

The Monthly Publication by CEOs for CEOs

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Toby Cosgrove, MD President & CEO Cleveland Clinic



Jo Ann Jenkins CEO AARP



Stephen K. Klasko, MD President & CEO Thomas Jefferson University & **Jefferson Health**



Sandra L. Fenwick **President & CEO Boston Children's Hospital**



Alan B. Miller Founder, CEO & Chairman **Universal Health Services**





Alan J. Bauman, MD Founder & CEO Bauman Medical



Ronald A. Williams CEO, RW2 Enterprises Former CEO, Aetna



Graham Gardner, MD Co-Founder & CEO **Kyruus**



Nick Desai **Co-Founder & CEO** Heal



Kevin Lamb Founder & CEO **Advanced Tissue**

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From the Desk of

Robert Reiss

For some time our readers – the top 10,000 CEOs in America – have asked us to dig deeper into one area that impacts all CEOs both professionally and personally... healthcare. Based on that request, you hold in your hands our first ever special issue: "The 10 CEOs Who Are Transforming Healthcare In America."

Our editorial team has carefully selected 10 exceptional CEOs who are shaping the future of healthcare today. You will learn from the established leaders and the pioneers; each sharing their perspective on a specific aspect of healthcare. This has many elements of the continuum of healthcare including: hospitals, behavioral health, wound treatment, aging, artificial intelligence, reinventing house calls, hair health, children's health and health insurance.



We start off with Dr. Toby Cosgrove who, in his final interview as CEO, shares the story of how over a dozen years Cleveland Clinic transformed itself to become what many consider the best run hospital in all of America. Jo Ann Jenkins, CEO of AARP, the largest organization of its type, explains their vision of changing the model of how people enjoy the second half of their life in a concept Jo Ann coined as "Disrupt Aging."

Next is Dr. Steve Klasko, CEO of Jefferson Health, a true healthcare visionary and riveting keynote speaker, who shares the many counterintuitive strategies Jefferson uses to be one of the fastest-growing, most successful systems in America. Sandra Fenwick, CEO, Boston Children's Hospital, aka Harvard University, leads the most highly rated children's hospital in America. She discusses the significant opportunities to enhance children's healthcare.

Alan Miller is not only the CEO and Chairman of Universal Health Services, the leading behavioral health organization, but he is the founder who built the organization from start-up to 81,000 employees, \$10 billion in revenue and 320 hospitals. Dr. Alan Bauman has taken on the challenge of balding, which nearly 100 million Americans have, and leads the nation's largest most comprehensive center for hair restoration and has been the visionary pioneer who has brought the art and science of hair transplantation into the mainstream. Ron Williams, who turned Aetna from a \$292 million loss to a \$2 billion profit and led the charge as an advocate for healthcare accessibility by all, shares his insights as a leader in three areas of healthcare: coaching and guiding executives; private equity; and board governance. He also offers primary research insight on how our next generation, millennials, think.

We finish with three visionaries who have used technology to build the models that will transform healthcare over the next decade. Dr. Graham Gardner is CEO of Kyruus, who created a brilliant and highly successful new digital model for hospital physician management at the intersection of healthcare and Moneyball. Nick Desai, CEO of Heal, is leading the first ever app where patients can have a doctor house call within two hours, and Heal is on the path to actually becoming America's first national health provider. Kevin Lamb, CEO, Advanced Tissue, who has pioneered video – a talent he perfected as producer of 13 major movies including the new hit Marshall – in a new model dramatically enhancing patient outcomes.

If you know any transformative CEOs you think we should interview, please reach out to me directly.

Robert Reiss

Companies In This Issue



Cleveland Clinic is a nonprofit multi-specialty academic medical center that integrates clinical and hospital care with research and education. Located in Cleveland, Ohio, it was founded in 1921 by four renowned physicians with a vision of providing outstanding patient care based upon the principles of cooperation, compassion and innovation. Cleveland Clinic has pioneered many medical breakthroughs, including coronary artery bypass surgery and the first face transplant in the United States. U.S. News & World Report consistently names Cleveland Clinic as one of the nation's best hospitals in its annual "America's Best Hospitals" survey. For more information, see Cleveland News and resources which are available at newsroom.clevelandclinic.org.



AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With nearly 38 million members and offices in every state, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, AARP works to strengthen communities and advocate for what matters most to families with a focus on health security, financial stability and personal fulfillment. As a trusted source for news and information, AARP produces the nation's largest circulation publications, AARP The Magazine and AARP Bulletin. To learn more, visit www. aarp.org or follow @AARP and @AARPadvocates on social media.



Thomas Jefferson University and Jefferson Health, also known as Jefferson, is an institution which encompasses the pre-eminent professional university, Thomas Jefferson University, as well as the top ranked 13-hospital system Jefferson Health. Jefferson boasts the 193-year-old Sidney Kimmel Medical College, the #7 fashion program i the nation, and the NCI-designated Sidney Kimmel Cancer Center. Thomas Jefferson University Hospital is ranked as #16 on U.S. News and World Report's Honor Roll 2017.



Boston Children's Hospital, the primary pediatric teaching affiliate of Harvard Medical School, is home to the world's largest research enterprise based at a pediatric medical center. Its discoveries have benefited both children and adults since 1869. Today, more than 2,630 scientists, including nine members of the National Academy of Sciences, 14 members of the National Academy of Medicine and 11 Howard Hughes Medical Investigators comprise Boston Children's research community. Founded as a 20-bed hospital for children, Boston Children's is now a 415-bed comprehensive center for pediatric and adolescent health care. For more information, visit our Vector and Thriving blogs and follow us on social media @BostonChildrens, @BCH_Innovation, Facebook and YouTube.



Universal Health Services, Inc. (NYSE: UHS), one of the nation's largest and most respected hospital companies, has built an impressive record of achievement and performance. Steadily growing from a startup to an esteemed Fortune 500 corporation, UHS today has annual revenue nearing \$10 billion. In 2017, UHS was recognized as one of the World's Most Admired Companies by Fortune; ranked #276 on the Fortune 500, and listed #275 in Forbes inaugural ranking of America's Top 500 Public Companies. Our operating philosophy is as effective today as it was 40 years ago: Build or acquire high quality hospitals in rapidly growing markets, invest in the people and equipment needed to allow each facility to thrive, and become the leading healthcare provider in each community we serve.



Dr. Bauman was voted "North America's #1 Top Hair Restoration Physician" by Aesthetic Everything and was recently named a Top 5 Transformative CEO in Forbes. His accessible and interactive presence on social media has garnered millions of video views on YouTube and thousands of subscribers, connections and followers on the most popular platforms. A recent Live Hair Transplant Surgery broadcast directly from the procedure room in his Boca Raton office gained over 100,000 simultaneous views from more than 20 countries. Dr. Bauman also has been a member of the highly respected Pantene Hair Research Institute, a global network of leading hair experts focused on the advancement of hair science, technologies and products.



RW2 Enterprises is a consulting firm where Mr. Williams advises senior corporate executives on the development of strategy and on how to achieve transformational leadership grounded in core values, keys to successful board service. He has coached over 200 c-suite level executives in the last 18 months, and works with private-sector, public-sector and nonprofit groups to address critical societal needs, including how to transform American health care so that it creates more value for consumers.



Kyruus is a leading patient access and provider data management technology company headquartered in Boston, MA. The Kyruus ProviderMatch™ enterprise-wide suite of provider search and scheduling solutions − for consumers, access centers, and provider networks − helps health systems match patients with the right providers, deliver a consistent patient experience across multiple points of access, and align network capacity with patient demand. Kyruus' proprietary provider data management platform forms the foundation of its applications, powering them with accurate provider data by coupling automated data processing with web-based administrative applications.

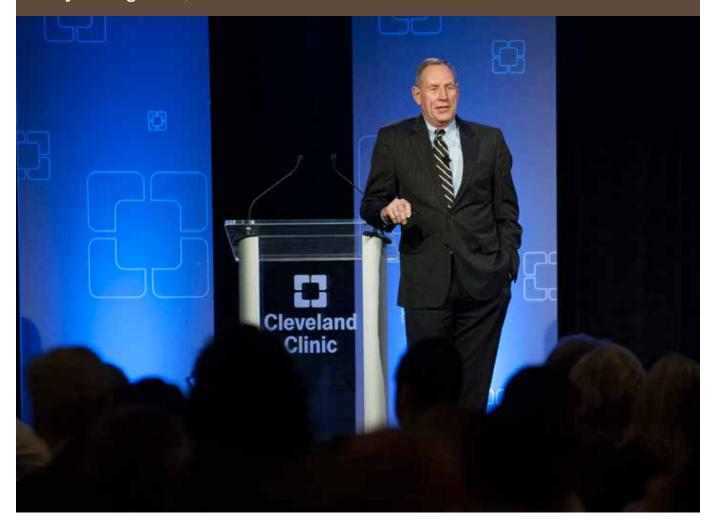


Heal is bringing technology innovation to re-humanize the practice of medicine in a way that is fulfilling for doctors and patients alike. We believe in making healthcare a more personal and convenient experience by creating a more efficient doctor's office in your home, that inevitably improves healthcare outcomes. Through the touch of an app or a click on our site, a highly-vetted, qualified medical doctor will arrive at your door, twelve hours a day, 365 days a year. Heal is in-network with all major PPO insurance plans in California, and will soon be in-network with insurers across the country. Heal investors include Fidelity ContraFund, Thomas Tull, Jim Breyer, the Ellison Family, Lionel Richie, and others. Heal is currently available throughout California and in the Washington, D.C. metro area.



Advanced Tissue is the national leader in the delivery of wound care supplies to individuals at home, and in long-term care facilities. Founded in 2000 and based in Little Rock, Arkansas - right in the center of the United States - the company has a strong and deepening relationship with every major manufacturer in the healthcare industry, allowing patients to receive brand name products direct to their door. It's game-changing innovation was SmartPac, which packages up an individual's specific dressings and supplies in a user-friendly way. In 2017, Advanced Tissue began to provide patients with informational films on small, LCD video postcards, to show them how to dress their particular wounds. The company has served at least 200,000 patients to date, and over one million wounds.

President & CEO Cleveland Clinic



"We formed what's called Cleveland Clinic Innovations, which is a tech transfer organization that now has the ability to vet an idea."

Robert Reiss: Describe Cleveland Clinic's scope today.

Dr. Toby Cosgrove: We are a non-profit group model practice that employs over 52,000 employee caregivers. Our main campus is located in Cleveland, Ohio. Our health system includes 10 regional hospitals and 18 outpatient centers throughout Northeast Ohio; we also have locations in Florida, Nevada, Toronto, Abu Dhabi and Cleveland Clinic London is slated to open in 2020. Last year we had 7.14 million patient visits.

What is at the core focus of Cleveland Clinic?

The focus of our entire institution is putting our patients at the center of what we do. We adopted the mantra of: "Patients First." It's our North Star. It guides all of our decisions. And everybody – whatever their jobs may be – recognizes that we're here to serve patients. It doesn't make any difference whether you're a researcher or you're a teacher or you're a clinician. The only reason

President & CEO Cleveland Clinic

"We changed the physical experience by designing new gowns with the help of Diane von Furstenberg that covers patients in a way that is not quite so humiliating as normal patient gowns. We looked at the architecture and brought more natural light in. We opened the hospital for patients' families to come see them any time, they can stay in the room with them."

we're here is because of the patients. I think that puts everything in perspective.

But it wasn't always that way. Talk about your turnaround.

I had a personal experience where a patient pointed out to me that they didn't come to Cleveland Clinic – in fact they picked another institution – because they heard I didn't have empathy. And so, I looked at my career. And essentially, over nearly 30 years of being involved in cardiac surgery, I had become a technician trying to drive the quality of the cardiac event.

I realized that now patients no longer gave you a hug if they just survived cardiac surgery. What they wanted was a relationship with their physician. And so, I thought that we needed to change the organization. I appointed a Chief Experience Officer. Over a 10-year journey, we have begun to change the experience of the hospital. We realized that the experience is a clinical experience, and we measure the outcome and report those publicly every year. But truly, it's an emotional experience, and it's a physical experience. So we began to work on each one of those. And over time, we changed the physical experience by designing new gowns with the help of Diane von Furstenberg that covers patients in a way that is not quite so humiliating as normal patient gowns. We looked at the architecture and brought more natural light in. We opened the hospital for patients' families to come see them any time, they can stay in the room with them. We organized the place so that there were people that could



President & CEO Cleveland Clinic

show you around physically. We cleaned it up so that it looked neater and more organized.

And then we began to deal with the emotional aspect. The big breakthrough came when we took all of our 43,000 caregivers offline for half a day and we talked about the Cleveland Clinic experience. As they came out, we branded them all "caregivers." You're a caregiver whether you drove a bus or worked on the loading dock or you're a neurosurgeon because everybody participated in that care chain, and any one of the individuals can make a major difference in the patient's experience. Since that time, we have seen our patient satisfaction scores really soar. We were very good to start with. We put ourselves in the 90th percentile.

The thing that we continued to struggle with is when their complaints were about communication, mostly. So we've recently addressed that. We have all our three thousand physicians take a full-day course in physician communication. And we've seen marked improvement in the communication with the patient.

So it's a continuous journey, but I think we've made substantial progress.

How did this turnaround impact you personally? Were there any changes in you after this or not?

Yes. Absolutely. I changed the things that I thought were important. I also obviously at that point was changing my profession. I was going from an operating cardiac surgeon to the CEO of the organization. I realized that if I became CEO of the organization, I had almost a paternal responsibility to everybody in the organization. It was no longer about advancing my career. It was about advancing the organization, so that changed what I did a great deal.

When I interviewed you for Forbes, you spoke about Cleveland Clinic Innovations, which is interesting in that you've actually expanded 66 companies.

About 12 years ago we realized that there is a lot of intellectual capital here at the Cleveland Clinic that had ideas for products and we really didn't have a way to get those out into the market. We formed what's called Cleveland Clinic Innovations, which is a tech transfer

"To engage physicians, first of all, be very transparent with them. Physicians respond amazingly well to data. Nobody wants to be last in their class in terms of their comparison with their colleagues, so we are very transparent within theinstitution about the physician scores. In fact, we list those by name and rank orders. It's amazing when you start to do that, how things improve very rapidly."

organization that now has the ability to vet an idea. It has the ability to look at the financial implications of it. It has the connections with people in industry who can actually potentially manufacture these things or in fact employ them. And now, we have almost 600 patents issued to us. We've spun off 66 companies. People now are recognizing that they could use these same services. Now we have half a dozen different major organizations that we provide the same service for. It's how to get great ideas actually into usefulness.

Let's talk about physicians. When you were a physician you actually performed 22,000 operations. Today you have a group practice of about 3,200 physicians. What's your philosophy on engaging physicians?

To engage physicians, first of all, be very transparent with them. Physicians respond amazingly well to data. Nobody wants to be last in their class in terms of their comparison with their colleagues, so we are very transparent within the institution about the physician scores. In fact, we list those by name and rank orders. It's amazing when you start to do that, how things improve very rapidly. So, physicians are anxious to do the right thing and they are competitive. If you are transparent with them and give them the data, you will see amazing results.

And how do you engage the board?

Communication, communication, communication. I share everything with the board. I try to be absolutely as transparent with them as I can. I tell them the good, the bad, and the ugly. That establishes trust and fundamentally enlists them in helping us.

President & CEO Cleveland Clinic

Let's shift and talk about what's happening in healthcare today.

Nearly every aspect of the healthcare industry is undergoing transformational change – how we identify and treat disease, who provides treatment, where we offer healthcare services, how patients interact with their caregivers, and how we are paid. In addition to all of that, hospitals and the broader healthcare industry are facing the challenges of the ongoing fluctuation in the political climate, such as the efforts to weaken the Affordable Care Act and the proposals to reduce Medicaid payments.

How is digital transforming healthcare today?

Computers and the internet have transformed medicine in ways we could never had predicted 30 years ago. Electronic medical records enable caregivers to examine quality, safety and patient experience statistics, while allowing patients direct access to their own records, test results and imaging.

On a broader scale, all of this data provides researchers

with an unprecedented bird's eye view of our national health, allowing them to spot and follow disease trends across a variety of axes.

Beyond data, technology like the Microsoft HoloLens and IBM's Watson – both of which are being used in Cleveland Clinic's Lerner College of Medicine – are changing the way we educate future doctors and even how we practice medicine. HoloLens allows medical students to study anatomy without the use of cadavers. Instead, they can examine holographic bodies that simulate actual, living patients – with pumping hearts, circulating blood, and other vital functions. And Watson has shown it could successfully generate an open-ended medical problem list from the contents of patient EMRs with a high degree of accuracy. In the future, computers like Watson will take on more of the management and interpretation of patient data - freeing-up physician bandwidth and allowing them to focus more attention on the individual patient and his or her unique problems.

How can CEOs be involved in making this vision a reality?



President & CEO Cleveland Clinic

Though healthcare is a very competitive industry, we should all be open to sharing ideas that will serve patients better, improve outcomes and lower healthcare costs. After all, we are here to serve patients.

You can also learn a lot from others outside of healthcare. There are good ideas that can be transformed and implemented to fit our industry.

What actions should CEOs take to improve health in their own enterprise?

It's no secret that healthy lifestyle choices – eating right, exercising and not smoking – lead to healthier people. The challenge, of course, is getting people to make the right choices.

At Cleveland Clinic, we believe that it's part of our mission to build a culture of wellness, promote personal responsibility, and reward healthy lifestyles.

We no longer hire smokers, while providing free smoking cessation programs to current employees. We offer free Weight Watchers and gym memberships. We have weekly farmers markets on campus throughout the summer and fall. We've removed fried foods from our cafeteria and sugared drinks from our vending machines.

The real key, though, comes from our employee health insurance program, which offers premium discounts for physical activity or for enrollment in a disease management program to help manage chronic conditions, such as high cholesterol, high blood pressure, diabetes or asthma.

The results have been impressive: our employees have lost weight; fewer of them smoke; they've had fewer hospitalizations and emergency room visits; and their annual insurance costs are increasing at a much lower rate.

As one of the nation's leading healthcare centers, we feel a moral and ethical responsibility to help our employees and patients realize the benefits of wellness. If we can help our employees and our patients make healthier choices, we may save more lives than those saved by medical intervention.

If we were to fast-forward to 2030, describe how you

think healthcare will be performed in America?

We will continue to see consolidations, mergers, acquisitions and partnerships among healthcare systems. Size enables systems to purchase supplies at a much lower cost, to handle regulatory compliance more handily, and to find and share new efficiencies across the whole spectrum of operations.

Large networks of providers will share comprehensive, evidence-based guidelines and provide personalized healthcare services in patient- and family-friendly settings, under the direction of the highly skilled and compassionate medical professionals.

Technology will take on an even bigger role, as discussed above. With Watson, for example, we have the science and computational power to help physicians quickly sort through vast troves of medical literature to determine what actions are best for each patient at each stage of diagnosis and treatment.

In short, 21st century healthcare will mean assuring that every patient has access to the right care, in the right place, when they need it most, whether that means urgent care locations in drug stores, virtual visits on smartphones, or traditional visits to the doctor's office.

What is America's role in global healthcare?

Significant increases in healthcare integration are changing how care is delivered all around the world. Access, high quality and affordable care are things we can offer. By sharing best practices, innovative techniques and patient-centered care, we can improve healthcare around the world.

Advances in telemedicine and health information technology are allowing us to provide patients with greater access to quality care, as well as better collaboration with the global medical community, like never before.

In a world that is increasingly more connected, Cleveland Clinic will continue to focus on sustainable, long-term growth that supports our mission and improves the health of individuals no matter where they live.

What accomplishments are you proudest of from

President & CEO Cleveland Clinic

your over 13 years as CEO of Cleveland Clinic?

When I've been asked what I am most proud of, I never hesitate in saying it is all of our caregivers. Through their hard work and dedication they built Cleveland Clinic into one of the most respected names in healthcare by staying true to our mission of clinical excellence, innovative research and education. Their empathy and compassion for the patients and families we serve have made Cleveland Clinic a model of patient experience for the world.

If you were to create a model of healthcare in America, what would that be?

At Cleveland Clinic, the group practice model creates a structure to implement care coordination, share best practices and align governance and incentives. All staff physicians receive a straight salary with no bonuses or other financial incentives. The hospital and physicians share a financial interest in controlling costs. Physicians get no financial benefit from ordering unnecessary tests or expensive devices.

Another way to answer this question, though, is to look at a health system's model across a region. It's important to recognize and accept that the brick-and-mortar hospital that offered all things to all patients is obsolete; no single site is capable of providing state-of-the-art care in every specialty or affording all the latest technology. Instead, the system needs to align locations with patient needs. In Cleveland Clinic's case, we have three tiers: a main campus where we perform the most complex procedures; regional family health and surgery centers where we offer primary care, family health, and specialty services ranging from cardiology to colorectal surgery to plastic surgery; and regional hospitals focused on meeting the specific needs of their communities.

What is the future of the Cleveland Clinic?

The organization will continue to innovate and adapt to the changes taking place in healthcare. Advancements have changed and will continue to change how we treat patients. Fortunately, our incoming CEO and president, Dr. Tom Mihaljevic, will continue to lead the organization on the trajectory of innovation, education and providing the best care and outcomes possible. Delos M. Cosgrove MD, is president and CEO of Cleveland Clinic. He heads an \$8 billion healthcare system including a main campus, 10 regional hospitals, 18 family health and surgery centers, and hospitals and clinics in Florida, Nevada, Toronto, Canada, Abu Dhabi, UAE, and London (opening 2020). Under his leadership, Cleveland Clinic has become the #2 ranked hospital in America (U.S. News & World Report).

Dr. Cosgrove graduated from Williams College and the University of Virginia School of Medicine. He trained at Massachusetts General Hospital, and Brook General Hospital in London. In 1967, he was a surgeon in the U.S. Air Force, earning a Bronze Star.

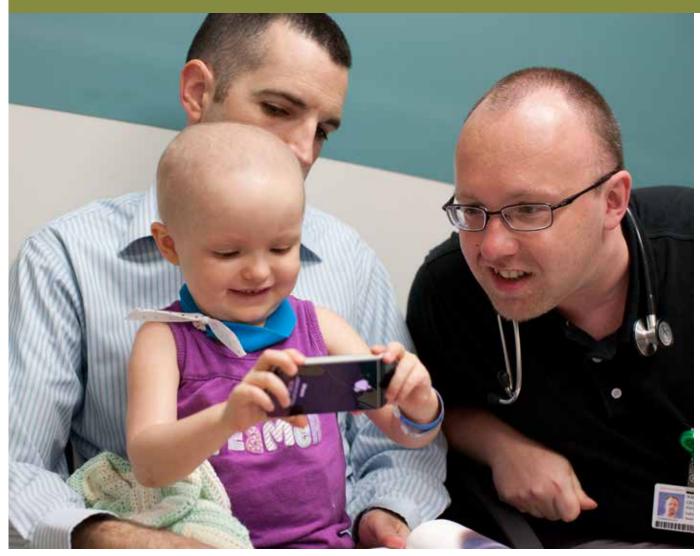
Dr. Cosgrove joined Cleveland Clinic in 1975, and chaired the Department of Thoracic and Cardiovascular surgery from 1989 to 2004. He performed over 22,000 operations and earned an international reputation in valve repair before retiring from clinical practice in 2006. He holds 30 patents for medical innovations.

He is a member of the National Academy of Medicine, and fellow of the National Academy of Inventors. In 2016, he was a Fortune Businessperson of the Year (#14). Consulted by successive presidents, he serves on the White House Strategic and Policy Forum.

Interviewed 12/11/2017



CEO Insight Childhood Cancer Research



One of Dr. Nalepa's patients, Vera, smiles as she plays with a phone while he looks over her shoulder.

St. Baldrick's Scholar Searches for Leukemia's Weak Spots

It is said that to defeat an enemy, you must know them — and that's exactly what St. Baldrick's Foundation Scholar Dr. Grzegorz Nalepa is doing. The enemy? Childhood cancer. His weapon? Genomics — the study of all the genes within an organism, like a human child with cancer for instance. Who is winning? Read on to find out. (Hint, hint...it's the good guy.)

That's why this physician-scientist studies what makes everyone unique, including kids with cancer – genes.

With support from St. Baldrick's and a deep passion for the field of genomics, Dr. Nalepa is studying how the genetic changes, or mutations, present in kids with leukemia can be exploited to create targeted therapies against that cancer, with few side effects.

"The way we treat leukemia now is rather harsh. We have chemotherapy that obviously works and we save most of the kids, which is wonderful, but we don't save all of them, which is sad," he said. "Also, those kids who



are cured, they have major side effects from the therapy. They lose hair, their blood counts drop, they get mouth sores and serious infections; sometimes they don't die just from leukemia, but from the side effects of the therapy we use to save their lives."

