2019 Transformative CEO in Healthcare. As you read I suggest you start with the box noting how they met our criteria, as it may ignite new ideas for your company.

Our next issue, received June 21, 2019, will be on Innovation. If you have any nominations of CEOs, I’d love to hear from you. Robert@TheCEOForumGroup.com.

A handwritten signature in blue ink, appearing to read 'RR' or 'Reiss', written in a stylized, cursive manner.

Robert Reiss

Companies In This Issue



Sentara Healthcare celebrates nearly 130 years in pursuit of its mission – we improve health every day. Named to IBM Watson Health’s 2018 “Top 15 Health Systems,” Sentara is an integrated, not-for-profit system of 12 hospitals in Virginia and Northeastern North Carolina, including a Level I trauma center, the nationally-ranked Sentara Heart Hospital, two orthopedic hospitals, accredited Sentara Cancer Network and the Sentara Neurosciences Institute. With nearly 28,000 employees and ranked one of Forbes “America’s Best Employers” in 2018, Sentara is strategically focused on clinical quality and safety, innovation and creating an extraordinary healthcare experience for our patients and members.



Northwell Health is New York State’s largest health care provider and private employer, with 23 hospitals, more than 700 outpatient facilities and more than 13,600 affiliated physicians. We care for over two million people annually in the New York metro area and beyond, thanks to philanthropic support from our communities. Our 68,000 employees – 16,000-plus nurses and 4,000 employed doctors, including members of Northwell Health Physician Partners – are working to change health care for the better. For information on our more than 100 medical specialties, visit Northwell.edu.



Stamford Health is a non-profit independent healthcare system with more than 3,500 employees committed to compassionately caring for the community and offering a wide-range of high-quality health and wellness services. Patients and their families can rely on comprehensive person-centered care through the system’s 305-bed Stamford Hospital; Stamford Health Medical Group, with more than 30 offices in lower Fairfield County offering primary and specialty care; a growing number of ambulatory locations across the region; and support through the Stamford Hospital Foundation. For more information, visit StamfordHealth.org. Like us on Facebook and follow us on Twitter, YouTube, and LinkedIn.



Cleveland Clinic is a nonprofit multispecialty academic medical center that integrates clinical and hospital care with research and education. Cleveland Clinic has pioneered many medical breakthroughs, including coronary artery bypass surgery and the first face transplant in the nation, and is consistently named as one of the nation’s best hospitals by U.S. News & World Report. Among Cleveland Clinic’s 66,000 employees are more than 3,600 physicians and researchers and 14,000 nurses, representing 140 medical specialties. Cleveland Clinic’s health system includes a 165-acre main campus near downtown Cleveland, 11 regional hospitals, and locations in southeastern Florida, Las Vegas, Toronto, Abu Dhabi, and London. In 2017, there were 7.6 million outpatient visits, 229,000 hospital admissions and 207,000 surgical cases throughout Cleveland Clinic’s health system.



Hackensack Meridian Health is a leading not-for-profit healthcare organization that is the largest, most comprehensive and truly integrated healthcare network in New Jersey, offering a complete range of medical services, innovative research and life-enhancing care. Hackensack Meridian Health has more than 34,100 team members, and 6,500 physicians and is a distinguished leader in healthcare philanthropy, committed to the health and well-being of the communities it serves.



Ochsner Health System is Louisiana's largest non-profit, academic, healthcare system. Ochsner employs nearly 25,000 employees and more than 1,300 employed physicians in over 90 medical specialties and subspecialties, and conducts more than 700 clinical research studies. The system coordinates and provides clinical and hospital patient care across the Gulf South region through its 40 owned, managed and affiliated hospitals and specialty hospitals and more than 100 health centers and urgent care centers caring for patients from all 50 states and more than 70 countries.



Royal Philips (NYSE: PHG, AEX: PHIA) is a leading health technology company focused on improving people's health and enabling better outcomes across the health continuum from healthy living and prevention, to diagnosis, treatment and home care. Philips leverages advanced technology and deep clinical and consumer insights to deliver integrated solutions. Headquartered in the Netherlands, the company is a leader in diagnostic imaging, image-guided therapy, patient monitoring and health informatics, as well as in consumer health and home care. Philips' health technology portfolio generated 2018 sales of EUR 18.1 billion and employs approximately 77,000 employees with sales and services in more than 100 countries. News about Philips can be found at www.philips.com/newscenter.



St. Baldrick's Foundation Every two minutes a child is diagnosed with cancer worldwide. One in five children diagnosed with cancer in the U.S. will not survive. Those who do survive often suffer long-term effects from treatment too harsh for their developing bodies. The St. Baldrick's Foundation is leading the charge to take childhood back from cancer and is committed to funding the best research, no matter where it takes place. Since 2005, St. Baldrick's has funded over \$258 million to support the most brilliant childhood cancer experts who are working to find cures and better treatments for all childhood cancers.



Grady Health System is one of the largest academic safety net health systems in the nation and includes the 953-bed Grady Memorial Hospital. Grady has Metro Atlanta's only nationally verified Level 1 trauma center, and serves as the 911 ambulance provider for the city of Atlanta. Grady's American Burn Association/American College of Surgeons verified Burn Center is one of only two in the Georgia. And the Marcus Stroke and Neuroscience Center is a Joint Commission designated Advanced Comprehensive Stroke Center.



Nutrisystem, Inc. (NASDAQ: NTRI) is a leading provider of health and wellness and weight management products and services including Nutrisystem® and South Beach Diet® brands, and has helped millions of people lose weight over the course of more than 45 years. Nutrisystem provides customers the flexibility to align their diet with the US Healthy Eating Meal Pattern, as recommended by the USDA Dietary Guidelines. Plans include comprehensive counseling options from trained weight loss coaches, registered dietitians and certified diabetes educators and can be customized to specific dietary needs and preferences including the Nutrisystem® D® program for people with Type 2 diabetes or pre-diabetes.



Howard P. Kern provides remarks at the unveiling of Sentara Norfolk General Hospital's latest modernization and expansion project.

“Typically, health plans and hospitals conflict within the IHS. Sentara has managed to optimize the effectiveness for both businesses individually and together. We have sustained this model over time and it has worked well for our patients and members.”



The CEO Forum selected Sentara Healthcare as the lead position in “10 CEOs Transforming Healthcare” for pioneering Integrated Health with both health plans and hospitals; “Horizontal Leadership;” structured arrangements with corporations; and even applying Jeff Bezos’ business principles to a health system so it is truly customer obsessed and agile.

Robert Reiss: Sentara is different from other health systems in America. Describe your model.

Howard Kern: Sentara is an integrated healthcare system (IHS). In the healthcare world that usually means the organization has both provider services and a health plan in the system. Sentara started this model in 1984. A lot of health systems have tried and failed to get into the health plan business. Typically, health plans and hospitals conflict within the IHS. Sentara has managed to optimize the effectiveness for both businesses individually and together. We have sustained this model over time and it has worked well for our patients and members.

What is the relationship of a fully integrated system to the patient and to the community?

As an IHS, we look at the whole spectrum of care, and we are expected to manage total cost of care across the continuum. Typically, hospitals are focused on the incident of acute care, admission to discharge. In some cases, particularly with the advent of the Medicare cost priorities, policies and health plans reimbursement strategies have

“Sentara uses horizontal leadership to continue to share best practices and learnings across our integrated healthcare system. We believe all our patients should receive the highest level of care and service — regardless of where they engage with our system.”

focused hospitals on 30 days post-discharge. This ensures hospitals are incentivized to discharge patients after the appropriate length of stay.

If you have a managed care model like we have, we’re focusing on providing the appropriate level of care to our patients across the entire continuum. We’re looking at primary care all the way to post-discharge to nursing facilities or home, so the management of care across the full continuum. The health plan is also a major avenue from which we can educate and encourage positive health behaviors in the community. Every day, we work to provide the right care, at the right time and at the right place in the most cost effective manner possible.

With managing through the full continuum, you have a strategic focus on patient access.

Access has many dimensions in today’s healthcare agenda. We look at primary care as the key to access. We focus on getting our health plan members to a primary care physician who can coordinate their preventative care. Getting patients primary care is fundamental to providing access to essential preventative care, which keeps them out of the hospital and emergency rooms — the most expensive kind of care. To the extent we can do that, the patient is going to get access to affordable, quality care.

We’re also focused on giving those primary care physicians the right kinds of tools — both in terms of data and programs — to be able to do all they can to keep these patients healthy and, when appropriate, get them to the right kind of specialist.

Sentara also has some of the highest productivity per person.

There’s no real magic to it. We absolutely had to start by focusing on the quality and the safety of care. You must be

very disciplined about managing both the cost and the quality of care. You can’t cost-cut your way to success. You really can’t.

Quality and safety work together, but each have a distinct focus. Safety is the process of keeping your patients harm-free. Quality, however, is the focus on achieving positive clinical outcomes. Quality means giving the patients as positive a clinical outcome as possible. The key to achieving high quality is the commitment and discipline to reduce unnecessary variation by implementing standardized best practices.

How do you get the whole culture of nearly 30,000 people engaged with this thinking?

You must educate the staff and leaders to help them understand the organizational purpose and mission and the essential focus on quality and safety. A sense of purpose helps connect staff to their patients and members. The “why” is critically important. You cannot let up. You have to continue to focus on it every day, year after year after year. High performance is a constant discipline driven through your clinical staff and through your management team, and you must continue to focus on why it’s critical, and why their work matters each day. You have to reinforce it through setting aligned goals and then constantly driving toward them.

What is the process for that mentality to cascade throughout the organization?

“Our first bias must be toward reevaluating process critically and not defending the process when outcomes aren’t meeting customer expectations.”

It starts with the Board of Directors. Sentara is so fortunate to have a Board that has always led with the vision for quality and is truly engaged. The Board made clinical quality and safety a priority and they have continually kept our organization focused on high performance in these areas. Regardless of whatever external forces or strategic initiatives we have in play, our Board always brings it back to the impact on our patients and team members. We have a Medical Affairs Committee led by the Board Vice Chair and the entire Board participates actively in that committee. They set goals, monitor progress, and track reports. Physician leaders also actively participate and are engaged in setting goals and evaluating system performance. Goal and performance reporting are essential. What gets measured, gets done. We are a very metrics-driven team.

I know some hospitals who have long lists of metrics, which seems to me hard to prioritize.

Agreed. That is a tough way to manage. As a leader, I really need to focus and prioritize the outcomes that impact the patients and team. We keep the metric list to something around a dozen key indicators. We're looking at things like infectious disease metrics, mortality, and complication rates. You're right, you can see certain metrics sheets for hospitals and health systems where they're looking at 40 or 50. Trust me, it's a near impossible task to manage effectively to that many metrics. A focus on priorities is a must.

You've also created an important model for structured arrangements with corporations. Describe how that works?

In 1981, Sentara began direct contracting with employers to provide health benefits to their employees. This was the pre-cursor to Optima Health. We started by organizing a group of providers to create a network. We leveraged this network to self-insure our own employees, and then once we learned the processes, we began offering the network to other employers directly. We learned new capabilities like claims and risk management. We also began to develop the knowledge and experience needed to design benefits and health insurance product offerings that created the right incentives for both employers and employees. Even then, we were learning how to build care models to incent appropriate care – work we continue to grow and improve upon today.

Let's shift to what I thought was frankly a brilliant article you wrote entitled, "What if Jeff Bezos ran Sentara Healthcare?"

It was a fun article to write, I really enjoyed it. The concept stemmed from an investment letter I read. Actually, the letter was sent to me by a Board member, who is an investment manager. It was a letter that Jeff Bezos sent to his Board that said, "It's always Day One at Amazon."



Howard P. Kern captures a photo of his team at the Sentara Cancer Center groundbreaking event.



Howard P. Kern and a group of his colleagues and government leaders.

It really described Bezos' philosophy of management. I would encourage any of your readers that haven't read this to get a copy of it. It's out there in the public domain.

What can companies learn from Amazon?

There are many great messages in the letter, but three or four nuggets in the letter really struck me.

First, Amazon and Jeff Bezos are fanatically customer-driven, and they're not just talking about it. He calls it "customer obsession." At Amazon, everything you do is about customer experience, and that is something we're adopting in everything we do.

The second key theme I thought was phenomenal, particularly in the context of everything in Sentara and the broader healthcare industry, is the notion of pay-for-value. Everybody in healthcare is on this process journey, and Bezos writes about the "tyranny of the proxy." At first, you don't understand what that means if you hear that term, but you realize what he's saying is that everybody gets into the proxies – the term he uses for processes to drive value.

The tyranny of the proxy is about not wanting Amazon to

get caught up in living by the process to achieve value. He writes that you ought to focus on the outcome, and that too often people get so focused on following a process that when the customer is not happy with the outcome, then everybody's first reaction is to defend the process.

It's like a doctor saying we did everything great, but the patient died?

Sure. If a patient is complaining or not happy with the outcome, I often ask, why are we defending the process? Maybe there's something wrong with the process here. We should not only ask if we are following the process. We should also ask if the process is built to achieve the right outcome for our patients. We need to figure out why a patient is not happy. Let's look at the process at least a little bit before we start telling the patient they're wrong and we are right. Our first bias must be toward reevaluating process critically and not defending the process when outcomes aren't meeting customer expectations.

The third dimension that Bezos wrote about, which I loved, was his notion of decision making – speed to decision making. There have been a number of great articles written about this. In particular, the concept of not having to have all the data in front of you to be able to make a decision.

“Too many healthcare executives, in my opinion, are not making decisions quickly enough. You can make decisions quickly with maybe 60% to 70% of the data. You don’t have to have 90% of the data. You can course correct.”

Often times too many executives, particularly in healthcare, have this problem because of the scientific method. You want to have 95% or 99% of the data in front of you. Now, in making clinical decisions, you want to have a certain amount of data. But this clinical decision making often gets dragged into the management decision making. Too many healthcare executives, in my opinion, are not making decisions quickly enough. You can make decisions quickly with maybe 60% to 70% of the data. You don’t have to have 90% of the data. You can course correct. This practice is especially prevalent in healthcare because we’re in the clinical realm. We tend to drag that theory into decision making on the management side, and to be very late or way past the point of effective decision making.

The fourth point is the key to the way I think Bezos looks at things, and it is something that I characterize as risk appetite. This is something that is a challenge for healthcare because of our scale and that we tend to look at risk relative to organizational size.

Bezos’s company is huge. Amazon is approaching a trillion dollars in total equity, total value. He described in the letter how he’ll let his executives make a decision about a movie strategy for their Amazon productions. He let his executives a level below make the decision because he needs to let them take some risk. We have a lot of controls built into healthcare decision making around capital investments,

and technology investments, and Bezos will just say, “Just go do it.” He’ll make \$500 million decisions just like that.

Now, healthcare operates at much lower levels of scale, and we could never make a decision at that kind of scale. But we can certainly adapt our perspective on risk.

One other thing about Jeff Bezos is if you congratulated him on a great 2018, he’d say that was already baked in in 2015, because he’s planning three years ahead.

Now there is something else that you were doing, which is called “Horizontal Leadership.”

One of the things we see in healthcare today is consolidation in the marketplace. We are seeing larger systems formed because of the need to gain efficiencies from scale, and the efficiencies that come from organizations learning from each other. Yet, the paradox is that organizations that have come together don’t figure out how to get those efficiencies and learn from each other. Once they merge they line up into these classic vertical silos, then they sit there, are inoculated in their silos, and they go on operating just the way they were before. There is a lot of criticism of healthcare right now over all the mergers that have happened, and they’re not really gaining the efficiencies and value that they were supposed to gain.



A distinguished group of supporters help Howard P. Kern break ground on the Sentara Cancer Center.



Howard P. Kern, members of his team and a cancer survivor pose in front of the future Sentara Cancer Center.

What we have tried to do, and Sentara is a product of multiple mergers over the last seven to eight years, is we tried to look at the vertical models that we had and say, “How do we create the efficiencies and get the learning organization to work in our model?” We looked at our structures, and we had these classic vertical structures, then we said, “You know, there’s a part of our organization that works very well horizontally, our finance organization.”

In most organizations, healthcare or not, finance works vertically and horizontally. You’ve got your classic structure where you have your corporate finance function that organizes the corporate elements – finance, treasury, and budgeting – horizontally across the system and then the finance operations functions – budgeting, revenue streams, collections – set-up vertically within operating divisions. Budgeting happens at the system and divisional levels. You have your operational finance functions connected with your corporate finance. The operations and corporate finance functions collaborate and work together to achieve organizational results. I said to our team, “Why can’t we do that and replicate that in other functions of the system and emulate that from an operational perspective?,” and we implemented that model for our clinical quality and safety performance. It’s evolved into what we call our High Performance Design model.

This was back in 2013, and we were trying to do this as a part of a goal structure to achieve certain quality performance metrics. We had achieved better financial performance through this horizontal model, and weathered the storm of the 2008 and 2009 recession by taking a lot of unnecessary costs out of our system. We use this horizontal model to do that in the financial structure, but we were faced with trying to drive better financial performance and quality performance at the same time, and we had just merged a number of hospitals into our system.

As an organization, we began to work toward achieving the sustained high performance necessary to become a Truven, now IBM Watson Health, top performing health system. We succeeded through the use of our High Performance Design model, and we built an integrated structure horizontally. The goal was to set up teams that involved clinical leaders across all our hospitals and put them on teams together with the goal being to innovate across all our hospitals and learn from them collectively. When one part of our organization learned a new

“The paradox is that organizations that have come together don’t figure out how to get those efficiencies and learn from each other.”

best practice, we then made sure they could go back and share that learning across all the hospitals. We further ensured standardization and removed unnecessary variation, which is key to getting efficient and achieving better quality.

This High Performance Design process began to drive amazing performance improvement, and it got us from where we were in 2013 to where we ended up in 2016 as a top-performing system. Those three years of improvement set the foundation for us to be named one of the top five large systems in the country last year by IBM Watson Health.

How specifically are you using your horizontal leadership model today?

We use horizontal leadership across many functions within our organizations. Horizontal structures are in place within finance, clinical quality, safety, service lines, and our health plan. Our horizontal teams are made up of administrative, physician, nurse and ancillary leaders from different divisions across our system. These interdisciplinary, cross-divisional teams allow for valuable opportunities for shared learnings and new thought development. Horizontal leadership continues to provide us with the ability to quickly implement best practices across the system while maintaining the tailored operational approach that each of our divisions needs to perform. For example, Sentara Norfolk General Hospital, our Level 1 Trauma and Academic Health Center, may have different operational needs from Sentara Halifax Regional Hospital, a rural community hospital, but they can both benefit from implementing best practices for key performance metrics such as emergency department flow and hospital acquired infection prevention.

Sentara uses horizontal leadership to continue to share best practices and learnings across our integrated healthcare system. We believe all our patients should receive the highest level of care and service – regardless of where they engage with our system.

On that inspirational note, it's a pleasure having you on The CEO Show.

Thanks, Robert. It was good to chat with you.



Robert Reiss and Howard P. Kern. Interview aired October 28, 2018.

Howard P. Kern is President and Chief Executive Officer (CEO) of Sentara Healthcare, a not-for-profit integrated health system headquartered in Norfolk, Virginia. Sentara Healthcare is one of the top five largest employers in the Commonwealth of Virginia with 28,000 employees, net revenue of \$6.3 billion and operations in three states.

In 2018, Sentara Healthcare was named to the Forbes America's Best Employers list and was nationally recognized as a Top 15 Health System by IBM Watson Health in the large system category.

Mr. Kern was recognized as one of Modern Healthcare's 100 Most Influential People in Healthcare for the past two years. His executive management experience includes 39 years in hospital, managed health insurance, ambulatory services and healthcare finance.

He serves on the board or as a member of numerous corporate and community organizations including the Becker's Hospital Review CEO Advisory Board, E3 (Elevate Early Education), Future Hampton Roads, Hampton Roads Business Roundtable, Hampton Roads Economic Development Alliance, MDLive, ReInvent Hampton Roads, Richmond/Hampton Roads Collaborative Executive Committee, Virginia Business Higher Education Council, Virginia Symphony Orchestra, Virginia Wesleyan University, Vizient and Wall Street Journal CEO Council.



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- Shorter Emergency Department Wait Times
- Higher Patient Satisfaction
- Lower Cost

Learn more at sentara.com/Top15



Michael Dowling is one of the most-sought thought leaders in health care. His opinions are widely valued and shared amongst the field's top executives.

“If you don’t know where you came from and where you are today, it’s almost impossible to figure out where you’re going.”



The CEO Forum selected Northwell Health in “10 CEOs Transforming Healthcare” for creating a model of significant growth from two hospitals to 23 with \$12 billion in revenue and 68,000 employees. The CEO has accomplished this with a people model where he meets with each employee and infuses positive messages and vision to inspire and galvanize staff.

Robert Reiss: Northwell is now the largest health-care provider in New York with about 68,000 employees, 23 hospitals, \$12 billion in revenue. When you joined Northwell in 1995 you had just two hospitals ...Talk about the transformation.

Michael Dowling: The vision back in the mid-1990s was that we would create the first health system in the New York area. So, the concept was that if you brought all of the hospitals together, you could provide better, more comprehensive care and add more value to the communities we serve. It was modeled in many ways after what happened in the western part of the United States with Kaiser Permanente. We came out of the blocks first, and we started to talk to many other hospitals in the area, and for the first 10 years, it was all about just adding hospitals. So, we went from two hospitals to now 23 hospitals. What’s important to remember here is not just about collecting entities, it’s about making sure that when you bring in the entities that you integrate them clinically and administratively. You’ll have common metrics, you have common leadership, you have common standards. We want to build a health system culture, while

“We’re creating an organization, not a collection of disparate entities. Once you have that philosophy, and you make that philosophy very clear, it’s essential to be non-negotiable on this. So, when a hospital would join us, we would say, ‘We’re all going to meet the same quality standards.’ That’s non-negotiable.”

at the same time we preserve the unique culture of the local hospitals. It’s not just about collecting a group of entities or a group of institutions. It’s about making them work together, and that’s what distinguishes being a truly integrated system.

How do you successfully integrate different organizations that have different cultures, different brands, different names, different specialties?

Our philosophy upfront is to bring facilities and their people together so that you can collectively improve services to the community. Then, it is about making sure that you put the right people in the right places. If you have people in an organization that are not synergistic with the mission that you have outlined, then you need to make some changes in the leadership.

Part of bringing it together is you’ve got to do it slowly, and you’ve got to do it carefully, and you’ve got to take the things that worked well at the beginning so that you have examples and are able to say, ‘We brought these things together, this works.’ When that happens, leaders of the organizations joining us look at that success and say, ‘Well, if that works, maybe I should do something different and adapt new approaches.’

So, it’s about having the vision, but being political – putting the right people in the right places and making it clear from the start that we are going to create a unity of purpose in this organization. We’re creating an organization, not a collection of disparate entities. Once you have that philosophy, and you make that philosophy very clear, it’s essential to be non-negotiable on this. So, when a hospital would join us, we would say, ‘We’re all going to meet the same quality standards.’ That’s non-negotiable.

Even if they’re much lower than you? How do you manage that?

Well over time, you get them right. You set a standard,

you integrate all the back-office functions. For example, you say I’m going to have one finance department, one quality department, one IT department, one purchasing department, one legal department, and these are things that we started to pool together very, very early on, and it became part of our DNA. When you do the first couple of integrations well, then the next ones become easier, because you’ve already created the philosophy.

How do you get the cultures aligned? Or do you keep the cultures decentralized?

You want to maintain the differences by geography, and you want to preserve the uniqueness of those local cultures. Then you want to create the system concept that we are team-oriented, collaborative. We are working together for the benefit of the total community. There is going to be one overall vision. So you have a system culture and a system sense of unity. At the same time, you preserve the local identity and culture.

