What does Leadership look like?

Celebrating diversity and exploring the challenges with top executives in healthcare

An MPI Company Publication

Each year, we are proud to help our friends at *Modern Healthcare* salute many of the best leaders in our industry through our sponsorship of and participation in the Top 25 Minority Executives In Healthcare and Top 25 Women in Healthcare recognition programs.

It is vital to support these efforts, because the need for diverse governance grows more urgent by the day.

The way in which healthcare is accessed, delivered, and paid for is in a state of constant change. This points clearly to the need for leaders with diverse viewpoints and experiences to help us arrive at viable solutions to our most pressing issues. Population health is more critical than ever while, at the same time, we grapple with the appropriate method for reimbursement.

We speak to many executives each day about how they are working to find innovative answers to these questions while addressing disparities of care. As healthcare organizations move deeper into their communities to promote wellness and prevent readmissions, we see leaders who understand the need to disrupt our industry to create a better, more predictive and appropriate way forward.

These new industrial revolutionaries of healthcare are choosing collaboration over competition. These visionary leaders are putting the patient at the center of care. In places where living within a certain ZIP code usually means a shorter life span, they are laser-focused on education and support for children, to prevent a lifetime sentence of poor health and high costs. In areas where the greatest healthcare need is housing for veterans, they are getting their neighbors off the streets.

By necessity, healthcare leadership is moving to transform care and traditional cost models. The executives profiled in these pages are leading the way, showing the industry and our country what can happen when diverse perspectives coalesce into smart decisions and innovative policy.

Diversity in leadership isn't merely a nice item to have for today's businesses—it's an imperative for success.

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Diversity

A must for organizational DNA

Diversity isn't simply a "best practice" in leadership. It's a fundamental, essential practice that enables an organization to function at its peak capacity and innovate in unforeseen ways.

Both ethnic and gender diversity cut to the core of our shared experience and the new business model that strategist and author Bryan Kramer calls "Human to Human" – H2H has replaced B2B and B2C as the standard for how we interact.

It's imperative that healthcare be a leader in these areas. To provide the very best care, leaders must reflect the communities they serve. Internally, diversity in leadership also provides the entire staff with leaders that all team members can identify with, providing paths to retention and reducing the costly chore of replacing talent.

A better business model

Patients are at the center of our worldview in healthcare. The Joint Commission and the Commonwealth Fund, among others, have noted that patient-centered care requires cultural competence and linguistically appropriate services for effective communication. These aims cannot be accomplished without a commitment to diversity.

It is true that our healthcare institutions must be able to financially survive as businesses to achieve these objectives. Diversity can help ensure those goals are met as well. Recent studies by Sodexo and McKinsey have reinforced the fact that ethnic and gender diversity help businesses operate optimally and succeed financially.

Through education, advocacy and continued involvement with key minority-focused healthcare associations, Furst Group is determined to address the disparity that ethnic minorities represent less than 2 percent of senior management positions in the healthcare industry. By comparison, in 2016, 21 percent of the executives placed by Furst Group are ethnically or racially diverse.

The situation is serious for women leaders as well. A 2015 report by CNN-Money found women hold only 14.2 percent of the top five leadership roles at companies listed in the S&P 500. "Corporate America," CNN concluded, "has few female CEOs, and the pipeline of future women leaders is alarmingly thin."

Thus, a strategic focus for us at Furst Group is recruiting, developing and retaining leadership teams to address the changing workforce that a global economy demands. Our placement record demonstrates that commitment. We also seek to promote diversity through our longtime sponsorship of the Top 25 Minority Executives in Healthcare and the Top 25 Women in Healthcare awards for *Modern Healthcare*.

What the leaders say

In our conversations with these leaders, who have overcome many barriers themselves, it's evident how lack of diversity even affects patient care.

2% Diverse Senior Executives in Healthcare

21% Furst Group's Placement of Diverse Senior Executives in Healthcare

51% Furst Group Finalist Slates Which Include Diverse Candidates

As chairman of the American Hospital Association and chair of its Equity of Care Committee, Eugene Woods has an opportunity to see up close how health disparities affect far too many people in the U.S. "We know beyond a shadow of a doubt that significant inequities exist," the longtime hospital CEO says, noting a recent study by the Institute for Diversity in Management that indicated only 22 percent of hospitals have utilized data to identify disparities in treatment and/or outcomes between racial or ethnic groups by analyzing one or more of the following: clinical quality indicators, readmissions or CMS core measures.

The changing population of the U.S. also requires organizations to adjust, adds Dignity CEO Lloyd Dean. "The demographics of this country are changing," he said. "There are more minorities, and we need to ensure we have leadership that is representative of the nation and of our communities."

Helping organizations progress

Many organizations desire to develop or maintain a diverse work force, but few fully understand that it requires a multi-faceted strategy focused on recruitment, retention, leadership development, promotional advancement, and mentoring to make it a reality.

Leaders and boards must be willing to look beyond a candidate's ability to merely line up with a job description and also strategically assess candidates based upon professional competence and future potential.

Secondly, for a diversity strategy to be successful, it must have metrics that are linked to leadership's performance incentives.

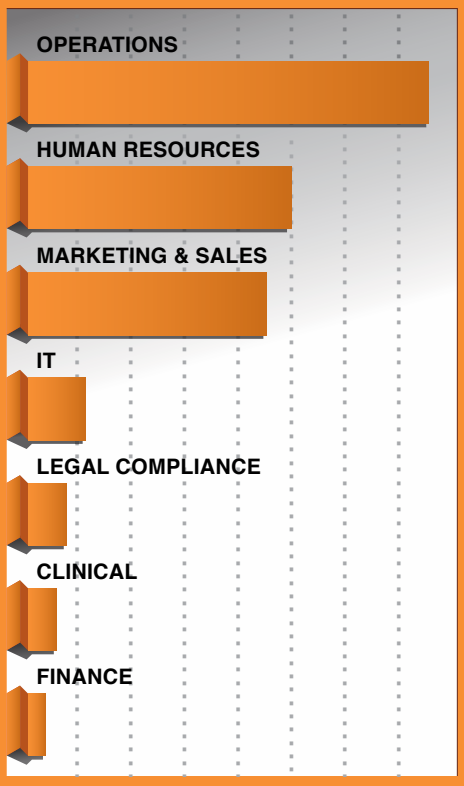
Our experience with and sensitivity to these issues help our clients make strategic and sensible hiring decisions. We are actively involved with the National Association of Health Service Executives (NAHSE), a non-profit association of African-American healthcare executives, as well as other key minority-focused healthcare organizations that all serve to complement our scope. We sponsor the *Modern Healthcare* awards honoring the Top 25 minority and women leaders to raise awareness, champion role-model organizations, and to serve as advocates for the richness that diversity brings to healthcare governance. The networking, mentoring and counsel that our leadership team provides to executives of all backgrounds in the industry ensure that our clients have access to a deep and diverse pool of talent.

The executives we discover and nurture on behalf of our clients make decisions that affect the lives of thousands of families and communities across the country and throughout the world. That is a responsibility we take seriously. We are committed to diversity and the mission of healthcare, and assist our client partners in becoming exemplary global leaders of these principles and practices. **MPI**

What diverse executives are looking for:

- Equal consideration, treatment, and ethics
- Is leadership adopting and communicating diversity and inclusion messaging throughout the organization?
- Do the organization's marketing materials reflect a culture of diversity and inclusion?
- Retention rate for officer-level ethnically diverse talent
- Is there a diversity and inclusion statement that is also a part of organization's core guiding principles and values?
- Is there a performance metric tied to annual performance to ensure senior leaders are demonstrating skills in recruiting, hiring, promoting and retaining ethnically diverse talent

Organizational Areas with the Most Diverse Executives



Institute for Diversity in Health Management / American Hospital Association

Georges Benjamin

True leaders must understand and advocate for public health

Georges Benjamin has led the American Public Health Association as executive director since 2002, but he has never been busier or more vocal.

"I think we're in an environment where the forces doing things that are opposed to the public's health are more active, and so we're more active," he says.

The issues are numerous, from climate change to gun violence -– and a few things that didn't used to be controversial at all.

"When you look at clean water and clean air, there's an effort to push back on a lot of the things that public health has done over the years to make the environment safer for us and to make us healthier," he adds. "We're having to weigh in on things that, in our minds, were settled."

Some threats he sees as audacious.

"The misinformation around the Affordable Care Act continues to be a concern and the lack of national recognition of the prevention aspects of the law are absolutely amazing," Benjamin says.

Others, he says, are the result of apathy and inattention.

"We lost 40,000 public health workers across the country through the last recession and they haven't been replaced," he notes. "We're losing programs because the funding has been cut. And then there's public health preparedness. We spent a lot of money getting ourselves prepared after 9/11. Not only have there been reductions in funding for the preparedness of our nation to deal with biological attack, but our preparedness for everyday emergencies is not as good as it used to be."

Benjamin's words may be finding an audience. Last April, he was appointed to the National Infrastructure Advisory Council.

The water crisis of Flint, Mich., is one example of the decay of public health, Benjamin says. So is a lack of funding to deal with mosquito-borne disease – not just zika, but dengue and chikungunya.

> "The misinformation around the ACA continues to be a concern and the lack of national recognition of the prevention aspects of the law are absolutely amazing."

Give him 10 minutes and he can tick off a variety of issues that need addressing, particularly in the corridors of Washington, D.C., where APHA is based. And, yes, he'd like to see hospitals and health systems get a little more vocal and visible on these issues too.