Dr. Nalepa is dedicated to changing that current reality for kids with cancer by studying the building blocks of the disease itself and how those building blocks shape cancer's ability to beat chemotherapy.

It turns out that cancer can close down certain genetic checkpoints, helping it overcome chemotherapy and continue to grow. But in doing so, the cancer relies on certain genes to stay alive.

When Dr. Nalepa looked closely at these certain genes in cancer cells and the same ones in healthy cells, he noticed something interesting. When you turned off these genes in the cancer cells, they died. But if you turned off the same genes in healthy cells, they "don't care too much," he said.

These are what Dr. Nalepa calls, "weak spots" in the genes of childhood cancer. It's these spots that he wants to target with already available medicines to help kids with leukemia beat the disease, while minimizing the side effects of harsh chemotherapy.

That is what Dr. Nalepa hopes the future will look like for kids with leukemia – personalized, targeted, precision therapies that attack just the cancer and leave healthy cells alone.

He hopes that one day soon, he will be able to walk into the Riley Hospital for Children at Indiana University Health, where he's a pediatric hematologist-oncologist, and give good news to a family with a child diagnosed with leukemia.

"They'd be crying and terrified about what's going to happen and I hope that there will be a moment when I would be able to tell them, 'I can tell you from the research I've done thanks to St. Baldrick's, I can promise you that the strategy we are going to use for your child has a very good chance of working," he said.

And Dr. Nalepa is working toward that brighter future,

thanks to help from a St. Baldrick's Scholar Award. In fact, the Indianapolis doctor has one word for St. Baldrick's support.

"Essential," he said. "That's how I can do it."

You make progress like this possible. Fund childhood cancer research today and give kids with the cancer hope.



Kathleen Ruddy, Chief Executive Officer, St. Baldrick's Foundation

With nearly 30 years of nonprofit fundraising, marketing and public relations experience, Kathleen Ruddy leads the world's largest private funder of childhood cancer research grants as the CEO of the St. Baldrick's Foundation. Ruddy joined the childhood cancer community in 2001 and began her career at St. Baldrick's in 2004 as the executive director. At that time, it was just a head-shaving program and not envisioned as its own charity, which had raised \$144K per year. Under Ruddy's helm, it has now grown to \$39 million.

As the daughter of two cancer survivors and a self-proclaimed idealist, Ruddy believes in paying it forward. She has shawed her head twice to stand in solidarity with children affected by cancer, and on behalf of St. Baldrick's, has helped advocate for, fund and achieve FDA approvals of new treatments for childhood cancers. Her team authored the Childhood Cancer STAR Act, the most comprehensive childhood cancer bill to ever be considered by Congress.

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.



"Disrupt Aging is not really about aging—it's about living."

AARP CEO Jo Ann Jenkins at member event hosted by AARP Hawaii.

Robert Reiss: What was it about the AARP brand that prompted you to join?

Jo Ann Jenkins: I had served on, and later chaired, the board of AARP Services, Inc., AARP's for-profit subsidiary, so I knew about the mission and the great work AARP did in helping people age with dignity and purpose, so when the opportunity came to join AARP as president of AARP Foundation, I jumped at it. We refocused the Foundation to focus on serving the most vulnerable people age 50 and over around the four issues of hunger, isolation, housing and income, and the work was incredibly gratifying. I was later appointed as AARP's Chief Operating Officer, and in 2014, I was named CEO.

Most CEOs start a transformation when an organization is in a weak financial situation, but you did your transformation starting from a strong situation. What lessons have you learned from this experience?

I learned that one of the toughest tasks a leader faces is to convince an organization and a Board of Directors that it needs to change when things are going well. The history books are full of case studies of once prosperous companies and organizations that eventually failed be-

"I learned that one of the toughest tasks a leader faces is to convince an organization and a Board of Directors that it needs to change when things are going well."

cause they didn't do that. Organizations change usually either out of desperation or inspiration. I prefer inspiration. When you look at it as inspiration, you realize that change isn't a repudiation of the past; it's a recognition of the opportunities that lie in the future. I think it was President Kennedy who said, "The time to repair the roof is when the sun is shining." When I took the helm of AARP in 2014, our sun was definitely shining — we were financially very strong, we had 37 million members and our brand was iconic. On top of that, 10,000 people were turning 65 every day. Our roof didn't need repairing, but we did need to create a sense of urgency to deliver on our mission. We recognized that technology was changing our society very rapidly, and the way people were aging was changing. So, if we were to remain relevant to our members, we would have to change, too. And that's what we did. We focused on what we affectionately call the 3Gs to grow impact, grow relevance and grow revenue around three areas of focus that reflected the wants and needs of our members: health, wealth and self.

An early initiative that AARP implemented was becoming a nationwide organization. Why?

AARP had always been known as a large, powerful advocacy group in Washington, D.C. But we were so much more, and we needed to remind our members of that. We needed to change from being known only as a national organization in Washington, D.C., to a nationwide organization across the country. We have offices in every state, Washington, D.C., Puerto Rico, and the U.S. Virgin Islands that serve people in their communities every day, so we set out to raise our profile at the local level to demonstrate to our members and all people over 50 how we impact lives every day in their states and communities across the country.

Increasingly, meaningful change is happening more often in local communities (as opposed to the federal or state level). So engaging locally is critical in order to grow our visibility and relationship with people 50 and older and their families. We felt we needed to become a stronger on-the-ground, trusted resource in communities across all of our issue areas and especially in helping communities become more livable for people of all ages.

Also, AARP focused more on its younger members, those ages 50-64. Talk about your strategy.

Most people thought of AARP as an organization to join when you turn 65, where we have over 80% of the market. So, we changed that to connect with all people 50 and older and refreshed the brand to reflect the fact that as people get older they have the opportunity to become the person they've always wanted to be, or to live the life they've always wanted, and AARP can help them do that — thus, AARP, Real Possibilities. And, since today a 10-year-old has a 50% chance of living to 104 — which means we could have members for 50 years — we needed to change the story of aging, to show people they could have a positive view of aging. We brought the message to America to "Disrupt Aging."

What have you learned from American history and your own experience about aging in America?

I'm a firm believer that history does a lot more than teach us about the past; it also gives us insights into the future. For example, in my book, Disrupt Aging, I refer to President Franklin Roosevelt's inspirational "Four Freedoms" speech, which he delivered before a joint session of Congress on the eve of the U.S.'s entry into World War II. In that speech, he argued for an end to isolationist policies that grew out of World War I and offer a new ideology based on four freedoms: freedom of speech, freedom of worship, freedom from want and freedom from fear. I draw a parallel by defining "The Four Freedoms of Aging" that define a new vision for living and aging in America — freedom to choose how and where you want to live as you age, freedom to earn, freedom to learn, and freedom to pursue happiness by discovering and fulfilling our purpose in life. I hope these "Four Freedoms of Aging" will inspire people to disrupt aging and make this new vision a reality.

You coined the term 'disrupt aging.' Talk about those two words and why they are so important to you and to America.

I remember the birthday cards I received when I turned

"Our research is clear that 86 percent of people want to stay in their own homes and communities as they age."

50. At first, I accepted them as part of the ritual of turning 50, but as I thought more about the cards' messages, I began to see a disconnect, and, frankly, it bothered me. I had been feeling really good about my birthday and about where I was in life. The cards were meant to be humorous, but at the same time, they tried to make me feel over the hill, which was not the way I felt at all. I wasn't over the hill; I was on top of the mountain, and I liked being there. I didn't see 50 as the new 30; I saw 50 as being the new 50. I decided then and there that I didn't want to be defined by my age, any more than I wanted to be defined by my race, sex, or income. When I got to AARP I had the opportunity to do something about it.

I set out to change the conversation in this country about what it means to grow older. The way people are aging is changing, but many of our attitudes and stereotypes about aging are not. We need to challenge those old stereotypes and attitudes and spark new solutions so more people can choose how they want to live as they age.

Disrupt Aging is not really about aging — it's about living. It encompasses changing the culture — how we perceive, what we believe and how we behave...as individuals, as institutions and collectively as a society. It's about giving people the opportunity:

- To embrace aging as something to look forward to, not something to fear;
- To see it as a period of growth, not decline;
- To recognize the opportunities, not just the challenges; and, perhaps most importantly,
- To see themselves and others as contributors to society, not burdens.

Achieving this vision requires new, innovative solutions that allow people to live and age better.

As CEO of AARP, what is your vision of how AARP can help the changing equation of health-care in America and what are the core components you are addressing?

We strive to create an America where people 50 and older have access to the care, information and services they need to lead healthier lives with independence and dignity. To achieve that, we're focused on three areas: caregiving, healthy living and healthcare.

We are also working to create a new culture that puts well-being at the center of our lives. That means changing mindsets, expectations and values. This requires four major shifts:

- 1. From a focus on physical and mental diminishment to physical and mental fitness;
- 2. From a primary focus on treatment to a focus on disease prevention, health promotion and well-being;
- 3. From being dependent patients to empowered users of health care; and
- 4. From uncertain access to care to dependable access to care.

To achieve all of this, we've created the AARP Innovation Fund — a \$40 million investment fund with J.P. Morgan Private Equity Group where we directly invest in companies in three health-related areas: (1) Aging at home; (2) Convenience and access to health care; and (3) Preventive Health.

We are also engaged in Health Care Transformation. This involves collaboration with healthcare companies to change the way we age, improve outcomes and experience, and make care more affordable (Quality over Quantity).

Through our AARP Foundation Health Innovations initiative, we're providing grants to other non-profits & partners to address many issues facing low-income, vulnerable people — in health.

Through our advocacy at the national, state and local levels, we're working to ensure all people have access to quality, affordable healthcare coverage (e.g., protecting and improving the ACA, Medicare and Medicaid, working to lower prescription drug prices, and advocating for the country's over 40 million family caregivers).

You talk about health, wealth and self; what is the relationship between these three?



Jo Ann Jenkins is a member of The Links, Inc., a charity founded in 1946 consisting of professional women of color. One of the many outreach projects of The Links is supporting Mt. Zion Primary School in Montego Bay, Jamaica. Here, Jo Ann works with a young student.

All three are interrelated. When we look at what people fear most about growing older, it's three things: (1) They don't want to lose their independence, or be a burden on their families; (2) They fear they will outlive their money; and (3) They will feel useless and society will cast them aside. In short, health, wealth and self.

We want to change that. We want to create a future where more people will be able to see and fulfill their real possibilities over the course of an ever-longer lifetime while living healthier, more financially secure and more fulfilling lives. That means being able to count on community and social connections when they want them and a safety net when they need it.

Explain your premise that most elderly prefer staying at home.

Our research is clear that 86 percent of people want to stay in their own homes and communities as they age. They don't want to go to a nursing home, or assisted living or move in with their kids. More and more, technological innovation is helping to make this happen.

How does the Innovation Fund partnership with J.P. Morgan fit in to the plan?

Two years ago, AARP teamed with the J.P. Morgan Private Equity Group to launch a \$40 million investment fund that will directly invest in companies that are developing innovative products and services in three health-care-related areas: 1) Aging at Home; 2) Convenience

and Access to Health Care; and 3) Preventive Health. For example: fitness apps and programs; home sensor tracking; consumer diagnostic and care tools; telemedicine; mobility assistance; meal planning, delivery and cooking solutions — and lots more. In addition to receiving financial support, the companies we invest in also have access to AARP's knowledge from our more than 38 million members and distribution channels — like AARP The Magazine — to help their businesses grow.

As people seek more and better ways to take control of their own health, they're realizing that health has more to do with the choices they make each day in how they live their lives than it does from an occasional visit to the doctor's office. Through the AARP Innovation Fund, we're trying to give them more options and more support in living healthy throughout their lives.

With emerging technologies like artificial intelligence, telemedicine and the autonomous car, how will they change the concept of aging?

These emerging technologies create enormous opportunities for enhancing our independence as we age and increasing access to products and services that can improve our lives.

In terms of independence, digital technology has empowered everyone with more choice. They encourage independent living through home automation, enhanced home security and safety, remote health monitoring and in-home robotic companions. Wearables like the Apple watch and Fitbits have made it easy for people to track their health and activity. We are especially excited about the growth of voice-enabled technologies. They provide an easy path for many people to get access to sophisticated technologies without a steep learning curve.

Likewise, emerging technologies are creating new opportunities for people of all ages. Consider the "gig" economy, such as ride-sharing services. This is huge for our members, many of whom are looking for ways to supplement their income. Autonomous vehicles hold the promise of improving independence for people who may have no other way to get around.

Or, think of it this way: Who would have imagined ten years ago that when you travel, you would stay in a com-

plete stranger's apartment instead of a hotel? But now we have Airbnb. Or that you'd get out of a taxi without paying the driver? Uber. Or that you'd make your babies' or grandkids' pictures public for the world to see? But people do it many times a day on Facebook. These kinds of technologies — and ones we haven't even thought of yet, will change our world and our ability to live and age in it dramatically in the coming years.

AARP is called the world's largest nonprofit, nonpartisan membership organization. Describe your reach, including having the second largest magazine in the world, and your plans to leverage this significant reach.

We have over 38 million members. In addition to our national office in Washington, D.C., we have offices in every state, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. In addition to our 2,500 staff, we have roughly 60,000 volunteers who serve in a variety of programmatic and advocacy roles, making their voices heard in Washington and in state capitals and local communities around the country. We also have a robust website and an extensive social media presence that allows us to make our members' voices heard at the national, state and local levels.

I like to think that we leverage our reach in three ways: (1) As a strong and powerful advocate for health security, financial resilience and more livable communities; (2) As a convener that connects like-minded groups and extends our influence to effect change and a global thought leader that challenges outdated beliefs on aging and sparks new solutions globally; and (3) As an influencer that encourages markets to serve people better as they age.

Including volunteers, you have about 62,000 people. What is the best way to galvanize and motivate so many people?

First, it is important to have a clear vision and mission and a sound strategy to see it through (see below). Second, it must be conveyed in a clear message, and you have to make sure that volunteers and staff understand it the same way. Finally, you have to engage them where they are. Increasingly, meaningful change is happening in local communities (as opposed to the federal or state level). That's why our local strategy is so important. It gives us greater capacity to influence and build relationships

with the people we serve across all of our issue areas.

What are the core components of your leadership strategy?

To be successful in today's constantly changing world, you need talented, innovative and trusted leaders at all levels of the organization, not just at the top. And, as the CEO, it's my job to help those leaders succeed. That means:

- Having a clear vision and mission Our leaders need to know why we're here. As CEO, I need to feel confident that we're all trying to get to the same place. We must convey a clear and aspirational vision, and that vision comes from the organization's purpose. It's about understanding what we're in business to do and imagining what it would like if we were successful in doing it. Then we have to have a sound strategy for making that vision a reality. This is our mission. Our vision tells us where we want to go; our mission tells us what we need to do to get there.
- Having a clear message don't complicate it...make sure people understand it in the same way.
- Demonstrating the integrity and courage to execute on the vision and mission. Change especially transformmational change is hard. It requires a leap of faith on the part of employees and the board. To get them to take that leap, you have to demonstrate integrity in every action, no matter how small, and convey your own belief in the organization's ability to succeed. As the CEO, I have to be fair, but also hold people accountable. That also means rewarding exemplary performance.

At AARP, we go to great lengths to make sure that all

"Two years ago, AARP teamed with the J.P. Morgan Private Equity Group to launch a \$40 million investment fund that will directly invest in companies that are developing innovative products and services in three healthcare-related areas: 1) Aging at Home; 2) Convenience and Access to Health Care; and 3) Preventive Health."

of our leaders embrace our organizational character, our purpose to empower people to choose how they live and age; our role as "everyday innovators in aging;" our values — Impact, Innovation, Humanity, Empowerment and Honesty — that guide our actions and behaviors; and our core leadership behaviors that we expect every AARP leader to practice — Talk Straight/Listen Actively, Take an Enterprise-wide View, Make Informed Decisions, Inspire and Engage, and Exhibit Integrity. By applying this philosophy at AARP, we are developing leaders who are challenging the status quo, innovating new solutions to old problems and taking AARP in new directions.

With that as a foundation, I've been trying to encourage our staff to take strategic risks. I tell them that it's okay to fail as long as you fail fast and you learn something from it — and you share that learning across the organization so nobody else makes the same mistake. I think that's been a big change for us at AARP. We've always been much more risk averse. So now we're embracing this opportunity to take some strategic risks, but those risks need to be towards big opportunities for us to engage more members and engender more brand loyalty.

What actions would you like CEOs to take to help build a better America?

As CEOs, each of us has a responsibility and a moral obligation as citizens of this great nation to not only deliver a profit to our companies, but to improve the lives of those less fortunate than us — to share the opportunities presented to us with others.

Let's fast forward to 2025. What is it that you hope AARP has accomplished to transform the health of America?

I would like to think that unlike today, people will be prepared to live longer, healthier lives. They will have more tools and knowledge to be proactive about their health and wellness. We will have a robust market of innovative health-related products and services that support longer, healthier lives. People will have access to affordable healthcare at any age. And, we will all be better equipped to care for each other as we age.



Jo Ann Jenkins and Robert Reiss - Interviewed: 12/14/2017

AARP has long been recognized for the value of its services, information and advocacy on behalf of people age 50 and over. But since joining the organization in 2010 and heading it since 2014, Jo Ann Jenkins has sponsored groundbreaking work to transform AARP into a leader in social change, dedicated to enhancing quality of life for all as we age. A fearless champion for innovation and impact, Jenkins is often lauded for her ability to create business opportunity and competitive differentiation. She has been described as a visionary and thought leader, a catalyst for breakthrough results, accelerating progress and contribution while fostering positive relationships inside and outside the organization.

Jenkins offers deep knowledge and experience derived from her work with some of the nation's most iconic brands – the U.S. Government and Library of Congress as well as AARP and AARP Foundation – with an understanding of the interplay and nuance of business, politics and social change.

Today, Jenkins leads the world's largest non-profit, nonpartisan membership organization, harnessing the power and passion of almost 2,000 staff members, 60,000 volunteers and numerous strategic partners. Jo Ann Jenkins has held a variety of board and advisory positions including AARP Services, AARP Funds, Congressional Hunger Center, Colonial Williamsburg Foundation, Stanford Medicine Board of Fellows, U.S. Small Business Administration Council on Underserved Communities and the Board for the Kennedy Center's National Symphony Orchestra. Most recently she is the best-selling author of the book, "Disrupt Aging: A Bold New Path to Living Your Best Life at Every Age."



CEO Roundtable Healthcare Trends



CEOs Discuss The Future Of Health Care

By Robert Reiss

Perhaps the only constant in health care today is change. Sean Campbell, managing partner of health care at IBM, shares the key elements driving this change: "Health care is transforming due to three pivotal trends contributing to constant change in this industry: 1. Patients have higher expectations around the experience they receive; 2. Technology investments to utilize analytics and cognitive computing enabling the prediction and prevention of diseases; and 3. The ongoing requirement for operational improvements and cost efficiencies to provide savings around the delivery of care."

To gain more insights into health care's future, I got together on June 27 with leaders in children's health care, home health care, and military health care to talk about the future, their current transformation and the role of data. The participants in the conversation were:

- Sandra L. Fenwick, president and CEO, Boston Children's Hospital
- Paul Kusserow, president and CEO, Amedisys Home Health & Hospice
- Brandon Carter, president, USAA Life Insurance Company

Robert Reiss: What word codifies the potential future of health care?

Sandra Fenwick: Precision medicine. I think we are on the cusp of some of the greatest opportunities for transformation in diagnosis, treatment and disease prevention. Now we are able to literally go into the disease-causing gene, modify it and either change the course of that disease or cure it. This is game changing!

Paul Kusserow: Personalization. Personalized care planning when combined with behavioral economic principles drives engagement. When you look at a lot of issues in health care, they are actually behaviorally-driven, which means they are potentially preventable. I think 80 percent of all health care could be cured or avoided if people changed their behaviors and habits. Once people are responsible for and own their care management and compliance, they can positively impact their own health.

Brandon Carter: Customization. Data and digital platforms can match products and services to customer needs. For example, health care customer relationships can start to look like banking relationships where customers can swipe their card and health care companies will know if the customer has made a healthy choice. Just as banks incentivize their customers to use their cards for cashback or rewards on purchases, this technology could be used at supermarkets, restaurants, and health facilities to enable health care companies to create incentives for customers to live healthier.

Reiss: Describe your organization's transformation.

Carter: In 2013 we heard two key concerns from our members: First, the primary reason for bankruptcy for members over age 60 was lack of adequate health care coverage and second, that once members separate from the military, they lose health care and life insurance coverage. This led us down the path of creating a new strategy we call, "protect the core" which is one of the first digital and mobile platforms providing access to many health care products and solutions. Our brokered health book has experienced record member growth, roughly 150%, since 2014. Just last year we saw operational revenues grow 13% in the health line.

Kusserow: When I joined Amedisys in late 2014, we had just gone through a major settlement with the government, stock was very low and we were involved in activities that didn't differentiate us. Being an ex-McKinsey guy, I know a lot about writing strategy, but for the first time I decided to actually have the employees write the strategy. So we asked a thousand employees, "What's really important to you? What do we need to do to be distinctive, to deliver great service?" And then we asked our clients. We incorporated it all into a simple strategy that focuses on: 1. Delivering high quality; 2. Making sure we have the best employees possible; and 3. That our employees get the best tools they need to do their jobs. The result has been a great turnaround in the market and in our company's energy and focus resulting in market cap growth of about 115% since 2015.

Fenwick: We have a history of almost 150 years including the discovery of the polio virus, the first heart surgery in children, the first chemotherapy for leukemia ... we're never satisfied with the status quo and we like to say innovation and discovery is in our DNA. So today we see our value equation as quality plus experience plus outcomes plus innovations divided by affordability or price. With this equation, we're currently focusing on consumer access, wait times, quality and safety. We've trained 14,000 of our care providers in every part of the operation in high reliability methods. And we've taken out \$120 million in costs to hold our prices down and reduced non-value added utilization.

Reiss: What is your take on how data is impacting health care today and your organization?

Kusserow: I've worked on both the payer and provider side. You really can't drive customer experience unless you have a continuity of data. And what's interesting when you look at providers versus payer, payers have more of a continuity of data which they can use for predictions. Providers have more of a difficult time because their data is more sporadic from intermittent experiences with patients. Hospitals clearly have it the worst because they're dealing with the most acute cases with the least amount of continuous data at their hands.

Fenwick: Data is essential for the management of patients across the continuum of care. Patients see multiple providers across multiple health-care networks. Today the payer holds that data, soon the networks will. As a major referral hospital for children, about 70% of our patients reside in another system's network so ease of access to that data through interoperability is key to providing the most effective and efficient care. This is especially true for us as our patients come from every state and 100 countries around the world.

Carter: We see data as a way to help members make wiser choices. We're focusing on incentivizing our members to make small steps towards improving their health. Half of our members are considered digitally savvy, while the U.S. population is roughly 36%, and 44% of our members use wearable devices compared to just 21% of the general population. Research has shown a direct correlation between a customer's health and their financial security. So we see our digital platform as allowing us to provide choice and convenience.

Ultimately, when we move into wearables and the presentment of data, we can be integrated into our members' lives in a way that helps facilitate their financial security.

In summary, health care is the one discipline that is closest to the heart of most people, as everyone wants to live a long, healthy life. Perhaps the most fitting quote regarding the future of health care comes from Charles Darwin when he said, "It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change."

Stephen K. Klasko, MD, MBA President & CEO Thomas Jefferson University & Jefferson Health



"The first thing we've done is we've taken almost the opposite approach of most academic medical centers."

Robert Reiss: You are the first CEO of both Jefferson Hospital and Jefferson Health System, an organization with a 193-year history and actually might be considered the first true modern hospital in America.

Dr. Stephen Klasko: Before the board asked me to be President and CEO of the combined institution, we had Thomas Jefferson University, which is one of the oldest health science universities, then we had Thomas Jefferson University Hospital, and we had Jefferson Health System. Three different CEOs; three different presidents... so the Board decided to have one person to simplify the process.

Interestingly, Jefferson Medical College was the first medical college in the country that thought seeing humans might be important. The hospital itself was started by one of Thomas Jefferson's personal physicians, Dr. George McClellan, who in 1824 said, "You know, I think seeing humans might have something to do with being a doctor." Before us, you would do all your research and academics, then get your M.D. and you would practice on patients. That's where my "practice" started He decided, "No, I think seeing humans is important." What's interesting about it is we kept that for 193 years. Jefferson started the first Jefferson Scale of Empathy in doctors, the first set of interprofessional education. We have really kept that sort of human approach and Dr. McClellan would be happy to be looking down and saying, "Of the 3,000 or so different health education entities, you have kept that approach."