I know you also meet personally with every person in the organization.

It’s all about the people. You can have wonderful strategy, you can have wonderful plans, you can have wonderful facilities, you can have a good IT system, but at the end of the day, it’s about the people. So, I spend an extraordinary amount of time focusing on the people aspect of the business. I meet with all new employees; I’ve been doing it every Monday for 14 years.

So every new employee? 68,000...

Yes. I meet them for about two to two-and-a-half hours every Monday at an orientation session called “Beginnings.”

“I meet with all new employees; I’ve been doing it every Monday for 14 years.”

What do you talk about?

First of all, they write out some questions that they want to ask me. So I tend to get about 20 to 50 questions. That can be anything from my background to my expectations of employees. I spend time answering those questions. I will then give a little bit of the history of the organization, how we began, because history is important. If you don't know where you came from and where you are today, it's almost impossible to figure out where you're going.

I describe the health system because we're not just hospitals. We have 710 ambulatory sites. These are locations outside the hospital where our patients get services in the communities where they live and work. It improves access, improves quality. Most cancer care is delivered as an outpatient service. Most surgery can be outpatient. Imaging is outpatient. We have moved all services out of the hospital that don't need to be delivered there. Because of the advances in science and technology, about 30% to 40% of what was done in the hospital 20 years ago does not have to be done in the hospital today. So, we have more than 700 of those locations. Some of them are very large.

We are also a huge academic enterprise. We're one of the largest academic teaching facilities in the United States, training more than 1,800 medical residents and fellows

“We have moved all services out of the hospital that don't need to be delivered there.”

annually. We have a medical school, a graduate nursing and physician assistant school, as well as a graduate school of molecular medicine where doctors earn their Ph.Ds. We have a major research institute that is amongst the top 10% in the United States.

I explain this to all of the employees so they understand that when they're working in an individual unit of the organization, their unit is one piece of the entire puzzle – going back to the question about the overall culture of the total organization. And what happens to them locally is impacted by all of the other parts.

Then I talk about values and behaviors and expectations, the business plans, what's expected, what's not expected, what's tolerated, and what's not tolerated.

When you wake up in the morning, what's the first thing you are thinking about as CEO?

People.

Are you thinking of executives, front line?

During a press conference and ribbon-cutting, Michael Dowling and NYC Health + Hospitals leadership celebrate the opening of the Clinical Laboratory of New York, a partnership between the two health systems. The joint clinical lab is located in Little Neck and is the largest nonprofit, hospital-operated lab in the nation.





As part of its continuing expansion in Manhattan, Northwell Health opened a two-story, 15,000-square-foot, multispecialty medical practice on the grounds of the former St. Vincent's Hospital called Northwell Health Physician Partners at Greenwich Village.

"If you look back over the last 30 to 50 years, the accomplishments and the success in health-care is absolutely extraordinary. The problem is that, these days, most of the commentary is negative."

Everybody. Good organizations evolve around middle management and the first-line supervisor. So, you have to hire the people who clean the rooms properly. You have to hire the people who park the car.

You've told me you learn a lot about what's really going on from the people who park the cars.

I spend a lot of time talking to people who are on the front lines, because those are the people who actually know what is going on. If you spend all your time in the C-suite, you get a very warped view of the world, because by the time you get to see the CEO of the administrative facility, it's been filtered. I want to get non-filtered opinions. I want to go right down to where the action is and talk to the people on the frontlines. That's where you get the real story.

You wrote this book, *Health Care Reboot*. Talk about it.

There is a wonderful positive story that has to be talked

about more. If you look back over the last 30 to 50 years, the accomplishments and the success in healthcare is absolutely extraordinary. The problem is that, these days, most of the commentary is negative. We have an avalanche of negativity. When you hear most people talking about something they're always talking about what's wrong, what doesn't work well. Everything is a disaster. Everything is a quagmire. I don't believe that at all. I acknowledge that there are issues. We have problems, we have concerns and things that need to be fixed, just like in any other organization. There's no organization that is perfect. But if you take a long view, and if you take a view about what's happening today, it's extraordinary.

I'll give you a couple of examples, just think of what we were able to do today in cardiac heart disease compared to the 1960s. If you had heart disease in the 1960s, you had 40% chance of dying. Today it's 6%. In the '60s and '70s, it was inexpensive to take care of heart disease, because there was nothing we could do for you, basically, other than to go home and rest. Today, we can replace your heart.

Take a look at orthopedics – what we can do today with regard to hip replacements, knee replacements, shoulder replacements. Take a look at what we can do with children's care. Many babies who were born severely premature years ago would die. Today they're alive. Look what we can do today in stroke. Look at the survivability in

“Deep curiosity is really important. You have to figure out what’s happening and why.”

terms of cancer. Look at longevity – we’re living about 25 years longer today than we did a hundred years ago.

The catch is because people are living so much longer they are getting things like Alzheimer’s. And the flip side is, enhanced care is a key reason healthcare is more expensive. We are living longer.

There’s a downside to everything. We’ve been very successful, which keeps people alive a longer time, which we all want of course. But the longer you live, the more expensive you become, and the longer you live the higher the risk of developing other diseases like Alzheimer’s. So, there’s wonderful things going on. You can have a negative perspective, but you can have an optimistic, positive perspective. My view is positive, and optimistic.

You know, being optimistic inspires. It’s a motivator. It enhances your overall mental health. Communicating with employees and being optimistic about the future possibilities and the potential, is how you inspire employees. That’s how you get the best out of employees by talking about what’s good, what’s possible, and what the potential is, and acknowledging the things that need to be fixed.

Let’s talk about technologies, because years ago cancer was a death warrant and now almost everyone I know who’s had cancer has survived. And you look at things like telemedicine and precision medicine.

Sure. The technology is extraordinary.

How about AI?

Well, we’re using AI. That’s the other criticism of healthcare – that it has been behind on the technology front. That’s a complete misnomer. Healthcare has been on the frontlines of technology. All you have to do, for example, is go into a modern-day operating room or intensive care unit. Look at the technology that surrounds the patient, it’s extraordinary. So, healthcare has been in the forefront of technology. Where we have been a little bit behind is in the connectivity with the consumer, as we are doing today

with telemedicine, all of the wearable devices, the implantable devices, which now give providers more remote access to consumers and allow people to be treated at home.

You can monitor people from remote locations – a significant benefit that will, over time, dramatically improve healthcare, and improve access and education. Healthcare is at the cutting edge of this. In addition to health monitoring, we are using AI today to manage medical records and other data, predict and diagnose disease, manage people’s medications, and streamline the patient experience. The problem I have is that a lot of people who criticize healthcare the most, are the people who have spent the least amount of time understanding it.

What do we as a society need to focus on most in healthcare?

Health is broader than medical care. Most people’s health is due to lifestyle behavior, and social circumstance. Where you lived is a determinant of how long you live. We have to improve the medical care side of the business, so when you get sick we can take care of you optimally. But we also have to work on what’s known as the social determinants of health. If we are going to make dramatic improvements in people’s health, we’ve got to work on both sides of the equation. Improve the medical side, which is what we’ve been primarily talking about. But also spend a lot more time talking about how to change people’s lifestyles, behaviors and living conditions.

Healthcare providers are only impacting 20% of people’s health. 80% of healthcare is due to non-medical – what people do to themselves or where they live. People often confuse the two. For example, 80% of people’s health is attributable to how they eat, whether they exercise, smoke, drink or do drugs, as well as obesity and public health issues. Then there are environmental factors such as lead paint or mold in people’s homes, as well as economic factors such as lack of employment and the ability to put food on the table....Those are the issues that we and other transformative organizations across the country are working on. You can’t blame hospitals or other health-

“Communicating with employees and being optimistic about the future possibilities and the potential, is how you inspire employees.”

“Healthcare has been in the forefront of technology. Where we have been a little bit behind is in the connectivity with the consumer.”

care providers for things that are completely outside of their control.

Finally, what advice do you have for CEOs?

My advice to CEOs is love what you do. Enjoy coming to work. Get up every morning believing that what you do today is going to be better than what you did yesterday. Spend enough time working with your employees at every level. Have an optimistic, forward-looking attitude. Talk about the potential while acknowledging the things that are not working well. Talk about the good things.

Inspire your employees at every level. Not just the C-suite, but those on the front lines: the people who clean the floors in a hospital, for example, dictate a lot about the quality of the facility, because if they don't clean the rooms properly there's a risk of infection. What they do impacts the quality of care. And when they come into the patient's room, if that individual is not friendly to the patient, or if they don't have a positive disposition, it impacts patient experience. Rather than 'patient,' we use the term 'customer' a lot, because I believe we are in the customer service business. The customer sees that and the customer's view of an organization is the result of every single interaction, with every single employee. The CEO who doesn't understand that is missing the boat in a big, big way.

So, get out of the office. Get away from the computer, get off your phone. Walk around, see what's happening on the ground. When you do that you will see the spectacular work that's going on. You will see the phenomenal compassion and caring of the employees. You will see success in action.

“80% of healthcare is due to non-medical.”



Robert Reiss and Michael Dowling – Interviewed February 12, 2019.

Michael J. Dowling is president and chief executive officer of Northwell Health, New York's largest health care provider and private employer, with 23 hospitals, more than 700 outpatient locations, \$12 billion in annual revenue and 68,000+ employees. One of health care's most-influential executives, Mr. Dowling has received numerous awards, including the Ellis Island Medal of Honor, an honorary degree from the prestigious Queen's University Belfast and his selection as the Grand Marshal of the 2017 St. Patrick's Day Parade in NYC. He also serves as chair of the Institute for Healthcare Improvement.

Prior to joining Northwell in 1995, he served in New York State government for 12 years as the chief health and human services advisor to former Governor Mario Cuomo. Earlier, he was a professor of social policy and an assistant dean of the Fordham University Graduate School of Social Services. He started his career as a caseworker in the New York City schools.





Is 2019 The Year Blockchain Takes Off In Healthcare?

by Mark Treshock, IBM's Global Leader for Blockchain Solutions in Healthcare and Life Sciences

When people hear about blockchain, their minds might jump first to use cases in banking or financial markets. Although these industries were the trailblazers in adopting blockchain, they are no longer alone: as someone who works closely with organizations in the healthcare and life sciences space, I am seeing major industry players move beyond investigating the technology and into the phase of building production-ready blockchain applications.

The Blockchain Paradox

For the healthcare and life sciences industries, blockchain is the perfect paradox. These industries operate with overwhelming amounts of data — data which must be shared yet secure, data that is digitized now more than ever, data that belongs to the increasingly empowered patient.

Despite major initiatives to digitize healthcare information, major improvements in transparency and interoperability among various groups in the healthcare system are still

necessary. By reducing administrative errors and friction through the application of blockchain technology, healthcare information could be exchanged more efficiently and facilitate better collaboration and increased transparency.

These improvements once realized could help enhance patient care and reduce unnecessary costs. The technology can also help reduce counterfeit medicines, promote more effective research and development, and drive new or optimized business models.

Yet the characteristics of these healthcare and life sciences organizations that make them superb candidates for the adoption of blockchain technology are the very same that may deter them from implementing.

As the IBM Institute of Business Value (IBV), in collaboration with the Economist Intelligence Unit (EIU), found this year in their study of over 200 life sciences executives in 18 countries, life sciences organizations face different

challenges than those in many other industries when implementing new processes and technologies. First, the industry, awash with personal health information and classified research, is highly regulated. Second, antiquated and inefficient processes, combined with an inherent caution in applying new technologies, further slows this industry from exploring and adopting blockchain.

The IBV also found in its 2016 study of over 200 healthcare executives that healthcare organizations in North America are lagging behind other regions in adopting blockchain — only eight percent of North American respondents are blockchain Trailblazers.

From Conversation To Action

Despite the characteristics that delay these industries from diving into blockchain, we found that these organizations are very eager to take the next step. In fact, 70 percent of all life sciences executives surveyed expect to have a blockchain network in production by 2020. Although this may seem like an aggressive target, my team is passionate about partnering with these organizations to make this statistic a reality.

In order to move from conversation to action, we have had to narrow our focus and begin working on the highest value use cases, which share three characteristics: first, the blockchain technology itself provides significant value-added; second, implementing blockchain produces a sizeable near-term, demonstrable return on investment (ROI); third, there is some external, motivating force driving the need to redesign an existing process or service. Successful blockchain projects tend to address tangible problems that the industry faces and are coupled with either a regulatory or financial incentive.

A Journey of a Thousand Miles Begins with a Single Step

In January, Aetna, Anthem, Health Care Service Corporation (HCSC), PNC Bank, Cigna, Sentara and IBM announced a new collaboration to design and create a health utility network using blockchain technology to improve transparency and interoperability in the healthcare industry.

The aim is to create an inclusive blockchain network that can benefit multiple members of the healthcare ecosys-

tem in a highly secure, shared environment and to build, share and deploy solutions that drive digital transformation in the industry.

The collaboration members intend to use blockchain to address a range of industry challenges, including promoting efficient claims and payment processing, to enable secure and frictionless healthcare information exchanges, and to maintain current and accurate provider directories.

We are actively working to further define the initial use cases for the health utility network. The collaboration will add additional members to the network in the coming months including other health organizations, healthcare providers, startups, and technology companies.

Find Out More

To learn more about who the First Movers are in this space, as well as the benefits of being a First Mover, I invite you to read the IBM Institute of Business Value (IBV) studies on blockchain in the healthcare and life sciences industries, *Team Medicine: How life sciences can win with blockchain* and *Healthcare rallies for blockchains: Keeping the patients at the center*, as well as the IBM Healthcare & Life Sciences Industries blog post, *The lifetime of a drug: a blockchain-enabled history*.



Mark Treshock is IBM's Global Leader for Blockchain Solutions in Healthcare and Life Sciences. Mark has spent his career helping companies and their customers benefit from digital transformation and is passionate about Blockchain's potential to transform industries. He has presented on how Blockchain and Analytics can transform the pharmaceutical supply chain at the White House and on Capitol Hill. Mark lives in New York and has a MBA from Cornell, a MS in Computer Science from Columbia University, a MPS in Interactive Media from New York University, and a BA from the University of Pennsylvania.



Stamford Hospital is part of Stamford Health's main campus, the Bennett Medical Center. The campus has facilities that provide both inpatient and outpatient care.

“The underpinning of the design is that, because we are a Planetree hospital, we wanted it to be a very patient-focused environment.”

Robert Reiss: Kathy, this is a really interesting story because you’ve only been a CEO a very short time, but after starting as a nurse you became COO in 2003, and a decade later led the project to build a hospital that actually separates Stamford Health from all other hospitals in America.

Kathy Silard: Well, we knew when we embarked upon this journey that we had an opportunity to do something very distinguished and different for this community. First of all, we had an extraordinary architectural firm Watkins, Hamilton and Ross. They come out of Texas. We went and visited about 30 hospitals around the country to benchmark the best. We brought patients, we brought nurses, doctors, and caregivers with us, because I wanted their unique perspective about what was going to be important.

The underpinning of the design is that, because we are a Planetree hospital, we wanted it to be a very patient-focused environment....a place where we provide truly excellent, cutting-edge science but also a place of comfort and a healing environment.



The CEO Forum selected Stamford Health in “10 CEOs Transforming Healthcare”

for building a new hospital which could be the first completely patient centric structure, including: private rooms with family work space, private bathrooms and bucolic views; individually prepared restaurant-quality food; and a resource library to share all medical records and information with families as partners in healing

“Recognizing how important the family members are in terms of the entire healing process, there’s a whole area of the room that’s designed just for the family members. We asked families, ‘What do you need?’ What they need is a place where they can sit, where they can read, where they can maybe take a rest; where they can conduct some business, because sometimes they’re taking time-off to care for their loved ones and still have to keep in touch with their office.”

Define what Planetree is for people who don’t know.

Planetree is an international organization that started on the West Coast by patients who had a great clinical experience but felt that the softer side of care – the communication with the family and patient and all of the things that make a difference for the mind, body and spirit – were absent. That movement came across the United States, and one of the first Planetree hospitals was right here in Connecticut – Griffin Hospital. When we looked at our culture several years ago, we knew that the underpinnings of Planetree, their philosophy, resonated with our...placing the patient at the center of everything that we do.

Planetree puts forth certain philosophies around design, and we embraced those. We also spent a lot of time just talking to patients and families, nurses and doctors about what would really be different if we were to design this organization with the patient in mind.

So, some basic things: We brought in natural light whenever we could. We know that patients like to look out and see the external environment. There are four sides to the hospital that look out on four different beautiful views. One is North Stamford with beautiful trees. The other is Downtown Stamford looking at the city. The other is towards New York City, and then, of course, the Long Island Sound water views.

We have patients now who come in and say, “Can I have a view of the water?” because they wanted one of those rooms. Each patient room is private with its own private bath. We thought about quiet and how important it is for the healing process for us to have a quiet environment. So we made sure that spaces were built that would allow for privacy and for patients to have the opportunity to heal.

Recognizing how important the family members are in terms of the entire healing process, there’s a whole area of the room that’s designed just for the family members. We asked families, “What do you need?” What they need is a place where they can sit, where they can read, where they can maybe take a rest; where they can conduct some business, because sometimes they’re taking time-off to care for their loved ones and still have to keep in touch with their office. So we created all of those spaces for them so that they can continue to do that.

It was very important for the patient that they had a private bathroom. If we were really sick, wouldn’t we want to have privacy in our own bathroom? We designed the bathrooms in a way that it is really easy for patients to get in and out of, because sometimes patients have mobility problems. We also use fabrics and finishes and colors and things that would create a soothing environment.

What colors? What fabrics? What creates a soothing environment so everyone could know?

Really soft colors. Using things like pale greens and yellows and nature-like colors; pale blues. The design has a connection back to the entire community. One floor is related to the water and all the beautiful spaces that we have in New England related to the water. One is related to parks and to wooded areas. The artwork is designed with that in mind, and patients really like that. We had a terrific experience when we were choosing the artwork. We used a lot of local artists and selected the artwork to really connect with the patient. All the artwork that’s up in the hospital is shown in our GetWell Network. So, every patient can view every piece of art right from their bed.

“Every patient can view every piece of art right from their bed.”

“We also have a resource library, which is part of the Planetree philosophy of care. So if someone has a question about their diagnosis we want the family members to have complete information, with transparency in providing all the information and medical records. In addition, we have patient-directed visiting hours. So, patients decide what visitors they want when.”

Really?

Patients really like that. We also paid a lot of attention to the spiritual needs of patients. We have a beautiful chapel on the first floor where patients and family members can go for a respite to be able to collect their thoughts. Patients often come to us with a diagnosis that can be very daunting, very challenging, very confusing. Creating spaces for respite for patients and family members was very important too.

We also have a resource library, which is part of the Planetree philosophy of care. So if someone has a question about their diagnosis we want the family members to have complete information, with transparency in providing all the information and medical records. In addition, we have patient-directed visiting hours. So, patients decide what visitors they want when.

The patients get to decide on visiting hours?

Yes. Because I don't think caregivers can decide when it's right for a patient to want visitors. Maybe if I'm a patient I want to take a nap. Or maybe I'm lonely and I really want my family members to visit. So, everything was designed around the needs of the patient. We also included the caregivers very much in the design of the new hospital.

One of the big differentiators for us with this new hospital is that we were able to recruit some of the best and brightest physicians to come here, especially in surgery, cardiac surgery, orthopedics, cardiology, interventional cardiology, and cancer. Who wouldn't want to practice

in this beautiful facility? They come here and say, “Oh my goodness. I have all the latest technology, but I'm able to practice in an environment that's supportive of my needs as a physician and as a caregiver.” I think that's very important.

How do you afford to do all of this?

Well, we're very fortunate. First of all, we sit in a good market, and we've had many, many years of good strong financial results. We've been challenged a little bit in the last few years by a hospital tax that's been imposed on not-for-profit hospitals by the state of Connecticut, and we're really trying to face that challenge head on.

But we were able to afford this hospital. It was a \$450 million project. We sold a retirement community and netted about \$50 million from that. We took out about \$250 million in bonds. We definitely borrowed a significant amount of money for this new facility, but I think this is the part that's really important: although we are located in the inner-city and we take care of a significant number of poor and even underinsured individuals, we also take care of a very affluent population as well. And the spirit of giving in this community and the philanthropic support was extraordinary. We were able to raise \$160 million in philanthropy.

One question that everyone asks about hospitals is food, as not all hospitals have a great reputation. As you are completely patient-centric, talk about your food model.



Dr. Anne Angevine, Dr. Helen Pass, Dr. David Gruen, Dr. Jen Gruen & Kathleen Silard at the Girlfriends Luncheon in October, part of Stamford Health's annual Paint the Town Pink campaign for breast cancer awareness.



The new Stamford Hospital opened in September 2016. Photo credit © Anton Grassl/Esto.

“We cook every single patient meal from scratch at the time the patient orders the food.”

We actually started that journey of improving the food before the new hospital, and I think it’s even accelerated now. So, there’s a number of things that we did. First of all, we cook every single patient meal from scratch at the time the patient orders the food. We do not mass produce food. We have a very diverse menu that offers all kinds of options to patients and their family members, because we offered to feed family members too. And if I’m sick in the hospital, I may want chicken soup at breakfast and I might want a bagel for dinner because I want what I feel like when I’m sick, when I feel like it.

So we offer a very broad menu and patients order and select based on, of course, their own dietary restrictions, what they want really all-day long. And then, from scratch, we cook that meal for them and deliver it to them so that it’s warm and it’s tasty. You will not believe this, but I get comments and letters and in our patient satisfaction survey results that it’s like a fine restaurant. That’s very satisfying to us. Food is important.

So let’s discuss how, after being COO for a while, you were in position to lead the entire design of the new patient-centered building project.

I feel very fortunate in that because I had been here, and I know the community, and I know the caregivers and the physicians. I think they have a lot of trust in me. I am a nurse by profession as well.

That’s pretty cool that you became CEO starting as a nurse?

It is cool. I actually underestimated how important that was going to be to the community. I think for physicians, what I’m hearing over and over from them, is I understand what it’s like to take care of a patient and the challenges that caregivers have. I see our challenges through the lens of a clinician, and that really helps me and informs my decisions.

Naturally, I have to be a business-person too and make sure I’m a good financial steward and a strategist for the organization. But the most important thing in any organization is to build a good team. I have a truly extraordinary executive staff, a very supportive board, and physicians, caregivers and nurses, and an entire team of people who really, truly care about this organization.

I was really given this extraordinary opportunity to develop a new strategic plan for the organization about eight months before the board made a decision to put me into the CEO role, while I was still COO.

So they just wanted to see how you were in strategic planning?

Exactly. Since I’ve been an operator and a clinician my whole career, they really wanted to test that muscle,



Dr. Gerald Rakos, Alexandra Cohen and Kathleen Silard at the opening of the new Cohen Children's Unit.

“We want to be the most trusted healthcare partner.”

That’s exciting.

Yes. It’s very comprehensive, but we made it simple, so that we could communicate it to the organization at large. It basically has four principles. We call them the 4Ps.

Partnerships, because we have extraordinary partnerships with the Hospital for Special Surgery, with Columbia University Vagelos College of Physicians & Surgeons – every Columbia Medical student rotates through here – and with the Dana-Farber/Brigham and Women’s Cancer Center for oncology. Those partnerships are very important to us.

Programs, that’s the second P. Program growth and development. In heart and vascular, in cancer, in orthopedics, and neurosciences, we’re continuing to advance our extraordinary and scientifically excellent clinical programs. The third P is Patients as Consumers, because we know patients have choices, and there are lots of ways in which they can access care. We want to make it easy and satisfying for them, and we want to give them that “wow” experience each and every time.