"The healthcare delivery side of the house needs to weigh in on a range of things that historically they have not weighed in on," Benjamin says. "They always show up for the Medicaid hearing or the healthcare financing hearing. But we need them to show up at the hearing for the public health budget on lead, we need them to show up for the hearing on clean water. We need them to spend their healthcare dollars in a more objective way to address climate change."

> "We have to make sure 'population health' isn't just a buzzword and people don't take what they're already doing and rename it 'population health.' "

In many communities, hospitals are one of the biggest employers and have a large footprint. While some have made moves to address their carbon-dioxide emissions, it's often done from a business perspective to get better energy rates, Benjamin says. "They also need to do it from a health perspective because it makes their community healthier. And they need to see it through that lens."

If providers can become more public-health-conscious, he says, then they can begin to make a difference via population health.

"We have to make sure 'population health' isn't just a buzzword and people don't take what they're already doing and rename it 'population health,' " Benjamin says. "We want to make sure it doesn't go the way of 'managed care' – the idea of the moment that, when it doesn't achieve its goals because it wasn't done right, people call it a failure."

APHA works with payers as well, including partnerships with the UnitedHealth Foundation and the Aetna Foundation, and isn't shy about criticizing insurers and providers alike. "When we think they're off-track, we scream and yell and holler at them – but we generally have the same goals around health and the well-being of our communities."

With that community health in mind, Benjamin says he is glad to see more of his fellow clinicians stepping up to accept the mantle of leading administratively as well. "Having made decisions around patients gives you a unique perspective that you bring to the table. When you're the COO or the CEO, the buck stops with you and you get to use those skills differently than you would if you were the medical director and in a more advisory role."

But physician executives need to learn that leadership "is not giving people an order and expecting them to follow," says Benjamin, himself a former military leader. "It's setting goals, getting people aligned to go in a particular direction, and then giving them freedom."

It's a far different role than simply being a clinician, he says.

"One of the reasons I enjoyed being in an emergency position was that, most of the time, you saw results of your work right away. But in management, things are like a big battleship and they don't turn very quickly. And so the gratification is much more delayed, much more subtle, and you've got to really understand what a win is.

"Sometimes a win is not what you would like. You have to accept progress and be comfortable with that. And then, realize you have to come back another day and try to move the boat a little further along." **MPI**

Ruth Brinkley

Leadership is working diligently to build a new corporate culture

Mergers and acquisitions are complicated equations, but the transaction that Catholic Health Initiatives undertook in Kentucky had some extra nuances that required delicate care. Small wonder that CHI turned to a veteran executive like Ruth Brinkley to choreograph the venture and lead the new KentuckyOne Health system.

Brinkley, who revamped the sprawling organization to survive and thrive under reform, says the bumps in the road are beginning to get fewer and farther between. "I'm a big believer in culture and the impact of culture on strategy and on building excellence," she says. "One of the things we have consciously worked on since the very beginning was to shape a desired culture. I would say we're 60 to 70 percent of the way there."

KentuckyOne Health is comprised of the former Saint Joseph Health System and the former Jewish Hospital & St. Mary's HealthCare. It is a complicated arrangement. Catholic Health Initiatives is a majority owner of KentuckyOne. The other owner is Louisville-based Jewish Heritage Fund for Excellence. But the individual hospitals that were Jewish hospitals are still Jewish; the Catholic ones are still Catholic. Working through issues with the governor slowed down the process and the culture work by about a year.

Daunting? Absolutely. But Brinkley's eyes were wide open from the beginning.

"I did expect this to be a big job, a big bite, so to speak," says Brinkley, who left Carondelet Health in Tucson, Ariz., to return to Louisville and CHI. "I believe in the merger, in the vision of what we set out to do. When the days or the issues get tough, I go back to the belief in that vision."

Brinkley had already achieved much in her career as a CEO and a lauded leader in Catholic healthcare for many years. Her resume was full. But the prospect of the merger energized her, moved her geographically closer to her children and grandchildren, and brought her back to her what she calls her extended family at CHI.

"The real draw was the excitement of the vision for this merger and what it was to accomplish. And it felt

> "We know that a hospital only impacts 20 or 25 percent of health status. The rest are social determinants."

familiar. It felt good coming back to CHI. It's always been a wonderful place to work. You see the mission come alive, and you see the values in people's hearts."

While the work of the merger more than filled her days, and many of her evenings, it was a temporary diversion from a personal tragedy.

"I had experienced a big loss in my life; my husband passed away when I was in Arizona," she says. "Time is a great healer and work is a great healer, if you use it correctly. But I will also tell you that we all eventually have to pay the debt of grief. I like to say that grief can be delayed, but it won't be denied. The work gave me something to focus on, but we each have to go back and deal with the issues we need to deal with, and I did that as well."

> "I believe in the merger, in the vision of what we set out to do. When the days or the issues get tough, I go back to the belief in that vision."

Brinkley's career has taken her from rural Georgia, where her grandparents raised her, to urban Chicago as a student and a nursing leader, to a number of other settings. So she is well-versed in the many types of populations that KentuckyOne serves, from Appalachia to Louisville. "The needs are very different across the state," Brinkley says. "We try our very best to represent and reflect the communities we serve.

"We know that healthcare does not begin and end inside the walls of a hospital, so we've developed outreach programs to decrease the use of the emergency room for routine care, and to decrease readmissions. We're starting to focus more on the social determinants of health."

Brinkley says she learned many key lessons on leadership from her grandmother, who encouraged her to become a nurse, as she was growing up in Georgia – in fact, in 2009, she wrote a children's book called "*Grandma Said*" to honor the woman who shaped her early life. But in Georgia, Brinkley also saw the sad results of those aforementioned social determinants, as family and friends dealt with suffering brought on by health disparities. Thus, she makes it a key priority to move her organizations upstream into the communities whenever possible.

"We know that a hospital only impacts 20 or 25 percent of health status," she says. "The rest are social determinants. So, for example, at our St. Mary's facility in west Louisville, we are starting a community garden. It's a somewhat challenged area with a lot of immigrants. The city is leasing us 4 or 5 acres of land. We are going to engage the community and staff and hopefully be able to help people grow their own vegetables, because we had found through our community health assessment that this was a real need."

Another need that Brinkley has been talking about for a number of years is the push to increase diverse leadership at the highest levels of healthcare organizations. Patients, she says, benefit greatly from diversity.

"It's where our greatest opportunity is to serve the community," she says. "It's so important for our patients to have people in leadership who look like them and can relate to them. We have a lot more work to do, but we've made a good start at KentuckyOne.

"You have to let people know through word and deed that you understand their experience."

With a wealth of experiences to draw from, Brinkley is trying to do just that. **MPI**

Debra Canales

The best leaders put people first in the mission of healthcare

Shortly before making the move into faith-based healthcare, Debra Canales remembers giving her former boss the business book *Jesus, CEO* by Laurie Beth Jones. He was grateful for the gift – but hid it in a brown paper bag.

"He didn't feel safe," Canales remembers now. "It was a pretty revealing moment."

Years later, Canales is earning bouquets of accolades for her bold, holistic leadership at Providence Health & Services in Seattle, where the spiritual aspect of healthcare and work is welcomed as a natural byproduct of being human.

"What continues to draw me to healthcare is being able to bring my whole self to work as I center myself and think about a bigger purpose," she says. "Leadership is not just from the neck up."

Canales' heartfelt worldview is expressed in very tangible ways at Providence, where in just two years as executive vice president and chief people and experience officer she helped achieve a 50 percent increase in women in senior leadership roles. She also led efforts to provide monetary assistance for employees coping with the high cost of healthcare premiums.

"I came to Providence because, when I talked with Rod Hochman (Providence's CEO), he put people as the number one pillar of his strategic plan," she says. "That was significant. It was a deeply rooted commitment, and part of that was shaping our talent strategy to be reflective of our communities."

The medical assistance program offers free or reduced premiums tied to household income and the federal poverty level. Caregivers (which is what Providence calls all of its employees) who are at less than 250 percent of the federal poverty level pay no premiums or deductibles and are given seed money to cover out-of-pocket costs. Employees at 250 to 400 percent of the federal level get a 50 percent break on coverage.

"When we think about extending and revealing God's love to the poor

and the vulnerable, we need to take care of our own and extend that compassionate service to them as well. There has been an outpouring of gratitude and support, especially from a lot of single mothers and fathers," Canales says.

On the practical side, she's seeing reduced turnover levels as staff members choose to stay, as well as the highest level of employee engagement and satisfaction in a number of years.

"It goes back to our integrated talent strategy – we want to lift up our people as one of the most important elements in how we extend our mission," she says. "We want to continue to build those enduring relationships with our caregivers and take care of what's important to them so that they can, in turn, extend that experience to all who come through our doors."

"We want to lift up our people as one of the most important elements in how we extend our mission."

The mission of Providence is key to Canales' passion.

"Mission is the number one factor for us," she says. "In our engagement surveys, people say that is what brought them here and what keeps them here. It's that yearning for something more in terms of spirituality and connectivity – the charisms of mind, body and spirit. That is certainly what differentiates us from a Fortune 50 company."

Before she became a respected leader in healthcare, Canales had plenty of experience among such corporate heavyweights. She rose through the ranks as a human-resources executive in retail (R.H. Macy's Inc.), food service (Yum Brands/PepsiCo), and high-tech (Hewlett Packard/Compaq). She moved into healthcare with Centura Health, then spent more than 10 years at Trinity Health, where she rose to chief administrative officer.