Now you're a large entity with 13 hospitals, over \$5 billion in revenue, 30,000 employees and 6,000 physicians. Let's talk about what you're doing uniquely in the health system.

We've quadrupled in size, becoming the fastest growing academic medical center in the country and we've done it without writing a check. This has been true both on the university side and in the health system. The first thing we've done is we've taken almost the opposite approach of most academic medical centers. Those at academic medical centers and on the boards of academic medical centers know the talk about the hub-and-spoke approach. Someone is going to take over a community hospital and they will be a spoke and the major hospital will be the hub so they can send more patients down to the big city.

One thing that I realized is nobody likes being the spoke, so we created the hub-and-hub model. Everything else in the consumer world is going out to where people are. What if we went from Blockbuster to Netflix? What if instead of you joining my competitor, I made you a hub and brought care close to where the patients are. That has taken off. Everybody gets the same amount of board members. No reserve powers, no checks, no capital commitments, but Jefferson is now one-fifth of our Board. It took some real heroism on our Board's part.

Can you explain what you mean from Blockbuster to Netflix?

If you read the book about Netflix CEO Reed Hastings, and I did this because I got tired of paying Blockbuster's late fees, what Netflix did was recognize that the product was never the store, the product was the entertainment. If I can get the entertainment out to a mailbox, that's better. Too lazy to go to your mailbox, it's up on your TV, pretty soon we'll be too lazy to turn on our TV, and there will be a lot of little Netflix chips in our brain. I recognize that Jefferson's product is not our big academic hospital, however Jefferson's prize is the care and caring that our doctors

and nurses give. In the world that we're moving to, getting that closer to where people are is going to be better.

To link that thought to healthcare, I spent some time at Apple. In the year 2000, Steve Jobs recognized his industry was going through a once in a lifetime change from a computer industry to a mobile digital lifestyle. Healthcare is going through a once in a lifetime change from a hospital company to a consumer health entity, and we have decided to go all in as a consumer health entity. What does this mean? Stop any new investments in beds because we're going to need less beds; make a \$25 million investment in telehealth, but not telehealth for telehealth's sake – telehealth so people could use that as one of the modalities that gets care out to where people are.

Let me give you a real life example. We have one of the largest neurosurgery networks in the country, Stroke Networks. People who used to have to drive three hours for a post-op check, spend \$35 to park, wait 30 minutes in the waiting room, see the doctor for 10 minutes and drive three hours back – we send them home with a robot and most or a lot of those are now done through telehealth. This can be handled by the chair of neurosurgery between 6:00 and 7:00am and these people have saved about eight hours and are receiving better care.

Describe exactly what telehealth is.

Unfortunately, telehealth has been commoditized because there are companies that say, "We'll bring telehealth to your hospital." There are a lot of them. There's American Well, MDLive, Teladoc, to name a few. Teledoc will be an employed doctor who will answer your patient's questions. Instead, we've looked at telehealth as a modality for our own faculty physicians and our own patients. We call it healthcare without an address. What that means is, if a patient calls and says, "I think I have to go to the emergency room because I have X," we might decide that

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it is better to be seen at one of our 19 urgent care centers. We might decide to take care of that through telehealth and get them whatever drug they need through a 24-hour CVS or Walgreens, or we might decide that we can see them to-morrow morning at 7:00 a.m. and make that appointment for them. We've been able to get 73% of our non-ambulance patients that would have come to our expensive ED and wait for five hours and get more fragmented care to be cared for closer to home with better care.

You're lowering costs, increasing access and improving clinical outcomes at the same time?

That is exactly right. And, by the way, it's actually part of a Medicaid problem. When Medicaid expanded, studies showed care was 30% more expensive with worse outcomes. Why? Because what the patient gets is a Medicaid card. They get this almost indecipherable sort of, "Here's how you handle it." They call the first doctor with their problem and that doctor says, "I'm sorry, I don't take Medicaid." They call a second doctor who answers with the same response. They end up in an expensive emergency room that costs four or five times more than it would have, with worse outcomes. What we're doing with our virtual triage is once you get that new insurance card, we match you. It might be a nurse practitioner, but we can look at our vast network and say, "Here's who you should see."

It's healthcare finally joining the consumer revolution. I react to the word telehealth because as John Sculley said, "Stop talking about telehealth, we don't talk about telebanking." You don't say in the morning, "I'm going to go telebank." What you say is, "I need to do some banking," but you don't have to leave your home or office. What used to require you getting in your car and waiting for a teller now can be done at home. The same thing will happen with healthcare. If we stop talking about telehealth and start talking about healthcare needing to join the consumer revolution, that's what Jefferson has built by being a 193-year-old startup.

Any advice on what CEOs should do to improve the health of their organizations?

Think about yourself as a patient and say, "Boy, I would never want to go through this," and what I would do is spend a day in your place with a camera at your body level and look at what's actually happening with you as a patient. I had an opportunity to do that and yes, I learned what's bad and what's great.

What are you doing to pave the way for the future of healthcare?

On the university side, we merged with one of the top ten

"It's just ridiculous that the day after Thanksgiving, I can be in my pajamas watching Game
of Thrones and do all of my holiday shopping.
But if I have a stomach ache, I'm still getting
on the phone, waiting through 11 options so I
can get an appointment next Wednesday. At
Jefferson, we are looking at everything that
doesn't make sense from a consumer point of
view and we're fixing it."

design universities in the country. Why would a 193-yearold university focused on health, merge with something that used to be called The Philadelphia College of Textiles and Sciences, and is now one of the top ten in design, architecture and sustainable environments? It is because the future of healthcare is the design of the human experience, and it may very well be at home. The future of healthcare is IBM Watson and Google Brain doing the technical work, so how do we create a healthier community? Or how do we create offices so that patients have the best experience? That is really where I see the future of healthcare and where we need experts in human design. Thomas Jefferson University now has two campuses: the downtown University Campus and a 104-acre East Falls Campus that is all about design and architecture, both of which are Thomas Jefferson University.

I loved your TED talks on the future of healthcare. Talk more about the future.

I have a very optimistic view of the future of healthcare, because I believe consumers and millennials will blow up our world and make healthcare better if we would embrace that disruption. In terms of federal policy, I'm actually optimistic partly because the Democrats and the Republicans haven't figured it out. If they would admit they've both failed, like any other natural disaster, we could create a bipartisan 9/11-type commission and look at a brighter future.

Back about 50 years ago, Bill Kissick talked about an "Iron Triangle" of cost, access and quality. He said, "If anybody ever tells you that they're going to increase access, increase quality and decrease cost without disrupting the system, and it's not going to be painful, they're lying."

Think about President Obama: "I'm going to increase access, increase quality, decrease cost, it's not going to be painful." Then think about President Trump: "It's going to be huge, terrific, awesome, and beautiful," but what he meant is we're going to increase access, increase quality and decrease cost.

The fact is, we have to fundamentally disrupt the system. There's a great quote from Buckminster Fuller that I use all the time, "If you want to change something, don't change the existing reality. Create a new model that makes the old one obsolete." Mike Tyson put it in a different way, "Everyone has a plan until they get punched in the mouth." We are getting punched in the mouth. Here's what has to happen. The first thing is that healthcare has to join the consumer revolution. It's just ridiculous that the day after Thanksgiving, I can be in my pajamas watching Game of Thrones and do all of my holiday shopping. But if I have a stomach ache, I'm still getting on the phone, waiting through 11 options so I can get an appointment next Wednesday. At Jefferson, we are looking at everything that doesn't make sense from a consumer point of view and we're fixing it.

I'll give you a real life situation with me as the patient. I had emergency lung surgery the day before Father's Day. I have three kids coming down to see me and all they knew was that I was at the emergency lung surgery. We have started something with a software company called Virtual Rounds. Today, if you have a parent in a cancer center and you're in Denver and your sister is in Miami, you're still calling and asking, "What did the doctor say?" The response is most likely, "I don't know. He came in about 5:30 in the morning with six young people that looked like they just got out of high school." We now have something where we send software to your family members as part of the rounds. Five minutes out of anesthesia and I'm with my doctor and he is talking to my three kids on their iPads, telling my kids that I'm going to be okay. The problem is all three of them said that I offered them a car!

In all seriousness, the future is this: First, healthcare joins the consumer revolution and anybody that doesn't do it, ends up like Macy's, Sears and Penney's when they ignore Amazon.

Second, hospital CEOs are really starting to be incentivized not just for what happens when they get into their

hospital, but what happens in their city. There are cities like Philadelphia, where we have the highest discrepancy in life expectancy of any major city in the country based on zipcode. However Philadelphia has several major academic medical centers. It's unacceptable that your zipcode says more about your life and health than your genetic code. As you know, if you're on the hospital board, you have all these things that you talk about with your board around quality, safety, community engagement and diversity, but your hospital CEO's incentives are most likely based on hospital census and EBITDA.

Third, the future of doctors. We have to recognize that there's going to be an augmented intelligence entity next to me that's much better at memorizing organic chemistry formulas. We need to start selecting and educating humans to be more like humans and not more like robots. There are two quotes I use in every one of my talks: "Technology will replace 80% of what doctors do" and "Any doctor that can be replaced by a computer should be." At the end of the day, both of those are true.

The fourth thing is that we have to start getting real about technical competence. I'm a pilot. Every two years I have to get my technical and teamwork competence assessed - to fly a plane. But the last time that I got my surgical competence assessed, and this is true of every surgeon in



"There are two quotes I use in every one of my talks: "Technology will replace 80% of what doctors do" and "Any doctor that can be replaced by a computer should be."

your hospital, was 32 years ago. For me to be certified by the American Board of OB/GYN, I have to pass multiple choice tests. The level of comfort that you have that I'm still okay to do surgery is you know I've picked up a Number 2 lead pencil and then did not go too far outside the lines. You could also subjectively say, "You're safer flying with me" than being operated on by me.

The fifth thing is we have to recognize that the federal government has a dollar to pay for a \$1.25 in federally supported healthcare. We can call it volume, value or whatever we want to call it, but we need to get serious about it and stop blaming everybody that isn't us. We need to recognize that the Democrats' answer to this shortfall has been, "We'll give everybody a quarter" and the Republicans' answer is, "We'll just cut 20% of the people out."

To really go from a dollar and a quarter to a dollar, we have to get rid of the scourge of OPM, other people's money. There's no industry where the person that pays for the service, the person that provides the service and the person that gets the service never talk to each other. The person that pays for service, the employer, is talking to this group called the insurers. The person that gets the service is talking to this group called the providers. There's no civilized country in world that doesn't allow its government (CMS in the U.S.) to negotiate prices for pharmaceuticals. And there's no civilized country in the world that makes healthcare right that pays a dermatologist seven or eight times more to take off a mole than they pay to see a family doctor.

What are the actual steps that people should take, that CEOs should take, to move into a new healthcare system?

The first thing is, if you are on the Board or you're part of a hospital, you need in essence, a person in your senior management that is a patient, a consumer telling you, "I don't understand why you're not doing this because most of those things are doable." You need to look at your-

Stephen K. Klasko, MD, MBA President & CEO Thomas Jefferson University & Jefferson Health

self and say, "Are we really providing the best consumer health?" That's number one.

Number two, I believe you need to look at true partner-ships with insurers at a very different level. If I can provide 75% of my care outside of my expensive emergency room and with better outcomes, let's split that.

The third thing is we have to recognize the disparities - really, the scourge of this country. If you're a hospital CEO or you're on the board, then we have to recognize that part of your job is to look around you and make sure that the people around you are actually getting the care they need, whether they come in to your hospital or not.

The last thing is we have to recognize is that the workforce in healthcare needs to lead in the world where we have iPhones and IBM Watsons and Google Brain. We cannot continue to train people for jobs that will be obsolete. Look at what will be obvious ten years from now, and do it now. Don't wait.

There you have it: healthcare going back to consumerism. Dr. Stephen Klasko, great having you on The CEO Forum.

Thank you, Robert. My pleasure.





Stephen K. Klasko, MD and Robert Reiss - Interview aired: 11/16/2017

Dr. Klasko has been a national advocate for transformation as dean of two medical colleges and CEO of three academic health centers before becoming President and CEO at Jefferson. He is author of 1999's The Phantom Stethoscope, 2016's WE Can Fix Healthcare in America, and editor in chief of the journal "Healthcare Transformation." His forthcoming 2018 book is titled, Bless This Mess: A Picture Storybook for the Future of Healthcare.

Named President and CEO at Jefferson in 2013, Stephen K. Klasko, MD, MBA, has led the Philadelphia-based institution to be among the nation's fastest growing academic health systems, focused on his vision of re-imagining healthcare and higher education. In 2017, Jefferson merged with Philadelphia University, adding strengths in fashion, design, architecture, business and transdisciplinary education.

Dr. Klasko was named among Modern Healthcare's "100 Most Influential People in Healthcare 2017." Becker's Hospital Review named him among its 100 Great Healthcare Leaders.





Sandra Fenwick sharing the news with staff that U.S.News & World Report has named Boston Children's the top pediatric hospital in the nation.

"Right now, we're living in the greatest age of health care innovation in history, and yet 1 in 5 children has an identified emotional, mental or behavioral health issue. 75% of our children have experienced an Adverse Childhood Experience — the kind of event that can impact brain development."

Robert Reiss: How would you define the state of healthcare in America today?

Sandi Fenwick: We're all familiar with the adage that "children are our future." But it's more than just a cliché. It's a reality and, if we look closely at the current state of children's health, a troubling one.

Within two generations, our 80 million children will be our leaders — in business, government, the military, and healthcare. This is why it's so critical that we provide children with the support, tools and strategies needed to grow into healthy adults. But if you look closely at the current state of child health, it becomes increasingly clear that this is an area where we're simply not doing enough. In fact, the Child and Adolescent Health Measurement Initiative describes our current state as reaching "near epidemic levels of stress and emotional, mental, behavioral health problems."

Right now, we're living in the greatest age of health care innovation in history, and yet 1 in 5 children has an identified emotional, mental or behavioral health issue. 75% of our children have experienced an Adverse Childhood Experience — the kind of event that can impact brain development, as well as social and emotional well-being. 22% of our children under the age of 12 live in poverty, while 43% of all children have a chronic health condition. That number jumps to 54% when we include children who are overweight, obese or at-risk for emotional developmental delays.

As shocking as these statistics are, they're proof points of a problem that most of us seem to be aware of. According to the C.S. Mott National Poll on Children's Health, more than 55% of adults believe behavioral and emotional health in children is in decline, and more than 40% believe that physical health is also worse than when we grew up.

It would be putting it mildly to say that the state of healthcare in our nation is at risk, but as I said, we are living in the greatest age of health care innovation in history. We are aware of the problems facing our children, and the possibilities to improve their health and well-being are enormous — if we can focus on what's most important.

What is your vision for healthcare in America?

When children thrive, a society thrives. If we want to thrive — or simply survive — we must build a society that puts children first and provides them with the strategies they need to grow into healthy adults. When our nation's policies, practices, funding and philanthropy reflect a commitment to supporting the health and well-being of children and the families that raise them, only then will our future begin to feel secure.

What role do you see Boston Children's Hospital playing in that vision?

Boston Children's Hospital's role is going to be much the same as it's always been, because for nearly 150 years, our whole focus has been on improving the lives of children. Since 1869, we have built this organization on the shoulders of giants. In the 1930's, we were the first place

to repair a heart defect in a child born with congenital heart disease. In the 1940's, we were the first place to develop chemotherapy for acute lymphocytic leukemia in children. In the 1950's, we cultured the first polio virus which led to the vaccine that has now saved the lives of millions of children worldwide. Today, we're leading the way in the fields of genetics, genomics and precision medicine.

Today our goal is to better understand disease and to try to turn our learnings into treatments, devices, technology, and hopefully one day, cures and even prevention. That's our goal...until every child is well.

Of the 5,000 hospitals in America, most of which are acute, what's the real difference in leading a children's hospital?

Our focus is completely on every aspect of caring for children. We care for their physical needs as well as behavioral and mental illnesses, their social, emotional, educational, nutritional and environmental wellbeing. That's one of the main reasons why we have remained both focused and independent -- so that we can care for children at every level of their care needs, as we care for the whole family. We focus not only on what the child comes in with, what the child's needs are, but what is the whole need of parents, guardians, grandparents, siblings. When that child is sick, the whole family is suffering. As we look at what we can do for children and children's diseases, we do so knowing that children's needs are very different than adults.

"Since 1869, we have built this organization on the shoulders of two giants. In the 1930's, we were the first place to repair a heart defect in a child born with congenital heart disease. In the 1940's, we were the first place to develop chemotherapy for acute lymphocytic leukemia in children. In the 1950's, we cultured the first polio virus which led to the vaccine that has now saved the lives of millions of children worldwide."

What are the most pressing challenges you are facing today in the changing landscape of treating children?

At Boston Children's, we are keenly aware of just how much more our nation's children need now than at any other point in history. For nearly 150 years, Boston Children's has been committed to innovation in both clinical care and bench-to-bedside science. As a result, we have been able to care for and improve life and health outcomes for medically complex children, including those with congenital heart conditions, childhood cancers and complex neurological and neurosurgical conditions. Our capability to heal is accelerating as we develop new approaches including gene therapies, stem cell transplant procedures, and fetal surgical interventions.

As a result, we have seen significant growth in the number of complex patients we serve — patients who stay longer, require more resources and a broader range of interdisciplinary specialists, and frequently require substantial support for their whole family.

And yet, over the last year, the greatest challenges haven't come from the diseases and conditions we are working to treat, but from our continued ability to treat them at all.

Last summer, Congress sought to rewrite our nation's healthcare law without House or Senate Committee hearings. The result was the American Health Care Act (AHCA) — a healthcare system that did significantly less for children at a time when we must do more. In attempting to rewrite our healthcare law, Congress effectively eliminated children and their families from consideration. Thankfully, the Senate placed their voices back where they belong, and turned a spotlight on the needs of children supported by Medicaid — about half of all the children in the United States. Our commitment to ensuring the care and well-being of our nation's underserved and at-risk children has never been stronger.

At Boston Children's, we are proud of the responsibility that comes with being the #1 ranked pediatric hospital in the nation — to deliver world-class care to all children; and to advance pediatrics through groundbreaking research and innovation.

Our future as a society hinges on the health and well-be-

"At Boston Children's, we are proud of the responsibility that comes with being the #1 ranked pediatric hospital in the nation—to deliver world-class care to all children; and to advance pediatrics through groundbreaking research and innovation."

ing of our children. We are caring for future leaders in business, politics, and the military; the teachers, nurses, scientists, doctors and artists who will define our next generation. What we do for children and families now will define what tomorrow looks like for us all.

What is Boston Children's doing in the cardiovascular field?

We have been pioneers in cardiovascular care since the '30s. We have been innovators in both cardiology and in cardiac surgery — we continue to push the boundaries on our ability to repair congenital heart defects in children, and cath interventions are now replacing open heart cardiac surgery.

Our cardiologists and cardiac surgeons work as teams to understand what the physiology and the anatomy of children are so that they can then redefine what can and cannot be done — accomplishing breakthroughs that aren't possible in other places. They're expanding innovation and constantly offering hope and opportunity for patients who have nowhere else to turn.

Just to share one example, there are children born with something called hypoplastic left heart syndrome, where only half of the heart is functioning. It can now be identified prenatally in our Advanced Fetal Care Center. We can understand that this is going to be a problem when the child is delivered, so we can actually intervene prenatally while the child is still in utero, helping to grow the side of the heart that is not growing. When they are delivered, they have at least partial function in the side of the heart that would normally not be functioning at all at birth. This alleviates many, many surgeries after they're born. With just a few repairs, those children are now not only surviving but actually thriving.

Where is innovation leading children's health?



Sandra Fenwick leads patients, families and staff in the lighting of the hospital's Christmas tree, one of many events that Boston Children's holds to make life brighter for families during the holidays.

Ultimately, the genetic causes of more diseases will be treatable. Right now families are going through an odyssey of not knowing — it's painful and exhausting. We can end that.

Genomics and precision medicine are exploding worldwide — and they are a tremendous part of what we're doing at Boston Children's Hospital. In gene therapy, we have a number of clinical trials going on now with children that are literally coming from all over the world. Through genomics, we understand the cause of some particularly rare diseases that we've never been able to even diagnose in the past. The whole autism spectrum set of disorders is opening up to us. We now understand the fragile X component and the tuberous sclerosis component. And we are now figuring out not only what is causing it, but how to transform that knowledge into drugs and therapeutics that can actually intervene and treat those forms of disease.

To share just one example, adrenoleukodystrophy—best known from the movie "Lorenzo's Oil"— is a genetic disease that most severely affects boys. Caused by a defective gene on the X chromosome, it triggers a build-up of fatty acids that damage the protective my-

elin sheaths of the brain's neurons, leading to cognitive and motor impairment. The most devastating form of the disease is cerebral adrenoleukodystrophy (CALD), which ultimately leads to a vegetative state, typically claiming boys' lives within 10 years of diagnosis.

A gene therapy treatment led by researchers from the Dana-Farber/Boston Children's Cancer and Blood Disorders Center and Massachusetts General Hospital, has effectively stabilized CALD's progression in 88 percent of patients. In the clinical trial, 15 of 17 patients had stable neurologic functioning more than two years after receiving the gene therapy, and the ongoing trial has received regulatory approval to expand its number of patients.

As we grow, as we push boundaries and create new possibilities, we cannot lose sight of why we do this. We have a responsibility to care for all children and adults whose needs are desperate. In order to deliver on the full

"Through genomics, we understand the cause of some particularly rare diseases that we've never been able to even diagnose in the past."



Sandra Fenwick delivers the opening keynote at Taking on Tomorrow, Boston Children's Hospital's global pediatric innovation summit.

promise of precision medicine, we must think differently, and we must collaborate differently. The kind of success we've had at Boston Children's with precision medicine CAN be replicated, but it takes talent, tools, institutional support and investment, and the commitment of outside partners.

We are in a position to redefine more than pediatrics, more than healthcare. We are in a position to redefine the future. These families who need these breakthroughs need us to do it NOW. And if we stand together, there's nothing standing in our way.

In managing an organization of 20,000, define your leadership philosophy.

Our culture is truly built on excellence at every level. We support a culture of never being satisfied — with a goal of making the impossible possible. We surround our patients and families through the most difficult time of their lives.

We are constantly raising the bar of quality and safety, which is essential to inspiring the trust that inspires patients to come here. But it's also about constantly expanding the limits of what we know and what we can do to deliver better care to kids. That mission and that commitment to always being better helps us recruit and retain the very best people for their entire careers. Sometimes they're caring for all sorts of children, and sometimes they are here, working for decades on solving one issue.

I believe strongly in leveraging and encouraging the very best of everyone who makes up our Boston Children's team. I believe we are servant leaders — it's not about me, it's not about any single one of us. We all contribute our expertise, our genius, our care, our devotion and our passion. We are here as a team to do one thing and that is to care for our patients and families, and to support each other in doing that as colleagues, as team members, and as our own family, all for the kids and their families who need our help.

What values do you see as most important?

Leadership, honesty, humility and courage.

Honesty — telling the truth, whether we're delivering good news, bad news or just our best judgment is absolutely essential to delivering optimal care and to leading a major department of a service, or the whole organization. Transparency, truth, honesty — they're just fundamental to human character.

Humility is part of being a servant leader. Every single one of us is here to serve whether we are administrators, doctors, nurses, environmental service workers, valet parkers. We all want to be successful. We all want recognition. But it's first and foremost about what we deliver to our patients here and increasingly, nationally and globally. We are here to serve.

Courage is about always doing the right thing, not necessarily the easy thing. It's also about asking the tough questions, pursuing the hard answers, constantly taking risks and innovating when we don't have the answers. We all need to do that, not just the researchers and the clinicians. We need to do it in this changing world of

care delivery and finance and everything, especially taking courage when there is uncertainty. That's really what each one of us brings to the game and if we do all of those things, those are the people I really want to see lead this organization.

What was the single proudest moment of your career so far?

There have been so many moments of pride and accomplishment in my career, but my greatest joy comes from those little moments when a single person reminds me that what I do has value to them. As a CEO, it's my responsibility to see the big picture — I spend so much time thinking in terms of the healthcare landscape, the priorities of my organization, and the future of pediatrics. All of it comes into perspective when I get a note from a member of our faculty, our staff or our Board, thanking me not just for my leadership, but for the way I lead. It means even more when I hear from patients and families, reminding me that what I do matters to them, always.

We've already talked about the values I hold most dear. The moments I am most proud of in my career are the times someone takes time out of their day to let me know that I'm living up to those values.

"I believe we are servant leaders."