The fourth P is our Physicians and Other Caregivers, because we have over 700 physicians on our medical staff. Many are employed, but many are independent physicians in the community. Being good partners to them will help the success of the strategic plan.

What advice do you have for new CEOs?

Well, I do a lot of listening. I listen to the voice of the patient and the caregivers, and then I really try to create an environment of collaboration and delegation of authority to those who know how to execute well. I want to create an environment of innovation where people feel that their ideas are welcomed and will be embraced. I also will have to say the one thing that is important -- as a new CEO you must be decisive. You must make decisions, and you have to move the organization forward.

What if you make the wrong decision?

which I was fine with, and see, “Can this person develop a strategy for the organization?”

I assembled a team of board, executive staff and physician leadership, and we informed ourselves about the market. We looked at our strengths, weaknesses, opportunities and threats. Emerging from that came a new vision for this organization, which is that we are re-imagining healing in every way, distinguishing ourselves as the most trusted healthcare partner for the communities that we serve.

I want to underline the word “trust,” because we had a full day retreat with lots of doctors and nurses there, and the one word that came out continuously is if we were to be successful, we want to be the most trusted healthcare partner. Who wouldn’t want to get care with the most trusted healthcare partner? Our entire strategic plan evolved from that vision.

And then you became, a few months later, the CEO?

I did.

It’s the same strategic plan that you did academically, but now it’s functional?

Yes, we’re implementing it.

I have philosophy around that. Everyone is human, and I hope that my experience will allow me and the executive team to make good decisions most of the time. Every once in a while, I won't. And I will learn from it, and I hope that the organization learns from it. I'll be honest about it. I'll be transparent, and then pick myself up, dust myself off and move on.

What's the future of Stamford Health?

In an era of megamergers, you see complete consolidation in the market of hospitals joining together. The studies are now showing that it's not improving quality or reducing costs.

I like to say, perhaps we're a unicorn here and that we're a little different, but we have our sights set on remaining independent. We exist for the purposes of the community, and we are providing university-excellent care in a warm, caring environment, and that's our uniqueness.

Kathy, a pleasure having you on The CEO Show.

Thank you, Robert. I enjoyed it very much.



The iconic stone pillar in the concourse of the new hospital acknowledges donors who contributed \$1,000,000 or more to Healing Reimagined – The Campaign for Stamford Hospital. Photo credit © Anton Grassl/Esto.



Robert Reiss and Kathleen Silard. Interviewed February 26, 2019.

Kathleen Silard began her career as a nurse in the pediatrics and the neonatal intensive care unit (NICU) at Albert Einstein Hospital in New York. Following a transition to healthcare administration, she joined Stamford Health in 2003 as Executive Vice President and Chief Operating Officer. During this time, she provided clinical and operational leadership to the growing health system.

Kathleen is passionate about making a difference in the communities served by Stamford Health and committed to leading a team of more than 3,000 employees who provide high-quality, patient-centered care. Kathleen led the organization's facility master plan and was instrumental in opening the new Stamford Hospital on time and under budget. She was integral in the development of the Cohen Pediatric Emergency Department, the first dedicated pediatric ED in Fairfield County. Other notable accomplishments include expanding services at the Carl & Dorothy Bennett Cancer Center, joining Dana-Farber/Brigham and Women's Cancer Care Collaborative, developing a partnership with Hospital for Special Surgery, and providing leadership that resulted in achieving Magnet® Distinction.

In 2018, Kathleen was named President and CEO of Stamford Health.





An aerial view of Sentara Heart Hospital and Sentara Norfolk General Hospital.

Sentara CEO Howard P. Kern: **What If Jeff Bezos Ran Sentara Healthcare?**

By Howard P. Kern, President & CEO, Sentara Healthcare

Amazon's increased presence in healthcare has caught the attention of many hospital and health system leaders who are vested in a healthcare model that is at risk of being disrupted. So far the company has considered a number of patient-centered initiatives, but what would it look like if Amazon CEO Jeff Bezos took the helm of a major integrated delivery system?

First and foremost, Amazon is a customer-driven organization. Mr. Bezos is obsessed with the customer to a degree that, frankly, healthcare leaders are just now beginning to recognize and integrate into their strategies. Amazon has rooted its website and products in a desire to make the customer's life easier, and if he ran a health system, I think Mr. Bezos would cast a discerning eye upon issues such as scheduling and wait times, and

reevaluate the way providers use technology. There are many opportunities to improve the patient experience through personal and mobile technologies, and though some health systems have taken initiative in the digital age, our industry-wide push should be much stronger. The complexity of healthcare scares many patients, and centering the experience around familiar technological devices would do wonders to ease their experience.

Amazon's obsession with the customer has driven its development into a logistical powerhouse. If Mr. Bezos took control of Sentara, I'm sure it wouldn't be long before he examined the system's supply chain management strategy. Amazon does a phenomenal job of bringing services and supplies to customers in an efficient way, and though Sentara does its best to maximize those ca-

pabilities, Mr. Bezos' experience and outsider perspective would surely help improve these processes and drive significant savings in supply cost.

Healthcare leaders stand to learn a lot by examining Mr. Bezos' approach toward processes. A good process serves the provider so they can serve the customer, but one of the most dangerous epidemics gripping our industry is that we have stopped focusing on the outcomes of our processes. Mr. Bezos refers to this fallacy as "managing by proxy." If patients complain about an undesirable outcome, the first thing many clinical leaders do is defend the process that drove the outcome, so long as they followed protocol. Instead of swearing by adherence to protocol, we should examine the process itself to see if it can be improved. Do we own the process or does it own us? If Mr. Bezos ran my health system, he would be constantly reevaluating our processes not by cost optimization or operational efficiency, but by the true value that they bring directly to our patients and members.

Some pundits point to value-based care as a sign that healthcare stakeholders are beginning to take a closer look at outcomes. However, in our zeal to find the ultimate process for value-based care, attention to outcomes has fallen by the wayside. Mr. Bezos would find this unacceptable. Though many leaders have publicly embraced the concept of value-based care, Mr. Bezos would likely see it as just another process. If that process did not achieve the ultimate goal of providing valuable, quality outcomes for patients, he would interrogate it with his trademark rigor.

Anyone familiar with the number of individuals and organizations that orchestrate the payment and delivery of care knows that misalignment is a troubling reality within our industry. Healthcare is extremely siloed, but Mr. Bezos has made his fortune by streamlining efficiency among numerous players to deliver the best product as quickly as possible. I believe Mr. Bezos would take innovative steps to challenge healthcare's misalignment and integrate the model to create efficiency and savings for our patients and members. His long-term view of success would drive Sentara's development into a system fully aligned to maximize the value to our consumers. Under his watch, Sentara would rapidly become the first, most convenient choice for our patients and members for all their healthcare needs.

One trademark of Mr. Bezos' leadership style is his high-velocity approach to decision-making, a far cry from the drawn out processes healthcare executives are accustomed to, mired in bureaucracy. More can be lost by indecision than wrong decisions. Research has found high-performing CEOs do not necessarily stand out for making great decisions all the time; rather, they stand out for being more decisive.

In healthcare, the classic scientific method that anchors clinical processes has spilled over into the realm of executive decision-making. Waiting for 90 percent of the data is necessary when dealing with research or clinical procedures, but healthcare leaders risk becoming bottlenecks for their team when they take too long to decide or do so without conviction. At Sentara, Mr. Bezos would accelerate the ongoing movement to establish the organizational agility and decisiveness we need to turn industry headwinds into tailwinds.

In his 2018 letter to shareholders, Jeff Bezos said it forever remains Day One at Amazon, even as the company nears a \$1 trillion valuation. Maintaining that hunger and staving off complacency is what has led to Amazon's sustained success, and it is this mindset that will propel the company into the future. Healthcare leaders must realize that unless we take a page out of Mr. Bezos' book — and soon — he'll be the one writing our story.

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Howard P. Kern is President and Chief Executive Officer (CEO) of Sentara Healthcare, a not-for-profit integrated health system headquartered in Norfolk, Virginia. Sentara Healthcare is one of the top five largest employers in the Commonwealth of Virginia with 28,000 employees, net revenue of \$6.3 billion and operations in three states.



“Every patient who comes to Cleveland Clinic is not only taken care of by an individual provider, but by a team of providers who have complementary qualifications.”



The CEO Forum selected Cleveland Clinic in “10 CEOs Transforming Healthcare” for its world-class clinical care and the team model, where everyone is aligned to superior patient experience. It uses the salaried physician model so all incentives are on quality and care experience, and the vision in advanced technology will allow Cleveland Clinic to do surgery where the patient and the surgeon are in a different parts of the world.

Robert Reiss: Let’s start off by talking about Cleveland Clinic. You became CEO about a year ago. Talk about the organization, where it is nationally and where it is internationally.

Tom Mihaljevic: Well, Cleveland Clinic is a large healthcare organization. We are now 66,000 caregivers strong worldwide. The majority of our hospitals in our network are located here in Northeast Ohio, around the City of Cleveland. However, Cleveland Clinic is a national and international provider. We have our hospitals also in south-east Florida, Las Vegas and Toronto, and Cleveland Clinic is also located in Abu Dhabi in the United Arab Emirates, and we are currently building our newest clinic in London.

You were formerly CEO of the Abu Dhabi component of Cleveland Clinic. What did you learn about healthcare there versus healthcare in America?

The United States’ healthcare and Cleveland Clinic’s quality of care are valued and recognized by every community, meaning that every patient and every community that I’ve ever worked with recognizes good healthcare

“One more differentiating feature is that Cleveland Clinic, since its inception almost 100 years ago, has a salaried physician model. We do not incentivize our providers on anything other than the quality and experience of care.”

and embraces it. Cleveland Clinic Abu Dhabi is the largest international project in healthcare. It is a four-million square-foot facility that was opened three and a half years ago. And over the last three and a half years, it has really transformed healthcare in the United Arab Emirates and in the greater region. It has become the best hospital in the Middle East.

In America, there are about 5,000 hospitals, and Cleveland Clinic always comes out among the top in terms of clinical care and quality. What is the most important thing in how you differentiate the Cleveland Clinic model?

The most important differentiator for Cleveland Clinic is our belief in our model of care. Cleveland Clinic is organized in such a way that we work as teams, meaning that every patient who comes to Cleveland Clinic is not only taken care of by an individual provider, but by a team of providers who have complementary qualifications. Oftentimes, we can best address very, very complex issues in healthcare as a team. So the sickest and the most complex issues in healthcare are being addressed here at the Cleveland Clinic, and we're very, very proud of that.

Cleveland Clinic was founded in 1921, in a four-story building at the corner of East 93rd and Euclid Ave.



We're very focused not only on the quality of care but also on the experience of care. We believe that patient experience is an important part of the recovery and healing process, and this combination of quality patient experience and teamwork is what differentiates Cleveland Clinic from very many other providers in the field.

What are the challenges and the mistakes that people make in trying to put together the teams, and what lessons have you learned that make teams work effectively?

We substantially restructured our organization 12 years ago into institutes. You know, most hospitals are organized based on the qualifications of their workforce. There is a Department of Surgery where the surgeons work together. Then there is a Department of Medicine where medical professionals work together. At Cleveland Clinic, we have moved away from those traditional structures, and we organize things into institutes that are focused around patients' needs in certain disease areas. For example, we have a heart and vascular institute that for the last 24 years has been voted consistently as the best place for cardiovascular care in the United States. Cardiologists, heart

It has since grown into an international health system, including a 165-acre main campus still rooted at the corner of East 93rd and Euclid Ave., dozens of regional points of care, and locations in southeastern Florida, Las Vegas, Toronto, Abu Dhabi and London.



surgeons, vascular surgeons, vascular medical specialties and a lot of specialties in the cardiovascular field work together under the same governance in the same location. In that way, we can best address the needs of our patients. One more differentiating feature is that Cleveland Clinic, since its inception almost 100 years ago, has a salaried physician model. We do not incentivize our providers on anything other than the quality and experience of care that they provide. And we all have only one-year contracts.

Does that ever happen where someone won't renew the contract?

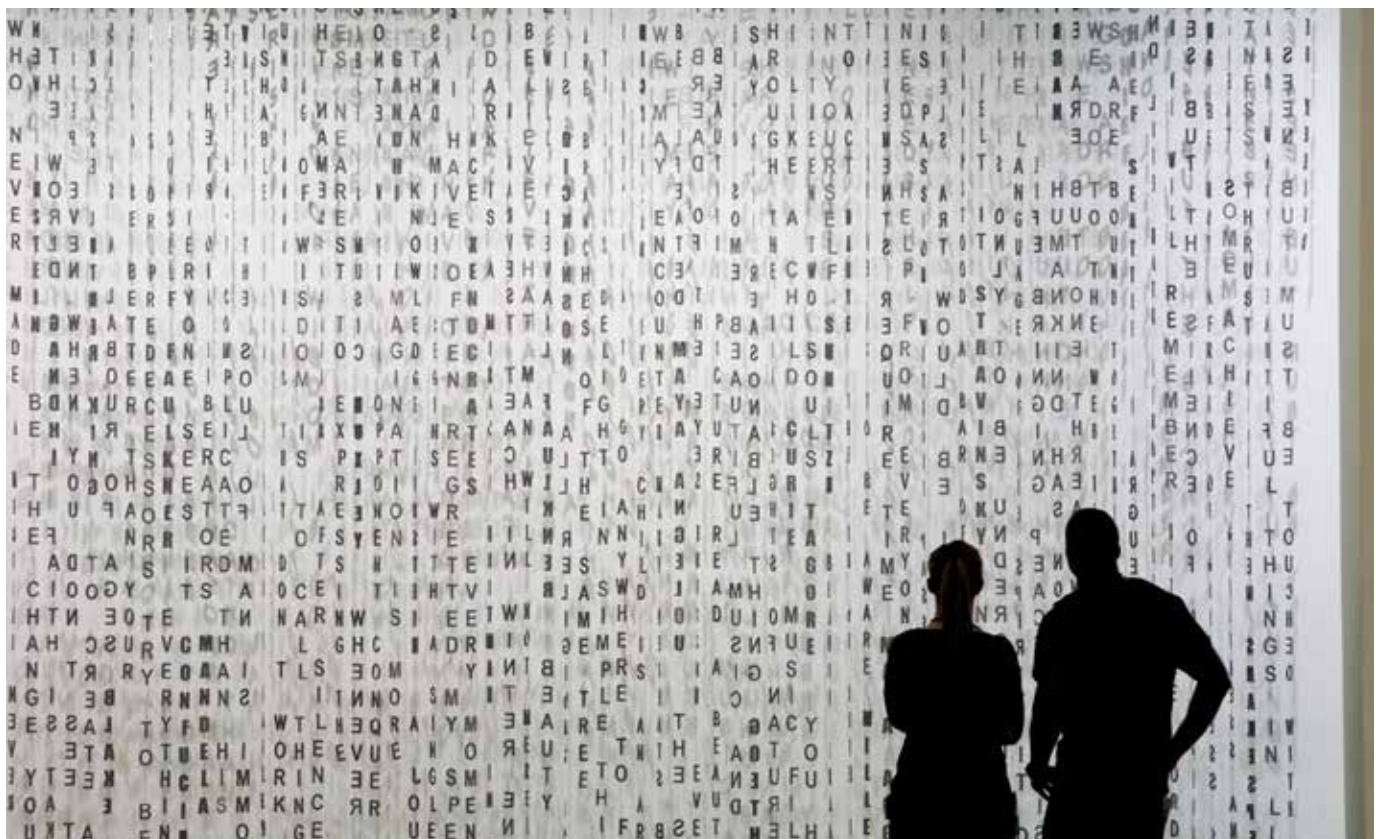
No, actually. Quite to the contrary, our turnover is the lowest in the industry – only 6% to 7% including retirements among our physician workforce. So most of us who joined Cleveland Clinic view this as a lifelong career opportunity.

Cardiovascular is your background. You're a surgeon, and in 2005 you patented some novel systems for minimally invasive cardiac surgery. Talk about those.

Yes, my prior career was in cardiac surgery, and my specialty was robotic heart surgery. In 2006, we started here at the Cleveland Clinic doing complex operations on heart valves using robotic systems. By doing so, we were able to do a big operation through a tiny incision on the side of the chest. This robotic cardiac surgical program grew to become the largest robotic cardiac surgical program in the world, and has really transformed the way that we take care of certain heart diseases. It allows our patients to recover faster, to get back to their work quicker and back to their families. So it has been a real success story.

What is the future of cardiac? What are the breakthroughs that are occurring right now?

There are a number of breakthroughs that are occurring in the cardiac space in general. From robotic heart surgery that is now becoming a standard of care for certain diseases to other minimally invasive approaches where we can fix really difficult problems not by doing surgery but by doing an intervention. We can replace heart valves with a catheter, without the need to open the chest and patients



The “Whispering” art installation is one of over 6,500 works of fine art in Cleveland Clinic’s art program, which aims to enrich, inspire and enliven patients, visitors, employees and community.



In December 2008, Cleveland Clinic became the first U.S. hospital to perform a face transplant, which at the time was considered the largest and most complex face transplant in the world. Surgeons and specialists have since performed two more face transplants at Cleveland, most recently in 2017.

“A third and a very exciting potential opportunity in robotic surgery, in general, lies in the fact that we could now do the operations at a distance.”

can leave the hospital the following day. We are making really great strides in the treatment of heart rhythm disorders, and very exciting advancements in the development of what we call our heart failure devices, meaning artificial pumps that can serve almost as artificial hearts for patients with heart failure.

Today’s opportunities for the treatment of cardiovascular disease are just absolutely mind boggling, and the progress in this field has been very, very rapid.

Years ago, when someone had open heart surgery, this was a truly scary thing.

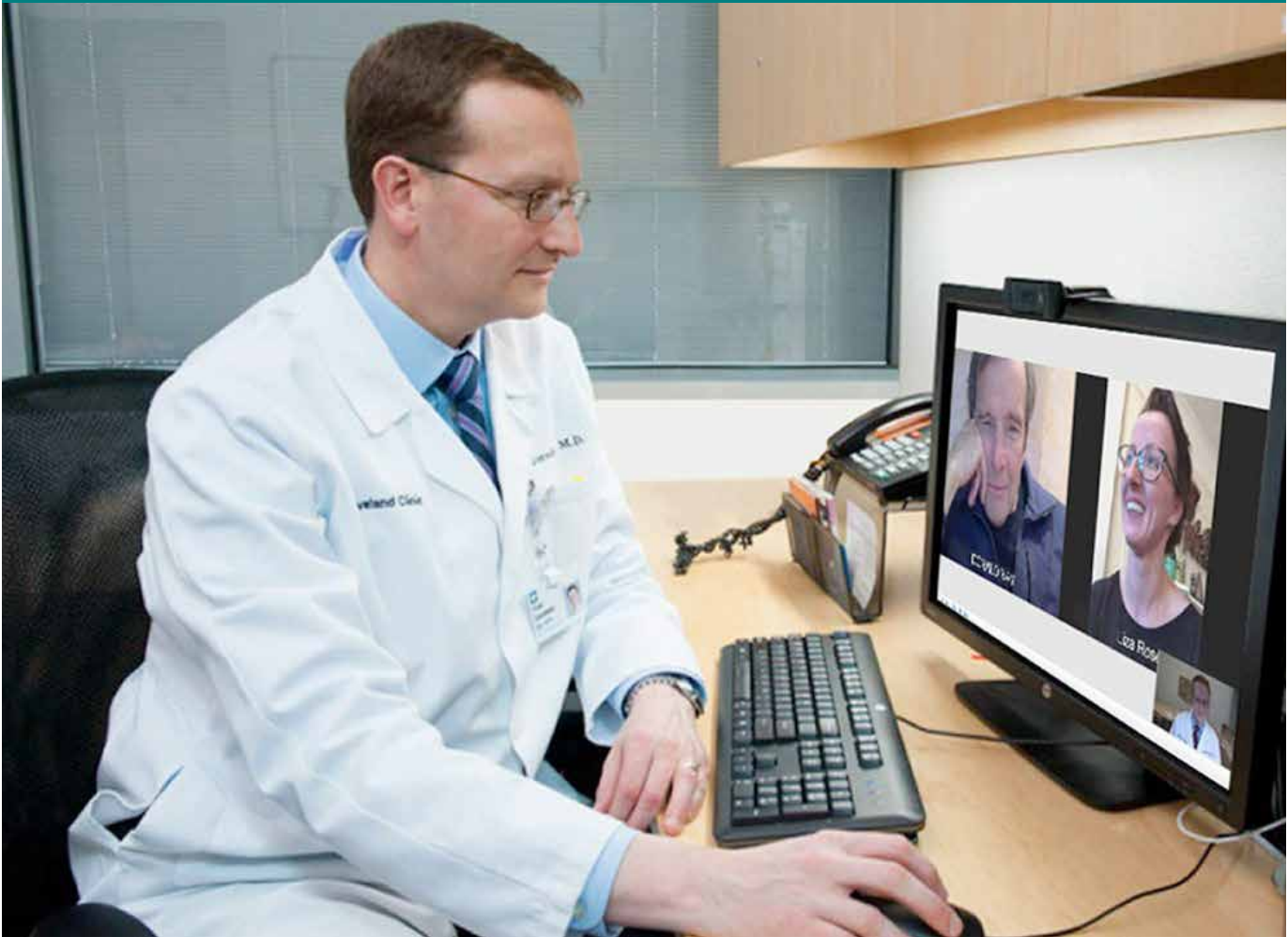
It was a very, very scary thing. I remember when I started my training in cardiac surgery many years ago. The mortality from cardiac surgery was 15 times higher than it is today.

Wow! What are those actual numbers? What percentage is it now?

For us here in Cleveland – now obviously that depends on the type of the operation and the condition of the patient – but in the aggregate, for more than four-and-a-half thousand operations that we do, the mortality rate is between 1 and 1.2 percent, which is very, very low.

Talk about how robotics is changing healthcare.

Robotics is changing healthcare not only in the cardiovascular space, but in every surgical space. What robotics does is it allows us to enter any part of the body through tiny incisions, meaning it reduces the invasiveness of the surgery. The other big attributes of robotics is that the instruments that we use are much more precise and much more refined. They are even more refined than the movements that we can do by our own hands, so that is yet another benefit. But a third and a very exciting potential opportunity in robotic surgery, in general, lies in the fact that we could now do the operations at a distance.



Eiran Gorodeski, M.D., MPH, a Cleveland Clinic cardiovascular medicine specialist, holds a follow-up virtual visit via Cleveland Clinic Express Care® Online to help manage the patient's condition and medications.

“What we have to understand is that the health of an individual and health of the community is not only influenced by the quality of healthcare. It is influenced by other social determinants of health, such as access to good nutrition, education, economic disparities, quality of living, and availability of social services.”

Some of my colleagues were working on a new procedure where they can acquire the images from a patient in a different part of the world.

So someone could call in from Shanghai, and you could actually be doing the operation in Cleveland?

Yes. The answer is that there are technical ways already. So, it's easy to envision that we should be able to offer surgical services by having a surgeon in one part of the world and a patient in the other part of the world.

Talk with me about the economics of healthcare in America. What's right, and what's wrong?

First of all, in my opinion, in a firm conviction, having worked and lived in very many parts of the world, the United States healthcare is the best in the world...But, I think the health of our nation is not the best in the world. What we have to understand is that the health of an individual and health of the community is not only influenced by the quality of healthcare. It is influenced by other social determinants of health, such as access to good nu-

trition, education, economic disparities, quality of living, and availability of social services. So, 80% of our health is determined through those factors and only 20% through the quality of an actual healthcare provider.

Let's talk about the concept of value-based care.