She's become known for leading the charge to make human resources valued as a strategic partner for CEOs, for positioning corporate cultures for change management, and for facilitating resiliency. Yet while taking risks has paid off for her, it was not easy, she allows.

"A lot of my movement in my career has been to volunteer for the opportunities no one wanted to take," she says. "I've worked for some very strong, driven bosses. I was always trying to work toward a shared understanding – that's been my whole approach throughout my career."

It's an approach some would call courageous. In that, she says, she was influenced by her Aunt Trini, the sister of her grandfather, who was the provincial of a convent – a religious woman who had a lot in common with the Sisters of Providence, who began the health system where Canales now works.

"I keep her picture near me as an inspiration," she says. "When things are hard, I look at her photo and it gives me that confidence to do what's right. One of my hallmark traits is standing on principle. That's not always been popular. But for me, that conviction and integrity give me confidence and self-assurance."

Canales says the woman she was in her 20s climbing the corporate ladder is far removed from the peace she now experiences, influenced not only by Catholic faith but also by the teachings of Buddhist nun and author Pema Chodron.

"Back then, I couldn't take as many risks," she says. "I could not be as vulnerable as I wanted to be. I followed the success pattern to get promoted and, for me, that was what was more important at that time. It was not always authentic. That's not who I am now.

"In the long run, my wholeness is what I value. It's a freeing sensation to be able to live life in this way, and to help set others free as well gives me such joy." **MPI**

Leon Clark

Transforming your organization demonstrates true leadership

For many years, Mayo Clinic has been arguably the leading brand in patient care. But as it has evolved over the past two decades, Leon Clark has had a hand in the transformation process. He's now chairman of the research administration department, where he's in charge of a $675 million operating budget.

When he joined in 1997 after stints at Ameritech and American Express, he was a unit manager in accounting. Clark has had a steady rise at Mayo, and he remembers the smart evolution of a respected American institution.

"At that time, Mayo started to realize that, if it were sustain its full tripartite mission – practice, education and research – that it would need to diversify its activities and generate income from sources other than just practice," he says.

Among Mayo's purchases back then were a continuing care retirement community that included retirement homes and skilled nursing facilities, and a medical transport company. Clark joined Mayo to help the controller align and assess the diverse businesses.

That led to opportunities to become the operations director of Mayo's health plan and third-party administration operation and the chance to run the OB-GYN clinical department at Mayo. Over the last decade, working in research at Mayo, he is helping to engineer another round of reinvention.

"We've started to reposition research at Mayo to be more aligned with a traditional R & D operation," Clark says. "One of the challenges for academic medical centers is, how do we reposition research assets to drive transformational change in patient care? So what we have are scientists who, in many cases, work in university environments where the incentives are misaligned with the goals of the clinical practice.

"They're rewarded based on grants and publications, and not necessarily on improvements in patient care or creating products and services that advance patient care

> "I worry about people who don't make mistakes because that means they're not stretching enough to make a difference."

and differentiate the operation."

So what Clark and his team are doing is looking at Mayo Clinic through a completely different lens.

"My physician partner and I approach it from the perspective that Mayo Clinic is an integrated medical group practice first," he says. "Our research and educational activities essentially underpin the practice and we are creating new capabilities that will contribute to the advancement of patient care and ultimately differentiate Mayo in the marketplace."

That's an important distinction in the post-Affordable Care Act era.

"As healthcare payment reform takes shape, there's a greater likelihood that many patients who would benefit from care at Mayo would be locked out due to a narrowing of their network or for other reasons," Clark says. "So what we have to do is create compelling and differentiating capabilities that will inspire people to come out of their network and seek care here because, in my view, they're going to be better off in the long run."

> "One of the challenges for academic medical centers is, how do we reposition research assets to drive transformational change in patient care?"

Clark is glad he himself came to Mayo himself almost 20 years ago. He credits former chief administrative officers Jeffrey Korsmo, now the CEO at Via Christi Health in Wichita, Kan., and recently retired Shirley Weis for being invaluable mentors in his leadership journey.

"Early on in my career, Jeff took an interest in me personally and wanted to make sure I had a successful career at Mayo," he says. "But the other thing he did for me was to run interference for me when I needed it and to point out landmines when he knew I was on a path that would probably lead to me stepping on one. I found out after the fact that he had conversations with other leaders about me as well."

That was crucial, he says, because diverse executives don't always get second chances after they've made a mistake.

"All of us make mistakes in our careers," he says. "In fact, I worry about people who don't make mistakes because that means they're not stretching enough to make a difference. Our industry needs folks who are innovative and who think transformationally. That might lead to making mistakes and the question is, how do we recover? If you're a member of a minority group, historically, it's been more difficult."

Mayo is a big company ($8 billion) but a small community. It's governed primarily by committee, and some of that work allows executives to expand their exposure to the entire organization and to get involved in things that aren't necessarily part of their day-to-day purview. In that setting, relationship management is important, and Clark says that is one reason he has flourished there.

"People know me, and they know I'm well-intentioned," he says. "So even if I step on a landmine, I tend to get a little bit of grace." He's committed to passing that on.

"I think it's an obligation of every leader to identify, coach and mentor the next generation of leaders, so I've been very intentional and active around that," Clark says. "The demographics are changing – Mayo wants to serve every patient who benefits from our care, and those people are increasingly diverse. We want to give them the full Mayo experience. So how can we do that? We need to diversify our employees so we can better understand our patients and serve them better." **MPI**

The Ethical Leader

Practical decision-making tips in a new era

by Bob Clarke and Sherrie Barch

Greg, the chief operating officer of a Midwest health system, knew the decision he was about to make was the right one for the organization, even though it would cost him politically. He went ahead anyway. It was not the first or the last time he would do so.

Sharon, a physician in her first hospital CEO job, was faced with the option of having to cut costs from a service, which would result in inferior quality of care for patients, or approve continued spending; she chose the latter.

At a time when healthcare organizations are moving toward value-based business models, providers are assuming greater levels of risk, and ethical dilemmas are perhaps more prevalent than in previous years. More is weighing on the outcome as well.

There are many real examples that point to successes and failures in ethical decision making. Leaders who successfully address ethical considerations tend to share certain traits:

- **Their behavior is predictable.** *Peers always knows how they will respond in situations, and that invariably means they will err on the side of being open and honest.*
- **They allow others to grow and take the lead.** *They are secure in their identity and their position and know that their organization is best served by developing leaders.*
- **They communicate clearly.** *They don't dwell on the symptoms of an issue; instead, they get to the root of the problem. They are candid in expressing their feelings on the topic.*
- **They are genuine and take a sincere interest in the people around them.** *They demonstrate true respect for the people in their organization.*

These qualities are evident in Jeff, a board chair who faced an unexpected curve ball from one of his trustees. The board was vetting three internal candidates to replace the longtime CEO, who had announced his retirement. But Sandra, a director with much experience, decided she might be interested in the CEO role. She even floated the idea past several other directors. Jeff was livid.

> "You can absolutely take Kant's theory and apply it in the real world."– *Shannon Bowen, PhD*

"A board has two significant priorities at all times," he told us. "The first is overall financial stewardship. The second is succession and the success of the CEO. I would have jumped in front of a train if necessary to stop that, because it threatened the integrity of the entire process."

Jeff did just that. He addressed Sandra directly. He told her in no uncertain terms to stand down and convey that action to the board members she had shared her musings with. Six months later, the board chose Carly, one of the three original candidates, as the successor, and she has been a great success as the new CEO.

From the Daraprim price-hike controversy to the Volkswagen emissions scandal, most of us have seen numerous examples of the major red flags to avoid. In fact, there are several ways to train oneself and others in the ethical skills and behaviors that can become ingrained in our character. That is significant, because healthcare organizations deal daily with decisions that don't always have easy answers, from compliance to labor-union negotiations to workplace culture.

One of the foremost experts in this field is Shannon Bowen, PhD, a University of South Carolina ethics professor who presents training sessions for various industries around the country, including the healthcare and pharmaceutical sectors, teaching executives how to make decisions on the areas that are more nuanced than they are black and white.

"When you have an ethical decision that has a number of options—none of which are clear-cut and seem right—that's where you need a more powerful and analytical model to help determine which course of action to take," says Bowen, who also teaches on public relations.

For example, the U.S. Food and Drug Administration requires testing of any drug that will be prescribed to children, yet children technically cannot give informed consent. "So how do you test a drug on children and make it ethical?" asks Bowen. "Those are the types of situations that healthcare providers and pharmaceutical companies have to deal with all the time."

To help leaders analyze a situation and make a decision that they are morally comfortable with, Bowen encourages them to reach back more than 200 years and apply the theories of Immanuel Kant, the German philosopher. Kant argued that our actions should always respect the humanity of others and demonstrate respect for what he called a "universal moral law."

The result is surprisingly tough-minded and contemporary.

"You can absolutely take Kant's theory and apply it in the real world because he believed in what some scholars call 'brutal honesty,' " Bowen says. "Essentially, you're telling the truth even if it's going to harm your position; even if it's going to make you an unpopular person in the organization for a while. You're doing the right thing overall because doing so demonstrates respect for humanity, and that ultimately has to be your guide."

Such candor is tempered, though, by responsibility. If being brutally honest will harm the dignity and respect of others, then you don't have the right to proceed, Bowen says. So Kant's approach is leavened with compassion; in fact, Bowen says she finds much Kantian influence among the non-governmental organizations she has studied.

A simplified summary of Bowen's Kantian model is this: Am I acting reasonably, or am I influenced by politics, money or self-interest? If those influencers are affecting me, I need to recuse myself from the decision. If it's fair for me to make this decision, would people in a similar situation make the same decision? If I were on the receiving end of this decision, would I accept it?