Sandra L. Fenwick and Robert Reiss – Interviewed 12/7/17

As President and Chief Executive Officer of Boston Children's Hospital, Sandra L. Fenwick leads the nation's foremost independent pediatric hospital and the world's leading center of pediatric medical and health research. Ms. Fenwick has been a driving force to improve the effectiveness and efficacy of the care provided at Boston Children's while at the same time reducing the costs of care. Through a combination of hospital affiliations, outpatient specialty care centers, community health centers and regional partnerships, she has helped create a children's health network providing high quality pediatric care in local settings. She has also expanded its commitment to and investment in both basic, translational and clinical research, care innovation and as well as prevention efforts focused on asthma, obesity, mental health and violence.



CEO Insight Healthcare Insurance



Aflac's Groundbreaking One Day Pay™: It Took a Village

By Teresa White, President, Aflac

Some stories start better at the end: Since Aflac introduced One Day Pay in 2015 – collapsing the turnaround time between claim filing and claim payments – millions of Aflac policyholders have received claims payments in just a day. Policyholders sent us love letters. Sales people played it as a trump card. Aflac's reputation scores for customer service, already very high, climbed higher still.

So, as a business and marketing initiative, One Day Pay has been a ripping success. Only now, with the benefit of hindsight, can we see clearly how tenuous and complicated it all was at the outset and how interdependent the thousand moving parts of the corporate coalition were that brought it all to fruition.

The Culture Card

I recall when we were excited to pay an insurance claim in about four days. There were forms to complete and documentation to provide. Although experienced with the claims process, as a matter of practicality, the process took time. Mail was delivered, the employees worked to ensure appropriate forms were received, they worked to adjudicate the claim and we did it fast. Four days! We thought we were heroes. Then, in 2014, after years of automation and digital enhancements, Aflac made trade industry headlines with its "four-day promise," a remarkable achievement for a company that shoots through more than six million individual claims a year. But even then, Aflac visionaries, inspired by the company's continuous improvement culture, whispered of the insurance industry's Holy Grail: claims payment turnaround of just one day.

It's all IT

As is so often the case, the challenge fell squarely in the lap of Information Technology. The insurance industry – like stock trading, medical records management and international banking – is all about the management of data.

Our IT team, headed by CIO Julia Davis, dug into the challenge with some trepidation but can-do enthusiasm. First, Davis had to assess the efficiency of the current claims processing model. The claims of Aflac policyholders entered the system, passed through a screening process and then were sorted into multiple subsequent levels of examination in a routine referred to as "the waterfall." Because each step was fully dependent on the



one before, the flow could not be accelerated. One Day Pay would require tripling its pace, and the waterfall model of claims processing had an inherent speed limit. Davis and her team took a deep breath and proposed a radical solution to senior management: the waterfall model, which had served the company well for decades, would have to be entirely re-engineered. We needed an agile model.

The Village Responds

Davis worked with a cross-functional team from Claims, Legal, Compliance, Actuarial and Marketing. This mission took priority over all other IT initiatives and drew Aflac's best and brightest into the huddle. One Day Pay became Aflac's Manhattan Project, with proportionate funding and executive support. Aflac knew that if it could crack the One Day Pay code, it would not only better serve its policyholder, it would also leave rivals in the dust and create a new competitive distinction.

Meetings were quick and frequent. Best practices from other industries were studied, adopted, trialed and modified. Whiteboards were filled, erased, filled, photographed and filled again. Progress was tracked and encouraged by the highest levels of senior management. The project was supposed to take 18 months.

It took six.

In the end, Davis and her team modified 21 different applications and created new rules for automated adjudication of claims. The new model – SmartClaims – was augmented by technology enhancements on the front end, like encouraging policyholders to submit claims electronically, and on the back end by working with banks to expedite direct deposit. The newly constructed model was submitted to a shakedown cruise, processing claims submitted by Aflac's own employees.

Out of the Nest

Checked and double-checked, the One Day Pay promise was trumpeted to the world in February 2015. Aflac was so confident in the new system that it devoted a marketing budget of \$100 million – 90 percent of the year's spend – to the One Day Pay push. We bought advertising slots on the Grammy's and the Daytona 500 – media venues where our iconic Aflac Duck had never dared to

waddle. We commissioned new TV spots, collateral and a web presence to support our national sales force.

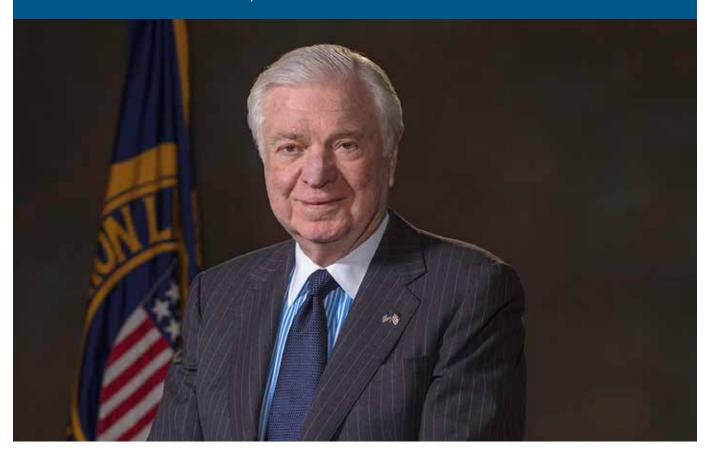
We processed one million One Day Pay claims in the first year, and another million the next. Today, 96 percent of SmartClaims are One Day Pay claims.

In part due to the ability to tout "one-day" payment of claims, we find we're attracting younger customers. In the insurance industry, where actuary tables are everything, winning younger customers translates directly to revenue. In a world where Amazon is delivering electronics and paper towels same-day, the want-it-now expectation is enormous. It would not be an overstatement to say the younger the customer, the higher the expectation of speed. But the inverse also is true: The faster a company can deliver on a promise, the younger the customer that company may attract.

We're confident the trend will hold. But we know enough to not rest on our laurels. Do we now have Special Teams trying to beat the one-day standard? What do you think?



Teresa White is a 26-year veteran in the financial services industry who currently serves as president of Aflac U.S. She is a visionary leader with a proven track record of optimizing operations, driving revenues, decreasing expenses, and building high-performing, diverse teams. She has driven business and leadership strategies across multiple organizations to achieve corporate targets and has extensive experience driving operational efficiency, enhancing customer experience and utilizing technology to enable growth.



"I believe that healthcare is the highest calling. We defined our mission at UHS and we live every aspect of our mission, every day."

Robert Reiss: When you began in 1979, you had just six people and one telephone. Today you have 81,000 employees, about \$10 billion in revenue, 320 hospitals and scores of awards. How did you build such a remarkable organization from scratch?

Alan Miller: I believe that healthcare is the highest calling. We defined our mission at UHS and we live every aspect of our mission, every day. We provide superior quality healthcare services that benefit every one of our stakeholders – with the patient as our top priority, always. We have the privilege of serving 2.6 million patients every year and helping make their lives better.

Your tenure as a CEO is 39 years, which is the third longest of any major CEO in America, right behind Warren Buffett. What do you believe the secret is to longevity as a CEO?

I attribute my longevity to working hard and always focusing on delivering healthcare that helps patients. Superior patient care is our top priority. I am fortunate to work with a great team of talented and passionate people who want to help others and who are proud of the work we do at UHS.

"Behavioral health must go hand-in-hand with physical health."

How would you codify your leadership philosophy?

Build the right team, develop trust, and inspire and influence people to accomplish common organizational goals.

As the largest facility-based behavioral health provider in the country, where does behavioral health fit into the continuum of healthcare in America?

Behavioral health must go hand-in-hand with physical health. It hasn't always been perceived as such, but its importance is not to be underestimated. In 1954, Inaugural World Health Organization President Dr. Brock Chisholm highlighted this sentiment stating, "Without mental health, there can be no true physical health." Dr. Chisholm's words were revolutionary at the time and remain pertinent today.

Society now understands that in order for an individual to be healthy, they have to be mentally and physically healthy. The other change that has occurred is that society recognizes that if a person is diagnosed with a mental health issue, they may well have a physical ailment and vice versa. As a result, more people are being treated for both conditions. Physical doctors – your family doctor, your internist and other specialists – recognize the importance of evaluating patients for mental health issues, as well.

There are about 56 million people in America suffering with mental health issues. Talk about how the Healthcare industry will address this dynamic.

Let's think about that. If you have a heart attack or a disability and you are concerned about living a long life, it certainly affects you mentally. It seems so logical now, but years ago, mental health was treated separately. In the past there was a stigma attached to mental health problems in the family and it was something to be ashamed of. People were kept away and family members did not want to let others know that they had a mentally ill person in the family. While people today are more willing to talk and share, there is much more to be done.

You have 320 hospitals in total. Talk about your business model.

Fifty percent of the company's revenues (about \$5 billion) are generated from the Acute Care division and the other half comes from the Behavioral Health division. The mission of UHS is to provide superior care for patients and help make them better. That's our number one goal, and our number two goal, and our number three goal. Whatever it takes, we are dedicated to having the best facilities, the best equipment and the best staff possible. Our team is proud of the work we do and they focus on achieving our mission. It's all about patients first, second and third. After that, we're concerned about our 81,000 employees, their families and their futures.

Then it goes down to the communities where we play an important and valuable role. Our hospitals are major employers in the regions in which we operate. Additionally, all of our hospitals have large gathering halls and we encourage the community to come and use our facilities. There is a UHS facility in Florida, for example, where I recently had the pleasure of visiting as the CEO of the hospital was honored with an award from the Boy Scouts of America. Hundreds of people from the community were in attendance. It was terrific to see so many from the neighborhood engaging with our hospital and staff.

Lastly, we are a publicly traded company and we have shareholders. I am a shareholder as well as my family, and many of our employees are shareholders, too.

Many of your employees are shareholders?

Yes, we have programs through which employees can buy shares at a discount, and they can also be awarded shares at the end of the calendar year. I don't want to overstate it, but we've had 3,000% growth in the value of our shares. Since many of our employees are shareholders, they've been very pleased with the performance.

If we do our jobs right and deliver superior care to patients, we will have the opportunity to treat more and more patients, and employees will continue to be proud to work at UHS and our subsidiaries. In turn, shareholders will continue to reap the benefits.

"The mission of UHS is to provide superior care for patients. That's our number one goal, and our number two goal, and our number three goal."



Opening of the Chris Kyle Patriots Hospital in Anchorage, Alaska, dedicated July 2015.

(I to r) Taya Kyle, wife of Chris Kyle; Alan B. Miller, UHS Chairman & CEO; Brigadier General Laurie Hummel, Adjutant General of the Alaska National Guard and Commission of the Alaska Department of Military and Veterans Affairs; Bob Herron, Alaska House of Representatives and Chair of the House Military and Veterans Affairs Committee; Debbie Osteen, UHS SVP and President, Behavioral Health Division.

You now have 81,000 employees. Talk about your corporate culture.

At Universal Health Services, we have a culture that focuses on service excellence, continuous improvement, employee growth and development, and innovation in service delivery. Our care providers are the face of our company to the patient; and their ability to deliver optimal outcomes with a superior patient experience is paramount. We don't settle for less. We have a first-class team, provide superior care and embrace leading-edge technologies that positively impact our patients' lives.

What are the challenges and opportunities for Healthcare in America?

What we are trying to do in America is bring the kind of care to all citizens that a good portion of the country currently receives. This is the challenge that led to the creation and expansion of the insurance exchanges. This certainly is a good part of Obama Care, and I'm all for that. The problem is, how does one pay for it and this is a common problem. A number of countries are bankrupting themselves because of their aging population demographics and the rising cost of healthcare.

Generally, the western world is getting older, and as it gets older, the need for healthcare increases and the cost consequently increases. Many of these countries are now cutting back because they can't afford healthcare. This is what we have to watch out for in America. The

population figures in 2025, 2040 and 2050 will be comprised of a very large percentage of older people and fewer working-aged people. These factors will drive up the cost of health care. We have to find ways to address this challenge.

You recently expanded internationally. Tell me about that.

Yes, in 2015, UHS expanded to the UK, where we now operate one of the largest behavioral health networks. We started with one group and we now have three groups that we combined under Cygnet Health Care. It is exciting to see the high quality care and outcomes we can bring to patients.

How should the government approach behavioral health?

Historically, government funding has been directed toward physical health and acute care. We are starting to realize we need to focus more on mental health care. I don't have to remind everyone that the world has experienced tragedies and shootings caused in some cases by mentally ill people. It has become recognized that these people should have been diagnosed, treated and cared for earlier. These were sick people and some of them could have been treated and helped.

Thank you for the remarkable job UHS did in Las Vegas.

Yes, we did a spectacular job. Every one of our six hospitals located in the Las Vegas area treated people impacted by the October 1 shooting and our staff worked diligently for 12- and 14-hour shifts to care for the victims. Our team does a great job every day, but they did an incredible job in this time of need.

I know that Herschel Walker has been very involved with your organization.

Herschel Walker is a truly wonderful man and great football player who has been affiliated with UHS for a number of years. Aside from being an accomplished athlete, Hershel has experienced some serious mental health issues. He openly discusses his story, and he wants people to understand that there's nothing to be ashamed of... that people need to seek treatment. What better than to have a beloved athlete with a wonderful manner and a big heart go on the road and talk candidly about his own condition.

Talk about your involvement with the military.

UHS has a substantial military support operation. PTSD is a serious problem and we are concerned about the military. I served in the U.S. Army and I am very appreciative of what our armed forces have done for this nation. We owe them a lot and we can never repay those



"Herschel Walker is a truly wonderful man and great football player who has been affiliated with UHS for a number of years."

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who have given so much. UHS is very involved with the Wounded Warriors Project as well.

In addition, in July 2015, we named a hospital in Anchorage, Alaska in honor of Chris Kyle, U.S. Navy SEAL and American Sniper. The Chris Kyle Patriots hospital is the only hospital we have named for an individual. When we dedicated the facility, we had a huge turnout of active and retired military including Chris' lovely wife, Taya. Of the 700,000 people who live in Alaska, approximately 20 percent are active duty or retired. The Chris Kyle Patriots Hospital is dedicated to them.

Let's shift to the personal side of Alan Miller. You grew up in New York City and played basketball. Talk about that experience and the lessons you learned from sports that apply to business.

I loved playing basketball not only for the physical challenge, but for what I learned that made me a better person. My team won the city championship. During that time, I learned that nothing can replace hard work and long hours of practice. I learned the value of facing adversity and having a positive attitude. I learned that your team is everything – together you rise, together you fall. But, the most important thing I learned is that every great team has a strong coach. Like a coach, I try to find the very best people and I help them optimize their talents, work together and accomplish our goals.

You're a historian and have a special place in your heart for the Museum of the American Revolution.

Yes. In fact, I recently joined the Board of Directors of the Museum of the American Revolution, which is located in Philadelphia. The Museum is special to me because it embodies the notion that ordinary people can do extraordinary things. It is an institution that inspires generations about the soaring ideals of freedom. The Museum provides

"I loved playing basketball not only for the physical challenge, but for what I learned that made me a better person. My team won the city championship. During that time, I learned that nothing can replace hard work and long hours of practice. I learned the value of facing adversity and having a positive attitude. I learned that your team is everything."

an appreciation of what it means to live in a country where we cherish life, liberty and the pursuit of happiness.

Specifically, you've followed George Washington's career. What can CEOs learn about leadership from George Washington?

I am a student of History and I well understand and have studied the courage of our founding fathers and their bold entrepreneurial style. George Washington had the courage to take on the greatest army in the world at that time. From George Washington, I have learned the importance of perseverance, the power of remaining calm under pressure and the value of being ambitious.



The Alan B. Miller Hall houses the School of Business at the College of William & Mary.

Not many people know this, but George Washington earned a surveyor degree from the College of William & Mary. He was a fascinating leader who inspires me.

UHS headquarters are in King of Prussia, PA. Talk about the historical significance.

The community took its name in the 18th century from a local tavern called the King of Prussia Inn, which was named after King Frederick (the Great) of Prussia.

General George Washington first visited the tavern on Thanksgiving Day in 1777 while the Continental Army was encamped at Whitemarsh; a few weeks later Washington and the army camped at nearby Valley Forge. It is believed that, during visits to the tavern, Washington would gather intelligence about the British army's tactical plans.

At The College of William & Mary is the Alan B. Miller Hall. Williamsburg is a powerful representation of the American Revolution. Talk about the connection between American history and business and your involvement.

The Alan B. Miller Hall houses the School of Business and is, symbolically and literally, an outstanding building that inspires the student body, the faculty and staff. Everyone sees the building and realizes what it represents — a calling to the next generation of leaders and entrepreneurs to keep this great nation advancing and moving along.

America needs geniuses and entrepreneurs to help the country continue to grow and thrive – this is the underpinning of the strength of America.

Any advice that you learned through your years of significant success that might help other CEOs?

"George Washington had the courage to take on the greatest army in the world at that time. From George Washington, I have learned the importance of perseverance, the power of remaining calm under pressure and the value of being ambitious."

Character is destiny – A person with good character will always be better off in life.

I believe these are the top leadership qualities that could benefit other CEOs:

- Character is destiny A person with good character will always be better off in life. Choose your friends carefully because you are known by the friends you keep. I believe that.
- Hard work is critical and if you're going to do something,
- Hire the best team possible build trust and rally the team to focus on a common goal.

I have built my success on the idea that healthcare is personal and always will be. I am confident that we can make a positive difference in the lives of patients, families and communities. That is why we will always strive to be a leader in providing superior quality care.



(l to r) Alan B. Miller, Founder and CEO, and Marc D. Miller, President.



Alan Miller and Robert Reiss - Interview aired: 12/12/2017

Alan B. Miller is Chairman and CEO of Universal Health Services, Inc. (NYSE:UHS), which he founded in 1979. UHS, a Fortune 500 company (276), is also one of the largest hospital management companies in the nation. It owns and operates more than 320 facilities in 37 states, Washington, D.C., Puerto Rico, the U.S. Virgin Islands and the United Kingdom. Annual revenues of the Company are nearly \$10 billion. He also serves as Chairman of the Board, CEO and President of Universal Health Realty Income Trust (NYSE:UHT). UHT is a REIT that he founded that currently has investments in 65 properties located in 20 states. Prior to founding UHS, Mr. Miller was Chairman and CEO of American Medicorp Inc., a pioneering hospital management company.

Both Fortune Magazine and The Wall Street Journal noted Universal Health Services as having the highest return to shareholders (38%) of all healthcare providers for the 10-year period 1990-2000. In May 2015, the Wall Street Journal ranked Mr. Miller as the third longest-tenured CEO and for achieving 3,715 percent total shareholder returns since 1995. In 2017, Forbes magazine ranked UHS 275 in its inaugural list of America's Top 500 Companies.

Upon graduation from the College of William & Mary in Virginia, Mr. Miller was commissioned in the U.S. Army and served in the 77th Infantry Division. He served as a trustee of the William & Mary Endowment Fund, and is a life member of the school's President's Council. Mr. Miller earned his MBA degree from the Wharton School of the University of Pennsylvania. He served on the Board of Overseers and on the school's Executive Board.



Alan J. Bauman, MD, ABHRS, IAHRS, FISHRS Founder & CEO Bauman Medical



Platelet-Rich Plasma or PRP is a non-surgical "lunch-hour" hair growth treatment derived from a person's own blood platelets. Dr. Bauman has routinely used PRP since 2008 to help nearly 3,000 hair loss patients. Dr. Bauman's sophisticated, results-oriented cell therapy protocols include preparing PRP using Emcyte and EnrichedPRP (a division of MasterPharm, NY) which can be used as a stand-alone therapy or in conjunction with hair transplantation.

"This is certainly NOT your father's or grandfather's hair transplant."

Robert Reiss: Today you have the largest, most comprehensive, stand-alone hair transplant and hair loss treatment facility in the world, but let's turn the clock back to 1997 when you and your wife started this little business.

Dr. Alan Bauman: My wife, Karen, and I made the move to Florida after visiting beautiful beachside Boca Raton on vacation. I didn't have a business; I didn't have the location; I didn't have anything "ready to go" really, except confidence in my training. Before that, I received my M.D. degree from New York Medical College and had surgical residency training at Beth Israel and Mount Sinai Medical Center in New York. While working closely with a plastic surgeon, I met a very satisfied hair transplant patient who had gone through an amazingly natural, life-changing restoration. After witnessing "the power of hair," this led me to seek out subspecialty training in hair transplantation and focus on that exclusively. After that, confident in my skills, we moved to Boca Raton. At first we leased a small space, just about 1,000 square feet. Karen worked the front office and I would consult with patients and perform the surgery. Initially, we hired surgical assistants per diem and expanded the administrative "Back in the 1990s it wasn't really "cool" to get a hair transplant and people thought the were all "pluggy" and painful. There are many examples of celebrities with old-style hair transplants that didn't really look natural. Even my family was a bit concerned about my career choice at first, but I was confident from my microsurgical training in New York this was amazing technology coming of age."

team as we went along and the practice grew from there.

How did you build the company in the early days?

When I first arrived in Boca, I didn't have any contacts, network or referral sources. Without a network of friends or family here locally in South Florida, I really built the practice through the Greater Boca Raton Chamber of Commerce, local charity involvement and through old fashioned networking, meeting with people who could potentially use our services or influential figures who could refer us to those who might. At first I was surprised that most people I connected with had never met a hair transplant surgeon. I collaborated first with local business owners, then a broader segment of business leaders and also spoke to stylists and salon owners "on the frontline" seeing people with thinning hair. I met with plastic surgeons and dermatologists across Florida, showing them my portfolio of artistic hair transplant results, breaking down the barriers of misconceptions about hair transplants.

What is the secret to your extraordinary growth?

When it comes to success, I think it comes down to having a passion for the profession, a laser-like focus on patient needs and truly enjoying changing lives for the better. In hair transplantation, credentials, training and skill is mandatory – I'm proud of being one of only a handful of doctors worldwide certified by the esteemed American Board of Hair Restoration Surgery (ABHRS), accepted by the International Alliance of Hair Restoration Surgery (IAHRS), and also a Fellow of the International Society of Hair Restoration Surgery (FISHRS). The next critical ingredient is innovation - exploring new ways to do what we do better, from minimally-invasive no-linear-scar "FUE" hair transplantation harvesting to using 3D-printed prosthetic medical hair replacement systems from Cesare Ragazzi Laboratories in Bologna, Italy. In the end, it's a people business and service is key. Any doctor can buy a device or learn a skill, but it's how we take care of our patients, our patient-centric philosophy, that also truly sets us apart.

Because of our drive to innovate, early on we drew attention from the media who featured my practice in stories which appeared in USA Today, Men's Health Magazine, Vogue, The New York Times, as well as on Dateline NBC, CNN, every major morning news show in America and more. This exposure, our focus on patient service and our consistent results catapulted the practice to international prominence and attracted patients from all corners of the globe, even before the practice was five years old. Today, however, patients usually find us through word-of-mouth, primarily from people who have experienced their own transformation.

How important do you see hair transplants in the spectrum of healthcare today?

While the treatment of hair loss and thinning does not extend the length of someone's life, restoring one's hair can certainly add "life to their years." What we know is that hair loss is a pervasive epidemic, impacting half of all men over fifty and affecting nearly 50 million American men and 30 million women according to the American Hair Loss Association, and it can often make people look and feel older and less attractive--diminishing their quality of life. The natural results of a properly performed hair transplant combined with effective medical treatments like medications, laser therapy and PRP Platelet-Rich Plasma is what makes for a substantial long-lasting, life-changing result. Aesthetic treatments are booming worldwide and hair restoration is a big part of that – giving people a "spike of youth," as one of my patients once said.

What's your honest take of how some of the hair transplants looked in the early days?

Well... back in the 1990s it wasn't really "cool" to get a hair transplant and people thought they were all "plug-

Alan J. Bauman, MD, ABHRS, IAHRS, FISHRS Founder & CEO Bauman Medical





Dr. Bauman's award-winning 501(c)(3) nonprofit, Bauman Philanthropic Foundation, comes to the aid of specific pre-qualified hair loss patients in need of pro-bono hair restoration solutions. Brain cancer patient Genny (above) had significant permanent hair loss from her cancer treatments. Her life-enhancing hair restoration results were made possible thanks to Dr. Bauman's foundation partnering with Cesare Ragazzi Laboratories (CRLAB) of Bologna, Italy to help bring the "CNC Hair Prosthesis," an advanced medical-grade 3D-printed non-surgical hair replacement system, to the United States. Mr. Stefano Ospitali (right) is not only the CEO of CRLAB, but also a CNC hair replacement system client.

gy" and painful. There are many examples of celebrities with old-style hair transplants that didn't really look natural. Even my family was a bit concerned about my career choice at first, but I was confident from my microsurgical training in New York this was amazing technology coming of age.