Value-based care is a very valid concept, and I think this is something that will positively transform healthcare in the United States, because it is an effort to help transform the way that we deliver care. Currently, the majority of healthcare is being reimbursed based on the types of services, the number of services and complexity of services that we provide. However, every individual and every society is looking to get a great value in healthcare, meaning higher quality with lower cost. That can only be accomplished if we focus not only on treating patients when they are ill, but also on helping them maintain their health and be much more proactive in their own healthcare, and focus on their wellness, well-being and prevention.

When you focus on wellness, many patients now come in because of the availability of data, and who knows what is correct and what isn't. How does that impact getting families involved in the whole team play of healthcare?

Data is very powerful, and I think you're absolutely right. We are seeing our patients who are much more educated about their own health. The internet and availability of data has certainly facilitated and accelerated the trend. And I believe that will also have a positive impact on their health going forward. People vote with their feet, but they also vote by being much, much better informed.

How is that working in terms of self-diagnostics, when we get to a point where people are going to scan in something and the doctor will look?

I do not think that the self-diagnostics is in the future, but what is in the future is the very great involvement in health maintenance by an individual. So I do believe that, let's say for people who suffer from chronic diseases, diabetes for example, even today we see that patients are much more proactive in managing their own dosage of the medications and diet based on the glucose sugar levels in their blood. And I think with the involvement of the new

technologies in digital platforms, I can certainly see that their participation in their own care is going to be much higher than it is today.

It sounds like we're moving into an era of customer centricity in terms of healthcare.

And rightfully so. Not only customer centricity but much more tailored healthcare that is going to be personalized, meaning that we're aiming to tailor the therapies and treatments to the needs of an individual based on their individual characteristics. So this is where the large data and artificial intelligence will play a very, very large role.

It sounds like you're talking about things in potentially precision medicine.

We're speaking about artificial intelligence platforms. We're speaking also about the use of different digital platforms that are currently available and are being developed rapidly in healthcare, such as telemedicine. And we're also speaking about a growing influence of genomics and the use of genomic data in how we treat our patients.

I think what everyone would love to hear from you, as the CEO of Cleveland Clinic, is your vision for what healthcare might look like over the next decade.

When we speak about healthcare over the next decade, I believe that there are going to be several really important trends that we will be shaping. The first is transformational trends in the way that healthcare is being delivered. I think that healthcare of the future is going to be primarily team-based healthcare. I think that our patients will rightfully expect that their care will be delivered through the coordinated effort of a number of different caregivers with complementary qualifications.

"However, every individual and every society is looking to get a great value in healthcare, meaning higher quality with lower cost. That can only be accomplished if we focus not only on treating patients when they are ill, but also on helping them maintain their health."

Interviewed aired January 6, 2019.

“We’re speaking also about the use of different digital platforms that are currently available and are being developed rapidly in healthcare, such as telemedicine. And we’re also speaking about a growing influence of genomics and the use of genomic data in how we treat our patients.”

The second big trend that we’re going to see is the increased penetration of digital platforms in healthcare, and I believe that about 50%, maybe even 75%, of current visits to primary care physicians and family practices will probably be delivered and facilitated through a telemedicine platform.

The last big trend that I believe we’re going to see here in the United States is going to be a stronger movement towards value-based care.

On the international front, I believe that we’re going to see a greater internationalization of healthcare, meaning that the large healthcare providers from the United States will look to broaden their presence in international markets. I also do believe that here domestically we’re going to see a greater agglomeration of our healthcare providers in a larger system.

A pleasure having you on The CEO Show.

Thank you very much for inviting me.



In addition to world-class medical and surgical care, Cleveland Clinic’s guiding principle of “Patients First” focuses on every aspect of a patient’s encounter with Cleveland Clinic, including the patient’s physical comfort, as well as their educational, emotional, and spiritual needs. A team of “red coats” are always visible and available to help patients and visitors navigate the campus.

Tom Mihaljevic, M.D., is President and CEO of Cleveland Clinic. He leads an \$8 billion healthcare system with facilities in Ohio, Florida, Nevada, Abu Dhabi and London. He previously served as CEO of Cleveland Clinic Abu Dhabi (CCAD), and as CCAD Chief of Staff and chair of its Heart & Vascular Institute. A renowned cardiovascular surgeon, Dr. Mihaljevic performed almost 3,000 operations and published more than 130 scientific papers. He earned his medical degree at the University of Zagreb, Croatia, and trained at the University of Zurich, Switzerland, Brigham and Women’s Hospital, and Boston Children’s Hospital. Prior to joining Cleveland Clinic in 2004, he was a surgeon at Brigham and Women’s Hospital and Assistant Professor of Surgery at Harvard Medical School.

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Healthcare Applications for Digital Voice Assistants

By David Box, Director of Business Development - US Healthcare, Macadamian Technologies

Voice assistants are rapidly changing how we interact with our devices. This technology has changed how we search, listen to music, make purchases and consume information. In just a few short years, technologies like Amazon Alexa and Google Home have become widely adopted and integrated into everyday life. Adoption rates and hardware sales indicate that voice assistants have found a stronghold as an input method. Since its launch in 2016, Amazon's Alexa has achieved an install base of over 40 million devices and an excess of 80,000 skills have been

developed globally. (Voicebot.ai) According to Nielsen, smart speaker adoption grew by 24% in Q2 2018 and 4 in 10 people own multiple devices. Gartner predicts that by 2020, 50% of all searches will be conducted by voice and zero-touch UI's will be available on 2 billion devices and IoT endpoints.

Traditionally, healthcare related voice applications have been used for a variety of transcription tasks. Companies like Nuance Communications have long developed in-

terphases for improving clinical documentation and are widely adopted amongst healthcare providers. Innovation from Amazon and Google are now seeing the beginning of mass adoption for a wide variety of applications and daily tasks. As a result, voice, as a standalone interphase or as a component in a multi-modal strategy, is shaping the way we consume healthcare today and in the future.

Clinical Applications:

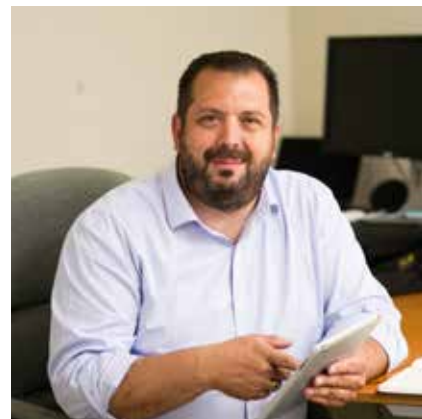
There is still a large hesitation on the part of healthcare providers to adopt ambient computing in clinical settings. The challenges are still rather significant and include HIPAA compliance, ambient noise, and people's accents. With that said, the hurdles are not insurmountable, and the benefits are numerous. Having voice operated interphases in sterile environments can be very effective in completing a variety of tasks such as patient record retrieval and annotation as well as medical device management. Applying voice assistants in the exam room would permit the clinician to spend more face time with the patient and less time focused on data entry into the care management platform. The ability for patients to interact with a voice assistant in the hospital room could facilitate communications with caregivers and family as well as improve their overall ability to get condition-specific information on demand. Lastly, there are opportunities in clinical trials to implement voice assistants in an effort to better engage trial participants. Voice assistants, in conjunction with other platforms like web and mobile, give participants the ability to engage with the tasks required for the study when and how best suits their lifestyle.

Aging In Place/Home Care:

Voice interphase adoption amongst the elderly is high. It is a technology that is not intimidating and relatively easy for them to learn and use. This supports the development of applications that help people live healthier lives in their homes for longer and is an attractive target market for service providers. A study conducted at a senior living facility by Front Porch Center for Innovation and Wellbeing revealed that 71.43% of users in the study felt more connected to their family members using Alexa

and 75% of participants used their devices at least once per day. Products like Pillo, a voice-activated home health companion that dispenses medication, delivers therapy reminders, health information, and companionship are helping people stay on track with their medications. Additionally, chronic disease management tools like My Diabetes Coach, from Macadamian Technologies, leverages voice assistants to better engage the patients and provide routine updates to caregivers and clinicians.

We are still in the early days of voice assistants. Innovative Healthcare companies are starting to adopt the technology in exciting ways. However, they face limitations because Google, Alexa, and others are not HIPAA compliant. Workarounds for this have been developed and deployed but this compliant solution is not elegant and only works in limited use cases. Once the major service providers deploy a HIPAA compliant version of their platform, we will see the rapid adoption of this technology in many parts of the healthcare continuum. We are already seeing industry leaders, across the entire healthcare spectrum, position themselves to fully capitalize on this technology when the current barriers are removed.



David Box is an internationally experienced business development executive. He has spent the past 10 years working with customers in the healthcare space to develop products and services that improve patient outcomes and experience. David earned his Bachelor of Science degree from the University of Massachusetts and a Master's of Science degree in International Marketing Management from Boston University.



“We put together what we call the ‘Four Cs,’ Four Core Beliefs. They are compassionate, collaborative, courageous and creative.”



The CEO Forum selected Hackensack Meridian Health in “10 CEOs Transforming Healthcare” for the unique leadership practices including: a noteworthy model for merging two major systems, an alliance with Carrier Clinic to bridge behavioral and acute care. Additionally, Hackensack Meridian pioneered the redesign of medical education by creating a world-class medical school where different disciplines get specialized degrees with associates from other parts of the hospital system. This breaks down silos and fosters teamwork.

Robert Reiss: When we interviewed you several years back, you were then the CEO of Hackensack. Talk about your merger.

Robert Garrett: We merged what was Hackensack University Health Network, which was a four-hospital system, with Meridian which was a nine-hospital system. And today, we’re 17 hospitals and nearly 500 distinct patient care locations throughout New Jersey. We’ve become quite large in the state, we’re comprehensive and we’re integrated. There are a lot of mergers in healthcare; some of them worked, some of them haven’t. I think this one was done for the right reason strategically.

Hackensack was very well known as a hospital of clinical excellence, with nationally ranked clinical programs. We had a growing academic profile. We had a research infrastructure. As a matter of fact, we were planning to start a new school of medicine, which we subsequently have.

Meridian had what I would call a full continuum of care, including a vast ambulatory care network as well as post-

“I felt that both systems complimented each other. What we were lacking, Meridian offered. What Meridian needed, Hackensack had. So that’s why I say this was really two plus two equals five. This merger was really done for the right reasons strategically and that’s why I think it’s been such a big success in just 2½ years.”

acute care facilities like sub-acute care and nursing homes and LTAC and assisted living facilities. And as the Affordable Care Act was rolling out and as we were moving more toward value-based healthcare, I felt that both systems complimented each other. What we were lacking, Meridian offered. What Meridian needed, Hackensack had. So that’s why I say this was really two plus two equals five. This merger was really done for the right reasons strategically and that’s why I think it’s been such a big success in just 2½ years.

You have 34,000 team members total. It’s always a challenge for CEOs when they want to merge to create one united culture. What specifics are you doing to make that happen?

What we did, Robert, is we had a tremendous amount of strategic initiatives right off the bat, and I can talk about those in terms of some of the partners that have come on to Hackensack Meridian, some of the mergers that we’ve done and some of the expansion of our healthcare programs. But none of that really is sustainable over a long period of time if you don’t have a unified, strong culture. So we took a look starting with our mission and our vision and core beliefs and said let’s make it simple. Let’s make it so that everybody can connect to it, and it can easily replace some of these legacy cultures that might have existed throughout Hackensack and Meridian.

Our mission is clear – we are transforming health care. From a vision perspective, we are committed to innovation. In fact, we like to say it’s in our DNA. And then we put together what we call the “Four Cs,” Four Core Beliefs. They are compassionate, collaborative, courageous and creative.

We think with these Four Core Beliefs, we’ve really created what I would call a unified, strong culture and it is resonating. We constantly are communicating it. We’re reinforcing it. We have some unique ways to communicate our culture too. We have instituted what we call virtual town hall meetings.

What are the specifics of your virtual town hall meetings?

We have 34,000 team members located throughout New Jersey. It’s hard to bring them all together at one time. It’s hard for us to get to each of the sites on a frequent basis. So, we have virtual town hall meetings where team members gather in 40 different locations throughout the state of New Jersey. It’s broadcast live and lasts for an hour.

It’s really an effective way to communicate to the masses, and the theme is always culture. We always talk about our culture. We start by talking about our core beliefs. We talk about behaviors and keeping what we call behaviors above the line, not going beneath the line. Things like turning cell phones off in meetings and giving people appropriate recognition and things of that nature. We usually have a guest that we include on the broadcast and somebody who’s a culture champion at one of our sites.

And then, we follow the virtual town hall meetings with live appearances, we call them pop-up events. As the CEO, I pop-up at different locations throughout the network, unexpectedly. And again, culture is the theme so we have a tent card that has the four Cs, those four core beliefs on them.

I love it.

Every team member takes a test to determine which one best exemplifies them. Then I get to autograph the side of the card that they scored highest on. And then they usually ask me how I scored.

Which is yours?

Collaborative was number one followed by compassionate.

Let’s talk about your new education initiative.

We started our own school of medicine, and we affiliat-

“Our new concept of a medical school will build a unified culture with shared academic skills and emphasize the humanistic side of clinical care.”

ed with Seton Hall University in order to do that. I think the future of healthcare is about innovation, and I think we need to redesign medical education to prepare future physicians for a new state of health care. We started a new medical school in 2018. We have 60 students, we’re going to be ramping up to 150 students per class.

Unlike established medical schools, we really can design a brand new innovative curriculum. I’ll give you a couple of examples. With our partner Seton Hall University, they have relocated their college of nursing and the allied health schools to the medical school campus. So medical students, nursing students and allied health students go to class together.

This unique approach has been piloted at some institutions but I do not believe it is being done to the degree that we are embracing at Hackensack Meridian School of Medicine at Seton Hall University. The reason for it is because it’s so important to break down these silos and these barriers that have existed really for generations in healthcare settings. We know there are a lot of studies that show that patient outcomes and patient experience improve when healthcare providers truly work as a team. So

these students are going to class together, they’re sharing science labs, they’re getting to understand each other.

Another innovation we can do, that most schools haven’t been able to do yet, is really think about the humanistic side of being a doctor and training and educating physicians in that respect. As an example, we have what we call a community immersion program where medical students go out into the community. They essentially shadow families during their tenure as medical students. They follow two families.

They are learning about the social determinants of health. They understand some of the barriers that they have in keeping healthy and about access to care, and it really puts the medical student’s mindset in the framework of not just taking care of sick patients, but what do I need to do as a doctor in the future to keep people healthy? How do I really make a difference particularly in underserved communities that have these challenges in keeping whole communities healthy?

It’s really exciting, and I have to tell you the medical students love it. Many of them have said one of the reasons



Bob Garrett greeting physicians at JFK Medical Center in Edison on the first day of the merger January 2018.



Bob Garrett launching a health fair at the corporate offices in Edison, N.J.

they chose our medical school was because of innovative programs like our humanism in medicine program.

Our new concept of a medical school will build a unified culture with shared academic skills and emphasize the humanistic side of clinical care.

That's really a breakthrough concept. What do the students say?

It's unbelievable. I got a chance to interact with some of the students. Number one, I have to say they're so young. It's just amazing to see them. They're so enthusiastic, really smart and they just love the innovation. They love the idea that they're being educated with some of their colleagues and some in the other professions. They love really interacting with the families.

And the other thing that they can do, which we provide, is a three-year medical education. So, you know, affordability in medical education is really a big issue today, so these students can actually save the fourth year tuition. What they typically would do in that fourth year is do a residency program at one of the Hackensack Meridian residency sites. So that works for us too, because we have a great supply of physicians for years to come.

Let's talk about your new Carrier Clinic relationship.

I've been saying for some time that our behavioral health system in the U.S. is very fragmented if not broken. There's a lack of coordination of care and so many of

our patients who are in our hospitals or in our emergency departments have behavioral health diagnoses or behavioral health issues. So, we've decided to merge with a big behavioral health provider in New Jersey. It's really the best one in our state. They're very well known for their inpatient psychiatric care. They've been innovative. They've invested in some new technologies. And we think through this partnership that we can really lead the way in providing better coordinated behavioral health services.

A couple of examples are on the inpatient sites, some of our hospitals don't have access to a specialized psychiatrist. They have a general psychiatrist. Through tele-psychiatry, the doctors at the Carrier Clinic will be able to help our patients.

Another breakthrough in care delivery is this: some of our urgent care centers will now add a behavioral health component. Why should someone struggling with mental illness get caught up in an emergency department setting if they really don't need that level of acute care? We will help expand access and improve outcomes through behavioral health urgent care centers.

A third thing we're going to do with the Carrier Clinic is we're going to establish addiction treatment centers. So many young people, particularly in New Jersey, are going out of state to receive addiction treatment. Their families have to travel sometimes across the country. We want to provide world class addiction treatment services in New Jersey. So, with the help of Carrier Clinic, we're going to be able to fulfill that part of our mission.

So, strategic partnerships have really been systemic to your growth.

Incredibly. One other one that I think is worth mentioning is a partnership that we've done in the area of cancer care and that's with Memorial Sloan Kettering Cancer Center. Obviously, Memorial Sloan Kettering is renowned in providing world-class cancer services, so we partnered with them. It's the first-of-its-kind partnership for Memorial Sloan Kettering.

"Through tele-psychiatry, the doctors at Carrier Clinic will be able to help our patients."

“We talk about access as being a big issue in health-care. More and more people want that world class cancer care closer to home. They don’t want to necessarily have to travel to big metropolitan areas to get it, and now they won’t have to.”

Our physicians and Memorial Sloan Kettering physicians have developed a set of over a hundred clinic standards. They are being put in place in Memorial Sloan Kettering’s ambulatory cancer centers and in Hackensack Meridian’s ambulatory cancer centers. So, if you are a cancer patient in southern New Jersey or central New Jersey or northern New Jersey, you will get the same standard of care – what I would call world-class cancer care – closer to home. We talk about access as being a big issue in health-care. More and more people want that world class cancer care closer to home. They don’t want to necessarily have to travel to big metropolitan areas to get it, and now they won’t have to.

We’re also going to be owning and operating new cancer centers that we’re building with Memorial Sloan Kettering in a joint venture model. We’re really excited about that partnership, and I think my message is that sometimes you can’t do it all yourself, and you’ve got to find strategic partners that help better serve your mission, help extend access to healthcare, and help to transform healthcare.

When we spoke a few years ago none of these innovations existed. Let’s go back to the merger. How did you expand the concept of destination physicians when you were merging with the company and creating a much larger entity?

I think the glue in terms of expanding destination physicians to our network is, number one, the new medical school. So many physicians want to teach, and we have really engaged so many of them on the faculty.

Number two, we’ve really invested in major research. We’ve established a Center for Discovery and Innovation, and many physicians – what I would call destination physicians – really want to conduct research. They want to be innovative. They want to be on the cutting edge, and that has really drawn more destination physicians to our network.



Bob Garrett giving a team member a high five at Jersey Shore University Medical Center at a “pop-event” – an unexpected visit by the CEO.

They are also attracted to the diversity of a larger health network and being able to practice at different settings. They can practice at academic centers. They can practice at community hospitals or they can practice at one of our 500 ambulatory care sites. The merger has really brought so much diversity to the table to attract more and more destination physicians. We’ve been successful in attracting them and I think most of them are really happy, particularly with the new medical school and our new research institute.

What is your hope of how Hackensack Meridian will transform healthcare in America?

I really believe that we have the opportunity now to transform healthcare. We have care transformation teams that we have established, which are committed to improving outcomes in every major disease entity that’s out there and saying, “How can we do it better? How can we achieve better quality outcomes? How can we make the patient experience better?” Maybe we’re seeing patients in the

“Our care transformation teams, in addition to analyzing how to better serve every major disease, are also being charged with making the delivery of healthcare more efficient and thus making healthcare more affordable for all Americans.”

wrong setting. Maybe part of their hospital stay would be better if it was in a non-acute care setting.

And we're also looking at how we can make healthcare more affordable. I think that's a big issue for our country, for society. Our care transformation teams, in addition to analyzing how to better serve every major disease, are also being charged with making the delivery of healthcare more efficient and thus making healthcare more affordable for all Americans.

Let's finish up talking about leadership. To you, what is the core to effective leadership?

The core to leadership is being mission driven, number one. You need to believe in it deeply. People around you need to see that you truly believe in what you're doing and what your business is doing, what your healthcare organization is doing. Whatever industry you are in you really need to be mission driven.

Number two, you need to attract the best people around you who I would call our missionaries. They are also folks that are mission-driven who really share our goals and values.

And then, I think leadership is all about communication. I spoke a little bit about the virtual town hall meetings. You constantly have to communicate your message, your mission. And the other part that's a little bit underrated in leadership is listening skills. You need to listen. There was a quote that I recently heard, and that is that "Leaders that don't listen eventually have people around them that have nothing to say."

On that note, Bob, a pleasure having you on The CEO Show.

It's great to be here. Good to see you, Robert.

"There was a quote that I recently heard, and that is that 'Leaders that don't listen eventually have people around them that have nothing to say.'"



Robert Reiss and Robert Garrett. Interview aired November 4, 2018.

Robert C. Garrett is the CEO of Hackensack Meridian Health, New Jersey's largest health network with 17 hospitals, 500 patient care locations, 34,000 team members and 6,500 physicians. Under Mr. Garrett's visionary leadership, the network opened the Hackensack Meridian School of Medicine at Seton Hall University, formed an historic partnership with Memorial Sloan Kettering Cancer Center and secured the network's merger with New Jersey's largest behavioral health provider to dramatically improve access and the quality of care for addiction treatment and mental illness in New Jersey and beyond.

Mr. Garrett's leadership and strategic vision have garnered much professional praise. He was featured on ROI-NJ Influencers Power List 2019 and 2018 and was ranked #1 in the NJBIZ 2017 "Power 50 Health Care" list.



**Hackensack
Meridian Health**



President and CEO Warner Thomas meets with cancer physicians at the new Baton Rouge Cancer Center.

“We like to say we want to be perfect at getting better. We’re relentless.”



The CEO Forum selected Ochsner Health System in “10 CEOs Transforming Healthcare” for their work in AI to predict potential patient challenges hours before they might occur. Ochsner is known as a true destination health center in areas including liver transplants and excellence in pediatric care. Additionally, experiencing Hurricane Katrina has helped build a unique, passionate culture of care and empathy.

Robert Reiss: Describe the Ochsner organization.

Warner Thomas: We are a major not-for-profit health-care organization, who is the largest healthcare system in Louisiana and also the Gulf South. If you look at our owned and managed facilities, our revenue is nearly \$5 billion; our owned facility revenue is about \$3.4 billion. We have a large academic medical center based in New Orleans, and we have over a hundred health centers and urgent care clinics across Louisiana and Mississippi.

How do you differentiate yourself?

Ochsner is a true destination healthcare center. Last year we took care of people from every parish in Louisiana, every state in the U.S. and over 70 countries from around the world. We are recognized for expertise in several areas. In fact, 77 years ago our founder, Dr. Alton Ochsner, was the first one to tie smoking to lung cancer.

The Ochsner family has continued a long legacy of healthcare excellence. Going back decades, cardiac care was initially the real center of excellence for Ochsner. Today, we have evolved to a national and global des-

“Ochsner is a true destination healthcare center. Last year we took care of people from every parish in Louisiana, every state in the U.S. and over 70 countries from around the world. We are recognized for expertise in several areas. In fact, 77 years ago our founder, Dr. Alton Ochsner, was the first one to tie smoking to lung cancer.”

destination center that offers high-quality, specialty care services, such as cancer care, neurosurgery and neurological disorders, pediatric and cardiac care and organ transplants.