Decision-makers also should consider the following points and questions:

- **Duty:** *Am I doing the right thing?*
- **Intention:** *Am I proceeding with a morally good will?*
- **Dignity and Respect:** *Am I maintaining dignity and respect?*

Healthcare organizations deal daily with decisions that don't always have easy answers.

These questions take time to consider, Bowen admits, and require a great deal of communication among the affected stakeholders. But the end result is a better-functioning organization with strong leadership from top to bottom.

In the case of Sharon, the hospital CEO, we have seen her consistently operate with dignity and respect. She strives to gain input and consensus and is comfortable enough in her own skin that she very clearly tells her team she doesn't have all the answers as she seeks their input.

Greg, the health system COO who ended up founding several healthcare companies on his own, makes it a habit to encourage diversity in perspective. It is not uncommon for him to allow his team to move forward with a decision even when he believes his own idea would produce the best outcome. If the team's idea succeeds, he has helped them to grow. If it fails, he can help them understand the flaws in the approach so their next decision will be more successful.

Fortunately, Bowen says she finds an eagerness among most healthcare and pharmaceutical leaders to apply ethical decision making.

"A lot of these leaders' questions center around financial reporting, negotiating with labor unions, or drug labeling. Issues like those are fraught with all types of ethical concerns, and the answers are rarely simple. I think the Kantian model helps sort out the gray areas," she says.

Not everyone, of course, is a fan.

"I don't get a lot of phone calls from hedge fund managers," Bowen jokes. "Believe it or not, I'm not really popular in those circles." MPI

Bob Clarke is CEO and **Sherrie Barch** is president of Furst Group and NuBrick Partners, the companies of MPI.

Adapted from their article in the October 2016 issue of Trustee, the magazine of the American Hospital Association

Are You a 'What if' Person?

Having executives who apply ethical decision-making skills helps to avoid having leaders surrounded by "yes men" and "yes women," says Shannon Bowen, a University of South Carolina ethics professors.

"In general, I'm always encouraging people to be the 'What if?' person—to be the one who says, 'This decision could go the way we hope, but what if it doesn't?' If you consider upfront what the worst outcome could be, then you're rigorously testing the decision."

That approach, she contends, doesn't lead to contentiousness in the organization. In fact, it guards against it.

"Any time people are empowered to take a step back and question a decision, leaders can insulate their organization from those potentially negative outcomes," Bowen says. "Whether it's fine-tuning the decision or investing in greater problem solving or crisis planning, a more enduring decision can result from taking these steps than from taking a course of action simply because leaders think it's a good idea."

ON A WAY FORWARD

"It's crucial to be open-minded and not think the past is prologue."

Karen Ignagni
CEO
EmblemHealth

Susan DeVore
CEO
Premier Inc.

ON FEARLESS LEADERSHIP

"If you believe in innovation and want to make a big difference, then you have to experiment."

ON GENDER DIVERSITY

"Whether it's the Catholic Church or whether it's healthcare, if you only use 50 percent of the talent you've got, that's a problem."

Sister Carol Keehan
President and CEO
Catholic Health Association

Delvecchio Finley

Leaders understand that medical care is only part of the solution to disparities

Delvecchio Finley doesn't shrink back from a challenge. That's one of the reasons his last two jobs have been leading California public health organizations with different but significant issues.

But as he surveys the changes needed not only within his own health system but throughout the nation as a whole, he is adamant that healthcare is only part of the solution for what ails the U.S.

"Even though access to care and the quality of care is important, access to stable housing, food sources, education and jobs play a greater influence collectively on our overall health," says Finley, CEO of the Alameda Health System. "I think the evolving research in the field is making it a lot more evident to all of us that those issues are significant social determinants of health."

The interconnectedness of all those factors makes health disparities harder to eradicate, Finley says, but one way to begin is to address the lack of diversity in healthcare leadership and the healthcare workforce as a whole.

"Making sure that our workforce is representative of the community we serve – that people who are coming to us for care aren't just the recipients of that care but can also play a major role in providing or facilitating that care – is what starts to provide access to good jobs and stable housing, and in turn begins to build a good economic engine for the community.

"Thus, you're reinvesting in the community, and that's how we start to get at the root of this and not just through the delivery of the services."

Finley has some life experience along those lines. He grew up in public housing in Atlanta, where access to healthcare was poor even though the actual care was excellent when he and his family received it. In his neighborhood, he says, the three fields of employment that offered paths to upward mobility were healthcare, education and law enforcement. He was a strong student, and enjoyed helping people, so he was eyeing a future as a physician during his undergraduate years at Emory University, where he earned his degree in chemistry.

"Upon finishing my degree, I realized that I loved science but wasn't necessarily as strong in it as I needed to be to become a doctor," he says. "But I still loved healthcare

> "We have a responsibility to use our gifts – and to use our voice and our station in life – to help people."

and wanted that to be something I pursued."

He explored other avenues and ended up earning his master's in public policy at Duke University. Finley was the first member of his family to graduate from college and to get a graduate degree as well, but not the last, he is quick to point out.

"The thing that I'm most proud of is that, while I was the first to graduate from college, that achievement has set a path for my cousins, nieces and nephews, who have continued to shatter that ceiling for our family."

He says it was also within his family – and within public housing – where he first began learning leadership skills that would result in him becoming one of the youngest hospital CEOs in the country.

"I spent a fair amount of my childhood being raised by my aunt, and she was a force of nature," Finley says with a laugh. "She served as president of the tenant association and she used that position to strongly advocate for reasonable services and humane treatment for people who were in a very challenging circumstance. I learned from her that we have a responsibility to use our gifts – and to use our voice and our station in life – to help people."

That was certainly the impetus for taking the helm at both Alameda and his previous post as CEO of Harbor-UCLA Medical Center.

"Both of them are safety-net organizations that serve a disproportionately underserved community," Finley says. "That resonates with me from both a personal and professional standpoint. They have both provided a chance to work with a team to get our hands around some of these issues because of the very important work and role that these organizations play in their communities."

At Harbor, the bigger challenges were regulatory, not having good, documentable evidence of the quality and safety of the care that was being provided, "which we were able to fortunately surmount and proceed from there," he says.

The difficulties that Finley and his team at Alameda have had to address are different, he says. "A lot of it was short-term economic hardship combined with the growing pains of going from a historical health system that had grown exponentially through recent acquisitions of two community hospitals. We're just beginning to stabilize and right-size the ship."

The elements for achieving lasting change, both for the health system and the community, are within reach, he says. Alameda's skilled nursing facilities recently outperformed a lot of private organizations in earning a 5-star rating from CMS, something Finley hopes can be replicated systemwide with a new strategic plan that promotes greater "systemness" and a focus on access, quality, patient experience, and innovative approaches to care delivery.

Alameda Health System is also a benefactor of the a state Medicaid Waiver called Medi-2020, which is a partnership between CMS and the State of California that aims to promote continued transformation of the safety-net delivery system for Medi-Cal recipients. And, internally, Finley plans to bring more Lean management processes to Alameda in the next fiscal year.

He had begun to explore Lean several years ago when he was at Harbor-UCLA. He and leaders from a number of systems – including Alameda – took trips to watch Lean in operation at ThedaCare in Wisconsin, Virginia Mason in Washington, and Denver Health in Colorado.

"I appreciated that Lean wasn't just a performance improvement methodology and the flavor of the day, but it was an operating system," he says. "I think my other takeaway from the trip was that Lean is very hard to do. You're going to have fits and starts, but if you commit to it, it can lead to some very transformative outcomes for your organization and for the community you serve."

Transformative outcomes? Finley personally knows a thing or two about that. **MPI**

Trent Haywood

Clinical leaders essential in move to value-based care

Trent Haywood has multiple titles after his name – an MD as well as a JD. But to find respect and cohesion among his leadership-team peers as he moved into a role as a physician executive, he says his biggest lesson was to check his degrees at the door.

"Someone gave me advice early on that, if you're going to transition away from the bedside, you have to become comfortable no longer being called 'Dr. Haywood' but just 'Trent,' " says the chief medical officer of the Blue Cross Blue Shield Association.

"Being viewed as 'the doctor' has great social capital, but it prevents other executives from really getting to know you and sharing with you as a peer."

But make no mistake – Haywood says he believes that more clinician executives are needed precisely because of their unique qualifications to bring the value to value-based care and to balance patients' needs and concerns with healthcare finances.

"The business is evolving," he says. "The model used to be 'the suits and the scrubs.' The suits did their thing, and the rest of us in scrubs did our thing. It was very siloed, and as long as you stayed on your side of the fence, it worked well.

"The model is changing. You have a new generation of clinicians who are going back and getting additional degrees. I think it's going to continue to be the norm where you're going to have many more clinicians in leadership roles."

Haywood says his experience was easier than a lot of physician executives because he was able to wear both hats on a weekly basis for a seven-year period while he worked at the Centers for Medicare and Medicaid Services.

"On the weekends, all I was doing was focusing on individual patients

> "The model used to be 'the suits and the scrubs.' … It was very siloed, and as long as you stayed on your side of the fence, it worked well. The model is changing."

as they came through the door of the ER. Then, during the week, I would be back at CMS flying all around the country trying to make a difference on a national level. My situation was unique; I was fortunate."

Haywood's own influences in leadership included his parents. His father Stanley, who recently passed away, had the longest tenure on the Lawton, Okla., city council in history. His mother Charlotte led the young people's program for many years at the church the family attended.