This was about the time that single follicle implantation began, which was very different than the old "hair plugs." The old transplant "corn-row" result was very odd-looking – performed with big, unnatural groupings or "plugs" of hair follicles. What we do now is move individual hair follicles or "follicular units" into the areas of concern, like the hairline, with artistic control of the hairline shape and individual hair follicle angle, orientation and position – so the results are 100% natural. No more plugs, no more rows! This is certainly NOT your father's or grandfather's hair transplant.

How could you move one hair follicle at a time? They're so small!

It's through microsurgery. We use microsurgical tools, instruments, magnification and special lighting. Even back in the 1990s, we transplanted single hairs into the hairline which looked natural, but the harvesting was less refined and could leave visible scars. The old method of

harvesting a strip of scalp and dissecting that tissue into hair follicle grafts for implantation was the "state-of-the-art" 15 to 20 years ago, but today it is different. Today, we can use sophisticated, minimally-invasive surgical instruments, even robotics if necessary, to harvest hair follicles with less discomfort, less downtime and without leaving behind an old tell-tale linear scar.

There are a lot of misconceptions about hair transplants. Aside from the fact that they can now be undetectable, what's another thing that people don't know?

It's true that many now know that that an artistic hair transplant is undetectable, but some people are still fearful that it's a painful process, maybe hearing stories about procedures performed by surgeons who are not so focused on patient comfort. The good news is that it absolutely can be a comfortable process. Even afterwards, more than 90% of our patients don't take any prescription medication for discomfort after day-one.

Just to understand, hair on the back of the scalp typically grows strong correct?

Correct, and this is an important concept. Because transplanted hair follicles are harvested from the Donor Area around the sides and back of the scalp, they are permanent. It lives and grows forever in the new location to restore hairlines, crown, eyebrows, eyelashes... even scars. That's what a transplant is – the redistribution of permanent hair follicles into a depleted or bare area.

What has really changed since the mid-2000's?

Game-changing technology happened in the 2000's, where Follicular Unit Extraction (FUE) techniques were developed to harvest individual follicular units or single follicles from the scalp without a traditional strip-harvest using a scalpel, without stitches or staples, in other words, without leaving a tell-tale linear scar. In my practice, we pioneered these no-linear-scar FUE techniques in the early days, I was the first to demonstrate FUE in a Live Surgery Workshop setting back in 2003 and the first ABHRS-certified surgeon in North America to routinely use the Neograft FUE device for hair transplantation.

Talk about the technology.

It is really a blending of artistry and technology. Today, part of the procedure, the minimally-invasive harvesting, can be accomplished with manual devices or the help of a robotic system called ARTAS by Restoration

"The patient does not feel anything in the scalp while the transplant is taking place. The procedure can be 100% comfortable, during and after."

Robotics. We are one of the lucky few practices to have the ARTAS robotic-assisted FUE hair transplantation. The robot is the most sophisticated semi-autonomous surgical instrument on the planet, but a hair transplant still requires a surgeon. What's key to achieving exceptional results is the artistic planning and execution of the transplanted grafts. Each hairline design is different because everyone's facial features and characteristics are unique. The angle, orientation and position of every transplanted hair is critical to the final, natural-looking outcome – and this is where we excel.

Describe the actual experience.

Patients are often surprised to find our process comfortable and relaxing. Each treatment room has lots of windows, natural light, tree-top views, a large screen tv and sound system. They can nap, listen to music, select from thousands of movies or shows, etc. We cater in lunch of their choice and they can get up, stretch, use the restroom, etc. at any time.



Cary Roman, CEO of LivingFLA.com, before and one year after FUE hair transplantation by Dr. Alan J. Bauman, MD. "It was so simple and easy and comfortable. Every day when I look in the mirror, I'm loving the results -- my hair from the 90's is back! Thank you, Dr. B.!"

"The transplanted hair is permanent, it lives and grows forever. But what's really important is protecting your non-transplanted hair, thereby reducing the need for additional transplants, and yes, we have a plan for that."

Beyond this, we also provide full-concierge, discreet service with the ability to make virtually any arrangement a patient might require or request. Whether it's private air travel and transport to and from our facility to specialty meal, beverage, spa or accommodation requests, we will customize and personalize each and every patient experience.

Interesting. What happens afterwards? It's not that you go in on one day and you immediately look fantastic? It's gradual, right?

Correct. There's a bit of an "ugly" phase in between, as expected. Once the overnight bandage is removed, the crusts in the transplanted area are visible. Normal activities can resume immediately and certain exercise is allowed after three days. The crusts flake off in about 7-10 days, the scalp returns to normal and you're back to your regular routine.

You're going to have to "lay-low" or wear a baseball cap or bandana or some kind of head covering for about a week if you don't want to reveal that you've had anything done. For our women, they wear a fancy hat or a scarf over the area or adjust their hairstyle. In a week or two the skin is back to normal appearance, and then you just have to wait for that hair to start to grow, which takes about four to six months to start to be visible. At six months, you'll see about half of the result of the transplant, but it takes about a year to fully grow in.

Then in a full year, you look transformed? What happens after that?

The transplanted hair is permanent, it lives and grows forever. But what's really important is protecting your non-transplanted hair, thereby reducing the need for additional transplants, and yes, we have a plan for that.

Your non-transplanted hair, that's the hair that's going to gradually thin out?

Correct. The non-transplanted hair is at risk, so there's a number of different treatments that we can use to help protect those hairs.

What can be used?

That's the exciting part. There are many new tools in the toolbox to combat male and female hair loss. Most people are familiar with FDA-approved medications. But we now have custom-compounded pharmaceuticals, nutraceuti-



Bauman Medical Hair Transplant and Hair Loss Treatment Center - Boca Raton, FL. Board-certified Hair Restoration Physician, Dr. Alan J. Bauman, MD has dedicated his more than 20-year medical career to helping men and women affected by hair loss boost their confidence and bring back their youthful appearance. His nearly 12,000 sq. ft. state-of-the-art Bauman Medical Hair Transplant and Hair Loss Treatment Center is located less than two miles from the beach in beautiful seaside Boca Raton, a top luxury South Florida destination where patients from around the world come to relax, shop and enjoy their truly life-changing Hair Restoration Experience.

Alan J. Bauman, MD, ABHRS, IAHRS, FISHRS Founder & CEO Bauman Medical



Follicular Unit Extraction or FUE is a minimally invasive hair transplant technique that has a quicker, more comfortable recovery than a traditional "strip" procedure and leaves absolutely NO linear scar. FUE pioneer Dr. Alan J. Bauman and his skilled transplant team have harvested and implanted well over two million FUE grafts for his patients. ABOVE: Dr. Bauman is one of a select few ABHRS-certified surgeons who utilizes the highly advanced ARTAS robotic-assisted FUE system by Restoration Robotics for his artistic FUE procedures.

cals and supplements like Viviscal Professional, powerful effective at-home laser light devices for hair regrowth, even cell therapy treatments like PRP Platelet-Rich Plasma. Properly performed, PRP uses your own platelets and their growth factors to effectively stimulate your follicles to grow thicker, better, stronger, healthier hair.

I've heard of PRP for orthopedics but how is it used in hair?

PRP is an exciting "lunch-hour" therapy that can be used with the transplant or as a stand-alone treatment to boost hair growth using your own body's platelets. After many years of testing many different preparation protocols, we learned not all PRP is created equal. We found that Emcyte from EnrichedPRP (a division of Master-Pharm, NY) consistently produces exactly what we want in our PRP, the highest concentration of platelets in large enough volume for treatment of the scalp – keeping the helpful cells we want, and eliminating those we don't. It's

a reliable system which helps us with our sophisticated protocols. PRP is an excellent non-chemical, side-effect free way to enhance hair growth along with a transplant, or as a non-surgical stand-alone treatment.

How do you handle the time commitment with CEOs and busy executives?

Over the years, we've worked with many top level executives and CEOs which makes sense because many are of the age where hair loss is occurring and they also have the motivation and capacity to address the situation. My original "Hair Restoration Vacation" concierge concept was featured on CNN and in USA Today more than a decade and half ago because we often combine door-to-door transportation like private air travel and car service with five-star hotel accommodations along with the procedure. Packages can even include spa treatments, top shopping destinations for spouses, as well as boating, beach, tennis or golf activities. Boca Raton is a world-renowned destination location in South Florida with all of the above and more, so why not take advantage of it?

We're doing this interview in your headquarters in Boca Raton, which is a spotless, clean, hightech medical facility, combined with zen gardens and waterfalls... it has been called by some "The Hair Hospital" - why is that?

"The Hair Hospital" nickname describes the fact that we can handle ANY hair loss issue and any hair or scalp health problem. Whether you are experiencing an annoying symptom like an itchy/flaky scalp, the early signs of hair thinning, extensive hair loss, or even severe scalp injuries or accidents, we can help. What we've built is the most comprehensive hair transplant, hair health and hair loss treatment center in the world. We can perform virtual consultations for patients with any mobile device, anywhere in the world. For those who can't visit, there are virtual tours available on the website. Through our website, BaumanMedical.com, you can take a tour through most of the building – inside the procedure and treatment rooms, consultation rooms, dedicated clinical photography suite, in-house medical hair spa, etc. and start your consultation from anywhere in the world.

Let's talk about your organization, your team.



In addition to major international medical conferences and live surgery workshops, Dr. Bauman is a frequently invited guest expert at major beauty industry events. Dr. Bauman's keynote presentation on the mainstage at Intercoiffure America/Canada's Spring Atelier highlighted the latest advances in the medical field of hair restoration with a keen eye toward the fostering the growing partnerships between the beauty and medical industries. Founded over 90 years ago, Intercoiffure is considered the largest, most powerful and most influential organization in the beauty industry. Dr. Bauman is the first-ever hair transplant surgeon to be formally accepted as an Intercoiffure Industry Partner. Dr. Bauman has also been an invited presenter at Premiere Orlando and HAIR+ Summit by Modern Salon.

As the organization grew, we needed to set the tone, not only on how we take care of our patients to achieve great results, but also how we cultivate and enhance our team. I found that Bauman Medical Group became a world-class "group" primarily because of our team, our family. We became a close-knit group of people with a single focus, a shared passion – to help change lives for the better through hair restoration and hair health. This is all we do.

In order to achieve great results and experience for patients, it goes beyond just "teamwork" and having good "table manners" in the OR, etc., we have to be conscious and conscientious on how to work together and then some. To that end, together we developed a set of written and posted Core Values we pledge to adhere to. The Core Values are an extension of simple common sense and respect that all of us know inside, but it's written down, posted and everyone can see it, everyday – even our patients.

What are the Core Values that are personally important to you?

Probably the most important Value is that the staff keeps the patients first in their minds. Everything that we do is patient-oriented, patient-centric. How we answer the phones, the email responses we give patients when they first connect with the practice, as they walk in the door and have their first consultation, as we recommend treatments or procedures, etc. Treating each patient with respect and compassion cannot be overstated because hair loss can be a very emotional situation for both men and women. When you're losing your hair, it can really have a deep-rooted effect on your psyche.

What was the most important advice you received in business?

My dad told me, "If you find something you love to do, you'll never have to work a day." I'm pretty sure it was from Confucius. "Follow your passion" is what I tell my sons – do what you enjoy, take pride in your work, and doors will open for you.

You've already treated over 17,000 patients, performed about 8,000 transplants and not slowing down. What have you learned that's really surprising about this whole process?

The surprising thing is how much the technology continues to advance. Looking back at what we did three years, five years, ten years ago, it's amazing the leaps and bounds that have occurred, not only in what we do, but with the different tools that we have used. Different technologies have become available and it's really a constant process of 'sharpening the saw,' to keep attending conferences where new technology is being discussed and debated, and to share what's worked for us and to learn from our colleagues what's worked for them. We need to always keep our eyes open for what's coming over the horizon, to see what's coming next.

And, what is next?

That chapter is still being written. Maybe it will be some new kind of stem cell therapy that creates hair follicle neogenesis, giving us unlimited new follicles through "hair cloning." Who knows? Right now, we're excited to take care of the patients that we have and get them back their hair, help them look good, feel great and more confident.

One of the main things that we're doing is sharing information with other professionals, whether it be salons

Alan J. Bauman, MD, ABHRS, IAHRS, FISHRS

Founder & CEO Bauman Medical

and stylists or physicians and surgeons, about the hair loss process and what they can do to help those who are struggling with thinning hair. The Certified Hair-CoachTM program is for medical or beauty professionals who want to be in the rewarding field of helping people successfully fight their hair loss process.

You're in Boca Raton, Florida, and you've intentionally made a decision to stay here and have this be the hub of the universe?

Absolutely. Many of my colleagues, they fly to offices here or there, but we've decided to live and work in Boca, the "destination location." Patients come to us from literally across the globe for their life-enhancing Hair Restoration Vacations. Why not have their procedures at the most comprehensive and sophisticated clinic in the world for artistic hair transplants and hair loss treatments, and then relax and recover in beautiful Boca Raton?

Dr. Bauman, it's been a pleasure having you on The CEO Forum.

Great to be here with you, Robert.

Dr. Bauman has been featured in the world's leading media as a top medical expert in the treatment of hair loss and was recently named North America's "#1 Top Hair Restoration Surgeon" by Aesthetic Everything Media appearances and news features include: The Today Show, The Early Show, Good Morning America, Extra, Access Hollywood, The Doctors and Dateline NBC, The New York Times, Newsweek, Forbes, Cosmo, Elle, Vogue, Allure, O – The Oprah Magazine and Men's Health among others. Strategic brand extenders include:

- Bauman Certified HairCoachTM Program: Curriculum for hair and scalp health education and services - 150+ trained locations worldwide - baumanmedical.com/haircoach.
- Bauman Medical Consulting Division: Research and B2B service offerings - Fortune 500 clients include Merck, P&G and Church & Dwight - baumanmedical.com/consulting.
- Bauman Alliance Member Program: Select corporate leaders working to improve the lives of hair loss sufferers baumanmedical.com/alliance.
- HAIR. University: Virtual "course catalog" listing hair, scalp and hair replacement education and business programs baumanmedical.com/university.
- Bauman Philanthropic Foundation an award-winning 501(c)(3) nonprofit organization supporting pro bono hair restoration for those in need - baumanmedical.com/foundation.



Robert Reiss with Dr. Alan J. Bauman. Inverview aired 4/2/2017

Alan J. Bauman, MD, ABHRS, IAHRS, FISHRS is a fulltime hair transplant surgeon who founded his medical practice in Boca Raton, FL in 1997 and has treated nearly 20,000 patients and performed over 8,000 hair transplant surgeries to date. His compassionate, patient-centered philosophy and individualized artistic approach to protecting, enhancing and restoring the appearance and health of the hair and scalp is what sets him apart from non-specialists and other practitioners. Dr. Bauman moved to Boca Raton with his wife Karen after he received his M.D. degree from New York Medical College, surgical residency training at Mt. Sinai Medical Center and Beth Israel Medical Center in Manhattan, and hair transplant Fellowship training in New York. Dr. Bauman is one of only approximately 200 physicians worldwide to achieve certification from the esteemed American and International Board of Hair Restoration Surgery (ABHRS), be an accepted member of the International Alliance of Hair Restoration Surgeons (IAHRS) and also recommended by the American Hair Loss Association. Dr. Bauman has achieved the coveted Fellow status within the International Society of Hair Restoration Surgery (FISHRS).





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CEO Roundtable Patient Engagement

Top Hospital CEOs Predict A Brave New World Of Patient Engagement

By Robert Reiss

The National Academy of Medicine recently released its updated description of patient centered care and framed it as "...care planned, delivered, managed, and continuously improved in active partnership with patients and their families to ensure integration of their health and health care goals, preferences, and values." To explore how hospital CEOs view the role of patient engaged care in transforming our healthcare system and driving down costs, I interviewed industry leaders:

- Dr. Steven J. Corwin, president and CEO, NewYork-Presbyterian
- Dr. Susan Frampton, president, Planetree
- Dr. Redonda G. Miller, president and CEO, The Johns Hopkins Hospital
- Joel Seligman, president and CEO, Northern Westchester

Robert Reiss: What's an important initiative your leadership team is focusing on to drive patient engagement?

Dr. Steven Corwin: We are very proud of how we are using innovation to engage patients. Our expanding telemedicine program ensures that patients have access to high quality care both in and out of the hospital. For example, we use telemedicine in the emergency department on a regular basis. We have found that it reduces patient time spent in the emergency room – with our Digital Express Care program, we can complete some visits in 30 minutes or less. Over 1,500 patients have chosen to use this service since its launch. We are also excited by the NYP Second Opinion program through which patients anywhere in the U.S. are able to get a second opinion from a NewYork-Presbyterian physician in multiple disciplines including oncology, cardiology and orthopedics.

Dr. Redonda Miller: We believe our patients must be active partners in their health care decisions and have invested in multiple initiatives designed to improve engagement to both prevent and treat disease. Among our efforts, we are particularly proud of our work in engaging patients as they transition from hospital to home. We have hired nurse transition guides who first meet patients while in the hospital but then visit them after discharge to help with recovery and ensure that they understand and follow post-acute plans. Our Bridge to Home program helps patients identify a significant other as a "health buddy" who can be an integral part of the patient's support and care team both in and out of the hospital. In addition to our transitions work, we are excited about the implementation of our electronic medical record patient portal. It is designed to encourage active use by patients through real time test results, email access to physicians, and linked educational tools to enhance understanding of their conditions.

Joel Seligman: A key initiative has been to increase patient and family caregiver involvement in improvement efforts, through our Patient and Family Engagement Council (PFEC), which consults with us on a host of projects, as well as their participation on hospital committees and teams. Patients help us rethink the way we communicate with patients and families. For example, PFEC members worked directly with our ICU nurses and physicians to design an ICU family orientation, simplifying complicated medical jargon and encouraging family involvement in the plan of care. The PFEC also helped us rethink our patient discharge checklist to help assure that the patient and family feel prepared for their transition home. Also, this new NAM framework for the evidence supporting culture change is so well grounded in the patient and family engagement work, which organizations like Planetree have championed for nearly 40 years.

Dr. Susan Frampton: Leadership's role in driving pa-

tient engagement begins at a foundational level, through an active commitment demonstrated by inclusion of patient and family engagement goals and related tactics in the organization's strategic plan. It needs to be taken as seriously as safety, quality and financial performance and it needs to be measured and monitored over time. In the NAM paper we attempted to connect the dots between leadership's commitment to implementing the structures, functions and practices that support active involvement of patients with better health outcomes. At the end of the day, better health outcomes as defined by patients is a leadership accountability.

Reiss: What are your thoughts on healthcare being pushed to be even more transparent with patients?

Miller: Done right, transparency is a good thing, as it leads to engagement that is crucial to positive outcomes. It helps keep patients informed and involved in everything from the decision of where to receive care to the treatments and therapies that best align with their overall goals for care. However, we must also make sure that our transparency offers information that is valid, with appropriate risk-adjustment for quality indicators, to ensure that patients and families understand the context of those indicators.

Frampton: I look forward to the day that when I need a new ophthalmologist-which I do right now, mine retired-that I will be able to go to a website, put in exactly what I'm looking for in terms of skills and expertise of the doctor, desired location, insurance and co-pay information for a whole menu of services offered by the practice, customer service ratings of the office staff I'll be dealing with, reviews by patients with my particular eye health issues, related clinical quality data, malpractice claims and their outcomes, etc. From my perspective as an educated consumer, I want as much transparency as possible, as long as the information is accurate.

Corwin: We've seen the demand for transparency grow for a number of reasons including the government and other payers moving toward pay-for-performance structures, as well as increasing consumerism in healthcare. Beyond the cost aspect, health systems must be able to measure the quality of care they are delivering. I am very proud, not just of NewYork-Presbyterian's exemplary quality and mortality outcomes,

but of our ability to track these metrics in near realtime. This ensures we continue to improve upon our mission to deliver the best possible care.

Seligman: Despite all the advances in science and technology, in my opinion the combination of better clinical measures and greater transparency has been the greatest driver of hospital quality improvement over the past two decades. Most of this data is theoretically available to the public, although we need to make all of it much easier to access and understand. A key step is having patients engaged in quality improvement efforts at hospitals, both to add the patient perspective and to help us focus on patient and community education about the quality of care. We also need to be more social-media focused — health consumers use social media for a variety of reasons, from education and support to expressing opinions about their care experience. We need to become more present and transparent with this new form of dialogue.

Reiss: What do you see as the future for patient reported outcomes, and involving patients in defining what a quality outcome is from their perspective?

Frampton: The further upstream we can take patient involvement in defining quality outcomes, the better. The sheer number of people with chronic disease reinforces the need to engage people in their own care process. Individuals are much more likely to take ownership of the process if they are involved in defining the desired outcome in a way that has meaning for them.

Corwin: Providers should partner with patients and families to define and ensure care that delivers quality, an excellent experience and value consistently. We can collaborate with patients and families at the bedside, communicating with them as we deliver care and also through more formal mechanisms like Patient and Family Advisory Councils.

We should engage in the work of defining outcomes with patients and families. How patients view quality outcomes is variable. Was my life extended? Am I cured or in remission? Has my quality of life improved? Was I treated with care and compassion? An ongoing dialogue helps both providers and patients understand the outcomes that we all hope to achieve.



"I felt it was critical to have Aetna be a voice for positive change in getting all Americans access to health care." Robert Reiss: In thinking about transforming healthcare in America, you have an interesting role in that you're coaching many senior executives, including 190 in 2015 alone. With the state of healthcare in America, what are you advising?

Ron Williams: In coaching senior executives, I cover a wide range of topics including: large scale transformational change, leadership transitions such as going from leading a division to leading a publicly traded company, working with your board of directors and CEO succession. I frequently also advise executives to focus on prevention, wellness and early intervention to improve the health status and productivity of their employees and their families; select health plans and others who are focused on managing the chronic conditions based on their unique population of employees and families; apply analytical techniques to help improve the value delivered; and finally, focus on consumer driven health care where the consumers themselves are much more engaged in understanding the

"One thing I learned how to do: take a broken company that has enormous potential, wonderful employees and a great history and franchise, and reinvigorate that, thus moving it from the poorest performing company in the industry to the best performing and most admired company in this industry."

cost of health care and making the right choices through digital tools and mobile solutions.

Talk specifically about your private equity work, and the role that's having in shaping healthcare.

One of the rewarding things of working in private equity as Operating Advisor to Clayton, Dubilier and Rice (CD&R) is uncovering numerous companies established by entrepreneurs and innovators focused on solving very specific aspects of the health care problem. I've worked extensively with acquisitions in the health care space. We always look for companies that are working what I call "the right side of the equation." By that I mean companies that are focused on reducing cost, improving quality and creating more value in the health care system. We identify companies that are very effective but need more strategic, human and financial capital to achieve their potential. In my role at CD&R, I have served as chairman of four health care companies which have created value for our Limited Partners.

What is it that you are personally proudest of in helping to transform healthcare in America?

There are several things. I have to include the Aetna turnaround, which enabled a strong company to go forward and be a force for positive change in American health care. It was also one of the toughest years professionally for me, and likely my leadership team too. We worked hard every single day, often including weekends. But we had a 150+ year old, venerable company that we needed to get back on track. Tens of thousands of American jobs were at stake.

Another area of pride for me was Aetna's speedy move to take the lead in consumer directed health plans; Aetna HealthFund was one of our first major product launches post the turnaround, signaling we were returning to the market in a significant way. Importantly, we moved quickly to become expert at big data; using the vast amount of medical claims available to us to help members and



Ron Williams and Mark Bertolini (current Aetna CEO). Ron was awarded the "LAWRENCE A. WIEN LEGACY FORCE FOR GOOD" award.



Ron Williams with Anthem chairman of the board Joe Swedish at Health Evolution Summit.

"The culture you establish is the embedded curbs that keep the employees (and management) of the organization safely on the road."

their doctors make the best possible health decisions. That same deep involvement in health data enabled us to offer transparency tools that gave Aetna members real-time information on the price and quality of health care services.

Finally, I am proud that we were a leader in the national conversation on health reform during the run-up to the Affordable Care Act. It was a tough place to be more often than not, but I felt it was critical to have Aetna be a voice for positive change in getting all Americans access to health care.

Let's talk more about Aetna. You helped turn a \$292 million loss to a \$2 billion profit. What was the key to this turnaround?

Aetna was a fabulous company with a 150-year-old history that had lost its way. It had lost contact with its customers and really had not paid a lot of attention to its culture and how it really connected to its employees. One thing I learned how to do: take a broken company that has enormous potential, wonderful employees and a great history and franchise, and reinvigorate that, thus moving it from the poorest performing company in the industry

to the best performing and most admired company in this industry.

One of the first things we did was to start with a listening tour where we went out and spent time with our customers. I visited all of our large customers and listened to them about what they needed, where their needs were not being met, and also talked to them about the problems that they had and what were some important solutions. From that, we developed a new customer-focused strategy, and that strategy was really the foundation for the transformation. We had to invest substantially in technology and new talent, and we actually completed the turnaround with a mix of existing staff and about 50% new staff at the senior management level.