For example, patients come to our nationally recognized Multi-Organ Transplant Institute where our outcomes are exceptionally higher than national benchmarks and our wait times are shorter than the national average. We have a 97.14 percent one-year patient survival rate for kidney and as the largest liver transplant program in the country with the best outcomes, we have a 1.9-month median wait time for livers compared to the 12-month national wait time. And, our Pediatric Cardiology Program at Ochsner Hospital for Children boasts a 100 percent survival rate for all neonatal surgery, child heart surgery (ages 366 days – 18 years old) and Norwood Procedure (for hypoplastic left heart syndrome) and an overall mortality rate of 1.8 percent for congenital heart surgery for all ages, significantly below the national average of 2.9 percent.

These are just a few ways we are different.

You became CEO in 2012, but you joined Ochsner in 1998. Describe what it was like when Katrina hit. You were probably busier than almost anyone in America.

Looking back at August 29, 2005, that was obviously a very challenging time for New Orleans, for Louisiana, and for us at Ochsner. I think everyone knew the storm was going to be a catastrophic, but I don't think anyone knew how difficult it was going to be until a day or two after the storm when we realized the levees had broken and the city was filling up with water. I actually stayed at Ochsner and lived in my office for almost three months. Post-Katrina not only was New Orleans in disrepair, but so was the healthcare infrastructure. It was filled with extreme challenges such as flooding, supply shortages, pow-

er outages, minimal communications and lean healthcare staff that tested all of our capabilities.

As one of only three hospitals to remain open during and after Katrina, I witnessed firsthand the people who worked tirelessly to care for anyone that needed care. Those individuals demonstrated the courage that would carry us forward as an organization. It was a challenging time for our region and yet evidence of our ability to come together and demonstrate incredible resilience, tremendous courage and compassion which was a proud moment for everyone. Knowing that New Orleans needed a stable healthcare system to care for its people as they returned to rebuild their lives, we took responsibility and chose to lead the revitalization of healthcare in the region. We really stepped it up. We did amazing things taking care of people during the challenging times of Katrina and the months afterwards. Physicians, nurses, our food service workers – they did not have people available

“We did amazing things taking care of people during the challenging times of Katrina and the months afterwards. Physicians, nurses, our food service workers – they did not have people available to come and replace them – so they worked weeks and weeks without relief. But their commitment to build a better New Orleans never wavered. That new energy was essential as we worked side by side to clear away the devastation. They did an amazing job and should be commended for their heroism and service during that difficult time. I'm proud to say that during those dark days we were able to overcome tremendous odds and didn't lay one person off through that whole process.”

“We now are using artificial intelligence to look at all the patient data we have within our electronic medical records while a patient is in the hospital, and we can predict that patient deterioration in a four- to five-hour period, before that patient ever has a code. In our units where we’re using this technology, there is a 44% reduction in cardiac arrests and other adverse events outside of the ICU. It’s groundbreaking technology based on artificial intelligence and algorithms we built ourselves. It’s amazing and the results have been exceptional!”

to come and replace them – so they worked weeks and weeks without relief. But their commitment to build a better New Orleans never wavered. That new energy was essential as we worked side by side to clear away the devastation. They did an amazing job and should be commended for their heroism and service during that difficult time. I’m proud to say that during those dark days we were able to overcome tremendous odds and didn’t lay one person off through that whole process.

Seriously?

Not one person. At the end of 2005, we lost \$70 million in five months, but our board, to their credit, stood up and decided to double down in New Orleans. In 2006 after Katrina, we purchased three hospitals from Tenet Healthcare -- many of them had been damaged. Tenet decided to leave the New Orleans market and Ochsner Health System took bold steps to repair and grow the healthcare industry to meet the needs and to participate in the rebirth and revitalization of the city. Since then, Ochsner has been on a very significant growth curve.

It seems in challenging times true colors emerge.

Absolutely. It will always be an important time in our organization’s story. It was the time when true leaders led, and I think Ochsner is an organization who did that. There are so many positive stories that so many people never heard. Our employees helping each other get their houses cleaned up so they could move back into them. The thousands of people who donated funds, clothes and personal care items to help our employees who literally lost everything. It was a trying time, but it was a time that I’m glad I experienced - I’m a better person because of it.



Warner Thomas meets with a cancer patient during chemotherapy.



Warner Thomas tours the Pediatric Cardiac Intensive Care Unit (PICU) at Ochsner Hospital for Children with Dr. Benjamin Peele, Congenital Cardiac and Thoracic Cardiovascular Pediatric Surgeon, and Dr. Lutfat Kashimawo, Medical Director of PICU.

Ochsner probably has a different culture than any other health system in all of America, having gone through Katrina.

The interesting thing about Ochsner is it was founded on what's called a group practice -- a practice of physicians who work together, not dissimilar to the Mayo Clinic and the Cleveland Clinic. In 1942, Dr. Alton Ochsner and his four colleagues founded the Ochsner Clinic, fundamentally changing how medicine was delivered. It was an accomplishment driven by their desire to provide patient-centered care and their commitment to the belief that as a group practice, they could deliver better care to their community.

That is progressive thinking for that time.

Absolutely. At that time, there was nothing like it in the South, and Ochsner really was a trailblazer in medicine in our region. Since then, Ochsner has continued to set the stage in the South for medicine. Even today, there

“People within our organization who want to make a difference in our communities, who want to push to strive to new levels of performance.”

are things we do every day that are groundbreaking and different than others around us.

Tell me about something groundbreaking you're doing now.

We are harnessing the power of artificial intelligence and machine learning to predict and prevent adverse events in the hospital in real-time, notably becoming one of the first health systems in the world to use this type of technology. Historically, we think about ... if a patient is going to have a cardiac arrest, they're going to have a code. We call the code team, and they basically save the patient.

We now are using artificial intelligence to look at all the patient data we have within our electronic medical records while a patient is in the hospital, and we can predict that patient deterioration in a four- to five-hour period, before that patient ever has a code. In our units where we're using this technology, there is a 44 percent reduction in cardiac arrests and other adverse events outside of the ICU. It's groundbreaking technology based on artificial intelligence and algorithms we built ourselves. It's amazing and the results have been exceptional!

We partnered with Epic, our electronic health record



Warner Thomas takes a selfie with employees at the system's Power of One Employee Experience event.

“In my opinion, you learn more about people and from how they deal with adversity than how they deal with success.”

provider, and also with Microsoft. Together, we combined Epic's machine learning platform and the computing power of Microsoft Azure Cloud with the complex algorithms and capabilities our own data scientists built internally.

I know that you have a lot of respect for Satya Nadella, the CEO of Microsoft, in terms of leadership.

Absolutely. I think what Microsoft has done is amazing. It was an organization that many thought had stalled. But over the past couple of years, they've reinvented their organization, reinvigorated themselves especially through cloud computing. And we're happy that we partnered with them. Last year, we won the Microsoft Health Innovation Award for our healthcare innovation, and we're proud of that work.

Let's go back to culture. The word you've shared with me in the past is 'relentless.'

Well, it's interesting. Last year, we were looking at new marketing firms to implement a new marketing campaign and this idea of 'relentless' came up strongly in the discussion. That is who we are. We're relentless about how we get better every day. We like to say we want to be perfect at getting better. We're relentless in looking at new care opportunities and ways we can take care of our patients how we continue to serve our patients differently, innovate in healthcare and bring new technology and capabilities.

It is a challenging time to work in healthcare, and there are a lot of problems that need to be solved, but we are shaping the future of healthcare through our integrated health system, fueled by the passion and strength of our diversified team of physicians and employees. We are relentless about getting better every day for our patients and that's driven by the team here at Ochsner.

How do you do that? You have 25,000 people ...

Number one, it comes back to the type of people that you recruit and hire into your organization. We take a team-oriented, patient-centered approach that is built on our legacy. I've been very fortunate to build a great team of executives that lead the organization and work with

“In 2018, we booked 400,000 online appointments. And we’ve been doubling that every year for the past few years. Additionally, we had 1.2 million patient messages that came to us electronically and we’re answering 97 percent of those on the same day.”

me every day. They do an amazing job ... and frankly, make my job easier. We look for physicians, nurses and people within our organization who want to make a difference in our communities, who want to push to strive to new levels of performance.

When you’re interviewing an executive, is there any one question you might ask them to see if they have that relentless character?

I wouldn’t say there’s any one question, but I think when you’re interviewing people you can find out what excites them. What do they want to accomplish in their life? What are they proud of? How do they deal with adversity?

In my opinion, you learn more about people and from how they deal with adversity than how they deal with success. And it’s easy for everybody to be cheerleaders and to be excited when things are going great. But when you’re having challenges, or you’re having a tough year, that’s when you find out the most about a leader and about the people around them. At Ochsner, we have people that rise up and deal with adversity head on -- whether it’s going back to Katrina, as we talked about earlier, or whether it’s just dealing with day-to-day challenges in our industry.

New Orleans has attracted people who want to make a difference, who want to be part of something that’s bigger. That’s what Ochsner is about. We want people who want to be part of something bigger than any one individual. This dates back to the legacy of our five founders -- creating something bigger than themselves.

Let’s talk about that bigger concept. You have been a transformative CEO. What is your thought on how Ochsner will transform healthcare?

I think healthcare is going through tremendous change. Our digital technology and digital transformation that we’re seeing in our economy is now having impacts on

healthcare. In 2018, we booked 400,000 online appointments. And we’ve been doubling that every year for the past few years. Additionally, we had 1.2 million patient messages that came to us electronically and we’re answering 97 percent of those on the same day. Historically, you had to call your physician’s office during regular business hours. This interaction online with our patients is a very different approach and proves this is where patients want to interact.

The digital world is having a major impact on healthcare, and we’re embracing that, not fighting it.

Let’s talk about building a culture of innovation.

You know, it’s interesting. We talked a little bit during the Atlas Conference in Boston about the concept of play to win versus play not to lose. I think that’s a really important thought process and philosophy that we challenge ourselves with at Ochsner. When you’re a startup, if it fails, it just kind of happens and the downside is not as significant. If you’re a legacy organization or one with a long history, you have a lot to lose. You tend to be more of a protectionist; you tend to play a little more conservative.

At Ochsner, we try to push ourselves to be more aggressive, put ourselves out there and do things differently, admitting failure if things aren’t working well but working consistently to improve to meet the needs of a new world in healthcare. We want people to take these challenges on. And it’s not any one thing or any one person -- to me, it’s the type of people we hire. It’s the messaging you have...the projects that go well, but also talking about the things that didn’t go well. You’ve got to be able to do both and get people comfortable with that approach. It’s okay if things don’t go perfectly. Let’s learn from it and move on.

Talk more about your leadership philosophy.

As you think about being a CEO, you want to know

if you are making a difference. Do you have a positive influence on those around you in the organization? At the end of the day, that's what it's about – you've got to make a difference. You have to focus on helping others around you be more successful. All of our relationships, if they're solid and good, are built on trust. Trust in relationships and trust in your organization allows people to have more freedom and take chances. It allows people to fail, move on and be fine with it, but most importantly, learn from it.

What is at the core of the future of healthcare?

At Ochsner, we're committed to continuing to be much more connected to patients and listening to the voice of the customer who helps drive our efforts. How we build digital connectivity and relationships with our patients outside of our clinics and hospitals, in the home and within our organization shifting from reactive healthcare to proactively engage our patients around wellness and prevention, this is really the future of healthcare.

Final question: What is it that you're proudest of at Ochsner?

The thing I am most proud of is the team that we've assembled. It's the people who work for me, the incredible physician talent within Ochsner and all team members in the organization. We have incredible talent at Ochsner. From our physicians to our nurses to our administrators, the job they do every day and the impact they have can truly make a difference. It's so great to see them being successful and to see them flourish. I'm also proud of placing New Orleans on the map as a national and global destination healthcare center and continuing to be a leader in healthcare so we can help people live healthier, more productive lives.

On that note, a pleasure having you on The CEO Show, Warner.

Thank you so much. Thanks for the opportunity.



*Robert Reiss and Warner Thomas.
Interview aired October 21, 2018.*

Warner Thomas is President and CEO of Ochsner Health System, Louisiana's largest non-profit academic health system and its largest private employer. Under Thomas's leadership, Ochsner has expanded across Louisiana and the Gulf South to become a national and global destination for healthcare.

Thomas was appointed to the Medicare Payment Advisory Commission in 2014 where he continues to advise Congress on issues affecting Medicare. He has served as Chairman of the American Hospital Association Section for Health Systems Governing Council and is a past member of the AMGA Board and the AAMC Advisory Panel for Health Care and Council of Teaching Hospitals. Thomas is a fellow of the ACHE, a Louisiana Hospital Association board member and a member of both the Young Presidents Organization and New Orleans Business Council.

Thomas is a recipient of the Boy Scouts of America Distinguished Citizen Award and the Anti-Defamation League 2018 A.I. Botnick Torch of Liberty Award.



“One of my favorite quotes on learning is from Julia Child, ‘You’ll never know everything about anything, especially something you love.’ My love has been learning about business models and success, where I have read over 1,000 business books; following are three of those which I believe can be of great value to today’s top CEO.”



Disrupt Aging: A Bold New Path to Living Your Best Life at Every Age
by Jo Ann Jenkins, CEO, AARP

Jo Ann’s “Disrupt Aging” is spot on: every single year is a gift. By confronting the most common stereotypes about aging, this book will help us all live each year to the fullest.

Sheryl Sandberg, COO of Facebook and founder of LeanIn.Org

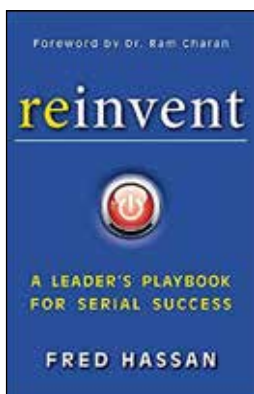
Jo Ann Jenkins believes that age and experience can expand life’s possibilities for all of us. In this personal and thought-provoking book, she inspires us to seize the opportunities that longer lives give us and to embrace aging as something to look forward to, not something to fear.

Jeff Gordon, Four-time NASCAR Cup Series Champion.



We CAN Fix Healthcare: The 12 Disruptors that will Create Transformation
by Stephen Klasko, MD, CEO Jefferson Health

Dr. Stephen K. Klasko proposes an extraordinary, even science fiction, event where a no-blaming conversation about the healthcare system leads to provocative ideas for disruption that allow even Democrats and Republicans to see that they can collaborate. Built on 100 interviews from every part of the system, Steve finds extraordinary solutions from education to insurance to disparities (with a little help from a time-traveling Harry Truman). This book posits that the solution to healthcare in America is collaboration to transform, not tinker.



Reinvent: A Leader's Playbook for Serial Success

by Fred Hassan, former Chairman and CEO, Schering-Plough Corporation

In Reinvent, renowned CEO and business leader Fred Hassan explains how to transform a struggling business into a raging success by reinventing the culture, attitude, and behaviors of organizations and people. Leaders who want to change cultures and individuals need a cool head, a clear vision, and a well-refined ability to inspire that change. Here, Hassan explains how a productive organizational culture leads to real success. The first part of the book focuses on how you, as a leader, can unleash your full powers by learning to be authentic, purposeful, and connected with your organization. The second part of the book focuses on groups, how to lead them, how to be a role model for the effort you expect, and how to keep winning and innovating. Taken together, these principles fuel smarter strategies, more effective execution, and better governance.



“People will be diagnosed earlier and can be cured, and I think that’s the holy grail where technology advances will make a big difference.”



The CEO Forum selected Royal Philips as an industry leader in the Healthcare manufacturing category because they were able to transform a 128-year old company from electronics to Healthcare and become a leader in several categories including their unique augmented reality concept for image-guided minimally invasive surgeries.

Robert Reiss: Philips is a \$20 billion business with 77,000 employees and a long history. Yet recently the company strategy changed significantly.

Frans van Houten: For sure, Philips is a more than 125-year-old company that had become a conglomerate of activities from components to semiconductors to lighting to house care technology and consumer technology. In 2011 I came in as the CEO after having been away from Philips for seven years. I concluded that we were in many commodity markets, with virtually no margin, little profit, and it was wearing us down. Shareholders lost interest. Talent didn’t see us as a very attractive employer. The brand had become a bit dusty, and we were being overtaken by our competitors.

So, I felt it was urgent to take a massive overhaul to the company starting with the portfolio, but secondly with the culture and the performance. With regards to the portfolio, we decided to spin out the television, consumer electronics and lighting businesses and focus the company on what you could say is one of the world’s unmet needs, great healthcare technology.

“There’s a big difference in my book between performing and transforming.”

You said the word urgent. Why?

Well, there was a burning platform in the sense that the share price had hit an all-time low. We had three profit warnings in a row.

Well, that’s a good time to take over as CEO.

Exactly, that was a challenging time. So, we started with the top team to say what we are going to do about it, and that top team was not truly united. Everybody standing for their own division but not really owning the whole company. Spinning out the television and consumer electronics businesses was relatively easy, although, it made the company smaller. Then, of course, you have the issue of too much cost and you have to address that. I had my board completely behind me, because they realized that companies do not live forever and it was important to re-invent ourselves.

In my team, in the first year, I had a couple of individuals who said, “You know, Frans, I’m your biggest supporter,” and that’s what they said to my face, but that’s not necessarily what they did in practice. That is tough, because then you’re dealing with your internal organization rather than being shoulder to shoulder focusing on one objective, one vision, where you take the company forward.

When that happens and executives say, “I’m with you, I support you,” but then they don’t, how do you find out who’s really with you and how do you manage it?

It’s not so much the result of a strategy but it’s the execution, and just making an agreement on a trajectory is just a beginning. The hard part is in the execution, and you have to go and check that. You have to go see what the employees are doing, what they are talking about. Whether the message of the boardroom has actually hit the working level.

If it hasn’t, then your team members and the management team have not deployed it, right? If they say, “Well, you know what, I’m committed, I’ll deliver my results,”

but if they don’t let you look into the tent of that division, chances are that they are not truly transforming.

There’s a big difference in my book between performing and transforming. Performing is just nudging your results a little bit better. Transforming is when you take fundamental decisions to do things differently, and that is the hard part. Only through checking and going deep into the organization, talking to customers, employees, and suppliers can you find out what people are working or just talking. And then we had to say goodbye to some of those people that were uttering the platitudes but were not really on board to do the hard job.

What were the financial results of this transformation?

When I came, the company had 125,000 employees and was close to 30 billion euro in revenue. No growth and only 4% profit. Six years later we see a company of around 18 billion euro, a growth rate of 5%, a profit ratio of around 13%, and a brand that is much more vibrant. Customers say, “Oh, we have to talk to Philips; we have to be part of the game.”

So, it has been a successful transformation, and I would say the most crucial elements, apart from having a strategy, is to have the people on board and a culture of performance where people are all locking their arms together to get the job done, because it’s not simple.

Would you say the greatest challenge that you faced was galvanizing every one and ensuring that everyone was aligned? Or was there something else?

Galvanizing everybody is absolutely an essential piece, sharing the same North Star, agreeing that will get there. But it’s not enough, because you also need to learn your competences. You need to up the game of every individual.

How are you doing that in healthcare?

In healthcare technology a lot is changing, like the emer-

“You run three, four or five transformations in parallel and put teams on each of these work streams, empowering and inspiring those teams to take ownership of what needs to be done, and celebrating success along the way, which is very important. You pull in all the time the voice of the customer, the voice of outside, because that keeps you honest on whether you’re on the right track.”

gence of big data and artificial intelligence. So, just making medical scanners is not good enough. It’s interpreting the medical data and getting to the right diagnosis that is going to make the difference in healthcare. It is supporting doctors and nurses. Nurses taking care of patients at lower cost. That is what society needs, right?

So, when I talked about learning your competences and really going deep, it meant shifting from predominantly a hardware engineering organization to having 60% of our research and development in software and data science. It meant hiring more medical doctors and having strategic partnerships with leading academic medical institutions. Executing on a strategy is what you do every day and not just what you discuss four times a year in the boardroom.

Describe Philips’ work in healthcare.

Everything we do is healthcare – we work every day to improve outcomes for patients and to better help clinicians. Technology like Philips Illumeo gives radiologists AI enabled analysis of patient scans, allowing them to work better, faster, and with more confidence. Or our recent Project Atlas telemedicine work with the Veteran’s Administration, which places telemedicine monitoring stations in select rural VFW’s and American Legion posts, allows clinicians greater reach through video and monitoring technology to enable the VA to provide “anywhere to anywhere” care to veterans.

How is Philips’ model different from other healthcare companies?

We’re so far beyond what’s going on in the field of health-

care, comparisons are irrelevant. Philips is behind the fire-wall of more hospitals than any competitor, the Philips cloud is compatible with more devices and more formats, and our integration with Google and Apple platforms is unrivaled.

What did you learn from going through your transformation?

You need to go deep in order to ensure that your organization is changing, but obviously you can never do it alone. You need many people on board who are going to make the same courageous effort to transform, and, Philips had a portfolio change. We had a digital transformation. We started to invest more on R&D, while we were reducing our overhead cost.

You run three, four or five transformations in parallel and put teams on each of these work streams, empowering and inspiring those teams to take ownership of what needs to be done, and celebrating success along the way, which is very important. You pull in all the time the voice of the customer, the voice of outside, because that keeps you honest on whether you’re on the right track.

What did you do to align the executive team to your transformation from being a conglomerate to a laser healthcare focus?

It has been a very rewarding transformation. Today Philips is a leading health technology company, and already we have said, “Oh, wait a minute. We should not be complacent, so let’s take 50 leaders to an off-site.” Actually, we went to the desert of Arizona to discuss what it takes to go to the next step of performance and market share.

So, over the last few years, we started to taste real success, and you see it in the share price, and everybody feels proud of that. For me, the flipside of pride is complacency. We needed an inspiration to challenge ourselves even further. That requires a deep reflection. You know, everybody is busy. We’re doing daily chores, daily tasks, we feel good about it, and now I need to pull everyone out of the daily grind to do a deep reflection on what does it take to win. You cannot do that while you

“For me, the flipside of pride is complacency.”

were running all these tasks in parallel.

So, to have that deep reflection, I wanted to take those 50 leaders to an offsite retreat, in an environment where you are owned by nature, where you become a little bit smaller, and we can be a bit modest about our achievements. It creates an environment where people are talking to each other much more honestly, which is the key.

And you told me that you shared a tent with a person as well, and everyone did.

Yes. Well, you need to get people out of their comfort zone, that means no mobile phones -- which are very addictive by the way. So take that away and no computers and have people really engage with each other on what it takes to take the company to the next level. And then you need to role model that yourself. So, no exemptions, everybody share tents.

We all went on hikes, and we all had our deep reflection moments, and then we shared what that does to us. As you

become a bit vulnerable as a group of people, you overcome obstacles of performance. I mean, if we want to drive much more efficiency in the back office, something has to give. Just doing it the way we have always been doing it is not going to work. Therefore, I need that honest conversation. How can we make our internal cost base maybe 200 basis points less expensive, so that I free up \$100 million to step up R&D, so that I can make a splash in artificial intelligence to drive healthcare to the next level.

That is what I'm talking about. Any entrepreneur needs to invest with his own hand and drive a performance and cut cost with the other. When you want to take a company to a next level, you will have to take risk and make big investments. But at the same time, your shareholders want performance, right? So, I need to ask some of leaders to make a sacrifice in their areas, so that some of the other leaders can actually build a new business that is going to be very compelling for the next five or ten years of growth for the company.

Let's talk about this next five to ten years. How do

"I wanted to take those 50 leaders to an offsite retreat, in an environment where you are owned by nature, where you become a little bit smaller, and we can be a bit modest about our achievements. It creates an environment where people are talking to each other much more honestly, which is the key."



Philips CEO Frans van Houten at the Philips Customer Service operation recently.



Philips Zenition: Mobile C-arms are X-ray systems that are brought into the operating room to provide live image guidance during a wide range of surgeries including orthopedic, trauma and vascular procedures.