"I learned early on from my mother that if you want maximum output, you have to take the time to invest in people," he says. "You also have to delineate which people you are going to invest your time in."

Haywood's father coached him in athletics and impressed upon him the importance of teamwork over individual accolades. "If everyone showed up for practice, they were going to get into the ballgame, regardless of ability," he remembers. "He put the onus on the team to think beyond ourselves and how we were going to approach the game in a team-based manner."

> "Being viewed as 'the doctor' has great social capital, but it prevents other executives from really getting to know you and sharing with you as a peer."

In the same way, Haywood notes, payers and providers are going to need to work together as a team to help renovate the U.S. healthcare system. As someone who has worked as the deputy chief medical officer for the government (CMS), and chief medical officer for a major provider association (VHA) before coming to BCBSA, he thinks the convergence can't happen soon enough.

"You're going to see more and more collaboration across the board within a population-based framework," Haywood says. "If I want to manage a population, then I need to understand more acutely where that population is going in terms of specialists and which ones are performing better for my population."

But the talk between payers and providers needs to evolve beyond healthcare delivery, he says. Affordability is critical when many families live paycheck to paycheck with little savings, and that is reflected in BCBSA's push for transparency in healthcare costs, Haywood adds.

"We don't want families paying for waste in the system, and so that's led to the issue of transparency. And the purpose is affordability – how can we make healthcare affordable for a family?"

Haywood has been using BCBSA's new Community Health Management hub tool to take a deep dive into the data that affects healthcare consumers at the ZIP code level.

For example, he recently dug into the statistics to show how something that many people take for granted – access to a car – affects population health, with many people in struggling neighborhoods unable to maintain nutritional health because they lack transportation.

"We need to get into the communities and do a better job of population health at the community level," he says. "We need to find answers to questions like: What are the characteristics of a population? What are the environments in which we find those populations? And what are the behavior patterns of those communities?"

Like his father, the city councilman, Haywood hopes to make a difference on the local level – by guiding BCBSA policy on a national scale.

"Most healthcare decisions happen outside the four walls of a clinical setting," Haywood says. "I'm excited that we're going to transition to more of a preventive healthcare model instead of a disease-based model." **MPI**

Sachin Jain

Healthcare needs leaders who are disruptors of the status quo

In his mid-30s, the laundry list of accomplishments that Sachin Jain, MD, MBA, has already achieved stretches like the curriculum vitae of an executive twice his age. As a medical student at Harvard, he and some friends started a medical clinic for the homeless.

He eventually became a lecturer for Harvard Medical School and was a physician for Brigham and Women's Hospital and the Veterans Affairs Boston Healthcare System. He and a friend founded a new medical journal that is growing by leaps and bounds.

He was a senior advisor to Don Berwick at CMS and has been a leading advocate for quality and safety. He was the chief medical information and innovation officer at Merck, the pharmaceutical giant. Now, he's the president of CareMore Health System, an innovative blend of payer and provider that's owned by Anthem.

So what exactly drives this guy?

"On some levels, it's outrage," Jain says candidly. "Healthcare could be better and should be better. I've always been drawn to problems related to our failure to effectively apply the knowledge that we already have. Healthcare is full of those problems."

The mission aspect of healthcare comes naturally to Jain. His father, Subhash Jain, MD, founded the pain management service at Memorial Sloan Kettering Cancer Center. One of his aunts, Shanti Jain, MD, went against the grain in her native India by opting not to marry. She devoted her life to rural healthcare in India, going places other clinicians were loathe to go.

"She was somebody who saw problems in the world and came up with solutions," says Jain of the woman who was an early pen pal of his as he grew up in New Jersey. "It wasn't just about healthcare. She went to one community and saw the kids didn't have a good education, so she built a school. She saw that the sanitation system was an obstacle to good healthcare so she started fixing the tatters of the sanitation system there."

When Jain's aunt died of ovarian cancer, her sister, Kanti Jain, MD, who was a diabetes researcher at Cornell University, moved to India to take over the work. Jain says he himself toyed with the idea of moving

> "I've always been drawn to problems related to our failure to effectively apply the knowledge that we already have. Healthcare is full of those problems."

to Asia as well but decided against it, although he has volunteered with the medical mission there.

"Somewhere along the way, as the first person in my family to be born in the U.S., I became American and decided that America was my home," he says with a chuckle. "And, frankly, I also had this realization that there are lots of people suffering from healthcare injustices right in our own back yard."

With a background that includes mentors like Berwick, David Blumenthal (now head of the Commonwealth Fund) and Michael Porter (author and economist at Harvard Business School), Jain says he feels he has found an ideal outlet at CareMore for his passion around quality and safety. The organization actually was founded as a physician group by California gastroenterologist Sheldon Zinberg, MD, who created an innovative way to care for chronically ill elderly patients.

The idea is to be omnipresent via extensivists, who provide continuity of care, as well as home care to help prevent readmissions, whether that means supplying car rides to the doctor's office or even delivering a refrigerator to keep insulin cold. It morphed into a health plan, focused on Medicare patients, and is now a $1.2 billion enterprise that has more than 100,000 members in eight states and manages care for Medicaid patients in Memphis and Des Moines as well.

The results have been impressive:

- CareMore's patients are hospitalized 20 percent less than the industry average, even though its population tends to be sicker than the average Medicare patient. (If one adjusts for the health of the patients, the admission rate is 40 percent less.)
- Its Congestive Heart Failure program participants on average experience 43 percent fewer hospital admissions than the average Medicare patient with CHF.
- For patients with end stage renal disease, there are 45 percent fewer admissions.

And its members pay lower costs as well.

Jain admits that the CareMore model won't fit every situation. "The CareMore model is disruptive and transformative, so we have to be very thoughtful about how and where we integrate and pilot it," he says. "But I do think there are a number of opportunities to take the work that we've done successfully serving Medicare patients to serve similar patients in commercial and Medicaid populations."

It's also making its presence felt in academic medicine circles. Leaders at Emory Healthcare in Atlanta recently chose CareMore to help them transform their care model for Medicare Advantage patients. It's a provider-payer relationship that Jain says he is excited about.

"The leaders at Emory were visionary in their thinking that a California-based managed-care company could be a transformation partner," Jain says. "They were able to think beyond the stereotypes of the payer industry and get into the guts of what CareMore actually does – and how it might be relevant in their setting."

A year after joining CareMore as chief operating officer and chief medical officer, Jain was promoted to president in April 2016. With that distinction, he joins a growing list of physicians who are at the helm of healthcare organizations. He continues to see patients on a limited basis, and says he knows why physicians are willing to take on a bigger role.

"For the first time, you have a generation of physicians who are seeing that the system is broken," Jain says. "They believe they can and should lead change, and that their insights as physicians can drive better care.

"We want to deliver better healthcare. We want to bring back the joy of work to actually delivering healthcare. There are few better jobs in the world than being a physician or a nurse where you get to take care of patients and be a part of their lives in that intimate way. There's nothing quite like it." **MPI**

Wright Lassiter

Successful leaders take no time to bask in past success

Wright Lassiter earned kudos as a CEO for engineering a huge turnaround of the troubled Alameda County Health System in California. Now, as he succeeds Nancy Schlichting as the leader of the prestigious and celebrated Henry Ford Health System in Michigan, you might think he could take a deep breath and relax a bit. But that's not how he sees it at all.

"As we look at the next 5 to 10 years, the way that quality and safety outcomes will be measured will be different," he says. "We're clearly moving even more from volume to value and risk, so I think the measures for success for Henry Ford in the future will be different than they have been for the last 10 or 15 years. I strongly believe that there is transformation required for our organization. We need to focus differently than we have in the past."

Henry Ford won the coveted Malcolm Baldrige Award for quality in 2011, just one of a series of major accomplishments in its long history of stellar healthcare. Lassiter says one of his tasks in seeking to propel Ford to even greater heights is to remind his staff that past glories are no guarantee of future results.

"In a rapidly changing industry that may require different things of us, some days I worry about the complacency that could spring from so many years of excellence," he says. In particular, notes Lassiter, the future success of Henry Ford may not be as closely tied to the success of hospitals as it has been in the past.

"For the next five or 10 years, we're going to have to leverage our large medical group, community medical staff and our insurance company much more effectively than we have in the past," he says. "That will require both executional and cultural shifts to do even more of what we call integrated care and coverage, this notion of a more narrow network. And I think we're perfectly situated to do that."

> "We need to focus differently than we have in the past."

To grow, Henry Ford is stretching out beyond its traditional home of Wayne, Macomb and Oakland counties, where it has provided care for the past century. In recent months, the health system has merged HealthPlus of Michigan, an insurance company 75 miles north of Detroit, into Health Alliance Plan and merged Allegiance Health, a system 90 miles west of Detroit, into the system. They're also partnering on the Aldara Hospital and Medical Center, a hospital in Riyadh, Saudi Arabia, that will open later this year.

"These are the kinds of things we'll be doing more of in the next five-plus years and that will require some transformation," Lassiter says.

> "In a rapidly changing industry that may require different things of us, some days I worry about the complacency that could spring from so many years of excellence."

The announcement of Lassiter's appointment as Schlichting's successor struck some as unusual in the healthcare world simply because the length of the handoff was two years. But, as Lassiter notes, there were some unusual circumstances.

"If it was a planned succession within the organization, two years is not necessarily that unusual," he says. "But for us, the board thought it made sense because they had agreed on Nancy's retirement date, and there was a lot of strategic work that they wanted to happen. The board was very clear that they wanted the new CEO to be fully engaged in the strategic work to reduce the risk of transition derailment or midstream change."