As we returned to profitability and expanded with significant growth, we added a large number of new employees and we were very clear about our expectations about performance for the company and for our people.

One of the most crucial undertakings during the turnaround was to begin surveying employees each year on what they thought about the company in a variety of cat-

"We used to say that you may fool your supervisor, but you don't fool the person who sits next to you."

egories. Findings turned into action plans, which were required as part of the annual business plans for each business and functional area. Employees began seeing actual change, and it was reflected in the following year's survey. One of the things I said earlier is I needed to learn how to turn around a Fortune 100 company. A critical learning: your employees need to believe in the vision you've set forth for them. Your job is to not only set that vision but create real action toward it.

Specifically, what are your thoughts on culture?

Culture is extremely important, and this is an area that CEOs often underestimate. The culture you establish is the embedded curbs that keep the employees and management of the organization safely on the road. The degree to which the CEO consistently and regularly talks about and embodies the culture, and demonstrates through values, stories and anecdotes on a daily basis, underscores the importance of culture. It is an enormous safety valve for the company. I made it a point whenever I spoke to the employees to talk about culture. We actually did an analysis one year and found that we had spoken to the employees 260 times through different events, forums, et cetera.

I always started every conversation with what we call the "Aetna Way," which were the values of the organization. Those values were something I talked about each and every time I got in front of the employees. My belief was that, if values are unimportant to the CEO, they are unimportant to the employees. Simply putting them on the wall and talking about them only occasionally – which I would describe as an absence of a consistent communication – will cause them to diminish over time. It was extremely important at Aetna because I wanted employees to know: 1) what we stood for and 2) when they should put their hand up in the context of behavior that was unacceptable and inconsistent with our values.

How do you cascade communications through a large organization of 40,000 people?

It was really a team effort. It is extremely important that you have a regular communication process. We had regu-

lar all-employee meetings, we had regular senior management meetings, and I made frequent trips to employee locations, meeting with managers and front line employees separately. But so did my leadership team. Every year, we split up all the employee sites so that leaders were visiting sites once per quarter. We wanted every Aetna site to be visited each year by a member of the senior team.

Importantly, we also created a recognition program of employees. The Aetna Way Awards are an award process where employees are recognized for demonstrating the Aetna Way and the Aetna Way values. The important part of this program was that nominees were selected by other employees, not by management. We used to say that you may fool your supervisor, but you don't fool the person who sits next to you.

I know that you've been involved with The Conference Board, and Dr. Rebecca Ray specifically, doing a 2017 groundbreaking study on millennials and leadership. What resonated with me in reading the study is that 43% of millennials plan to stay 15 years compared to only 28% of non-millennials. What was most surprising to you in the study?

One of the most surprising findings of the millennial leadership study conducted by the Conference Board is that millennials don't really like the open office environment. When you think about the companies that started with that, they were West Coast, Silicon Valley and software development companies where agile software development users and encoders were sitting next to each other. That's gotten ported over to all office environments, and millennials really don't like it. They want an environment where they can concentrate and focus on the work and be able to have some level of privacy.

Another thing I found interesting about the study was that millennial leaders may be fearless and they want to speak up yet they're risk-averse.

"One of the most surprising findings of the millennial leadership study conducted by the Conference Board is that millennials don't really like the open office environment."

It is an interesting contrast that millennials are willing to engage with senior executives, going to their office and having a conversation, expressing their point of view, saying what the company ought to be doing. At the same time, it appears that in the context of assignments and opportunity in the company, they are more risk-averse as opposed to willing to confront people personally. There's this kind of strange dichotomy about personally being fearless in interaction but organizationally being risk-averse.

An example of this might be that there is a really tough assignment, or a turnaround situation. There is some probability of failure, and the employee might very well shy away from that type of activity for fear of failure, when in fact that could be one of the most valuable career experiences they could have. It's important that we help these millennial leaders grow, learn and take risks to advance their leadership experience.

One thing I find is that millennials have been the first generation to really link purpose and profit together. What is your take on this?

The study suggests that they really expect the company to behave in an ethical way and to be a company they can be proud of. However, they actually look for a purpose outside of the workplace, more so than the CEO does. In some ways, having been a CEO, your life is the company, and the company is one of the vehicles that you use to express purpose and engagement in civil society. The millennial generation participates in crowdsourcing, volunteerism – they have a lot of other ways where they express purpose. We saw that they look to the company for that less than I might have expected.

What is your thinking in terms of how CEOs and millennials get together and work together towards success?

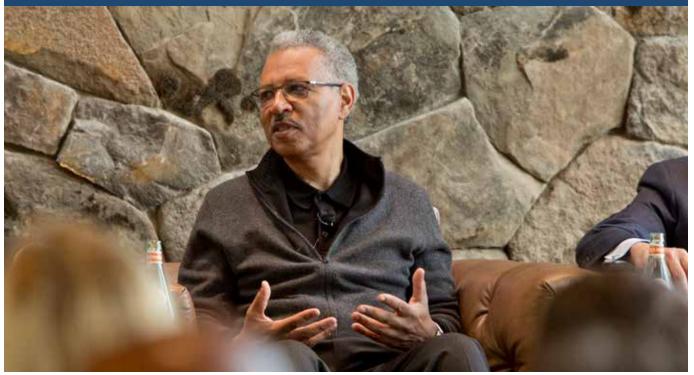
First, CEOs have to take responsibility for talent management in the company in partnership with skilled professionals who really know how to do this. Second, we have to look at development programs very differently. For example, a clear case has to be made for developing skills in the area of managing crisis and managing difficult business situations. These are the opportunities that really develop "experience-capable" managers able to lead global enterprises in the future. Millennial leaders say they want to be the CEO, so making this connection for them will be crucial. Finally, I would advocate for having programs where millennial leaders are involved at the c-suite level to learn as much as they possibly can about how the business runs. We did this at Aetna and it's also a good way to spur career growth.

Let's go back to when you were younger. What was an important lesson you learned?

In a lot of ways, it speaks to this risk issue we've talked about. One of the most important lessons I ever learned in life and in my career is that the biggest risk is not taking a risk. It is actually the opposite of what most people believe. Only through taking that risk can you redefine your own boundaries of what is possible, giving you the confidence to go on and take additional risks.

You happened to have the opportunity to be on three significant boards: American Express, Boeing and Johnson & Johnson. What do you believe





Ron Williams on a panel at the Summer Healthcare Summit.

the board's real job is?

The governance process and the boards are really the keepers of the institution, of the corporation. CEOs come and go. They may be there for five, 10 or 15 years, but the board is there permanently. The board's job is to be certain that the organization is not only executing what it knows how to do today, but is preparing to be as effective and successful in the future. Innovation, growth, talent, culture -- these are things that are extremely important to the governance of the organization, and that all starts with selecting and developing the right CEOs.

Talk about your vision for healthcare in America.

The ACA went a long way to improve access to health care, especially with Medicaid expansion. It fell short on

"One of the most important lessons I ever learned in life and in my career is that the biggest risk is not taking a risk. It is actually the opposite of what most people believe. Only through taking that risk can you redefine your own boundaries of what is possible, giving you the confidence to go on and take additional risks." improving quality and the difficult path we need to embark upon to get greater value from the American health care system. We need to move much more expeditiously to a value-based health care delivery system, where health care is paid for based on the quality of care patients receive, not the quantity.

Physicians and other health care professionals are at various stages of readiness for this model of compensation, but there is a lot of work that can and must be done to move effectively along this path.

For example, agilon health, where I am chairman of the board, is a health care company focused on partnering with primary care physicians in population management models where physicians are paid a percentage of the insurance premium dedicated to medical services and deploy the resources in the best way to improve the health and quality of care of the population.

What is Aetna's role in that vision, especially with the CVS acquisition?

While I was at Aetna, we created "Big Data applied to healthcare," utilizing our vast data stores to help us understand the care that patients were receiving at an individual level. We made acquisitions in the health care technology

space, including ActiveHealth Management and iTriage. These acquisitions enabled us to provide doctors with access to data, evidence-based care information and the latest medical literature that helped them improve the care they delivered to Aetna members. iTriage enabled us to give consumers valuable tools that let them find health care providers when and where they needed them.

The CVS/Aetna deal is an example of the health care sector dramatically increasing it's pace of change as companies look for ways to improve quality and reduce costs. In the CVS/Aetna case, you really can imagine that they'll be able to offer certain health services right in the community where the retail pharmacies are. I see this as continuing to find creative ways of getting people better access to quality health care services while lowering costs.

What is Ron Williams' role today in bringing that vision to fruition?

I have had the privilege to serve or have served as a board member of a number of health care companies that are focused on creating more value in the health care system, including Johnson & Johnson, PharMedium and Healogics. I work extensively in private equity to find good companies and help make them great, and my focus is the evolving health care system in the U.S. Finally, but importantly, I also coach C-Suite executives on culture and values-based leadership, transformational change, and the evolving healthcare industry.



Ron Williams and Robert Reiss. Interview aired: 4/30/2017

A veteran business leader and an expert in value creation, Ronald A. Williams is the founder, CEO and chairman of RW2 Enterprises, LLC, a firm that counsels senior corporate executives on strategy and transformational leadership. Mr. Williams served as chairman and CEO of health insurance giant Aetna Inc. In 2011, the year he retired, Aetna's revenues were \$34 billion, and the company was ranked 77th on the FORTUNE 100 list.

Mr. Williams is Operating Advisor to private equity firm Clayton Dubilier & Rice LLC. He is a Director of American Express, The Boeing Company, Johnson & Johnson, and chairman of the board of agilon health. He is a member of MIT Corporation and Deutsche Bank's Americas Advisory Board. He is a graduate of Roosevelt University and holds an M.S. in Management from the Sloan School of Management at the Massachusetts Institute of Technology.



CEO **Library**

"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."



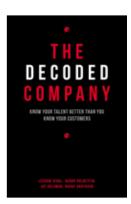
Disrupt Aging by Jo Ann Jenkins, CEO, AARP

Jo Ann Jenkins' 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. We've all seen the ads on TV and in magazines—"50 is the new 30!" or "60 is the new 40!" A nice sentiment to be sure, but CEO of AARP Jo Ann Jenkins disagrees. 50 is 50, and she, for one, likes the look of it. In Disrupt Aging, Jenkins focuses on three core areas—health, wealth, and self—to show us how to embrace opportunities and change the way we look at getting older. Here, she chronicles her own journey and that of others who are making their mark as disruptors to show readers how we can be active, healthy, and happy as we get older.



We CAN Fix Healthcare - The Future is NOW by Stephen K. Klasko, M.D., MBA, CEO, Jefferson Health, Gregory P. Shea PhD and Michael Hoad MA

Dr. Stephen K. Klasko proposes an extraordinary, even science fiction, event where a no-blaming conversation about the healthcare system leads to an optimistic new future. As a result of this bending of the time-space continuum, even Democrats and Republicans find they can collaborate on 12 disruptive transformations. Built on 100 interviews from every part of the system, Steve Klasko, Greg Shea, and Michael Hoad find extraordinary solutions from medical education to reimbursement to health disparities. The book argues that if we stop blaming each other, trends we now see as disruptive will actually be solutions to healthcare in America.



The Decoded Company by Leerom Segal, Founder and CEO, Klick Health

A powerful guide to building a data-centric corporate culture that unleashes talent and improves engagement, Amazon delights customers with recommendations that are spot on. Google amazes us by generating answers before we've even finished asking a question. These companies know who we are and what we want. The key to their magic is Big Data. Personalizing the consumer experience with the collection and analysis of consumer data is widely recognized as one of the biggest business opportunities of the 21st century. But there is a flip side to this that has largely been missed. What if we were able to use data about employees to personalize and customize their experience - to increase their engagement, help them learn faster on the job, and figure out which teams they should be on? In this book, Segal and his colleagues outline the six principles they've used to decode work and unlock the maximum potential of their talent, and share success stories from other organizations that have embraced this approach.

CEO Insight Surviving Cancer



I was in the hospital visiting my mother after she had suffered for almost 10 years with seven types of cancer. She was brought to me in a wheelchair by a nurse, and while I had watched her over a decade getting sicker and sicker as the cancer spread from a melanoma on her leg into her lymph system and then to her stomach, lungs and brain, I didn't anticipate what I saw – she now had a tracheostomy and could hardly talk.

Cancer spreads fast, as I came to learn when I got my second bout of breast cancer - and had a double mastectomy that never healed. That's when I discovered I had a 5cm pancreatic cancer tumor wrapped around the top of my pancreas rendering it inoperable.

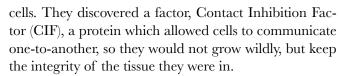
My mother sat in the wheelchair with a tube in her throat. "Tell them to let me die, she said." I got a doctor to see how he could make her more comfortable. At that moment, I had flashes and memories in my mind fly by as I saw the last 10 years remembering those horrible moments – realizing that I might not have a mother soon. She was now only 53 - too young to die. I never saw her after this visit.

Watching my mother being nursed through so many cancers was a memory I would never forget and a pain I would experience over and over again as I went through my own three cancers: a lumpectomy, a double mastectomy, and stage 4 pancreatic cancer that spread to my lungs. I wanted my mother to be alive for my wedding, but as it turns out, she died a month before I got married.

I was diagnosed with my first breast cancer at the exact same time that The World Trade Center was being attacked.... everything after that was like a movie in my mind – and moments like these never disappear – they only get stronger and connect themselves with others making a movie that keeps informing us of how our lives might unfold. That is how memories work. They are small moments in our life that get glued together telling us about what our future might look like. I didn't look or act like my mother and didn't want her life story to be mine.

My husband, Rich Glaser, Ph.D., and George Lipkin, M.D. and Martin Rosenberg Ph.D. researched for a decade at NYU on controlling cell growth in cancer





So, using my skills as an Organizational Anthropologist, and the creator of Conversational Intelligence, I found a business partner who helped me reach out to and work with 2,500 coaches & leaders from 75 countries who are studying with me and helping me take my discoveries around the world about how 'our cells talk with each other' which parallels how people talk with each other. Some conversations are healthy, others are not. Through the process called Conversational Intelligence for Coaches, I'm teaching myself how to communicate with my body -- and break our family legacy, and helping other coaches and leaders create healthier cultures in companies.



Judith E. Glaser is an Organizational Anthropologist. She is one of the most pioneering and innovative change agents, consultants and executive coaches, in the consulting and coaching industry and is the world's leading authority on Conversational Intelligence®, WE-centric Leadership, and Neuro-Innovation, and is a best-selling author of 7 business books including her newest best seller - Conversational Intelligence: How Great Leaders Build Trust and Get Extraordinary Results. Through the application of 'the Neuro-science of WE®, to business challenges', Judith shows CEOs and their teams how to elevate levels of engagement, collaboration and innovation to positively impact the bottom line.

Judith is the founder and CEO of Benchmark Communications, Inc., and the Chairman of The Creating WE Institute with over thirty-five years of business experience working with CEOs and their teams in establishing WE-centric cultures poised to strategically handle business challenges in the face of moving targets. Her transformational approaches using neuroscience and anthropology enable leaders to raise their Conversational Intelligence® and build agile and higher performing individuals and teams poised to impact the bottom line and top line results in their organizations.

In 2017 Marshall Goldsmith's Top Coaches Project selected Judith as one of the top 15 Coaches in the world. In 2014 Judith was selected by Ben Croft, CEO of WBECS, to launch Conversational Intelligence® for Coaches, a coaching certification program attended by over 2,500 coaches and executives globally. Judith's clients include: AIG, Donna Karan International, Citibank, Chase, Verizon, Burberry, Pfizer, Siemens Medical, Textron, American Express, KKR, Weil, Gotshal & Manges, Time Inc., Warner Brothers, and News Corp.







"I became fascinated by the idea that providers were in many ways like baseball players. They're all trying to do the right thing, but statistically they might perform better in knee operations than they might in hip operations. I questioned if we could begin to use Moneyball-like statistics to match providers with patients in a way that truly delivered a win-win."

Robert Reiss: How did the idea for Kyruus emerge?

Dr. Graham Gardner: We started many years ago when Obamacare was first coming on the scene and it was clear that there was going to be a major disruption in how health systems began to think about their networks and coordinate care within their defined new health systems. At the same time, there was incredible liquidity happening around data and statistics about healthcare providers and enormous progress in technology, big data, machine learning, and the ability to process information like never before. We saw that intersection as a real opportunity to leverage data and help the health systems make better decisions.

Around that time, I happened to see the movie, "Moneyball," which you may be familiar with from the sport of baseball. Moneyball is very much our worldview at Kyruus; we're all different, we're all beautiful in our own way and we all have our relative strengths and weaknesses. I became fascinated by the idea that providers were in many ways like baseball players. They're all trying to

do the right thing, but statistically they might perform better in knee operations than they might in hip operations. I questioned if we could begin to use Moneyball-like statistics to match providers with patients in a way that truly delivered a win-win – getting patients to the right provider the first time while also ensuring that the providers themselves were doing the things they were uniquely qualified and trained to do.

You're bringing the Moneyball concept to the entire business of healthcare - \$2.7 trillion in the United States?

That's right. What became so exciting for us is we began to talk with more and more health systems and realized the impact this allowed on operations and finances, because as it turns out, a lot of health systems are actually struggling with the ability to match supply and demand. What we discovered was that we as consumers oftentimes have to wait weeks, if not months, to get in and access a specialist at one of these big health systems, but it turns out that, in many cases, 20-30% of the appointments actually go empty every single day. We refer to this as the "patient access paradox." There's enormous demand trying to get in and enormous capacity going underutilized and what health systems are struggling with is the ability to make that match in real time. Solving this challenge begins with helping these health systems understand and manage their provider networks by building a comprehensive digital inventory.

Explain what you mean when you say digital inventory.

Digital inventory is a complete, online catalog of the health system's providers that gives health systems detailed visibility into who is actually in their networks – the providers distributed throughout their communities. It's what's fascinating to us. What has been happening over the last several years is that these health systems have been getting larger and larger. They've been affiliating with a practice here, then a hospital over there. At the same time, medicine has become increasingly sub-sub-specialized. There is no such thing anymore as a go-to "orthopedic guy"; there's a hand surgeon, a knee surgeon, someone who specializes in elbows, and a foot and ankle surgeon. Health systems have been getting larger and increasingly more specialized.

Just like there's a lefty seventh inning relief pitcher.

Exactly right. As these health systems have been getting bigger and everyone is becoming more specialized, no-body actually knows who is the right answer anymore for that seventh inning knuckle ball or who can throw against lefties. Being able to provide health systems with a digital inventory – the data platform that enables them to understand who does what, where, when, what insurance products they accept, what gender they are etc. etc. – lays the foundation for helping them understand how to begin routing patients intelligently within that network.

How exactly does this new Moneyball patient access model work in today's healthcare world?

It turns out that in the modern world as patients have become more "consumers" of healthcare, they're trying to access the health systems through multiple different channels – via other providers, online, through call centers etc. They might get the name of a specialist from their primary care provider who says, "Hey, you need to see a cardiologist. Here's my buddy, Dr. Jones," but as it turns out, in up to 90% of these cases, the patient will then go online to do additional research on providers. Ultimately, the majority are calling in to book appointments.

In too many health systems today, the provider data available in each of these access channels lives in separate databases, is only at a basic level, and is frequently inaccurate. The primary care provider is going to direct the patient based on something that may have

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Graham Gardner, MD, MBA

Co-Founder & CEO Kyruus



Graham Gardner, MD speaking at the Annual Thought Leadership on Access Symposium (ATLAS) Kyruus hosts in Boston.

been printed five years ago and is now completely out of date. The marketing team is maintaining the website with a completely different database and the call center is actually doing the direct scheduling based on another source of information. What often happens is a breakdown that impedes the patient experience – the patient finds a provider who appears to be a great match, only to discover that they are not accepting new patients, no longer practice at a certain location, don't actually take their insurance, and so on.

What we began to realize was that not only do you need this information period, but you also need it in an application layer available to the individuals handling scheduling – whether they are in a call center, the ER, or provider offices – and to the patient themselves online. Everyone needs to have access to the same information, so there's a consistent patient experience across channels and patients don't end up looking outside of the health system for care after a frustrating access experience.

For the healthcare system, what are the financial implications?

"We've been able to measure the leakage and we can reduce that by 50% or more."

I'm a cardiologist by training. Because so many patients get heart disease, there were opportunities to do large trials to understand the impact of various stents and medicines on this. It's something that's deep to my medical training and I very much wanted to be able to instrument our solutions to be able to demonstrate that we're having impact on health system performance – financial, operational, and clinical.

From day one, we've been working with these organizations to understand how we can better coordinate care within the system. A lot of hospitals and health systems as they think about their businesses today think about leakage out of their network. If you're a health system with 1,000 primary care providers working with you, they might each have several hundred patients, and every time those patients get sick and need to see a specialist, you want to ensure that care is happening within your network of specialists. In many systems, 20%, 30%, sometimes 50% of that business is leaking outside the network and getting referred to a competitive system. In a fee-for-service environment today, this has a huge opportunity cost. In the model where you are now accountable for care, that could be fatal if you're not able to control and effectively manage that care. We've been able to measure that leakage and found we can reduce it by 50% or more. You're talking about potentially hundreds of millions of dollars of revenue being steered back into the health system into those previously empty appointment slots for enormous impact on the health system's finances.

The hospital is similar to an airplane that has a lot of vacant seats. You're filling up those seats.

That's exactly right. We make the airline analogy a lot because it turns out that airlines wrestled with very similar capacity utilization challenges a generation ago. If we went back to 1990, every time an airplane took off, four out of ten seats were empty. What transformed that industry was the creation of a digital inventory, initially the Sabre System, which ultimately became Travelocity and KAYAK, that gives schedulers the ability to search across all the inventory. You could look across American

Airlines, United, and JetBlue the same way the health system needs to understand its inventory across Epic, Cerner, and athenahealth. You can sort and filter by business logic in the case of traveling. For instance, a traveler wants to take off after 9:30 and sort by price. In healthcare, the technology needs to be able to identify the right provider for each patient – accounting for clinical needs, logistical requirements (e.g., location, insurance), and other preferences (e.g., languages) – and provide enterprise-wide visibility into appointment availability to ultimately help health systems fill their "seats."

What is the website for Kyruus?

While we have our own company website, www.kyruus. com, we don't maintain a website for consumers themselves and that was an explicit decision to align with the health system, our primary fiduciary. With regards to the consumer channel, we are not trying to attract eyeballs, we're not choosing whether to send patients to one health system or another; we power the find-a-provider capabilities directly on health system websites. We view our role as enhancing health systems' relationships with their patients rather than acting as an intermediary, so we help them attract patients to their own websites and ultimately convert that demand into booked appointments or "filled seats."

How does the Moneyball concept impact your leadership philosophy?

The Moneyball worldview that drove the founding of Kyruus extends not just into our product, but also to how we think about our team. I believe, again, that we all have our relative strengths and weaknesses. I certainly have them as a CEO; I've made plenty of mistakes. As we've built and expanded the Kyruus team, we've looked closely at what unique strengths applicants can bring to solving patient access challenges.

We've tried to build a team that leverages expertise from outside of healthcare, from finance and travel, as well as people who have been deep in the trenches of healthcare – and all of their secret handshakes—and bring those people together to learn from each other and play the right positions on the team, so we as a team can be better.

Being at the intersection of business and healthcare technology, what are some of the takeaways that you've learned?

It's interesting. At times, when I'm on panels at conferences, I'll ask people how many of their patients can directly schedule online and one or two hands may go up. Then I'll say, "How many of your own call center agents



Graham Gardner, MD with Bob Kocher, MD one of the architects of the Affordable Care Act and now a Partner at Venrock, which is a Kyruus investor. The two trained together at Beth Israel Deaconess Medical Center and Harvard Medical School.



"We've been talking to health systems recently about the rise of consumerism in healthcare. How do you manage consumerism intelligently? How do you engage consumers where they are? How do you help them search for the right kind of care? The other corollary to that is how the health system itself becomes more efficient in delivering their services."

can actually do all of that scheduling themselves?" and a few more hands will go up. I'll then say, "We've been doing that in the airline industry for 40 years," and this is why we in healthcare get laughed at as an industry for being so far behind. I don't think it's because we're silly and we can't figure it out. Healthcare is very complex and getting to the right provider is a lot more difficult than buying an airline seat. In fact, whereas in the travel industry a consumer knows they're trying to get to Chicago and can buy seat 18F, in many cases in healthcare the consumer just knows they've got a funny fluttering in their chest. It's like the sense of, "I'd like to go somewhere warm for spring break, but I don't even know where to start." It's a much more complex process one has to go through to engage the patient, understand what they're trying to do, understand again that digital inventory, and then make the right matches. There's such an opportunity for us to bridge that.