“In the world of healthcare, we see some conservatism in artificial intelligence, and I want to change that. We want to help doctors, nurses, patients, and consumers take better care of health in a more productive way with less burden on society.”

you see healthcare changing over the next decade and what will Philips’ role be in that change?

Over the next decade technologies will play a huge role in making healthcare have better outcomes for patients through precision diagnosis, precision care, but they will also make healthcare more productive and take the waste and unnecessary cost out.

And in our daily lives we have become quite accustomed to artificial intelligence. You know, artificial intelligence is how a seat gets booked on an airplane. But in the world of healthcare, we see some conservatism in artificial intelligence, and I want to change that. We want to help doctors, nurses, patients, and consumers take better care of health in a more productive way with less burden on society in the United States, and in fact all over the world, where we have ambition improve the lives of three billion people a year by 2025.

This means we need to democratize healthcare access and through technology start making it much more effective. This will happen with global integration but also local integration. Everybody has the stories on how they may visit the doctor and then go to the hospital and have to re-explain time and again, department to department, what is wrong with them. We must create a much more holistic integrated view, a longitudinal view of how this person is doing.

Maybe you have cardiovascular issues, and we can create a healthcare system that can support you better, even through telehealth remotely. And Philips is making headways with digital pathology, digital radiology, genomics and therefore, creating significantly better diagnostics capability for areas like cancer care. And if we can speed that up, people will be diagnosed earlier and can be cured, and I think that’s the holy grail where technology advances will make a big difference. Now to do all that, we have

plenty of dreams at Philips. We will have to invest. Philips invests 9.5% of revenue in research and development.

To make sure that gets invested in the right project with competent people and collaboration with leading academic institutions, that requires a strong vision that is carried by the entire leadership team -- all 50 of us -- so that we can execute with speed and excellence.

What are the characteristics that CEOs need to be a transformative CEO?

I think you need to be able to articulate a North Star of what the future could look like. That North Star becomes a rallying point and inspiration point for your people, and at the same time it should not become a dogma, because you need to co-create it with a larger group of people.

So, the CEO is driving a team towards your future and, at the same time, is being humble enough to take advice from all the other smart people in your company so that you can create the strategy in detail with a larger group of people. The benefit of doing it like that is that you get more people to come onboard co-owning the path of that transformation.

Here's the key: get the right people onboard, essential people that are committed and have the right competencies, and go check that it really happens. There are plenty of platitudes, but the rubber hits the road in execution, and culture eats strategy for breakfast.

So, you have to see what is going on and whether the strategy gets traction in real life.



Philips IntelliSpace Precision Medicine Genomics.



Robert Reiss and Frans van Houten. Interview aired May 13, 2018.

Frans van Houten is CEO of Royal Philips, a position he has held since April 2011. As CEO, he is also Chairman of the Board of Management and the Executive Committee.

He is passionate about innovation, entrepreneurship and business transformation to drive competitiveness and customer value. He is extending Philips' leadership in health technology as the company focuses on its mission to make the world healthier and more sustainable, with the goal of improving three billion lives per year by 2025.

Frans drives Philips' strategic agenda to provide healthcare technology solutions in support of seamless, patient-centered care across the health continuum, starting with healthy living and prevention, precision diagnosis and personalized treatment, through to care in the home – where the cycle to healthy living begins again.

He first joined Philips in 1986 and has held multiple global leadership positions across the company on three continents, including the role of co-CEO of the Consumer Electronics division. Frans holds a Master's degree in Economics and Business Management from Erasmus University in Rotterdam. Married with four children, he lives near Amsterdam and enjoys contributing to community projects, sailing, skiing, running, gardening and art.



Time's Not on Our Side: The Aging of America

By Nancy May, President and CEO, BoardBench Companies



To state what should be obvious: board members are bound to protect the long-term viability of their companies. Doing this well requires experienced insight that can spot long range threats and opportunities. That is what directors bring to the table. Armed with these insights, management can better focus on how to avoid or take advantage of such issues.

Disruptive events come in two forms: sudden or gradual. Quite harmful events such as a major data breach, cyber attack or serious reputational misstep can come on suddenly and without warning. Hence, contingency plans. Gradual disruptions such as advances in technology, shifting customer preferences, and new competitors, usually leave lots of time to prepare, if properly identified. Of course, thinking you have plenty of time is often what kills you.

It seems that too few directors see the next major disruption to society, government, business and even the economy: the aging of America. Unfortunately, there doesn't appear to be a major, concerted effort by anyone to prepare for the inevitable upheaval that's coming.

Reports say that our nation and others may have already pushed past a tipping point. Each day, 10,000 people (3.7 million annually) turn 65 and enter the ranks of the "elderly." This segment is growing faster than any other and will eventually become the largest of the age groups.

Alibaba's Jack Ma once said that a company's top priorities, in order, are its customers, its employees and its in-

vestors. Directors (and that should be all of you) willing to focus on this now will need to understand and direct strategies for dealing with this coming sea change. A good start would be to parse your efforts into understanding what this means for your customers, your employees and your investors. So what should you be asking?

How will customer demand for our products change?

Focusing on customers is the most important, since having no customers means having no business. Within 20 years the over-60 population is expected to reach 30% in industrialized nations, making it the largest of all segments. This segment shops differently, reacts differently to advertising, and spends differently from all other segments. For example, healthcare products and services are a prime and growing concern for them. You should learn what this huge consumer segment wants and will need. What they want may not be what you are offering.

While studies indicate the over-60 market is the wealthiest of all, the fact is they are also living longer. The chronic conditions that come with aging, despite advances in medicine, come with geometrically increasing costs. Right now, critical fulltime care at home or in a facility can easily exceed \$100,000 per year. Once government spending on the elderly reaches a tipping point (in 10 years it could be 50% of the non-debt-service budget), you can expect such costs will be borne more and more by the elderly and also by younger generations. Will these costs crowd out much of their discretionary spending on things like your goods and

services? Only time will tell. But if it does, will you be ready?

How secure is our future labor force?

Why should companies focus on their employees almost as much as their customers? Because without employees you have no company. Loyal, productive employees sustain and grow a company and its business. Despite the hype, businesses will never be able to completely automate. Attracting and retaining good employees has always been a challenge, and that will grow and become daunting for almost everyone! The aging world is already disrupting human resources /capital on two fronts.

First, the number of older workers is increasing, while younger workers are not. Replacements for retirees are no longer assured.

Second, the expanding need to care for the elderly is already creating havoc. Estimates are that 20% - 32% of all U.S. workers have left, or will leave, their jobs and careers in order to care for a family member. Do a Google search on Celebrities Who've Become Caregivers for some interesting insights.

The impact of caregiving on employee productivity seems obvious to caregivers, but it's not generally perceived nor understood by employers. The reasons for lower productivity and increased employee costs due to caregiving responsibilities need to be better tracked and understood by companies, or such costs will just continue to mount. Also, the pool of lower wage, less skilled workers is shifting and will shift away dramatically from other sectors. Care service providers already outnumber those who produce or provide other kinds of services. Market demands will eventually create critical shortages in filling low-wage jobs in food services, agriculture and manufacturing.

Breaking with traditional recruiting methods, encouraging older workers to stay in or re-enter the workforce, providing eldercare benefits and support, and adapting to help employees balance their work and home lives, are all being considered by those who can see ahead. More will be needed, and sooner than expected.

How will current and future sources of capital be affected?

Some say that, with the aging and eventual disappearance of Baby Boomers, we are on the verge of the greatest wealth transfer in the nation's history. Others, including myself, foresee that wealth will not be going to succeeding generations. Baby Boomers control some 80% of the nation's wealth and are living longer, and really want to continue living longer. But the longer you live, the more and more it will cost you. Where do you think that wealth will go? Hint: remember that \$100,000+ per year? It may not be going to you!

Issuers of public equities need to grasp that retirees are multiplying and living longer after retirement. This means greater demands on large institutional investors such as pension funds to meet increasing obligations: payouts that are not discretionary. You may have to stop looking at these investors as passive, stable and dependable sources of capital.

Institutional investors already are and will continue evolving as the new activist investors. They will be the ones demanding changes to your board, your operations and your capital structures. Eventually they will become the ones looking to "unlock value" in your holdings. They will have no choice.

So, how many of you have talked with your CEOs and Chief Risk Officers about all this lately? Not yet? There's still lots of time? Good luck with that. Remember, for all of us, time just keeps on flying.

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“The St. Baldrick’s Foundation raises the funding for academia to do that research that allows them to develop better cures that not only help kids live, but help kids have a better quality of life during their treatment and after.”



The CEO Forum selected St. Baldrick’s Foundation in “10 CEOs Transforming Healthcare” for creating a new important structure to help cure cancer and help participants to actually experience elements of what patients do. As the largest charitable funder of childhood cancer research grants, St. Baldrick’s has created a unique and highly successful model in corporate partnerships.

Robert Reiss: Kathleen Ruddy is the CEO of the St. Baldrick’s Foundation, which is the largest non-government funder of childhood cancer research grants. There are more children deaths through the disease of cancer than any other disease. Talk about what the real situation is.

Kathleen Ruddy: If you’ve known anybody who fought cancer, you know that it is a horrific experience. No one should ever have to endure that. Unfortunately, worldwide a child is diagnosed with cancer every 2 minutes.

New cases?

Over 15,000 in the U.S. alone, and one-in-five of these children will not survive. There are several misconceptions about this. One the public generally believes is that the problem of childhood cancer is well taken care of, but the fact is most resources are aligned behind adult cancers. There are logical reasons for that. There are more adults with cancer, so they can write a check to a charity or to a research institution. They can also lobby Congress and advocate that better policies be employed and see that

“It was only the third new drug made available to treat children with cancer in 20 years. To put that in perspective, at the time when that drug was approved, there were 900 drugs being developed for adult cancers in this country, and it took 20 years to get three for kids.”

the National Cancer Institute gets more funding. Kids can't do those things, so they're dependent upon us to be their advocates. Cancer is still the most deadly disease of childhood and if we want that to change, the rest of the paradigm needs to change, as well.

Because with adult, you say, lung cancer or prostate cancer –

Exactly. We define it by the type: Breast cancer, colon cancer. We don't say “my friend has adult cancer.” With kids, we lump them together as “childhood cancers.” Partly because we have such a visceral reaction to the idea that kids get cancer, but it also allows us to underestimate the need. In our world, the government plays a role, the pharmaceutical industry comes in once you have something promising to take to market, but academia drives discovery and is the bridge that takes it from laboratories to patients. The St. Baldrick's Foundation raises the funding for academia to do that research that allows them to develop better cures that not only help kids live, but help kids have a better quality of life during their treatment and after.

What has changed with respect to improving quality of life for survivors?

When I came to St. Baldrick's 19 years ago, survivorship issues were almost considered a luxury. Today, they're prioritized as an essential component of treatment and clinical trial design and programs exist all over the country to study the long-term effects and how to mitigate them. A recent study found that by the time they're 50 years old, 96% of survivors of childhood cancers will have a serious health issue caused by the treatment that saved their life. Many of these are life-threatening, and many survivors will have as many as five issues. Consider the economic burden on the health care system alone because the original “cure” wasn't good enough! Many of what we clinically refer to as “late effects” of treatment onset during treatment and include loss of vision, hearing, heart disease, infertility, stunted growth, brain damage and more. It's barbaric.

Is the incidence of childhood cancer rising as survival rates rise?

In 2001, there were approximately 12,500 new cases each year in the U.S. Today we average 15,000. Worldwide the numbers are climbing, although it could in part be due to better diagnosis in some parts of the world. In developed countries, one-in-five kids will not survive the first five years after diagnosis. If you relapse after five years, you're still considered a survivor, because the first five years is so significant after a cancer diagnosis. In middle- and low-income countries, the numbers are flipped. Survival rates are dismal.

What kind of impact has the St. Baldrick's Foundation been able to make?

St. Baldrick's has played a part in virtually every advancement made in the field over the past two decades. Some-



Awarded The Osteosarcoma Collaborative St. Baldrick's Grant to Cure Osteosarcoma, Dr. Alex Huang and fellow researchers at Case Western University and Baylor University are developing new ways to treat osteosarcoma patients by targeting molecules that evade immunity.

times we've helped at multiple junctures. Our support for research and our advocacy work in Washington combined to help realize a new drug, Unituxin for children with high-risk neuroblastoma in 2015.

More recently, the FDA's 2017 approval of Kymriah – the first gene therapy approved in the U.S. – has saved the lives of more than 80% of relapsed childhood leukemia patients who had no other hope.

Why that is such big news is because it was only the third new drug made available to treat children with cancer in 20 years. To put that in perspective, at the time when that drug was approved, there were 900 drugs being developed for adult cancers in this country, and it took 20 years to get three for kids. There is a huge disparity, and yet there are as many childhood cancers as there are adult cancers. There are over a hundred forms of childhood cancer.

Additionally, the more we learn about cancer, the more we know the location it occurs isn't necessarily the key variable. Rather, it's unlocking the way it interacts with a patient's genetic code. Christmas came early when in November, the FDA approved Vitakvi. It's the first drug developed to target a key genetic driver of cancer, rather than a specific type of tumor, and it will help children with many different types of cancer.

We don't believe that any one hospital, no matter how well-funded, has a monopoly on talent, or great ideas



As a childhood cancer survivor who benefited directly from a St. Baldrick's funded clinical trial, Zach Swart traveled to Washington D.C. to advocate on behalf of kids with cancer.

and innovation. Innovation can come from unlikely places and there are over 200 institutions in this country that treat kids with cancer and all work collaboratively to advance research. We vet and fund the best research, so an individual donor or a company doesn't have to try to pick the best on their own.

Talk about the whole concept of how St. Baldrick's started with the three guys in a bar...

It's really a remarkable story. Three gentlemen who were all in the reinsurance business in New York City had been talking about their success, and they wanted to find a way to pay back society and give thanks. All had known kids with cancer growing up, and one had an abundant mane of hair that they gave him a lot of grief about. They decided to shave his head and do it to help kids with cancer since kids typically lose their hair during treatment. They decided to take over their industry's St. Patrick's Day party, so St. Patrick's Day became St. Baldrick's Day. The money each shaver raised was directed to research and so, that idea caught on. Since then we've funded \$258 million in research grants, and we're still going strong.



St. Baldrick's founders from the reinsurance industry, Enda McDonnell, Tim Kenny and John Bender.

“He said, ‘This is so exciting. It means I’m going to get to grow up.’”

When I first heard about it, I knew we had lightning in a bottle. For those brave enough to shave their heads at our events around the country, they get to experience an aspect of one of the many things a cancer patient goes through and it’s very moving. When you’re sitting in that chair and you’re looking at a little kid staring up at you and cheering for you, and they’re fighting cancer, and you think, “I’d shave my head a hundred times for him or her.” Because there’s nothing in the world you wouldn’t do to take away cancer from that child.

For the kids, they usually have no choice but to live with baldness, and this marker robs the child of the opportunity to be treated like the other kids, because people automatically start treating them differently.

Two times, you’ve shaved your head?

Yes.

What is the experience like?

I’m glad you asked that. Many describe it as transformative. For me, I didn’t think I could be more committed to the cause. But once I shaved, not only was it a powerful experience emotionally, because I experienced part of what the kids do, but I felt more authentic in my role, and I think the St. Baldrick’s community better trusted my leadership because I was in it with them. I wasn’t asking everybody else to do something I wasn’t willing to do myself.

I was at an event once with this little boy who’s about six or seven, and his name was Jeremy, and he was fighting cancer. He was sitting on a stool, not far off the stage, watching every single shaver come up. Every time someone started losing their hair, he’d let out a big bubbly laugh, and I asked him about that. He said, “This is so exciting. It means I’m going to get to grow up.”

How has the St. Baldrick’s model changed?

Now we shave heads all year, not just around St. Patrick’s Day, and we do more than shave heads - we fundraise in



Blackhawk Network’s giftcards.com cause marketing campaign featured children who have been affected by cancer and donated proceeds from each gift card sale.

all the traditional ways too, and we’re doing a better job communicating the impact of our research. We’ve created mechanisms for volunteers to bring their own fundraising ideas and use all our online tools and resources to be successful. We work with donors and partner organizations who have specific research goals they want to achieve, and we engage corporations who want to unify their teams behind a social responsibility goal, or interact more with customers in a meaningful, life-changing way. There are lots of ways that companies and their leaders can get involved to join us in the fight.

On the research front, until recently we didn’t know in any given year which scientific problems we’d tackle that year. Scientists brought us their proposals, which went through a rigorous peer review process, and we funded those with the best scores. We still do this, but now we also work with donors who want to solve a specific problem, and we solicit grant applications from the scientific community for that specific purpose. We did this for osteosarcoma, the most common bone cancer, last summer. Usually affecting adolescents and teens, there is no treatment for relapsed osteosarcoma, so a group of parents who founded the Osteosarcoma Collaborative partnered with the St. Baldrick’s Foundation to help change that. Dr. Alex Huang and his team at Case Western Reserve University in Cleveland are now at work to develop new treatments for osteosarcoma by targeting cancer molecules that evade

“They will tell me that this is the best thing they’ve ever done, next to having their own kids.”



St. Baldrick's Honored Kid Austin Schuetz, a now 10-year-old cancer survivor whose last chance at life was the first human trial for Kymriah, an immunotherapy and gene therapy breakthrough for kids with high-risk leukemia.

the compromised immune systems of children diagnosed with the condition.

Earlier this year, we announced a new partnership with the American Cancer Society to magnify the benefits of clinical trials. With their power and our expertise in pediatrics, we know we can make an impact together. More than half of childhood cancer patients in the U.S. are treated on a clinical trial – and even those who are not benefit from past clinical trials. Each of these trials is created to learn the answers to specific questions, with the goal of increasing the number of children who survive or decreasing late effects. Very rarely is there enough funding to do anything outside of the trial's primary purpose, even though additional information gathered could help deliver new and improved treatments for kids with cancer. Together, we're going to raise \$11 million to put these correlative studies into motion to accelerate cures.

And it all started with a few shaved heads.

That's correct. It has been an exciting growth trajectory for us to see how many people want to help kids. So many people are craving deeper meaning in their lives. I can't tell you how many times someone says their work doesn't

have a higher purpose in terms of bettering humanity, and they crave that. There's a hunger for that.

We have seen so many people in corporate America get involved in St. Baldrick's, maybe because their buddy dared them to do it. But once they meet the kids, they are hooked. I've seen some of the biggest, toughest guys get out of that chair with tears in their eyes, and they say, "I'm yours for life." They will tell me that this is the best thing they've ever done, next to having their own kids.

I know that you've been involved legislatively trying to get laws passed. Talk about what's happening.

We've really stepped into the advocacy arena to help make sure that there's a large army of voices saying to our nation's leaders, "This is important to us." There are millions of people who care about kids with cancer even though they're not related to one. We channel all of those voices to support federal legislation and policies to better serve kids.

A recent example is the Childhood Cancer STAR Act, which stands for Survivor, Treatment, Access and Research. It's the most comprehensive bill ever passed by the Congress to help children with cancer. We authored that legislation about three years ago, and thanks to our advocacy partners, congressional champions and advocates, and the Administration, President Trump signed it into law in 2018.

How can corporate America play a role?

We're looking for corporate partners who want to explore a mutually beneficial relationship with shared objectives. Since we believe that no two partnerships are alike, we take great care in gaining a deep understanding of what our prospective partners are trying to achieve by working with us. We offer a strong CSR program, including cause related marketing, employee and customer engagement opportu-

"This is a winning platform for corporate America. Everyone is for helping kids with cancer, and in several polls, Americans felt it should be a top national health priority. St. Baldrick's value proposition is that we invest in the best childhood cancer research, wherever it takes place."

“For those leaders that live in the cancer or medical ecosystem, we’d like to see greater interest in pediatric cancer research.”

nities as well as national and regional sponsorship opportunities. As a non-profit, we prefer to put our resources into research, so pro bono products and services are always appreciated as they free up dollars for research.

This is a winning platform for corporate America. Everyone is for helping kids with cancer, and in several polls, Americans felt it should be a top national health priority. St. Baldrick’s value proposition is that we invest in the best childhood cancer research, wherever it takes place.

What’s your vision for CEOs’ involvement?

Like all non-profits, we are looking for talented committed leaders, who have capacity and want to serve the mission in a leadership role.

For those leaders that live in the cancer or medical ecosystem, we’d like to see greater interest in pediatric cancer research, but we understand it’s not always economically viable. We want to collaborate in developing incentives or other solutions that meet industry needs and still serve the patient and their families.

Finding cures and less toxic treatments for kids will continue to require the passion, expertise and dedication of many, so there’s plenty of opportunity for corporate America to roll up their sleeves and join us at the table.



As a national St. Baldrick’s partner since 2016, Sport Clips Haircuts has donated more than \$1 million, participated in local head-shaving events, hosted their own fundraisers, and recently renewed the partnership for another three years.



Kathleen Ruddy with Robert Reiss. Interviewed March 8, 2019.

As CEO of the St. Baldrick’s Foundation, Kathleen Ruddy has more than 30 years of nonprofit fundraising, marketing and public relations experience. She joined the childhood cancer community in 2001 and began developing the St. Baldrick’s model, later helping establish the Foundation in 2004 as the executive director and leading its growth to become the largest charitable funder of childhood cancer research grants.

As the daughter of two cancer survivors, Ruddy is willing to do what is asked of others to do. She has shaved her head twice to stand in solidarity with children affected by cancer, is a donor and on behalf of St. Baldrick’s, and has helped advocate for key childhood cancer legislation.

Ruddy has served on the alumni board of directors for Loyola Marymount University in Los Angeles, from which she earned a bachelor’s degree in individualized studies and public relations, and a minor in business administration and marketing.



Interview with CEO Daniel Lubetzky:

KIND's Leaders Share How Their Differences Fueled The Healthy Snack Company's Success

By Robert Reiss, Forbes.com

Over the years I've talked to many visionary entrepreneurs who possess similar qualities – sweeping creativity, unbridled ambition, and an inability to see obstacles. In my conversations with this unique group of business leaders, one thing has consistently come up: the need for a strong operating partner. Entrepreneurs need a partner who can help them stay focused and ensure that the right ideas get executed at the right time. I recently explored this theme with the Founder & CEO of KIND Healthy Snacks (KIND), Daniel Lubetzky. In a bright conference room in KIND's Manhattan headquarters, Daniel invited his longtime partner – the company's President and Chief Operating Officer (COO), John Leahy – to join us. On the eve of John's retirement, the duo reflected on their nine years together and how their differences helped fuel KIND's growth.

Almost immediately, their yin and yang dynamic became clear. Daniel is exuberant with a bias for action. John is disciplined and measured. While dissimilar in professional style, the two share similar values, including grit, honesty and compassion. According to John, "Our dads raised us to have a strong value system. From the first time I interviewed with Daniel, that was evident."

While the conversation was wide-ranging, the two kept coming back to the times John had to slow Daniel's speed. Daniel recounted one such time. "In 2010, I was eager to regain distribution at Walmart after a haphazard effort had failed. John adamantly told me, 'We're not ready. We'll go after them when we are.' We subse-

quently worked on our internal systems, distribution and tracking. We hired team members who understood how Walmart's supplier ecosystem worked. In 2012, we began making presentations to the company. By that point, KIND was more established, both in terms of awareness and systems to ensure in-stock availability. A few months later, our bars were on Walmart store shelves. And we have steadily grown the business strategically, jointly and with a long-term orientation."

John assured me this was not the only instance in which Daniel wanted to move quickly to accomplish something before the company was ready. In his words, "Daniel is a classic entrepreneur, with more ideas than he can shake a stick at." Daniel acknowledges this about himself and credits John with effectively managing his passion and energy. In his words, "John realized that a lot of our success was going to be determined by creativity. He managed mine in a way that was methodical – he helped keep us focused."