When Lassiter came aboard, Schlichting quickly moved many of her key executives into a structure that reported to Lassiter. A number of those leaders, who had been contemplating their own retirements, warmed to Lassiter quickly and agreed to stick around as part of the transition team. And then came one of those unexpected circumstances that upped the ante – in June 2015, President Obama asked Schlichting to become the chairperson of the Commission on Care, which Congress established to find the best way to provide healthcare to military veterans.

"Nancy has acknowledged from day one that there was no way she could have served the nation in this role unless she and the Henry Ford board had agreed on an overlapping transition period," Lassiter says. "The commission requires her to travel quite a bit, and that has actually accelerated the transition process as well."

As Lassiter puts his own stamp on Henry Ford over the next decade, what will constitute success? He lists four items:

- HFHS will leverage its Baldrige award to become a high-reliability organization, one that can put its safety record up against the aviation and nuclear industries;
- It will be seen as the leading value-based healthcare system in the country;
- It will have developed a comprehensive statewide delivery system across Michigan – and beyond;
- It will be in the top 10 percent in metrics for employee engagement, physician engagement, customer service and safety scores.

"If I could look back 10 years and we had achieved these things, I'd say we had been wildly successful," he says. **MPI**

Executive Succession

Why aren't organizations more prepared?

The hospital had waited too long. Tom (not his real name) had been the CEO for many years, but when he announced his retirement plans, there was no one waiting in the wings to take his place, no one who had been groomed for just this moment.

It was a daunting task to replace him, and not simply because he was well-liked and respected in the facility and the community. The recent years had been rough, and the red ink was growing by the year. It would take some upheaval, and a leader from outside, to begin to turn the ship.

Tom's story is a common scenario that, unfortunately, is replayed every year in provider and payer organizations across the U.S. In a recent survey by the National Association of Corporate Directors, 55 percent of organizations admitted their succession plans were informal, and 6 percent had none at all.

Yet if "succession planning" has been ineffective and ignored in recent years, the fault may be in the deployment. For executive succession to work, it must be integrated seamlessly with a long-term commitment to leadership development throughout the organization.

These organizational needs have greater urgency than is always acknowledged. When talent leaves the organization, a gap is created. Departures of key executives create shortfalls in achieving business objectives. In today's economic climate, that can increase pressures on an organization exponentially. In addition, the seismic changes created by mergers, acquisitions and layoffs produce cultural and communication gaps that must be solved by the organization.

Leadership development provides continuity to an organization and accomplishes several key objectives:

- *It acclimates and trains young leaders.*
- *It offers opportunities that help retain executives.*
- *It reinforces the organizational culture.*
- *It provides a process that identifies, and rules out, potential successors.*
- *It ensures attention to diversity remains front and center.*

The chief executive officer and the board must drive this process. Indeed, progress in the areas of executive succession and leadership development should be part of the CEO's performance evaluation. And the board should include trustees who are experienced in guiding the succession process or who have gone through the process themselves as a CEO in their own companies.

The aging and replenishment of the workforce

Up to 40 percent of the workforce is expected to retire by 2020. That reason alone should spur initiatives to ensure the leadership pipeline is designed and flowing. But surveys show that the pace of change is accelerating, beyond the abilities of executives and organizations to keep up. For that reason, some say knowledge and experience will become less important as predictors of executive success than personal traits.

A formalized program creates benchmarks for development and success.

Leadership development and succession planning can reveal which executives are best equipped to lead your organization through uncertain times in a rapidly changing industry. In addition, many organizations are ill-equipped to deal with a senior executive's sudden departure due to resignation or illness.

A formalized program creates benchmarks for development and success. It can also eliminate silos and create opportunities for cross-training teams of leaders to tackle nagging organizational issues that may have fallen through the cracks due to the leadership team's time constraints.

A final reason for the necessity of executive succession and leadership development is retention. These key components of integrated talent management provide senior management a clear understanding of the competencies and expectations of the CEO role as internal candidates in the pipeline. They also provide younger leaders with opportunities and seasoning. And they ensure that leadership in your organization is multi-generational. **MPI**

Key Competencies For Leadership Development

Organizational

Financial savvy
Operational acuity
Negotiation
Commitment to quality and safety
Risk management
Change management

Personal

Integrity
Communication
Empathy
Team-building

Elements Of Leadership Development

Assessment and feedback
Alignment
Accountability
360-degree feedback
Day-in-the-life scenarios

Organizational Obstacles

Limited resources
Lack of internal experts
Time constraints

Patricia Maryland

Taking risks helps leaders grow

Patricia Maryland is talking about her role as chief operating officer for the Ascension Health system, but her message seemingly echoes the philosophy of her entire career: to grow, you must take risks.

"A major part of my role is leading through change," she says. "The healthcare industry is going through tremendous transformation which requires leaders to challenge the way we deliver care."

While Maryland has been honored with a number of awards during the four years she has served as COO and president of healthcare operations, she says the arduous role that preceded her promotion stretched her in ways that made her current success possible.

In 2007, Ascension asked her to leave St. Vincent Health in Indiana and move to Detroit to become the CEO of St. John Providence Health System and Ministry Market Leader for Michigan. The recession was just getting started; General Motors and Chrysler were restructuring their debt through bankruptcy. The economic pain that Detroit became famous for was just taking shape. As a result, St. John was hurting too.

"That was the most difficult time," she says. "A number of our patients who were formerly employed ended up losing their insurance. We had to close hospitals. We had to consolidate programs and centralize services, and that was very risky. I had to lead through the change of reconfiguring the health system to create long-term sustainability given the external factors impacting the region."

It was a difficult professional time. But on the personal side, Maryland says she was taking a risk there as well. "My daughter was going into senior year of high school; my son was going into eighth grade. My husband was transitioning his career as well. I knew I had to make sure my family was settled and comfortable back in Michigan after having been away for 4-1/2 years."

Looking back, Maryland says the sizable risk proved to be more than worth it.

"When I took on the role in Michigan, it was larger and more complex than my previous role, and I was further challenged because it was during the worst of economic times. But I felt like I grew so much from a professional perspective. That role really provided me with the

> "I think we've made some great progress to expand healthcare access for many minority populations, but we know that coverage alone is not enough to eliminate healthcare disparities."

experience I needed to prepare for my current role as chief operating officer. If I didn't have that kind of experience in leading through change, I don't think I would be as effective in my role today."

With success comes confidence, and Maryland is utilizing her voice as one of the most powerful healthcare executives in the country to take aim at healthcare disparities. Through a series of op-eds she's written, she is candidly and forcefully encouraging healthcare organizations and patients to build on the momentum created by the Affordable Care Act and work toward equity of care.

"Part of what spurred this outreach is that the African-American community has really embraced the ACA," she says. "I think we've made some great progress to expand healthcare access for many minority populations, but we know that coverage alone is not enough to eliminate healthcare disparities."

> "The nature of our work requires humility."

To truly be effective, Maryland says, healthcare organizations need to help patients navigate health systems that can be difficult to utilize.

"We must mobilize the newly insured to connect them to preventive care," she says. "It's really important that we get them into the appropriate setting right from the beginning. If you can get into a system early enough, see a primary care physician on a routine basis, and comply with your medication requirements, you can have a better outcome."

Maryland is seeing this prescription for good health lived out in her own family. As the oldest of eight children, she was the primary caregiver for her mother, who passed away from diabetes complications at an early age. Three of her siblings are genetically predisposed to diabetes as well, and they and Maryland are determined that their outcomes will be different.

"They're working hard to stave off diabetes," she says. "They're exercising, following and complying with their medication regimen, and keeping their weight under control. They're taking personal responsibility to do what they need to do to stay healthy."

Not every family, of course, has an executive like Maryland to be its advocate. That's one reason why Maryland also has long been a champion of diversity in the C-suite.

"We definitely need to address the pipeline issues of finding more individuals who represent the type of patient we are treating within our organization," she says. "But it's also making sure that those who are in leadership roles have the cultural competency to be able to manage populations to which they are providing care."

Such leaders, though, need to have the attributes of servant leadership, Maryland adds.

"The nature of our work requires humility," she says. "The fact that we are taking care of people at their most vulnerable state, when they are entrusting their lives to us, requires a different kind of leader."

Maryland says her mentors Tony Tersigni (President and CEO of Ascension) and Bob Henkel (President and CEO of Ascension Health) have been her role models for servant leadership. In fact, it was Tersigni who identified her as a potential CEO leader within Ascension after observing her leadership style at DMC Sinai-Grace Hospital.

Sinai-Grace also was where she'd unknowingly caught the attention of authors James Kouzes and Barry Posner, who ultimately featured her in their book *The Leadership Challenge* because of the work she did in transforming Sinai-Grace by challenging the process of how care is delivered. During this time, she was able to effectively garner the support needed from the Jewish community to assist in the transformation of a key institution.

"You never know who's paying attention to you," Maryland says. "So always do your best – and do it with grace." **MPI**

Tauana McDonald

Leaders remove roadblocks so their people can succeed

She paved the way for the ICD-10 project at Trinity Health in Michigan. She led the move to electronic health records. She mastered meaningful use. Now, she's wrapping up bundled payments.

If you need a major project orchestrated correctly at Trinity Health, you inevitably turn to Tauana McDonald, senior vice president of clinical business operations for the Catholic health system.

"I know that I am not a clinician," she says. "I identify the strategy needs and develop the plans. I lead the work from the corporate office so our clinicians don't have to focus on operational issues and they can do the work they do best, which is taking care of patients."