Today you're working with about 30 of the sys-

tems which is over 350 hospitals. When you started with the original concept, what were the challenges that you had to overcome in the early days?

One of the biggest challenges was actually a personal one. I'm a cardiologist by training and I had subsequently gone on to business school and spent time in venture capital. I had been a Chief Medical Officer before, but not a CEO. My wonderful co-founder, Julie Yoo, gave me a lot of confidence that we could do something special together. We had this audacious goal that we could transform healthcare and change the way the patients and providers were matched together. Who was I to walk into the massive health system and tell them to trust me with all of that though?

It was actually in our first year that we took the Moneyball concept and, in some ways, tried to hit singles and bunts. We tried to understand whether we could help with recruiting first, which was nowhere near the same

kind of business opportunity, but it felt safer in some ways as a place to start and begin to build a momentum rather than going for something more dramatic. What we began to realize over the course of that first year was that it's hard enough to push one ball up a hill; we were trying to push three different ideas up the hill, which was difficult. At the end of the day, if you're going to do something transformative, go for it. That was something that I had to build up the confidence to do, to go for something that was risky and audacious, but at the end of the day, something that was going to be incredibly meaningful if we could pull it off.

Another of the major challenges since then has been the sales cycle nature of the healthcare industry. My co-founder and I would joke earlier on about this analogy of being in a submarine and sending a ping, and then not hearing back for nine months: "It's not like there's nothing there, they just take that long to get back to us, right?" There's a danger of moving too quickly, but of course, there's also a danger of sitting there, burning cash and not moving quickly enough. I talk to entrepreneurs all the time in the healthcare space and you just have to orient yourself around the fact that it takes a long time to get the inertia moving, to get the story out. In fact, we smile now when we hear health systems say, "Oh, hey, we're looking for a patient matching solution."

That's the language I seeded four years ago and it's finally beginning to pick up steam. That was the first thing, just knowing the cadence and having the patience to stay with it and keep the investors and employees motivated throughout that time.

What has been incredibly exciting for the company in the last year to year and a half is that we have achieved the hockey stick growth. In an early stage company, you're always wondering, "Is this the hockey stick? Is this what it's like being pulled into a market?" When it happens, you say, "Okay, now I get it." There was a palpable sense that all of a sudden, health systems around the country had picked their heads up and said, "I need that."

Let's talk about the future of healthcare.

One thing is certainly the consumerization of healthcare. We've been talking to health systems recently about the rise of consumerism in healthcare. How do you manage consumerism intelligently? How do you engage consumers where they are? How do you help them search for the right kind of care? The other corollary to that is how the health system itself becomes more efficient in delivering their services. Health systems are going to need chatbots; chatbots have to be part of the answer here in the next few years. We've been hearing from a lot of our health



Graham Gardner, MD with Paul DePodesta, the mastermind behind the Moneyball concept Kyruus is now applying to patient-provider matching

Graham Gardner, MD, MBA

Co-Founder & CEO Kyruus

systems saying, "Our call center staff a lot of times will just pick up the phone and say, 'Oh, you want to cancel? Okay, great. Thank you." Why does a human being need to do that? That's where developing all of this conversational UI and chatbots can drive efficiency with the scheduling and rescheduling or cancellation of appointments. Where can we deploy some of these technologies, not necessarily to replace providers, but to take away some of the administrative duties that could make the health system more efficient while also serving patients better?

What is the future of Kyruus?

As we look at the healthcare industry, I typically see a category of the decade. EHRs were a big and important part of what happened. Revenue cycle management has been a huge category. We're convinced that patient access and care coordination is the next big category in healthcare. If you look historically, that means there will be a new multi-billion dollar company that helps define that space, and we would love to be that company.

What I'm hearing more and more from health systems is "we can't do all of it ourselves anymore and we actually need to go out and engage with vendors out there and figure out how to incorporate them into our business model to keep ahead."





Graham Gardner and Robert Reiss – Interview aired 10/19/17

Graham Gardner, MD, MBA is the Chief Executive Officer and Co-Founder of Kyruus. Prior to founding Kyruus in late 2010, he was a Venture Executive at Highland Capital Partners, where he co-founded Generation Health, a genetic benefit management company that facilitates the optimal utilization of genetic testing. Graham served as Generation Health's Chief Medical Officer through its acquisition by CVS Caremark. He completed his clinical training in internal medicine and cardiology at Beth Israel Deaconess Medical Center and Harvard Medical School, where he also served as Chief Medical Resident. Graham completed his BA and MD degrees at Brown University and earned his MBA from Harvard Business School.



With Age Diversity Comes Opportunity

Stereotypes about how age defines someone's knowledge, abilities and potential still abound. Yet with today's increased longevity and better health, most people don't want to be defined by their age. Nowhere is this more important than the workforce, which now has up to four generations and a larger proportion than ever of workers over 50. Because myths about aging affect all generations, not just people over 50, AARP seeks to "Disrupt Aging" in the workplace. We want businesses to launch a conversation about the value of an intergenerational workforce, challenge outdated beliefs, and spark new solutions.

Help us amplify the Disrupt Aging message and inspire others to value people regardless of their age. aarp.org/disruptaging



CEO Insight Healthcare Evolution



Future Trends in Consumer-Centric Healthcare: 2018 and Beyond

By Susan B. Frampton, PhD, President, Planetree International

Healthcare continues to be a rapidly evolving industry, with several trends already gathering steam that will continue to strengthen in the near future and will drive innovation, transparency and personalization. There are many issues tied to the ACA and changing financial mechanisms that I'll leave to those with greater expertise in this area. There are even more seismic changes coming in the area of consumer-centric healthcare that I'll focus on. The Patient-Engagement revolution that has been building for decades is finally hitting its stride, accelerated by technology, fueled by growing expectations around cost, convenience, and access, which is then enabling many patients and their families to play larger roles as members and captains of their own healthcare teams.

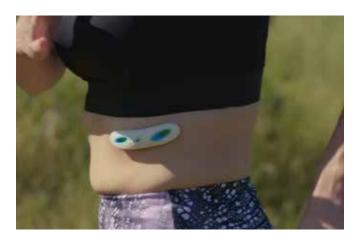
While the healthcare industry has spent a great deal of time wrestling with patient safety and clinical quality improvements, consumers have focused on aspects of care that they can more readily get a grasp on: cost, convenience, access, and what I call the 'likability factor'. Especially for out-patient services, consumer-driven websites such as Yelp and ZocDoc enable individuals to research and select care providers based on the first three elements. By 2014, over 42% of Americans searching for a physician used Yelp to locate one. The personal reviews, ratings and descriptions of experiences by other patients that one finds on sites like Yelp provides insight into the fourth factor, 'likeability,' i.e. how does this provider and his/her team treat individuals, and based on this, do I think I'll like them? Access to such information will



continue to expand, and become even more personalized, with more detailed Facebook-like provider profiles (ex. I'm a doc who likes to hike, if you like to hike too, we may be a great fit). Information on the cost of tests, treatments, devices and medications will also expand, as consumer desire for transparency and a good bargain increases. The recent announcement of the acquisition of Aetna Health by CVS Pharmacy is a perfect example of new partnerships that will drive consumer-centric care solutions farther and faster. Why go out of your way to schedule an appointment with your doctor for anything fairly routine, when you'll be able to stop by your local CVS on a Saturday or any evening after work to get it, and have it covered by your insurance? Unless physician offices, health centers and hospitals find ways to compete on cost, access and convenience, they are going to see more of their business migrate to more user-friendly alternatives. The risk is significant. A recent report by Influence Health (2017) estimated that every customer experience failure cost the provider up to 65% of the potential revenue that could have been earned from that patient the following year.

Another trend supporting increasing control by consumers is regulatory change providing broader access to self-determined services. For example, in 2014, Health and Human Services ruled that laboratories no longer needed to restrict the sharing of lab results to the ordering physician, but could send them directly to patients. In 2015 the state of Arizona ruled that consumers could order their own lab work, without a physician's oversight. The explosion of personal wearables is quickly extending self-regulation of health status and health management in a myriad of innovative ways. Wrist bands that monitor exercise, blood pressure and sleep patterns and

smartphone apps that allow individuals with diabetes to monitor and adjust their blood glucose levels are just the tip of the iceberg. In today's wearables marketplace, you can purchase underwear with built-in airbags to protect your hips from a fall, smart pill bottles that alert you when it's time to take your medication and beep incessantly until you do so, and a non-invasive handheld unit that measures temperature, heart rate and hemoglobin in 10 seconds. According to a recent report by The Gartner Company (2016), this market is predicted to expand from approximately 4.9 billion devices in 2016 to 20 billion in 2020. Integration of the information and data resulting from such devices into the individual's health record will be an important step in signaling that the consumer/patient is finally being included on their own healthcare team. The information they can and will contribute on aspects of their health that they feel are most important, needs to be factored into the care delivery equation. No longer passive recipients, but engaged and empowered participants and drivers of their own care, we are finally on the cusp of this long-envisioned revolution.





Susan Frampton is the President of Planetree International, a non-profit advocacy and membership organization that works with a growing network of healthcare provider organizations across the continuum to implement comprehensive person-centered models of care.

Dr. Frampton, a medical anthropologist, has authored numerous publications, including the three editions of Putting Patients First (Jossey-Bass 2004, 2008, 2013), and served as lead author on the National Academy of Medicine's Harnessing Evidence and Experience to Change Culture, released in early 2017.

Co-founder and CEO Heal



"Heal takes healthcare out of the hospital and brings it back home, where it belongs. We deliver doctor house calls. We send a board certified, licensed medical doctor to your door, 8:00 a.m. to 8:00 p.m., seven days a week, 365 days a year."

Robert Reiss: You're doing something in our \$3 trillion healthcare system that no one else has ever accomplished. CEOs are really interested in healthcare because it impacts so many elements of their enterprise. Talk about the Heal model.

Nick Desai: I was in a meeting a couple of weeks ago with Gavin Newsom, the lieutenant governor of California. He said something very interesting: whether it's a federal, state or city government, large or small corporation or startup, the number one cost that is spiraling out of control is the cost of healthcare. This is number one on the minds of CEOs and policy makers. While insurance premiums are climbing more than 20% per year, the total cost of Medicare is expected to double between 2015 and 2020. Double in just five years. Even as a small company with less than 150 employees, when I look at our own P&L, the growing cost center each year is healthcare. The right question in America is not "who is going to pay for healthcare?" - whether that is the individual, the employer or the government. It is "how much are we paying for healthcare, and how do we bring that cost down?" How is it that Japan has a life expectancy that is nearly five years longer than the USA, yet our

Co-founder and CEO Heal

"Heal doctors arrive within 98 minutes of booking, and spend nearly 30 minutes with each patient. That is 311% more time than a doctor will spend with a patient in a doctor's office. Heal doctors are uniquely able to see the behavior, lifestyle, diet and home environment factors that determine up to 80% of health outcomes."

per capita healthcare costs are 250% of theirs?

In that context, Heal takes healthcare out of the hospital and brings it back home, where it belongs. We deliver doctor house calls. We send a board certified, licensed medical doctor to your door, 8:00 a.m. to 8:00 p.m., seven days a week, 365 days a year, typically within two hours or less of your call. We are covered by many PPO insurance plans offered by Anthem Blue Cross, Health-Net, Cigna, Aetna, United HealthCare and Blue Shield of CA. That means, people with insurance that covers Heal can get a high-quality, same day doctor house call for the same price as waiting up to four weeks for an appointment in a crowded, dirty doctor's office. For those without insurance or for those not covered in the plans we accept, the Heal house call is a flat fee of \$99 - which is far less than going to an urgent care or emergency room, and often less than the out-of-pocket cost at a doctor's office.

Doctor house calls are not just about cost and convenience though - house calls are actually better healthcare. Heal doctors arrive within 98 minutes of booking, and spend nearly 30 minutes with each patient. That is 311% more time than a doctor will spend with a patient in a doctor's office. Heal doctors are uniquely able to see the behavior, lifestyle, diet and home environment factors that determine up to 80% of health outcomes. Just as one example, we can see your actual medication bottles. In the U.S., we waste \$200 billion per year on medications that are never actually taken by the patient. By delivering timely care, spending more time with patients and having access to the home, in our first 35,000 house calls alone, we have cut costly ER trips by 28%, reduced unnecessary prescriptions by 37% and reduced wasted labs and tests by over 60%. Based on those factors, I am proud to report that we have driven over \$20.75 million in healthcare cost savings in just our first 35,000 house calls.

Sometimes people really like their doctor. Do people ever see the same doctor or does that not ever happen or is it contingent upon other elements?

The beauty of Heal is that we don't want to be an urgent care on wheels. We want to be your family doctor in your family room and that requires us to be able to deliver the same doctor. That's why our doctors are part of the team built by my wife and Heal's Chief Medical Officer, Dr. Renee Dua, who hires and manages our full-time doctors. If you book an on-demand visit and you say, "I need a doctor right now," you will see the doctor working in your area on that day. Appointments are able to be scheduled up to 365 days in advance and you are able to say, "I want to see my child's pediatrician and I like Heal Doctor Sam Kim." Appointments can be booked via our mobile app or through our website.

If appointments are able to be booked online or via the website, you don't have to call, wait on line forever, or worse, someone doesn't get back to you. I'm wondering why no one else has ever thought of this.

There are a couple of different factors. In 1970, the year I was born, 40% of healthcare in America was delivered by house calls. By 1990, that number was less than 4%. What happened in that period of time? The advent of Medicare and the explosion of employer-driven health plans, which created both a huge covered population who needed care, and the accompanying bureaucracy of medical billing - most of which was done manually until very recently. Hospitals emerged to fill the gap as many patients receiving care were older, and hospitals are great at "saving your life" when you're really sick. In fact, nearly 50% of our healthcare dollars today go to hospitals, yet 85% of medical issues are preventable chronic disease - which hospitals are not good at preventing or treating early on. A hospital is great at doing a bypass surgery, yet very poor at educating me to eat better to avoid heart disease in the first place. Couple that with billing and administrative complexity, which

"In 1970, the year I was born, 40% of healthcare in America was delivered by house calls. By 1990, that number was less than 4%."

Co-founder and CEO **Heal**

has grown manifold in just the last few decades. In fact, between 1990 and 2015, the number of doctors practicing primary care in America as a percentage of the population remained essentially flat while the number of people working in healthcare administration bureaucracy and management increased 5,500%.

I know, and that's one reason healthcare costs are going up so fast.

Correct. When the Affordable Care Act came along in 2010, there was finally a mandate that doctors had to move to electronic medical records. And that mandate worked so well that by 2014, nearly 80% of primary care was billed, charted and coded electronically. We founded Heal that year to re-invent the entire business process of medicine using software and automation. In primary care, up to 70% of revenues go to bureaucracy, operating costs and inefficiency. Enter Heal. My team of nerds and I built software to automate virtually every back office function in healthcare, reducing operating costs by 65% compared to a traditional office-based practice. That savings enables us to see less patients per day, spend more time with each patient and deliver better care, which in turn delivers real cost savings and better health outcomes to patients, self-insured employers, insurance companies and everyone in between.

One key factor in changing healthcare costs is how American consumers view healthcare in the first place. We view our doctor like we view a parking spot – really valuable right when I am very sick, totally forgotten



about the rest of the time. If I were to ask a hundred people on the street, "Who are the three most important people in your life?" they most likely wouldn't say a doctor as one of them, but they should.

The Heal model is all about relationship-based medicine. A caring, qualified doctor spending 30 minutes to get to know a patient, their health history and their family is in a much better position to advise the patient on behavior, diet and other key changes that can have an incredibly positive impact on the patient's life. Additionally, our doctors are able to spend more time proactively closing gaps in care. For example, let's say a Heal doctor comes to see me for a cold and sees that I am 47 years old, overweight and have a high stress job. The doctor might ask about my cholesterol or my prostate exam. Things that have nothing to do with the cold, but everything to do with proactively managing my overall health so I either avoid issues in the first place or treat issues very early in the disease cycle. In our first 35,000 patients, we have diagnosed over 1,100 previously unknown medical issues and closed gaps in care 70% better than large group clinic environments.

It sounds like you cut through the time, you cut through the expense, but what about the medical records?

One of the biggest problems in American healthcare is a lack of portability of healthcare records. We expect that our data, our credit card, our ATM, our travel profile, all of these things work everywhere. But our health records are tied to the office where we went and saw the doctor. Generally, when they're moved from one system to another, they're moved by fax in the healthcare system.

What we did was we built a tablet-based electronic medical record system but we don't really call it an EMR,

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"There is not currently a national health provider brand in America and our plan is to become the first."

we call it a provider interface. It wasn't imagined from the perspective of something clunky from the world of finance or technology in the 1970s, rather we looked at it from the perspective of the doctor and patient and said, "What do they need to interact better? What tools do we need to give the doctor to provide better care? What tools do we need to give the patient to be engaged in their healthcare? Then, how do we enable those records to move around?" We built technology that creates that kind of operability in a highly secure HIPAA-compliant way with patients having complete control because your health records are yours. They don't belong to the doctor's office you went to. They belong to you and you should be able to move them around as you see fit.

Your plans are to become the first national health provider. There's no national health provider right now, correct?

There isn't a brand. There currently is not a national health provider brand in America and our plan is to become the first.

Nick, your wife and co-founder, Dr. Renee Dua, is a kidney doctor. Renee, you are actually in charge of all clinical operations for Heal. Talk about how you ensure the quality.

Dr. Renee Dua: Nick made some really good points about how important your doctor is and how your doctor is actually one of the people you should consider the most important in your life. We take that kind of quality very seriously. The first thing that's really neat about an organization like ours is, people have heard about us and doctors have come to us saying, "We want to practice the kind of care you are allowing us to practice." We have a team of pediatricians, family practice and internal medicine doctors who have grown tired of hiding behind the computer screen and loads of paperwork to try to get the best care for their patients.

I work with the team of other medical directors and we interview and vet each doctor. Each doctor is licensed and capable in his or her own field and 100% of our doctors across the board tell us the same thing which is, "I want more time with patients." I think that's a really amazing statement, for a doctor to be able to not say, "I want more money or I want you to give me every Friday off," but to come to me and say, "Those things don't concern me but what does concern me is I'm not doing what is best for my patients." It tells you how mission-driven they are and how much heart they have for what we're trying to build here.

What's interesting, Renee, is helping the doctors perform at the level that they want to perform.

You bet. Not only that they want to perform at a certain level but what is good medicine? Good medicine is not a nine-minute office visit where you sit in a waiting room, you're in a big rush, you forget all your questions, you get into the room and then you get one problem solved. That isn't good medicine. Good medicine is taking a look at your patient wholly and we do that a lot by looking at the environmental factors that our patients live through. We say, "Listen, I'm here for a cough but it's obvious that given your blood pressure and eating habits, which we can see because we're sitting in your kitchen, we need to have some discussions."

Because the doctor is sitting in your kitchen, they can see your lifestyle.

Absolutely. We see how our patients live. There's a fascinating study that was just completed called the "SPRINT Trial," which has declared probably half of America's population as hypertensive. We've redefined the terms for what we consider high blood pressure in Americans, so this is going to be very, very important to isolate. Again, we might go in to take care of a belly pain but we need to make sure the patient's blood pressure is controlled. We need to make sure you don't have risk factors for diabetes and high cholesterol and, frankly, heart disease. Same with children, in a state such as California, they require that the school system requires that

"Each doctor is licensed and capable in his or her own field and 100% of our doctors across the board tell us the same thing which is, I want more time with patients."

Co-founder and CEO **Heal**

you're vaccinated. We need to make sure we have access to those records so we can do what's best for those kids and make sure they can participate in school activities and also go on and have a normal upbringing.

We don't just solve small problems, we are closing care gaps and in clinical terms, this makes us a value-based care provider and that's very exciting to payers and to patients.

Nick Desai: With payers mentioned, and I'm going to say and repeat this because it's so important -- the only real way to save healthcare cost is to improve health outcomes. If someone is injured and that person can't have insurance, they're going to show up in the emergency room and you're going to have to cover them. I'll give you a great and staggeringly sad example of this. In the state of California, where prenatal care is covered if you're pregnant, regardless of your income status, the maternal death rate is seven per 100,000 live births. In Texas, a large industrial state in this country that does not cover prenatal care, that number is 36 per 100,000 live births. That is the same maternal death rate as Sub-Saharan Africa and it's happening in the United States right now.

Now, forgetting the morality of that and forgetting the human tragedy of that, it's extremely expensive. The only way to lower healthcare cost is to improve health outcomes. When we hear policy makers in Washington, wherever you may be on the political spectrum with most people living in the center somewhere, the law makers in



Washington are talking about the wrong piece.

Washington is talking about policies and premiums and payments and they should be talking about providers and patients.

You want reduced cost and you want to improve the experience both for the patient, as well as the doctor, so they're more engaged.

Right.

Talk about your vision, and I'd like to hear from each of you.

Nick Desai: Our vision is to build the first national brand in healthcare and to deliver care to all Americans in a timely, high-quality manner regardless of what your income or geographic status is, and to do so in a manner that fundamentally changes healthcare outcomes for the better and lowers cost in the process. We're lucky to have great investors who share this vision, such as Fidelity, Thomas Tull (Tull Investment Group), Jim Breyer, Qualcomm executive chairman Paul Jacobs, Lionel Richie, Jeb Bush, as well as others. We want to do for healthcare what Amazon did for retail. The reason I use that particular example is, if I would have told you when you used to have to go to the store to buy a book or a television, but especially a television because it's big, you would have to put it in your car, lug it home and unpack it. Then what if I said, "Hey, I'm going to create a service where you can shop online, order the exact same television and then it will come to your house and get delivered." People would have thought, "Well, actually I have to pay more for that product, right? It's a convenience." But with Amazon, you actually paid less for the same television because they spent their time making the warehousing and logistics of selling you a television so much more efficient that they can sell it more effectively than even you having to come to the store. We want to do the same thing for healthcare -- better healthcare that results in a better outcome that should save people money. Our brand should be recognized as the highest quali-

"Washington is talking about policies and premiums and payments and they should be talking about providers and patients."

Co-founder and CEO Heal

"We want to do for healthcare what Amazon did for retail."

ty, the lowest cost – similar to what Costco and Walmart have done in their spaces which is not sacrifice quality for cost.

The best rated U.S. airline in America which is also considered the lowest fare leader is Southwest Airlines, correct? Before Southwest came along, they were regional and then they became national, and air travel was limited but they have made air travel democratic and it's available to a lot more people. They're the most consistently profitable U.S.-based airline. They are also the highest rated. They call themselves "the love airline" and you get consistent fares. Low cost and high quality are possible and that's what we're trying to do now.

Thanks Nick. Renee?

Renee Dua: The only thing I would add to that is we're going to use technology to get out of the way between the doctor and the patient. We are going to route doctors more efficiently. We are going to acquire information from patients more efficiently. We're going to share that information more efficiently using technology so that we are focusing on the doctor-patient relationship.

Finally, what's your advice to CEOs and entrepreneurs?

Nick Desai: My advice to CEOs is just don't give up. If there's a reality in my career as an entrepreneur, and this is my fourth venture-funded startup, there are going to be moments where you're saying, "I don't want it." You're away from your kids (I have two little boys at home), you're taking a red-eye back at night and need to be in the office at 8 A.M. the following morning. Don't give up; just keep going. At the worst moments, at the lowest moments, the only thing that makes you different than the next person is that you didn't give up and they will.

Renee Dua: If you know that what you're doing is right, then fight for it. Five years from now, I believe Heal will have transformed healthcare and be the first national provider healthcare company.



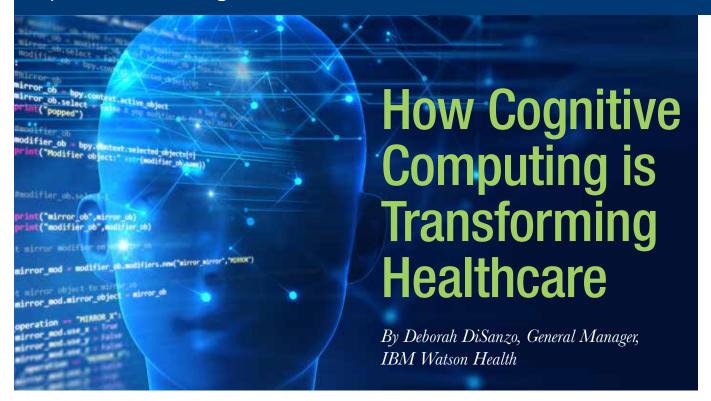
Nick Desai with Robert Reiss - Interview aired: 12/17/2017

Nick Desai is an accomplished and visionary entrepreneur who has started and led four venture-funded start-ups over the last 18 years. Nick is the Co-Founder and CEO of Heal, an on-demand doctor house call service available in Los Angeles, Orange County, San Francisco/Silicon Valley, San Diego, Washington D.C., and Northern Virginia.