In terms of how they were able to set aside their stylistic differences and work together, John credited a few things:

Communication. The pair met every Monday for nine years, and they never left a meeting without knowing where the other person stood.

Transparency. They weren't afraid to disagree, but before doing so, they listened carefully to the other's opinion. Afterwards, if they still didn't see eye to eye, they would



Robert Reiss, John Leahy and Daniel Lubetzky.

have the guts to say so. Often, their candor helped force a decision.

Trust. Daniel empowered John and his team and trusted they would make the right decisions for the business.

Respect. In John's words, "There was never a time when we didn't have the other's back. This is because we had deep mutual respect."

Though John is in the midst of retiring, Daniel assures me that his legacy will endure. "At KIND, we've created a culture and a system where we celebrate creativity AND ensure focus and discipline in our execution. I can't stop my brain from waking me at 3:00 a.m. with an idea, nor do I want to. What I do is surround myself with smart partners that can help me filter and operationalize them."

For a long time, John was that partner. When the CPG industry veteran joined KIND, the company sold nine

whole nut bars; employed 30 team members; and generated roughly \$20MM in revenue. Today, KIND offers more than 70 different snacks; employs upwards of 700 full- and part-time team members; and millions of people enjoy KIND bars every day. Now John will cheer on KIND from the sidelines as it continues to introduce products that are delicious and nutritious while also pushing the limits on how a for-profit company can impact society.

In a final comment to his longtime partner and friend, John said, "Daniel, remember that I used to have black hair before I met you."





“To me, the number one problem is that our healthcare system for the most part is still built around episodic care.”



The CEO Forum selected Grady Health System in “10 CEOs Transforming Healthcare” for category exclusivity in the Urban Hospital category. Already one of the nation’s top trauma and stroke centers, Grady is transforming how it delivers care to vulnerable populations, while continuing to excel in clinical innovations. With unprecedented philanthropic support, Grady demonstrates what safety net providers can achieve when a community comes together.

Robert Reiss: Grady Health System, founded in 1892 is the largest hospital in Atlanta and one that has reinvented urban healthcare with many unique practices. Describe what’s at Grady’s core philosophy.

John Hauptert: Grady, at its core, is a mission-based institution that opened in 1892. It was established out of the concern that one civic leader, Henry Grady, had around access to care for all people. So Grady was created as Atlanta’s safety net charity hospital. So, fast-forward 127 years, and Grady still has as its core that mission to serve anyone regardless of his or her ability to pay. In order to make that economic model work, a safety net institution like Grady also has to pioneer profitable clinical services that are truly cutting-edge and needed by the community.

Grady has differentiated itself among safety nets, and we have created some marquee clinical services of excellence in stroke and neuroscience care, burn care, trauma care, cardiac care, and neonatal intensive care. Those

“We embrace population health initiatives, which are solutions that combine clinical care with robust social services, counselling, patient education, and community support. This allows us to create deep, ongoing care relationships that better address patients’ social and clinical needs. Our Chronic Care Clinic finds alternative ways to treat patients who frequently visit the emergency department, but really need effective primary care.”

services draw a broader array of patients with a broader ability to pay either with insurance or otherwise. It is all centered around how we continue to fund this mission. Right now, Grady provides around \$270 million a year in charity care.

Let’s talk about the concept of safety net. That means regardless of a person’s ability to have insurance or to pay, you are going to accept them?

That’s correct.

So when we talk about America the two sides of the equation are: Access where you get quality care and the economics of it.

Agreed.

Yours is mission critical because these are lives. But how do you handle the economics?

Several different components make that work. And so, when you look at the federal government’s role through Medicare and Medicaid, the government has provided additional funding to safety net institutions that provide the majority of charity care and Medicaid services in the country. Without those supplemental payments that some other institutions don’t receive it wouldn’t work. And we’re fortunate here in Atlanta. We primarily serve Fulton and DeKalb Counties in the greater Atlanta area, and we receive subsidies from the two counties to make that work.

The mindset is that we are here to serve their citizens, and so they help offset part of that cost of charity care; not all of it. You’ve got those two components, and then you have a health system that has to be run effectively and efficiently. You have to make sure that it runs like a

top from a business perspective, because it’s very easy for this kind of institution to end up upside down because the margins are so narrow.

People don’t realize that hospitals often run on margins of just 1%.

Yes, all in, including the government support, we run a little over 3%.

I’ve been on an inner-city hospital board, and you actually must be running a very efficient business.

We have really taken a close look at what we can do clinically to provide needed services for the community that are more profitable and help support the ones that are not.

I was most impressed with the important work you do with the underserved community.

Yes, one thing we are very proud of is the creation of what we call Act Teams. They are part of the mental health services we provide in Atlanta. We have three full-time teams that care for and manage individuals wherever they are. They meet their clients in a lot of different places – like under an interstate overpass – wherever they know the patients are going to be. The goal is to help that population maintain stability from a mental health perspective. The team handles medications, case management, referrals and medical care when needed.

Being compliant with psychiatric medications is a huge issue, as you can imagine. And so it’s all centered on keeping people stable...making sure that they can maintain health.

Overall, there is no room in the traditional model for



From the day we opened our doors in 1892, Grady was built on the promise to do whatever it takes for the community we serve. 127 years later, that essential bond is stronger than ever.

“We utilize the paramedics and advanced practice providers to make home visits in our specially equipped “Mobile Integrated Health” SUVs for patients who have been identified as being at high risk for readmission or at high risk for over utilization of emergency department services. It’s about maintaining and improving health where people are, so that they’re not as dependent on the healthcare system and particularly the emergency department, where care is very expensive.”

the patient who doesn’t have access to medications or doesn’t understand how or why to take them. The traditional model assumes patients recognize the importance of follow-up care and monitoring. It makes the patient solely responsible for scheduling appointments and arranging transportation. But, most important, the traditional model – which developed when most people had health insurance – never factors in what happens when people do not. Or when their insurance is inadequate.

Applying the traditional model of health care delivery to today’s patients means that treated patients often get sick again, return to the emergency department for care, and find themselves readmitted. The human costs are great and the financial impact is considerable.

Grady believes there’s a better way. We embrace population health initiatives, which are solutions that combine clinical care with robust social services, counselling, patient education, and community support. This allows us to create deep, ongoing care relationships that better address patients’ social and clinical needs. Our Chronic Care Clinic finds alternative ways to treat patients who frequently visit the emergency department, but really need effective primary care. It also activates a variety of social services to support better health outcomes. And there’s the Transitions of Care Clinic. Patients discharged from the hospital, continue to recover at home. If they follow their treatment plans, take their medications, and do what their doctors advise they are likely to get better. But those who do not take appropriate care can find themselves readmitted to the hospital. Transitions of Care supports patients in the 30- to 60-day period following

discharge to help keep them on the path to full recovery.

You also have homecare visits, which for an urban hospital is something pretty special.

Yes, it's a very unique approach. We're about three years into this and it's called, "Mobile Integrated Health." We operate one of the largest hospital-based EMS agencies in the country. We utilize the paramedics and advanced practice providers to make home visits in our specially equipped "Mobile Integrated Health" SUVs for patients who have been identified as being at high risk for readmission or at high risk for over utilization of emergency department services. It's about maintaining and improving health where people are, so that they're not as dependent on the healthcare system and particularly the emergency department, where care is very expensive. Job one is, if you have congestive heart failure, COPD, a chronic disease, diabetes, how do we work with you and how do we help you maintain your health with our assistance.

Talk about the expense of emergency room care, urgent care and primary care.

You mentioned earlier there are kind of two sides of this equation. There's the fully insured population that may have Medicaid, Medicare or commercial insurance. If they have a minor issue such as a cold, they're not going to come to a big ER and wait to be seen. They're going to go either to an urgent care center or to their primary care physician. If you are uninsured, that is not always available to you. The issue we have is that all hospitals are required to provide care to patients who present in the ER. As you know, that's an expensive form of care -- high intensity and high labor cost. When you have a group of patients who are there for very minor issues that could be handled in a private office or in one of our own primary care medical homes, we would prefer to provide that care in those environments, not in an ER where it's so expensive.

I understand you have 150,000 visits through your emergency department every year. That's a huge number. How do you manage that flow?

That's right. We see around 400 people a day coming to the emergency department to receive care, and that



Grady's Marcus Trauma Center sees Georgia's most challenging injuries as the region's premier Level 1 trauma center, and the only Level 1 trauma center in Atlanta verified by the American College of Surgeons.

“We see around 400 people a day coming to the emergency department to receive care, and that care ranges from a runny nose to a major trauma patient who’s been in a motor vehicle accident, and everything in between. You don’t ever really know what’s going to come through the door and when. Our hospital runs a Level 1 trauma center, which means it is the most acute emergent care that can be provided, the highest in trauma care that can be provided.”

care ranges from a runny nose to a major trauma patient who’s been in a motor vehicle accident, and everything in between. You don’t ever really know what’s going to come through the door and when. Our hospital runs a Level 1 trauma center, which means it is the most acute emergent care that can be provided, the highest in trauma care that can be provided.

Whether it’s due to a violent injury such as a gunshot wound, a car accident or a fall from a roof, those patients are brought here via ambulance or helicopter. We have an entire team of trauma surgeons and subspecialty surgeons in-house 24 hours a day, and specially trained nurses in a separate area within the emergency department called “The Trauma Center,” who are there to provide that care and respond to whatever comes their way. There’s a tremendous amount of fixed cost to support all of those human assets that have to be there to provide lifesaving care.

What do you do to help the culture with the physicians, the nurses, and the clinical staff? Life is on the line.

That’s right. You will find that the surgeons, emergency department physicians and nurses who do that type of

work can be caring for a patient who is in the worst of shape from a motor vehicle accident, and it runs like a top. Everyone has an assigned role. With every trauma resuscitation or trauma intervention, there may be 12 people around the patient, but it’s orchestrated so that everyone knows exactly what they’re supposed to do, how they interact. The trauma surgeon is in charge. He or she is the one making the calls, and the people respond, but it is like watching an orchestra. I mean, you would think it would be chaos, but it’s like an orchestra. It’s amazing to watch.

Talk about how you’ve expanded the Emergency Department into a ‘mobile unit,’ because you have completely pioneered that area.

That’s right. Last year and this year we experienced very high numbers of patients presenting with flu or flu-like symptoms, and it maxed out our capacity to take care of patients in the ER. So we brought in Atrium Health’s Carolinas MED-1, a mobile hospital that is a semi-truck that we configure into additional outpatient capacity. It gives us the added space we need during a period like flu season to handle the volume.

Something else Grady has done as an urban health-care system is a unique type of public / private partnership, which might be a new model for the future of safety net hospitals.

Grady faced some difficult financial times in 2007. In fact, things were so bad, the health system was in danger of closing if something wasn’t done and done quickly. This news got the attention of top business leaders and the metro chamber of commerce. After much analysis and many community meetings, it was decided that a governance change would be the best option, short term and long term, for the health system’s viability. That governance change led to the creation of the Grady Memorial Hospital Corporation, a private, not-for-profit, that assumed control of operations in early 2008.



Grady’s Marcus Stroke and Neuroscience Center was the first US public hospital to be designated an Advanced Comprehensive Stroke Center. Grady’s Marcus Stroke Center continues to redefine the way medicine treats stroke patients across Atlanta and the world.



Grady EMS is Georgia's largest provider of pre-hospital care. Highly-trained Grady EMTs and Paramedics use the latest technology and equipment to respond to more than 150,000 calls each year.

“The private investments have also led to increased investment in the health system by the two counties we primarily serve.”

That board, comprised of the same top business leaders who responded to Grady's call for help, brought with them the support of Atlanta's philanthropic community, something Grady had never before enjoyed. The relationship between this public hospital and private donors has led to the creation of centers of excellence, technological advances, efficiencies, growth, and a new place of importance in our community. For instance, our Marcus Stroke and Neuroscience Center is a top destination for stroke care in the Southeast. And, because Grady has one of the region's most active neuroscience research programs, we offer access to some of medicine's most promising emerging therapies. The specialized procedures and care we provide there can only be found in a small percentage of hospitals around the world. No matter what kind of neurological problem you face, Grady can help. No one in Georgia offers better, more comprehensive stroke and neurology care than Grady's team of doctors, nurses and technicians who are experts at helping patients manage their disease to get the most out of life.

We have been able to change Grady's course and its outlook for the future because of the private public partnership,

which to date has raised more than \$450 million for capital improvements. The private investments have also led to increased investment in the health system by the two counties we primarily serve. They will be our partners in the creation of our new Center for Advanced Surgical Services, which will be the new home for ambulatory surgery, and high-demand specialty clinics. This is the first facilities investment made by the counties in more than 20 years. We expect to attract new patients eager to have surgery in state-of-the-art facilities, including insured and Medicare patients, further diversifying our payor mix. This, in turn, will improve the health system's operating margins and contribute to Grady's financial stability in the years ahead.

I believe Grady is a shining example of how public and private partnerships benefit not just our health system, but the entire community.

Talking about partnerships, you have an interesting education partnership. Describe that.

Grady is rare, in that it is one of just a few academic medical centers in the country with two medical school affiliates. Grady serves as the primary training site for the Emory University School of Medicine and the Morehouse School of Medicine. Each day, we have hundreds of young physicians advancing their training under the

guidance of some of the top specialists in the world. It's estimated that 25 percent of all the doctors practicing in the state of Georgia received all or part of their training at Grady.

I think it's also important to note that our teaching mission does not end with physicians. Grady prepares medical professionals in a variety of disciplines, including nursing, pharmacy, social work and case management, radiology, and emergency medical services – EMTs and paramedics. Grady is important to the success of the healthcare industry in Georgia. The opportunity to learn at an institution like ours attracts some of the best and brightest, and that results in an outstanding pool of talent for all providers.

Let's now shift over to national issues. There are about 5,000 hospitals in America. There are a number of inner-city, and there's safety net. There's public, there's private. What do you see as the biggest problem that we need to solve to enhance healthcare delivery in America and still make it economically work?

To me, the number one problem is that our healthcare system for the most part is still built around episodic care.... hospitals in particular. I'll use my local geography because that's what I'm most familiar with.

Most of the payment mechanisms through insurance

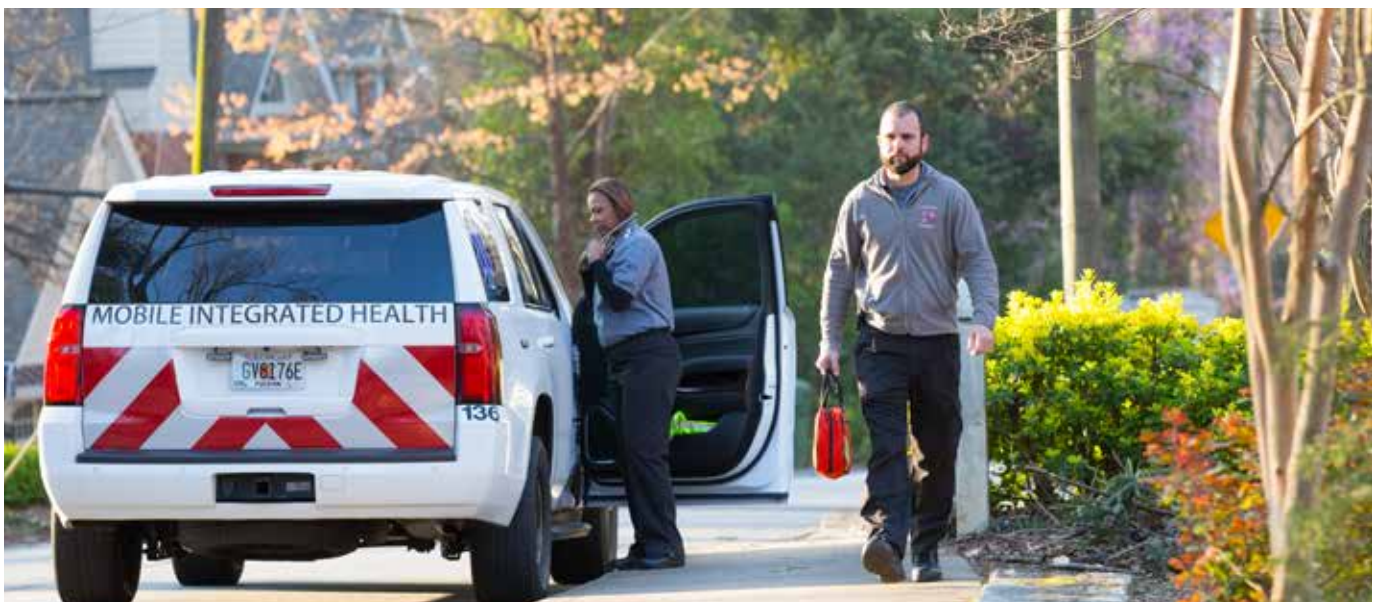
companies are not really driving hospitals to look at how we can be the most efficient, how we can reduce the cost of providing care and be held highly accountable for improving the quality of care we deliver. A patient comes in, a patient receives what they need to receive, the insurance company pays.

Where I think we're headed in this country, and we see it happening more and more, is toward what we call a population health model, whereby, we, Grady, will take care of the population we care for, but probably at a capped or fixed rate. The expectation is that we, with those dollars, create a care model that not only improves the quality of care and the outcome for the patient, but it does the work at much less cost.

Where I see the runaway cost in healthcare is more tied to chronic diseases and chronic medical conditions. Chronic medical conditions include high blood pressure, diabetes, congestive heart failure, pulmonary disease. In many populations, particularly populations living in poverty, these don't get managed well, if at all.

How would this type of accountability model work?

You have to identify what the challenges are, and you have to surround the patient with the care team resources they need to maintain health and/or improve health. But you



Grady's Mobile Integrated Health team delivers home-based care to patients. The MIH team - paramedic and nurse practitioner - makes home visits to patients to reduce hospital readmission.

can't just do that in the hospital. That has to be done with us in the community, where patients live, using what we've created as a network of clinics to help maintain health.

It used to be you'd go into a clinic and you'd see a doctor and there'd be a nurse. Now, you walk into one of our centers, and as a patient, you are assigned to a team. That team is led by a physician, but that physician is supported by a doctoral-level pharmacist, a behavioral health worker, a nurse, a care manager, and a social worker. They surround that patient in order to address their social, mental health and physical needs, and sometimes socio-economic issues. We are really driving at helping the patient maintain their health, putting accountability on the patient for owning their health, and assuring through that high level of care management that we improve and maintain health.

Finally, what is the future of Grady?

The future of Grady is incredibly bright. Grady, at one point, was about to fail and now thrives. There will always be a need in this country for a network of safety net hospitals like Grady that are there to serve all.

In the last several years, Grady has gotten a lot of attention for the dramatic changes and improvements we have made. Much attention has been paid to investments such as the Correll Cardiac Center, Marcus Stroke & Neuroscience Center; the Marcus Trauma Center; millions spent on new facilities and technologies, state-of-the-art surgical suites and so much more. We have introduced new physicians, strengthened old partnerships and expanded our services.

But these changes – and more planned for the future – are really just a manifestation of our underlying commitment to innovation, something that has been a part of Grady's DNA since we opened our doors in 1892.

Grady has always been a place that seeks solutions, embraces change and explores new ways to improve health outcomes for patients and the larger community.



Robert Reiss and John Hauptert. Interview aired January 20, 2019.

John Hauptert, FACHE is President and CEO of Grady Health System in Atlanta, GA.

He is a graduate of Trinity University in San Antonio, where he earned a Bachelor of Science in Business Administration, and a Master of Science Degree in Health Care Administration.

His healthcare management career began at Methodist Health System in Dallas, Texas in 1992, where he served for fourteen years in various leadership roles. In 2006, he joined Parkland Health and Hospital System in Dallas as Chief Operating Officer.

John is a board certified Fellow in the American College of Healthcare Executives and recipient of the ACHE Regent's Leadership Award.

He serves as chair of the board of the Georgia Hospital Association, is a member of the board of the Georgia Department of Public Health and Regional Policy Board 4 of the American Hospital Association, and is a former board chair of America's Essential Hospitals.





“There’s nothing better than getting outside for 20 minutes and getting a quick, in-person update.”



The CEO Forum selected Nutrisystem (recently acquired by Tivity Health) in “10 CEOs Transforming Healthcare” in the category of Weight Management, because of their focus on personalized weight management solutions, particularly the first nationally marketed DNA Body Blueprint™, along with its flagship brand Nutrisystem, which has helped millions lose weight for nearly 50 years, and the Keto-friendly plan from South Beach Diet.

Robert Reiss: Dawn Zier, as CEO of Nutrisystem, what do people know about Nutrisystem and what don’t they know about what the company really is?

Dawn Zier: I think everybody knows Nutrisystem is about weight loss – it’s what we’ve done for the last 45 years; safe, effective weight loss through a program that works. I think what people don’t always realize is that it’s not just about weight loss. We’re in the business of transforming lives and making people feel more confident, more empowered and better able to more fully participate in their lives. It’s about being the healthiest version of yourself and really being able to be there for your family, which is a huge motivator for many of our customers.

What are some unique practices that Nutrisystem has in weight loss management and in building confidence and transforming oneself?

Few things are more personal than weight loss. There’s really no one-size-fits-all approach when it comes to losing weight or managing your weight for optimal health. So, we have developed multiple, highly customizable programs.

“When I came into the company, one of the things I was repeatedly cautioned about was cannibalization. But the truth of the matter is, if you don’t cannibalize yourself, somebody else will.”

We’re one of the few weight loss companies out there that actually has multiple powerhouse brands – Nutrisystem® and the South Beach Diet®, representing different nutritional ways to exercise and lose weight. That’s been extremely effective for our customers, and by extension, our business. And, we’re constantly innovating. One of the newest things we’ve just come out with is DNA Body Blueprint™, which actually analyzes your genes and provides all kinds of information on your metabolic predispositions and guidelines for losing weight. There’s so much talk about personalization, it doesn’t get more personal than that.

How does it work?

It’s a simple saliva swab used to generate a 30-page report that provides you with a personalized roadmap to success based on insights that are unique to your genetic make-up. For example, it tells you why you might lose weight differently than I would. So, it could be about your metabolism, or it could be about your eating behaviors. It could be I have a sweet tooth and you tend to crave salt, or maybe you’re one of the lucky ones who processes carbohydrates quickly, while I require more protein. There are a million different ways that distinguish why one approach would work better for you to lose weight and keep it off and a different approach may make more sense for me.

Let’s talk leadership. When you became CEO in 2012, how would you describe the state of Nutrisystem?

It was interesting. The company needed to go through a true turnaround, a complete transformation. There were declining profits for five years at that time, declining revenues and an understandably demoralized staff. I was brought in to turn things around. So, I did what my engineering instincts are honed to do – I broke things down and figured out solutions. It was clearly an iconic brand that needed a little dusting off. While it had been relevant in the past, it had lost its way and its focus.

The company had well-deserved credibility and visibility around weight loss and was doing a lot of great work in

nutritional and behavioral science and food development, but it had begun thinking of itself as a food company instead of a weight loss company. Food messaging was front and center in marketing and advertising, when what consumers were really looking to us for, and what we were really still delivering, was results – the ability to lose weight and keep it off. So, one of the things I thought coming in as a marketer at heart is that we really had to move the message back towards weight loss and innovate on all fronts surrounding food development, but without losing sight of our north star and primary customer value proposition. And, as I think all CEOs can relate, the clock was ticking. One of the things we quickly discovered is that the company was actually afraid of changing. I don’t think this is unusual for any struggling company. There’s a tendency to hang on to whatever has worked best in the past. We quickly prioritized around a renewed focus and spirit of innovation and rolled out a steady stream of customer-centric omnichannel product offerings – Fast 5+ kits at retail and Turbo10 complemented by an incredibly popular line of shakes, The South Beach Diet®, and more recently Nutrisystem® and South Beach Living® Essentials™ Vita Packs™, and the brand-new DNA Body Blueprint™.