From the standpoint of organizational mission and personal satisfaction, it's a role that McDonald says is a good fit for her.

"I think some of the projects I lead are making very positive change," she adds. "That's how I get to impact both the patients and the caregivers."

McDonald came close to becoming a physician herself. Both of her mother's sisters were nurses – one in the operating room and one in pediatrics. She remembers them both as being very nurturing people.

"People in the community looked to them during their most vulnerable times and there was something about that quality that really appealed to me," she says.

So she completed four years of college as a pre-med, but the doubts about whether it was a good fit for her intensified as she sat down to apply to medical school.

"I called my parents and said, 'I don't think I want to be a doctor.' And they said, 'That's fine. You just need to do something that is going to make you happy and contributes to society.' "

Giving back is a crucial part of McDonald's ethics, a trait that she says was instilled by her parents. "In our household, we were always taught to serve because we were blessed and we should use our gifts and talents to help other people," she says. "I thought healthcare was a great way to do that."

After deciding to pursue a different future than medicine, she enrolled in the University of Michigan graduate school, where she earned a master's in health administration. "From the first day in the first class, I knew I had landed in the right spot for me. That's what got me started on my healthcare journey."

Her path had several key stops

> "I believe that having a diverse workforce as well as a diverse leadership team helps us serve our patients better."

along the way – IBM, where she was hired by future CEO Ginni Rometty; Deloitte, where she spent seven years doing strategy and operations consulting with healthcare organizations around the country; and motherhood – she stayed home for several years after her children were born.

The traveling that came with the Deloitte job was more than she wanted as she balanced family responsibilities, but her former employer Deloitte helped her find a good match at Trinity Health, where she gravitated to the system's mission that echoed her mother's advice that "to whom much is given, much is required."

> "In our household, we were always taught to … use our gifts and talents to help other people. I thought healthcare was a great way to do that."

"A few days after I joined Trinity Health, I was in a meeting and we had to make a tough decision," McDonald remembers. "The CEO leading the meeting said, 'Can we bow our heads in prayer? Lord, let us put the patient first and ourselves last. Let us do the best thing for our patients.' At that moment, I understood what it meant to be part of a faith-based organization. It really resonated with me. It still does."

She says she also appreciates the diversity of the ministries that Trinity Health offers.

"If there is any kind of work you want to do in healthcare, you should be able to do it at Trinity Health," she says. "Because we're so big, there are so many different experiences. If you want to work in a large urban environment or an academic setting, you can work with our Loyola system. If you want to work in a small space, you can do that too. If you are interested in advocacy, we have a huge advocacy team."

The diversity of the staff is of utmost importance to McDonald as well.

"Developing diverse leaders is really my passion, and I am intentional about it every day, looking at people in our organization who have a lot of talent that other people may not see right away," she says. "I believe that having a diverse workforce as well as a diverse leadership team helps us serve our patients better, because we're bringing those same perspectives. We look like the patients we serve."

As healthcare continues to evolve, the need for new ideas is critical, and a diversity of experiences can catalyze that, McDonald says.

"I take every opportunity that I can to help people with different perspectives share their voice and get a place at the table that allows them to do that."

As the leader of so many key initiatives at a major American health system, McDonald is highly sought after as a mentor. Yet she says many of her key takeaways in leadership come not from another healthcare executive but from Florence Ferguson, her 103-year-old grandmother.

One key lesson Ferguson taught her repeatedly was, "You need to begin with the end in mind."

"She said that a lot," McDonald recalls. "She said that you need to think about where you want to end up because, as you're going down that path, you need to be very thoughtful in order to get the results you want."

Ferguson's other key concept echoed the best leadership experts in her own less-fancy words.

"We always hear people talk about the shadow of the leader," she says. "In her words, my grandmother would say, 'Tauana, your actions are speaking so loudly that I cannot hear your words.' If you speak things and your actions go in a different way, I don't think you're credible as a leader. So I try to have my actions support what I say – and I learned that from my grandmother." **MPI**

Sumit Nagpal

A Steve Jobs protégé brings innovation to healthcare leadership

The challenges facing patient care go far beyond issues of EHR interoperability. Patients eat, drink, exercise, do home testing, take prescriptions and talk with friends and family in a plethora of ways that have nothing to do with doctors – so can all those everyday moments that don't happen in a clinical setting be collated to keep chronic conditions in check?

Sumit Nagpal and his co-founders have been thinking and working on those questions for, oh, about 25 years now. Thus, LumiraDx, the latest iteration of their ideas, could be thought of as an overnight success that's been two decades in the making, as customers are rapidly coalescing in their recognition of the transformation of patients' lives that is possible with this new firm.

"We think of ourselves as an outcomes company," Nagpal says. "Our approach is to coexist and make use of all of the existing infrastructure that's already in place, including EHRs, and amplify it to find out more about individuals at risk, always safely, and always with their consent – identify them, risk-stratify them, and then help them achieve better outcomes through very targeted programs."

Nagpal, Chief Architect of U.K.-based LumiraDx Holdings, and CEO of its U.S. unit located in suburban Boston, says to think of their offering as an "overlay" on top of existing systems that address needs inside the four walls of hospitals and physician practices, but currently in a siloed way. LumiraDx uses data from these systems, and joins it up with information from point of care and home-based diagnostic devices, social care systems, personal-activity trackers including wearables, and even social media to personalize and customize care solutions.

Are patients adhering to their medication schedules? Are they getting depressed and unable to do the things that will improve their well-being? Do they feel positive about their health? "All of that can provide context and inform us as we then work to help these individuals slow and perhaps turn back the progression of disease," Nagpal says.

> "Leadership is … not a cult of personality. It's a team sport."

The successes are adding up quickly. Richard Branson's Virgin Care rewarded LumiraDx with a national contract in England to help the company manage and improve outcomes across the high-risk populations it serves. That's on top of LumiraDx's contract with the National Health Service, the national payer for England, to join up health and social care data for the entire population of greater Manchester, affecting 2.9 million lives. Another contract with a major corporation will soon bring LumiraDx into 12 more countries in Western Europe and Scandinavia. And other agreements are in the works, including in the U.S. market.

"We're a grown-up startup," Nagpal asserts. "I hope we never stop thinking of ourselves as a startup in many ways, because that mindset gives us the agility, speed, innovation and creativity that I value so much. But our software platform is now in its fifth generation and it's been proven and tried in the market with real customers pushing its boundaries to the point where its flexibility, usability, and scalability are market-defining. And our credentials around precision diagnostics are second to none."

So who exactly is LumiraDx's market? Nagpal outlines three categories of buyers for their population-health offering:

- Providers that have figured out that a focus on improving outcomes is the only path to surviving and thriving in the new emergent models of care.
- Payers, both private and public, that have taken on an active role helping their members create those kinds of outcomes.
- Employers who might be self-insured, acting as payers with a vested interest in helping their employees live healthier lifestyles and achieve better productivity and outcomes because of that.

LumiraDx, Nagpal says, aims to go beyond, say, a simple glucose test at home.

"We are taking point-of-care and home testing to levels that have not been seen in the industry yet. We're able to measure more advanced and actionable indicators of chronic disease. We're able to reach deeper into a patient's health status and therefore provide more targeted interventions, proactively, before higher acuity arises."

And clinicians are deeply involved in every aspect. "We're doing this with patient consent, under the supervision of their physicians, collaborating with them so that there's a joined-up care plan," Nagpal says. "We're breaking the silos down, rather than creating yet another one."

The importance of physicians and caregivers in Nagpal's world comes from his father, who is an MD. "If I go back in time, my interest in healthcare really did arise from being fascinated with what my dad does," he says. "He evolved from being a doctor to managing hospitals to being involved with the public health status of large populations.

"I've seen a similar evolution in my career along the way. If I weren't doing what I'm doing today, I actually would love being a doctor."

As an entrepreneur, Nagpal bears the influence of another leader, Steve Jobs, for whom he consulted when Jobs was creating NeXT in between his stints at Apple. Nagpal is perhaps more low-key than Jobs but earnestly wants his products to become nothing less than an omnipresent strand in the fabric of healthcare.

Nagpal says the value he brings to LumiraDx is a vision for giving patients and their caregivers "a seamless user experience" that isn't tethered to the boundaries of a health system and simply lets them go about their daily lives as LumiraDx works unobtrusively in the background. "I'm helping create products that just blend into the woodwork of daily life, into routine clinical practice."

The path from a driven, college-age CEO to his current role has been a journey in leadership, Nagpal says.

"Leadership is both about leading and but also massively about enabling people you work with to also lead," he says. "It's not a cult of personality; it's a team sport. If I had to make a choice between trying to do it all myself or doing it with people who have an incredible pool of knowledge, experience, talent and leadership, it's a very simple choice.

"We are able to go much further as a team of leaders than I could ever have possibly imagined doing myself." **MPI**

Executive Team Performance

Firing on all cylinders

The high-performance team is the last competitive advantage that organizations have. It is truly the "X factor." And if that team is at the top of the organization, it's even better.

When an executive team is performing at optimal levels, it cascades down through the rest of the organization.

However , that's not usually what we find when we start working with a company around issues of executive team performance. Many groups of workers seem more likely to resemble recreational bowling teams. If the team wins that evening, they are pleased. If they lose, it's not a big deal. The primary concern is trying to increase their individual average.

Yet our consulting work convinces us that people at all levels of an organization yearn for more. For example, most people work in the healthcare field because they truly want to help others. Yet being a vital part of a high-performing team in healthcare is critical too.