For Nick, Heal is more than a company — it's a mission to fix the broken \$3 trillion healthcare system. Nick earned his BS in Electrical and Computer Engineering from UC Irvine, where he is in the Engineering Hall of Fame, and an MS in Electrical Engineering from UCLA. Nick is on the board of the UC Irvine Alumni Association and the Los Angeles Chapter of the American Heart Association. Nick lives in Los Angeles with his wife and two little boys, who are his pride and joy.



Expert Advice Cognitive Healthcare



There is no question the health industry is at a crossroads today, with the explosion of data at the center of the changes.

For decades, scientists, researchers, hospitals and clinics have been amassing a stockpile of information related to health. This data takes many forms: medical texts and journals, patient records, medical images, genetic profiles and more. And it lives in many places — from highly structured digital databases to forgotten filing cabinets, owned by government agencies, insurance companies, research scientists and healthcare providers.

In a sense, we've become data rich. But somehow, we remain insight poor. Until now.

Thanks to rapid and recent advances in technology we can now transform vast amounts of complex and siloed information into actionable insights. New technologies can sift through this information, find new patterns, apply reasoning and provide relevant insights at enormous scale.

But the first step of simply aggregating all the relevant data is proving a formidable challenge. While it is now mostly digitized, it remains spread across widely disparate databases and is often found in unstructured formats, such as voice recordings, images and doctor's notes. Anonymizing the data in a manner that is sufficient to meet regulatory expectations can be very challenging and can inhibit the sharing of certain records.

But I would argue that the concerns inhibiting this data sharing are addressable and therefore no longer justify the withholding of critical healthcare data in the current technological landscape. And we are not alone in that thinking; leaders across the health ecosystem are partnering with us to tackle some of the most pressing challenges in health.

Let's look at drug discovery. Reinventing clinical trials and drug discovery is important to managing health-care in the future – \$2.6 billion is the average cost of drug development and it costs \$8 million a day when a trial is delayed. Using IBM's Watson technology, Barrow Neurological Institute identified five new genes linked to ALS, also known as Lou Gehrig's disease. Researchers have completed additional experiments that validate the identification of the new genes through five different methods. The study results were published in Acta Neuropathologica, adding greater confidence to earlier findings in the project. This research is important because it demonstrates the ability of artificial intelligence algorithms to accelerate wet lab research discoveries.

Technology also has a role to play in helping lower health care costs by keeping people healthy outside of the hos-

IBM Watson Health

pital. Mercy Health is a hospital system with over 400 hospitals located in Cincinnati, Ohio. It needed to create a population health infrastructure to connect care, keep its population healthy, and reduce hospital admissions, re-admissions and emergency room visits.

Watson Health created a system combining the data from over 200 care facilities and integrated patients' clinical and payment data, providing sophisticated analytics that Mercy used to inform its patient care management programs. Care managers used the system to better identify the timing and types of care needed, empowering them to proactively encourage patients to come in for pre-screenings and immunizations, and to comply with their treatment plans. With this program, Mercy saw a dramatic increase in screening, preventative care, and immunizations. Additionally, Mercy saw a 51 percent drop in hospital admissions, 35 percent drop in re-admissions and a 37 percent drop in ER visits.

As CEO's we have a responsibility to help our employees operate at their best and give them the tools they need to be successful, at work and outside the office. Social determinants of health like where we live, what we eat, when and how long we exercise and how much stress we have play a big role in health and using wearables, and apps, and other technology can help people live better, healthier, happier lives. A great example is Welltok's Café Well program, which employers can leverage for their employees to help them meet their health goals. With Watson, personalization of the tool goes to the next level. It learns about an individual's day and habits and can prompt people to make small changes that make a big difference.

In terms of the privacy and security of health data, technologies like blockchain are being pursued for use in the healthcare industry. Blockchain creates a shared ledger for the secure transfer of any asset, with lower costs and increased security.

These are just a few of the examples of how cognitive technology is in use today, in very different areas of the health spectrum. It is also at work in cancer care; helping manage aging and vulnerable populations; and in medical imaging. Certainly, we are in the earliest days of unleashing the power of data to impact outcomes, costs and engagement but our results in these early days show we are on the path to realizing that vision.



Deborah DiSanzo is the global General Manager for IBM Watson Health, the business unit founded to achieve IBMs next 'moonshot': to advance health at a global scale. Deborah leads a team of almost 7,000 employees around the world, ranging from medical experts to health economists to data scientists, UX experts and developers. Under her leadership, Watson Health has secured relationships with top collaborators, partners and clients across healthcare and life sciences. Watson Health's ecosystem leads the industry in its breadth and depth, including work with J&J, Medtronic, TEVA Pharmaceuticals, Celgene Corporation, and Siemens Healthineers as well as leading academic and community providers around the globe such as Memorial Sloan Kettering Cancer Center, Cleveland Clinic, and Mayo Clinic.

In 2016, Deborah was honored by multiple organizations as a top health influencer. Health Data Management named her one of the top 20 people to watch in healthcare IT in 2017 — the only tech industry leader to make the exclusive list. Deborah was also named to Modern Healthcare's Top 25 Women in Healthcare for 2017. Xconomy granted Deborah the X of the Year Award as a Tech and Health Connector. Deborah has been recognized by Babson College for her impact in the world as one of the institutions leading entrepreneurial alumni leaders. She is also a sought-after speaker on topics ranging from the future of healthcare to women in technology at venues including the Forbes Healthcare Summit and the Aspen Ideas Festival.

A dedicated community leader, Deborah is currently focused on domestic and global programs with organizations including the World Economic Forum, Project Hope, and the American Heart Association. She has a distinguished career working at the intersection of healthcare and technology. Prior to joining IBM, she was CEO of Philips Healthcare. Previously, she held management roles at Hewlett-Packard and Apollo Computer. Deborah earned an MBA from Babson College and a BS from Merrimack College.

Kevin Lamb Founder & CEO Advanced Tissue

"We shoot videos which are really short films, telling patients what to expect when they go to a wound center, how to operate within the insurance industry, what to look for in buying insurance. We're shooting all of these videos because patients need to know." Robert Reiss: Advanced Tissue is the nation's leading provider of wound care supplies. But Kevin, I'm going to skip to the end of the story as you're doing something different than anyone else in healthcare...you're linking your recent experience as a producer of 13 movies including the current hit Marshall, and using it to transform healthcare.

Kevin Lamb: We've been in the film space for about three years, but I've been in the medical space for over 30. I started Advanced Tissue in 2000 with an idea that we would serve an underserved market, which was patients with wounds, a market very ill-defined and not very structured. The treatments were not being paid for well and in 2000, things began to change when it came to reimbursement. Reimbursement that year started to drive healthcare more than ever. We currently are focusing a great deal on diabetes.

What can you share on the state of diabetes today?

In 1985 there were 40 million diabetics in the world. In 2017, statistically, there are 415 million diabetics in the world. It has been an explosive growth. Back when we started, there were eight million documented diabetics in the U.S. and we're not sure how those statistics were

Founder & CEO **Advanced Tissue**

gathered other than prescription writing. But today, we estimate there are about 30 million and by 2025 or 2030, there are supposed to be somewhere in the 50 to 60 million range. There are a lot of pre-diabetic patients that are just on the tipping point of this state that could move over.

The reason most of our patients are diabetics is because 25% of all diabetics will get a foot wound or lower extremity wound in their lifetime. Look at the U.S. – a population of 30 million, where there's roughly six million patients at any time with diabetes or with foot ulcers or foot wounds, and we are a supplier.

Talk about how you and your wife built Advanced Tissue from a start up to an industry leader.

Being in the right place at the right time carries a lot of value. As the saying goes, it is better to be lucky than to be good. In 2000, we moved into the wound care space because we thought it was a good idea. My wife, Sharon, who is a lot smarter than I, pushed back initially but said, "I'll give you ten hours a week if you're successful." When she hit 12, 16 hours a day, we decided we better start hiring staff. We had no idea that the explosion of

the diabetic component was happening. We didn't know why the market was exploding. We thought that patients were just beginning to seek care. In reality, they were beginning to seek care because they were beginning to have bigger issues with internal medicine, their endocrinologist and all of the other specialties that were driving patients to wound centers. All of these were beginning to develop as well.

When we started the company, we decided that we wanted to put the products that were being prescribed in a unit-dose package. What that means is we put everything in a bag or a package for each wound care dressing. For example, if you had a wound on your leg or foot and your doctor told you that they wanted you to change your dressing every day (30 times during the month), you would have 30 packages of product and you would have all the products you would need to change your dressing. Doing it this way should reduce confusion. Some people feel that the more of something you use or put on, the faster you will heal however insurance companies don't feel that way.

We had to find a way to regulate the amount people were



Founder & CEO Advanced Tissue



Kevin Lamb and leading podiatrist, Dr Lee Rogers.

"We started calling doctor's offices, and not a single office answered this question differently. We asked, 'What is the first phone call you get from a patient the day following a procedure?' And the office responded, 'Oh, it's easy. They don't know how to put the dressings on.' Every single clinic responded the same way."

using, help them with the confusion factor and provide them with high-value products that were relevant. We were able to do that and we did what we call unit-dose put ups, which we felt reduced the confusion. About ten years into the business, doctors were telling us, "I get so many phone calls everyday from patients and suppliers." We said, "Wait a minute. Patients? Why are you getting phone calls from patients?" They said, "They call us and ask how to apply their dressings." At that point we decided we better do research on this and find out what was going on. We started calling doctor's offices, and not a single office answered this question differently. We asked, "What is the first phone call you get from a patient the day following a procedure?" And the office responded, "Oh, it's easy. They don't know how to put the dressings on." Every single clinic responded the same way. We had to find a way to help with this because if this was the case, patients were not learning how to take care of themselves.

We did research on health literacy, information which we actually found from leading medical schools around the country that do this type of research. They found that one of the startling statistics is if you're over 55 and you have an illness, you forget 80% of what you were told by the time you get to the car. Think about it – you just found out you have diabetes, you just found out that this is a serious condition and now, the doctor closes with, "If we can't get that wound better, you could possibly have your leg amputated."

So all I'm thinking about is the leg.

Right, all you're focused on is you're having your leg amputated. That's the news that you're going to tell your friends, that's what you're going to share with everyone. We said, "Good grief. We better find a way to get the message to patients because if patients have compliant, they get better. But more importantly, if patients know what to

Founder & CEO **Advanced Tissue**

"One of the startling statistics is if you're over 55 and you have an illness, you will forget 80% of what you were told by the time you get to the car."

do, they're empowered. They're independent."

So 80% don't know what the next procedure is when they get home the following day. Talk about your innovative solution.

We began to research and try to figure out how to communicate best to patients. I was getting into the film business which most people will say, "Oh my gosh, that's black hole" and it is for a lot of people and it can be a black hole. We invest in a disciplined manner. We got into the film business and we started talking to one of my co-producers and said, "How can we make what we do more informative to the patients, so they can be more empowered and independent, because independence creates a healthier person." If you become dependent, you lay off against all of that.

I asked a question, which led us to an enormous breakthrough, "Why don't you just shoot videos and show them how to put their dressings on?" My response was, "Well, no one's going to go to a website – I mean that's an impossible thing." I said, "Look, you can figure it out. You shoot a video, put it on your website, it will be fine. We'll help you." I didn't want their help because I thought we could do it better, which we couldn't and we didn't. We shot the video and then the challenge was, "Patients are not going to go to the website, so how do we get this product, how do we get this video, in front of a patient?"

We tied the product packaging to a video that we had previously shot and then we put a QR code on the package that when downloaded, when you watched it over with a QR reader, it would play the video of the products inside that package. We found that in some of the cases the patients would do that, but we had some engagement problems for others, but it was a very unique footprint and we could see how many would watch because the information would come in to my server so I could see it.

That was our first opportunity for solving what we

thought was a huge problem. I didn't realize how long it took to come up with the wrong solutions. With the headwind of patients not knowing how to download a QR reader for their phone, also the big button phones that they advertise on television, they don't have cameras. They're not smart phones, they're just phones. That was a huge issue and we felt as though we had to find a way to get the message to the patients.

We engaged a firm that has become instrumental in our business and they said, "Why don't you just put the information on a video card?" I said, "What are you talking about?" and they said, "Look, your patients can't do a QR reader, but I bet they can open a birthday card." I said, "I'm still lost. What are you talking about – video cards?" We were in a conference room and a gentleman from the firm pulled up a website on our big television and it had this idea, "They were made for high brands, how about your brand." They put together a video card. It is a 4.3" screen, similar to the iPhone. We can go up to 20 minutes on this card; our videos are about two minutes.

When the patient opens the card, it has a video that speaks to them. We find that technology is going to change peoples' lives. It already has with Facebook and social media, and things that we rely on such as our banking, et cetera. We felt as though for the importanthings in life, we aren't using a lot of technology in the right way, and we felt like this was the first step toward doing that.



"I asked a question, which led us to an enormous breakthrough, "Why don't you just shoot videos and show them how to put their dressings on?"

Founder & CEO Advanced Tissue



Patient views short educational film on a video postcard.

"Self-care is going to be the model. Traditional hospitals are struggling with the quantity they can have in the building, the reimbursement of each one of those patients based on insurance compression. Patients in a home setting is the most inexpensive way to deliver it and will be the future. Videos are the easiest way for patients to learn how to take care of themselves."

We felt like the more we could teach patients through a video platform, the better it would be. The first rendition of this, the first videos we shot, were really poorly done. They looked like an after-school special because we did it in our office, and it was very dehumanizing, on a mannequin. It looked like a horror movie. We decided that it probably was not going to be very engaging, and it wasn't. We decided that we would engage a film producer, Griff Furst. Griff's father, Stephen, was Flounder on Animal House. Stephen passed away about

two months ago from complications of diabetes. Griff is a filmmaker and he said, "Look, can I take a shot at this. I think I know what we're wanting to capture." He said, "Well, let me tell you, the cadence is important, the temperature, the visual is important, the background is important."

We started doing research on what cadence we needed for the elderly to follow, what the tone needed to be on the video – there's more to the production than shooting a short movie and selling it. All other tutorial videos run through a step-by-step process, but what what works better is to be told a story. I can tell you what was in the beginning, in the middle and in the end. But if someone says to me, "One, two, three, four and tell me what two was," I'm probably not going to remember it. So we decided to shoot the video in a storytelling form.

Almost like a movie.

It's what it is, it's a little movie. We've expanded this and not only do we send these with the first order a patient

Founder & CEO Advanced Tissue

gets, but they can also re-charge it. We can put any video we want on it.

What is your website?

Our website is www.advancedtissue.com or www.advtis. com and it will take the patient to a place to teach them a lot more about what we're doing in this space.

What is the potential use of videos and short movies in transforming healthcare?

Healthcare is increasingly being delivered at home, period. Self-care is going to be the model. Traditional hospitals are struggling with the quantity they can have in the building, the reimbursement of each one of those patients based on insurance compression. Patients in a home setting is the most inexpensive way to deliver care, now and in the future. Videos are the easiest way for patients to learn how to take care of themselves. If you are able to equip the patient properly, you're going to create an empowerment model or an independence model. People can choose to be a victim of their health, but they can choose to be a champion, and we drive champions. That's what we want.

You're a major movie producer. What is the key to effective videos?

It's storytelling. We tell, we shoot videos which are really short films, telling patients what to expect when they go to a wound center, how to operate within the insurance industry, what to look for in buying insurance. We're shooting all of these videos because we see the patients need to know. Our films hope to be engaging and impactful, so that patients then absorb the information they need to make the informed choice when it comes to their lifestyle. We need to give people the tools to regain control over the conditions that govern their lives.

Let's now shift over to film where you've just produced the hit Marshall about Thurgood Marshall's life.

Marshall was an incredible opportunity. I pushed back for a bit on being involved with the project because it's a true story. True stories are very difficult for me to invest in or be a participant with because I'm so afraid of revisions of history being applied to the screen because once it's seen, that's history. It's never the same as it was before.

I met the writer who was the grandson of the gentleman who was aside Marshall and representing in this case. It's about a Connecticut housewife who had consensual sex with her gardener, who was a black man, and she was afraid her neighbor had seen her so she screamed "rape" and then tried to kill herself. It was just a mess — the man was arrested, and he was going to say he was guilty. Flat out, "I am guilty, I raped the woman." In reality, he was saying that so he could stay alive because he knew he could survive prison, but if he was found innocent or got out of jail, he would be killed.

What an awful situation to be in. Marshall didn't have to but he took that case and in New York City, it actually saved the NAACP. Because of this, he became a very powerful civil rights attorney. We look for films like that. They're impactful – we can see it's an underdog mentality that people want to know that they can beat things, they can beat the odds. It kind of relates to the healthcare industry as well.

What advice can you give about videos in healthcare.



Founder & CEO Advanced Tissue

"We look for films like that. They're impactful — we can see it's an underdog mentality that people want to know that they can beat things, they can beat the odds. It kind of relates to the healthcare industry as well."

Anytime we're telling stories, it has to be relevant – for me. There are movies made all of the time that are not relevant, and I enjoy some of those because at times you don't want to be serious. But I want it to be relevant. I want it to be impactful. Those are the ingredients for the things I invest in. I want it to impact lives. It could be purely comedy, but it's going to be tasteful or it could be purely disturbing, but it's going to be informative. That's really the model that I look for when I invest.

We've done movies like Marshall which is a very serious true story. It shaped American history and our future. We've done embarrassing movie like Atomic Shark, which was a comedic sci-fi movie. One is you escaping reality, the other, you are living reality. I like the bookends of that and the contrast.

This is your fourth company. You've already built and sold three companies. Yet Advanced Tissue you seem to be holding onto longer.

Well, first off, I'm staying with the company and keeping it because I'm not finished. I think there's so much more work to be done. When we ran across how to communicate to patients effectively, we recognize that we have the ability to impact the world and we have the ability to change how healthcare is delivered, and that's our goal.



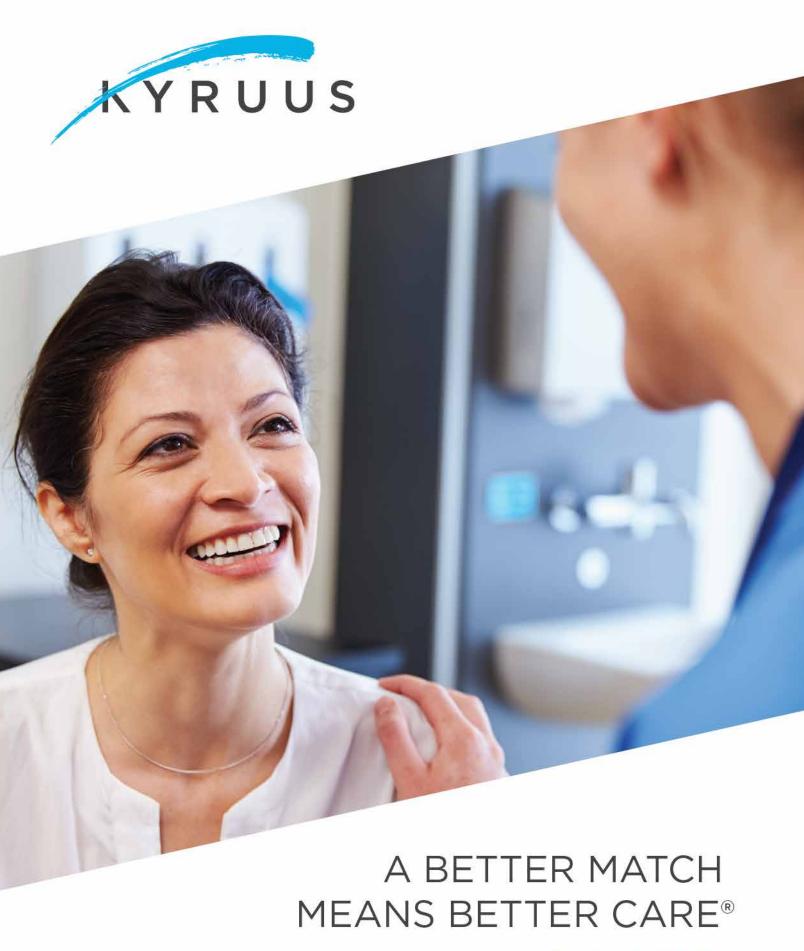
Kevin Lamb with Robert Reiss - Interviewed: 11/30/2017

Kevin Lamb is the co-founder and CEO of Advanced Tissue, the national leader in the delivery of wound care supplies. Kevin's goal is to use video to improve health literacy and enable patients to recover their independence so that their conditions no longer govern their lives.

After three decades in the medical industry, Kevin has developed a reputation for originality, compassionate care and putting the patient first.

He has also established himself as a filmmaker with a growing reputation in Hollywood. There are over a dozen producer credits to his name including Wakefield (2016), starring Breaking Bad's Bryan Cranston, and the critically-acclaimed Marshall (2017).





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Collaborative Environments

Samuel Waxman, MD

Forty years as an oncologist and scientist at Mount Sinai Medical Center have taught me that the biggest obstacle to success is complacency. No company or individual can reach their fullest potential without pushing past their accomplishments to raise the bar and elevate their success.

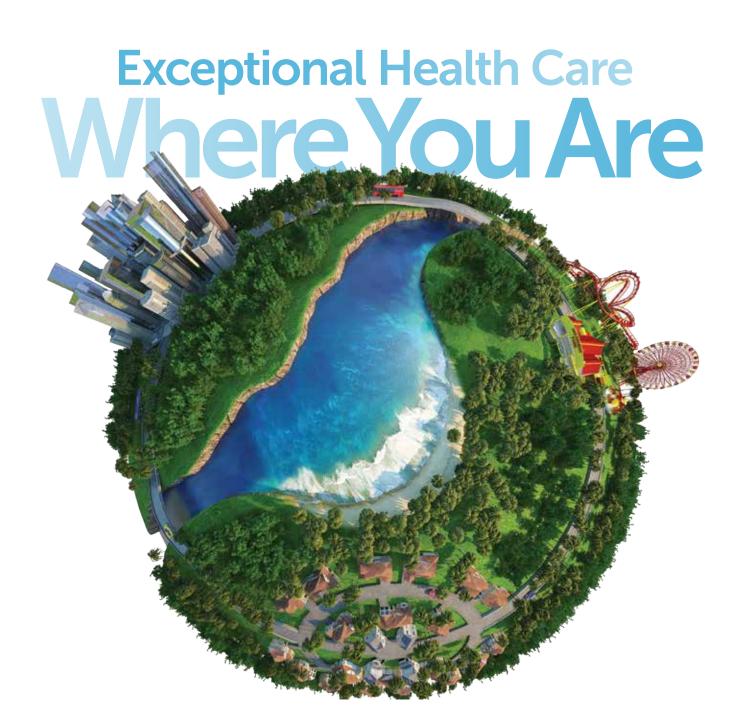
This is especially true in cancer research. Cancer is a moving target, evolving to outmaneuver the latest therapeutic discoveries with an insidious determination. For this reason, breakthrough science requires innovation, dedication and flexibility. I founded the Samuel Waxman Cancer Research Foundation in 1976 thanks to the generosity of a visionary business executive who believed in a new form of research that I was doing, differentiation, which reprograms cancer cells to return to their normal life cycle. My dedication to cancer cell differentiation led to the discovery of a cure for APL, a deadly form of leukemia, through my collaboration in the 1990s with researchers from Shanghai. This melding of Western and Eastern science required our flexibility to share findings and the pay-off has saved millions to date.

Collaboration guides the work of the SWCRF Institute Without Walls, our network of scientists working together on funded projects across research institutes such as Memorial Sloan Kettering, MD Anderson and Johns Hopkins, among others. Our collaborative environment provides grantees objective feedback from their peers that fosters new ideas like our Partnerships for Aging and Cancer Research, setting the stage for discoveries that launch drug trials and drive collaboration for a cure.

CEOs can improve outcomes for their corporate missions by imparting upon their teams the philosophy of exceeding one's personal best to achieve the collective goal. Product development is only as impactful as the questions we ask ourselves in the quest for innovation. Customer service can only exceed our expectations if we have the flexibility to see our performance through the eyes of those who purchase our goods and services. Cancer researchers always strive for the next scientific discovery. You, too, will discover that great work can always be improved on. There's no such thing as achieving the best when you can do better.



Dr. Samuel Waxman, Founder and CEO of the Samuel Waxman Cancer Research Foundation, is Distinguished Service Professor of Medicine, Hematology, Medical Oncology and Oncological Sciences at Mount Sinai Medical Center.



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