Do you think more companies who aren’t doing well are afraid of change?

I think so. When I came into the company, one of the things I was repeatedly cautioned about was cannibalization. But the truth of the matter is, if you don’t cannibalize yourself, somebody else will. So, you always have to be open to change and moving forward and sometimes that’s disrupting part of your business from within.

After seven years of decline, you had the first year of revenue growth in 2014. And now for four years in a row, you’ve had double-digit profit. What specifically did you do to achieve that?

Turning the revenue trajectory around was mission-critical, and it started with building a top-tier management team with exceptional existing members of the executive team and bringing in additional proven talent. So, for

“We’re inherently a data-driven company, but very few people were coming to me talking about the facts. So, I said, ‘Okay, I’m willing to have any conversation with anybody, but please come to me with data to support the hypothesis that you’re putting forward.’”

starters, we put the right management team in place and set out to change the culture. We knew we needed to deliver something new and interesting to the customer while carefully managing ROI, and we needed everyone to rally around highly specific performance goals and be ‘all in.’ Understanding and improving the culture was enormously important to me, because culture is the backbone for almost everything and sets the stage for future success. It’s really hard to understand this as you’re interviewing and coming into a role. Turning morale around required being crystal clear that we were playing to win and complacency or a wait-and-see, just-do-the-best-you-can attitude was not going to get us where we needed and wanted to go. It’s amazing how people step up when they feel like they’re part of a winning team. I’m really proud of everyone involved in our transformation efforts and the tenacity they continue to show as we forge ahead with our growth strategy.

Well, I know you brought in a new CMO and a new CFO very quickly.



Nutrisystem, Inc. C-Suite: Keira Krausz, Chief Marketing Officer (CMO), Dawn Zier, Chief Executive Officer (CEO), and Michael Monahan, Chief Financial Officer (CFO) pictured from left to right, in Corporate Headquarters Boardroom.

Yes, very quickly. Within the first three to six months, we changed out a lot of the leadership team, but again, very importantly, also retained strong players. I’m a big believer that as you bring a company together, it can’t be old versus new. It really has to be a blending of talent and a strong working relationship with mutual respect between the entrenched talent and the entering new hires, all aligned against the same initiatives and objectives.

How did you motivate old talent that’s not working?

The first thing you do is listen, right? When you come in as a new CEO, we all have our ideas around what things should look like, how things should be, but really you have to let people tell you the story and tell you what they think is going on – the good, the bad, and everything in between. For instance, we’re an e-commerce driven company. One of the first and one of the largest. So, we’re inherently a data-driven company, but very few people were coming to me talking about the facts. So, I said, “Okay, I’m willing to have any conversation with anybody, but please come to me with data to support the hypothesis that you’re putting forward.” That was a game-changer and led to more fact-based discussions company-wide at all levels.

You would actually tell people right up front, “I want to hear everything. I’m listening now, but I need to hear facts. Don’t just give me hypothesis.”

Right, because if it’s your opinion or my opinion, then we’re just likely influencing each other through conversation, but not necessarily constructively drilling toward true, fact-based change with measurable results.

Over time it became a habit and part of our performance culture because we would literally stop meetings if they weren’t fact-based. It was surprisingly powerful in its simplicity. There was no drama, we’d simply say, “Okay, this is not a fact-based conversation. Let’s come back tomorrow and try again.”

I’ll be honest, at first some people on the team started coming with reams of facts. Things like 20-page Excel spreadsheets. So, at first, it was fact overload. I had to say, “Okay, we need to add context and tell the story, what is the meaningful data and the facts that will change a trajectory?” Because we are an e-commerce company, we

have a lot of data and there's a lot of insight we can draw on to inform our marketing and innovation decisions, so this analytic rigor continues to serve us especially well.

What else did you do to change the trajectory?

We stayed focused on innovation and went back to marketing fundamentals and our performance-based marketing philosophy. We also launched into retail, which was the first time that the company meaningfully got into retail and had a modern, omnichannel approach.

That's a major move. Discuss the Walmart partnership.

It was one of those pull-the-trigger moments, when you've got to make the call to avoid or embrace a new business line and model. The challenge was, 'How can we take a product that works in direct to customer and what would be a relevant introductory product in retail?' We made an informed decision to test a highly differentiated five-day weight loss kit aimed at a demographic we were not currently reaching. It's done exceptionally well, while our direct to consumer business has grown simultaneously. It's a good example of disrupting our own propensity to protect a single channel, when there's – now proven – white space in multiple channels.

I know you also changed the comp plan.

We put an emphasis on execution because the best strategy, if not well-executed, is not going to lead the shareholder value. We really put a premium on execution and a pay for performance culture. I'm a big believer in what gets measured gets done. We were very clear in setting the corporate strategy and then making sure everyone in the company had specific goals. I think a lot of times companies talk about doing this, but then there's a fall-off when it comes to holding people accountable and measuring against those goals. When I joined the company, there was no differentiation based on performance and we were trying to go through a major transformation requiring a lot of sweat equity in terms of people being willing to put in the time, being willing to go above and beyond. We decided what's right and what's going to drive the performance of the company is to align bonus payments with performance results, aligned with both valuing our employees

and creating shareholder value. Superstars at the company and up-and-comers were thrilled by the opportunity and others decided a turnaround scenario just didn't work for them for whatever reason. The key, and the part of the reorganization we controlled, was that no one was left waiting for direction or guessing about expectations.

What do you do to engage millennials?

We're a digitally oriented company. We have a company full of millennials and they want to work differently than young people twenty years ago. They're particularly adept at multitasking, don't want to feel confined, and are exceptionally tech savvy, so we've made a bunch of workplace adjustments, including putting in place walking stations. If you're on a conference call, for instance, you can attach your laptop and exercise at the same time and we're asking for employee input on additional ideas along these lines. I don't think anybody really wants to sit in their office all day. Everybody feels more energized when they can get up and walk around, especially at a health and wellness company like Nutrisystem. One of the things we're working on doing is turning updates into walking meetings.

Walking meetings?

It's good for one-on-ones.

We have a beautiful campus, so even if it's going for a nearby walk or just a lap around the building, it's a good habit. There's nothing better than getting outside for 20 minutes and getting a quick, in-person update. It's just a very healthy way, in multiple respects, to have meetings when you don't need tons of paper or numbers in front of you for the discussion to be impactful. It's something we're trying to really incorporate more into the culture.

"One of the newest things we've just come out with is DNA Body Blueprint™, which actually analyzes your genes and provides all kinds of information on your metabolic predispositions and guideines for losing weight."



Nutrisystem, Inc. rings opening bell at Nasdaq with (from left to right) Board Member Jay Herratti, CMO Keira Krausz, Brand Ambassador Marie Osmond, CEO Dawn Zier, Board Member Andrea Weiss, CFO Michael Monahan, and EVP David Burton.

We also have an internal weight loss challenge. So, we really try to walk the talk when it comes to instilling healthy living habits and healthy aspects of living. One of the single most motivating things we do within the company is invite our customers – including our celebrity ambassadors – people that have gone on Nutrisystem® or the South Beach Diet® and have had inspiring success, to come to headquarters and share their experiences with our employees. We're fortunate to have our award-winning customer service Call Center on campus and our counselors on the frontlines, fielding thousands of calls and getting to hear first-hand the real difference their work is making in real lives. It's a really humbling experience for all of us and really drives home why we come to work each day.

Let's talk about your personal philosophy. I know in terms of mentors and mentees, you have a different way of thinking about that, which we've talked about in the past.

Right. I'm a big believer in giving back and mentoring people, but I think too many of us, as we evolve in our careers, think we don't need guidance anymore. So, I very much surround myself with trusted advisors. In my mind, a CEO shouldn't go alone. The trusted advisors I work with ensure I'm pursuing multiple options and exploring every opportunity available. They challenge me on key points and, ultimately, strengthen my convictions and inform my decision-making. So, I get inputs from my team

inside the company as well as external inputs on some of the things we're working on and I just find multiple brains are better than one. I still have to be the decision maker, but have found it helpful to be surrounded by different facts and different perspectives. It doesn't just happen. You have to orchestrate the dynamic. But, I believe it's worth it and makes me a more effective CEO.

Regarding your background you are an electrical engineer from MIT. It's not the profile someone assumes is going to be the CEO of Nutrisystem.

I'd say, looking back, that my education as an engineer both at SUNY Stony Brook, where I went to school undergrad, and at MIT, where I went for a master's in engineering and then later for an MBA, trained my mindset and provided a framework for decision-making. I really believe it set me up for success, because it's a useful way to take complex issues and break them down into subcomponents to problem solve and then bring key things back as solutions. It's how my engineering brain works and it's sometimes a little different approach than other people might take. So, our CMO, for example, who is extraordinarily bright, problem-solves exactly the opposite way. If I come at a problem going left to right, she'll come at it going right to left. If we end up with the same conclusion, we know we've got it right, but our minds work totally differently along the way. It's a very effective tool if you think about it. If you have two people problem solving in different ways and end up with the same answer, there's built-in validation.

What's an example of how you've used this problem-solving methodology?

In listening to customers and trying to understand what they want, we bought the South Beach Diet® brand and then launched it as a home-delivered meal program. When you launch a product from scratch, you don't get everything right out of the gate. Initially, we knew we had brand permission to productize a portfolio, but we weren't entirely sure what was working and what wasn't. We broke it down into various components, taking a deep dive into the marketing messages, into customer feedback, into the supply chain and logistics, and then we problem solved around making sure each pillar was working and working optimally. From there, we enhanced each component and built it back up into a stronger solution, because nothing ever goes as planned. Part of excelling as a leader is in understanding where things aren't being optimized, and an engineering mindset is always about optimizing and moving forward.

You clearly have many unique leadership practices. How would you define your leadership philosophy?

I am hopeful it's not defined by one single thing. I do prescribe to the notion of not letting the tail wag the dog. With the pace of technology moving at such accelerated rates, it's easy to be encumbered by old technology and dated processes. One of things I don't like is being told we can't do something. I suspect this stems from when I was a little girl. I'd ask my parents for things and if they said, 'no,' I'd rephrase the question. I guess being persistent as a child has paid off as an adult.

In today's business world, it's about not accepting 'no' for an answer and always pushing for progress. You have to embrace change. That's how growth really happens.

“[I] take complex issues and break them down into subcomponents to problem solve and then bring key things back as solutions. It's how my engineering brain works and it's sometimes a little different approach than other people might take.”



Dawn Zier and Robert Reiss. Interview aired October 7, 2018.

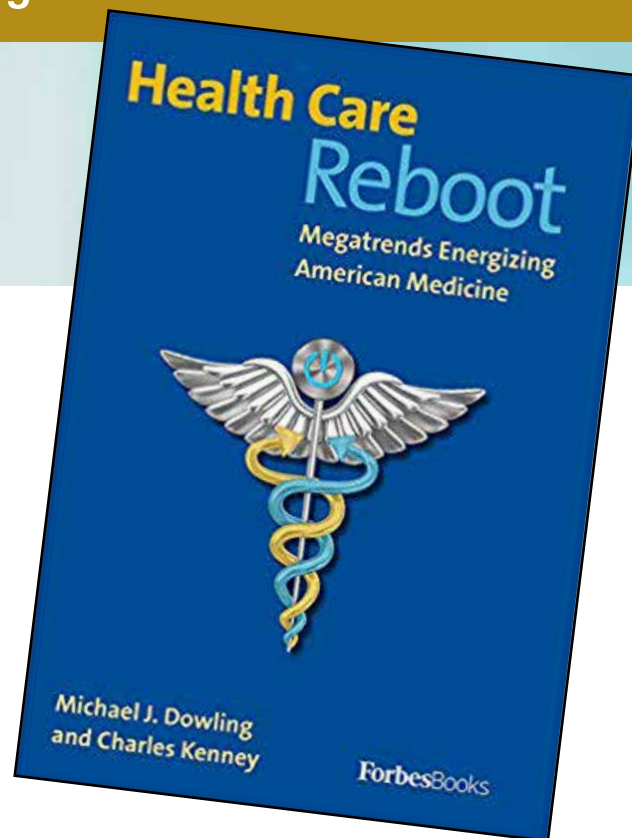
Dawn Zier engineered the turnaround of an iconic brand and is spearheading a new, multi-brand strategy. The overall result is resurgence at Nutrisystem, Inc.

Since taking the helm, she has turned around and grown Nutrisystem through a focus on innovation, multi-brand development, customer insights, and performance-based marketing. Dawn came to the company with a unique background combining a deep understanding of market trends and direct-to-consumer/e-commerce marketing, a trained engineer's passion for precision and data, and years of business leadership.

Under Dawn's tenure, Nutrisystem (Nasdaq: NTRI) revenues have doubled, and profits have expanded six-fold. The Company was described as "on fire" by the Philadelphia Business Journal and named one of Fortune's Top 100 Fastest Growing Companies in 2017 and 2018. In addition to being on the Nutrisystem, Inc. Board of Directors, Dawn serves on the boards of The Hain Celestial Group, Inc. (Nasdaq: HAIN) and Spirit Airlines (NYSE: SAVE).



A Unique Vantage Point. A Bigger Responsibility.



Michael J. Dowling, President & CEO Northwell Health

Recently I was asked why Charles Kenney and I decided to write a book about healthcare in the United States that took a decidedly optimistic (and for many, unpopular) view of our national health care system. As the President and CEO of a \$12 billion health system with 23 hospitals and 68,000 employees, I answered the question by saying that I had both a unique vantage point and an even bigger responsibility to do so.

That responsibility was by and large to the people who work with me at Northwell Health and also to those who work throughout our industry.

The continued negativity and decline narrative that had taken root was not only depressing – it was destructive, both to the morale of the many individuals who dedicate their lives to making a difference in people's lives and to patients themselves. How can you have faith in the work that you do or faith in the people who are providing your care when all you hear is how bad everything is?

Perhaps even more importantly, from my position, I could see that skewing the narrative towards the negative was just plain wrong. The U.S. health care story is

by and large a positive one. And it is a story that needed to be told.

A Positive Story to Tell

To be clear, the U.S. health system is far from perfect; we face challenges in areas of quality, safety, access and equity. Yet, the reality is that despite flaws in the system, the good far outweighs the bad.

Key indicators show just how far we've come. From 2000 to 2012, the U.S. achieved more than a 30 percent decline in the death rates for heart disease and stroke. Similarly, we have reversed the trend of cancer deaths, which had climbed throughout most of the 20th century but declined 27 percent since the 1990s. The evolution of heart attack and cancer treatment over the past three decades is a story of doing more things to more people at greater expense with better results. It is a portrait in miniature of medicine in the United States.

While traditional care was previously passive: a doctor waiting in a clinic or hospital for sick people to arrive and then treating them, the new American medicine

is proactive. Physicians work in teams with nurses and other caregivers to reach out and guide patients along a pathway to health and wellbeing.

We are better for it.

A Dynamic Shift

Shifting payment models are also reforming the way health care is delivered and paid for. For example, more and more providers are now paid based on their success in managing patients' overall health, rather than being reimbursed for visits, tests and procedures. It is a dynamic shift that allows us to rethink how we achieve the most effective outcomes for our patients. One area, for example, where we are making significant progress is in the arena of behavioral or 'brain health.'

Although the stigma surrounding mental or 'brain health' conditions has lessened through the years, it remains a significant reason why there is such a gap in the treatment of mental health in the U.S. Many people are simply too embarrassed to seek treatment for depression and anxiety.

New payment models are changing that. Part of the problem is that behavioral health care has been traditionally separated from the primary care system. Evidence has continued to mount that having two mostly independent systems of care (one physical, one behavioral) leads to worse health outcomes and higher total spending.

But now, we are seeing changes in reimbursement as a result of the shift that integrates brain and physical care. It's happening because it is a change that benefits everyone. The change in attitude—that behavioral health should be an integral part of primary care—is a historic shift in thinking that is benefitting more and more people. It is only a small part of what is good and getting better about America's health system.

What we do every day in health care is chase perfection. We know full well that we'll never attain it. However, we also know if we continue the chase, we'll achieve excellence. When it comes to health care in the U.S., we are better today than we were yesterday and we'll be even better tomorrow. From my vantage point, that is an optimistic story that needs telling.



*Michael J. Dowling is the co-author (with Charles Kenney) of **HealthCare Reboot: Megatrends Energizing American Medicine**.*

Michael Dowling is president and chief executive officer of Northwell Health, New York's largest health care provider and private employer, with 23 hospitals, more than 700 outpatient locations, \$12 billion in annual revenue and 68,000+ employees. One of health care's most-influential executives, Mr. Dowling has received numerous awards, including the Ellis Island Medal of Honor, an honorary degree from the prestigious Queen's University Belfast and his selection as the Grand Marshal of the 2017 St. Patrick's Day Parade in NYC. He also serves as chair of the Institute for Healthcare Improvement.

Prior to joining Northwell in 1995, he served in New York State government for 12 years as the chief health and human services advisor to former Governor Mario Cuomo. Earlier, he was a professor of social policy and an assistant dean of the Fordham University Graduate School of Social Services. He started his career as a caseworker in the New York City schools.

Interview with CEO Lou Shapiro:

How Hospital for Special Surgery is Transforming Healthcare

By Robert Reiss, Forbes.com

The healthcare and hospital industry is at an inflection point. As industry leaders continue to face increased rising costs, market competitiveness, consolidation, digital disruption, and non-traditional players redefining consumers' roles along the healthcare continuum, there is much speculation about who, how, and what will shape the industry in the coming years. This balance between cost, efficiency and value is particularly important in areas like musculoskeletal health – which includes orthopedics, rheumatology and related specialties, and is one of the fastest growing and largest cost drivers in the U.S. and the world over.

Hospital for Special Surgery (HSS) <https://www.hss.edu/> is one such organization helping chart the course of this new healthcare economy. I sat down with Lou Shapiro, President and CEO of HSS, to discuss how their unique model allows them to design personalized care plans, develop efficient care pathways to avoid unnecessary care and costs, and ultimately improve the quality of life long after patients have recovered.

Robert Reiss: To the extent they know of the work of HSS at all, most people tend to think about it through the lens of sports medicine. Why has that become so central to the HSS brand, and can you talk a bit about the more expansive expertise your organization has to offer?

Lou Shapiro: Sports medicine is certainly an important part of what we do, but HSS leads the field across the full spectrum of musculoskeletal conditions that this

year in the U.S. alone will affect 127 million people from all walks of life at a cost of well over \$800 billion.

At HSS, providing value to patients throughout the continuum of care is the cornerstone that guides our every decision and interaction. We are proud to be ranked #1 in the nation for orthopedics for nine consecutive years by U.S. News & World Report, and we are committed to leaving a larger mark on the industry and system through knowledge-sharing, strategic partnerships and ongoing research and innovation.

HSS is transforming musculoskeletal health by empowering consumers to stay healthy and fit and avoid injury and, when injuries do occur, access the best care, and by enabling providers with the most advanced science and knowledge to achieve the best possible outcomes most reliably and efficiently. In so doing, we are translating the world's greatest concentration of musculoskeletal expertise to treat problems most reliably, and to help people stay healthy and realize their potential -- locally, globally and digitally.

So in the face of continually rising healthcare costs and the increasing integration of new technologies and innovations, what would you say is the key value proposition of HSS?

Musculoskeletal health is certainly one of the largest and fastest growing drivers of healthcare costs. For example, those conditions account for more than 16 percent of total employer healthcare costs. That said, at HSS we



Robert Reiss and Lou Shapiro.

understand that “value” as more than just financial. Value means the best possible outcomes with the lowest possible impact on the bottom line, including time and performance that is unnecessarily lost. That value happens at HSS by developing an individualized plan for each patient before they become a patient, ensuring the most efficient patient care pathways to avoid unnecessary care and costs. It’s measured also in improved quality of life long after patients have recovered.

At HSS, we have continually generated many types of value through our unrivaled expertise, and we are committed to sharing that expertise with partners across the world. As the industry continues to grapple with issues like rising costs and an aging population, providers must come to recognize that better is better, and better quality is a key strategy to improving efficiency and cost.

The bottom line is that HSS is best able to help people, businesses and societies to realize their potential through better quality of movement, over the full course of time.

You mentioned partnerships – what are some of the key partnerships that really demonstrate your role at the nexus of these innovations?

Partnership collaborations are among the important ways we are scaling HSS value delivery and impact. They run the gamut from distributing science and knowledge that promote health, wellness and fitness, to bringing the highest quality care closer to where people live and work.

Examples of the latter are how we are collaborating with other healthcare providers to deliver the HSS standard of care in Florida, Colorado and Connecticut, and create HSS Physical Therapy Centers of Excellence nationwide.

We also have many knowledge-sharing collaborations. One example is the HSS relationship with Aspen Institute, designed to promote wellness and prevent injuries among the nearly 45 million children and adolescents

“At HSS we understand that ‘value’ is more than just financial. Value means the best possible outcome with the lowest possible impact on the bottomline, including time and performance that is unnecessarily lost.”

who participate in organized sports each year in the United States. Last year, HSS teamed up with the Aspen Institute to develop their Healthy Sport, which is the nation’s first-ever tool to use data and expert insights to assess the benefits and risks of the most popular sports for high school students.

We are extending and expanding that collaboration with the Institute’s Sports & Society Program. HSS is now the exclusive sponsor of the Sports & Society Program in the categories of musculoskeletal medical and surgical services, as well as hospitals. The impact of this collaboration is amplified by other Project Play 2020 partners including Nike, Major League Basketball, the NBA, Amazon and others who are highlighting the importance of musculoskeletal wellness from a very young age.

Why are these types of partnerships so important?

As the world leader in orthopedics and rheumatology, it is our responsibility to continue innovating, improving and sharing our learnings with the broader health community. Whatever industry you’re in – whether you’re an employer, a provider or a patient – it is incumbent upon all of us to enhance value in healthcare and improve outcomes wherever possible. Through the HSS Education Institute, the HSS Innovation Institute and other parts of the expanding HSS ecosystem, we continually innovate, improve upon and share learnings within the broader community. We are working diligently to expand our partnerships to address as much of society as possible. It is important for HSS to harness our knowledge to promote healthy, lifelong lifestyles, and it is both our responsibility and our privilege to drive healthcare innovation to ultimately serve increasingly broader populations.

Clearly healthcare – particularly as we try to evolve toward the concept of individualized medicine – is in need of a new approach. If we could start over from scratch and you had your way, what would a fresh take look like to HSS?

Our unique model allows us to design personalized care plans, develop efficient care pathways to avoid unnecessary care and costs, and ultimately improve the quality of life long after patients have recovered. In an ideal world, that’s what it looks like for every patient no matter their provider, treatment or condition. In addressing the increasing burden of musculoskeletal injury and disease, we need to leverage the most advanced knowledge, talent and expertise to generate standardized, repeatable procedures. In other words, we need best practices to promote wellness, help prevent injury and ensure superior outcomes for those who require treatment, and we need an enhanced, easily accessible platform to share those best practices.

We can reduce the burden of musculoskeletal disorders for individuals, employers and payers through high-quality and cost-effective interventions, and HSS has demonstrated the ability to deliver the highest-value healthcare in these conditions better than anyone else in the world. By continuing to expand our partnerships and demonstrate the type of leadership HSS has provided throughout our history, we have the opportunity to deliver the best resources to make improved musculoskeletal health a reality. That’s what our vision for the future of healthcare looks like, and we are committed to doing everything we can to get us there.





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a child somewhere is
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99% of kids who survive
cancer will suffer long-term
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Help change the odds for kids with cancer.

With your help, we can continue our leadership role in funding the most promising childhood cancer research. Together, we can find the path that will lead to cures.

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