In fact, companies that are able to build high-performing teams find that they are better able to retain as well as attract top employees. People want to do meaningful work as part of a leadership team built with purpose.

What are the hallmarks of a top-performing executive team?

Clarity. Team members know what their roles and responsibilities are. They have clear assignments and accountabilities.

Trust. With clarity comes trust. Team members know that if they fail in their role, others will fall short in their own assignment. There is an interdependence that is unmistakable. That trust breeds a confidence that team members have each other's backs and can be counted on.

Strength. The hallmark of a highly effective team is that the team knows individual strengths around the table and leverages them at every opportunity. The strength of this team truly is greater than the sum of the parts.

Effective teams develop a scorecard. They measure their effectiveness quantitatively and qualitatively.

So how does an average team truly become a force to reckon with?

A high-performance team reaches its goals by answering some key questions:

- *What is your purpose? Why does this team exist?*
- *What is your value to the organization? What is your contribution?*
- *What does the team want to be known for?*

Here, an example is helpful.

We'll change the names and other details. Chris was a vice president leading a major division of a health system. He was good at it. But one particular Friday, he was told, "When you come in Monday, you have a new job leading a new division."

Chris was completely ill-prepared and had not been the beneficiary of onboarding for his new role. He had not been set up for success.

For two years, Chris and his division floundered. When we encountered him, he was near the end of his rope, emotionally and vocationally. To his credit, he took responsibility for his team's failures, and vowed to turn his leadership team and the division around.

The key question that Chris and his leadership team answered was, "What does the team want to be known for?" Assessments with our team, one-on-ones and coaching led Chris' team to the realization that they wanted to be known as the talent factory of their organization. They would identify, cultivate and provide opportunities for leadership development. Their workers would become highly sought after within the organization. Other leaders would look to send their talent into Chris' division for development.

To achieve this goal, our work with Chris' team included getting them to agree on a commitment to truly risk feedback about their performance. This began with Chris, who demonstrated a remarkable level of coachability and ownership for the results. He refused to blame anyone except himself for the results – not his lieutenants, not the competitive environment, not the economy, not the regulators.

Chris' commitment to his team was this: We are all under construction, and we all have areas where we have to continually upgrade. But we are not going to rest until we have made inroads to transformation, and we will not rest or plateau once those changes have been set into motion.

His team did become a leader in the company. It did become known as an incubator of talent, and it has stayed there to this very day.

Getting started

There are many ways to begin improving executive team performance but, like Chris' team, the process often begins with some form of the following building blocks:

Individualized assessments. While we prefer to use the Hogan assessment, the first step often is knowing the strengths and areas for improvement of the various team members.

A look in the mirror, Part One: Everything begins with the leader. He or she must lead the change and take responsibility for the success or failure of the team performance.

A look in the mirror, Part Two: Perception often is reality in a business setting, so we do a second assessment of how the members view themselves as a team. What do they think are the team's strengths, weaknesses and obstacles?

Write a leadership declaration. This is the road map for change. What is the team willing to commit to in order to see performance improve and change occur?

One team we worked with came up with this list: 1) Listen more, talk less. 2) Give each other the benefit of the doubt. 3) Identify and leverage strengths. 4) Keep the commitment you make to each other. 5) Celebrate victories.

Keeping score

The last thing that effective teams do is develop a scorecard. They routinely measure their effectiveness quantitatively and qualitatively. So if they have agreed to certain behaviors as a team, they will vigorously monitor themselves. They also will take periodic surveys on how they have done with those agreements. Have they seen some slippage, or are they hitting it out of the park? Every successful team wants to light up the scoreboard. So they continue to inspect what they expect around their behaviors, and evaluate what they need to be as a team.The transformation of executive team performance is possible. In fact, it's a necessity in today's competitive environment. **MPI**

Ketul Patel

A sense of mission fuels the best leaders in healthcare

Every month or two, CEO Ketul J. Patel journeys to the convent where the Sisters of St. Francis live and spends some time with the religious women who provide the missional context of the organization Patel leads, CHI Franciscan Health in Tacoma, Wash., part of the Catholic Health Initiatives system.

"I leave energized every single time I go there because of the amount of passion they have for this organization," he says. "I have always felt that faith-based organizations have an extra touch of focus and mission than others. I couldn't have asked for a better set of sisters to work with."

Patel was raised in the Hindu faith but went to Catholic grade schools and high school growing up in Johnstown, Penn., 60 miles east of Pittsburgh. In an earlier role, he also worked for several years at a Catholic hospital in Chicago run by another group called the Sisters of St. Francis, this one based in Indiana.

"The Catholic faith has made a pretty substantial imprint into not only my career, but my life," he says. "It's given an extra allure to this type of organization for me."

It's also given a sense of urgency to the strides Patel hopes to make in reshaping CHI Franciscan and the other CHI hospitals he oversees as senior vice president of divisional operations for the Pacific Northwest Region. His goal, he says, is to have a top-performing organization with a mission-based focus on quality, safety and patient experience.

"We want to have a system of the most talented providers and innovative services in the Pacific Northwest," Patel says. "Because of that, we just went through a significant structural reorganization to focus on those areas."

Chief among the changes is the SafetyFirst Initiative, what Patel calls "a system-wide effort aimed at eliminating all preventable safety events."

"We've branded it throughout the entire CHI system, and we're

“People support what they help to create.”

seeing declines in serious safety events at all of our hospitals that have implemented SafetyFirst. It’s something our clinical staff is very proud of.”

The sense of service that Patel believes is a necessity for healthcare leaders comes from his parents, he says. Patel was born in Kenya, as were both his parents. His father is a retired physician. His mother, who passed away last year, was a nurse.

“When my father was practicing in Kenya, he would take my mom, brother and me to some remote areas of East Africa and provide care,” Patel remembers. “A lot of it was done under the umbrella of what was then the Lions Club.

“I have some very vivid memories – people who were missing hands, people with significant diseases with no access to care. The impact of that was substantial and that’s what prompted and inspired me to get into this type of role.”

His family moved to the U.S. in 1979 when Patel was eight. His brother went into medicine – he now heads cardiac surgery at the University of Michigan – and Patel started pre-med courses to head down the same path at Johns Hopkins. He also took a job as a research assistant to Nobel laureate Christian Anfinsen and, while it was a wonderful experience, he says, he couldn’t summon the same enthusiasm for it that he had for a couple health administration classes he took. He was reluctant to tell his parents he didn’t want to be a clinician.

“I thought it was going to be one of the toughest conversations I ever had with my father,” Patel says now, chuckling. “Instead, my father said, ‘We’ve been waiting for you to say this. All these years, we didn’t think you wanted to be a doctor.’ ”

“The Catholic faith has made a pretty substantial imprint into not only my career, but my life.”

The move to the administrative side has been a good fit. Patel got his first VP role at 26 and hasn’t looked back. He came to CHI Franciscan from Hackensack University Health Network and Hackensack University Medical Center in New Jersey, where he served as executive vice president and chief strategy and operations officer.

Patel says his leadership style has evolved in his 20 years in administration. “You have to be a born leader, to some extent, but I think your leadership style and your abilities change as you are exposed to different areas and experience various challenges.”

But one absolute imperative, he says, is to be a collaborative leader.

“People support what they help to create,” he says. “If a staff member feels they’re part of a decision-making process that is helping to move the organization in a certain direction, they’re going to unite behind that.”

He says he especially loves the ideas that come from clinicians. “They’re the ones who are at the bedside.”

Besides, he says, his parents always loved to tease him about the importance of the front-line staff.

“I’d be on the phone with them and my dad would say, ‘By the way, just remember that the only reason you have a job is because doctors bring patients to your doorstep.’ Then my mom would get on the phone and say, ‘Don’t listen to your dad. The only people who know what’s going on with the patients are the nurses.’

“I give them a lot of credit for that.” MPI

Bruce Siegel

Diverse leadership is a must on the road to equity of care

Thirty years ago, Bruce Siegel had what he calls "a rude awakening," running headlong into the perplexing spider web of health disparities as a young MD. It's been something that he's spent his entire career trying to solve, albeit not with a stethoscope.

"I went off to medical school and started my internship, and I was stunned by what I encountered," says Siegel, now president and CEO of America's Essential Hospitals. "I worked in the clinic at our hospital, and it was just a tidal wave of diabetes, heart disease and lung cancer. Most of it was preventable. And the other thing I noticed was that it was mostly affecting communities of color."

It was a frustrating experience, one that led Siegel to pursue a master's in public health at Johns Hopkins University and try to find public-policy solutions to the nagging issues he saw as a physician. "I felt like I was running an assembly line that never ended. I'd see 200 people with these problems. I'd send them back out and they'd be back a month later."

The New Jersey Department of Health helped pay for Siegel's education at Hopkins, so he owed them some time when he graduated. He did so well that he eventually became a very young state commissioner of health, then parlayed that experience into running New York City's health system and a Tampa, Fla., hospital. His early years in leadership after being a clinician were rocky, he admits.

"It was a crucible in many ways," he says. "Sometimes, it was very uncomfortable and I was probably in over my head at points. But it's where I began to learn that leadership is about giving people space. I really think a leader's job is to create a safe space for talented people and tools to help them move forward. If I'm giving orders, then I'm failing."

Siegel joined America's Essential Hospitals in 2010 after eight years as a professor and the director of the Center for Health Care Quality at George Washington University. But at each step of the way, his thoughts went back to those diverse patients in the clinic who found little hope in healthcare. "I had so many patients of color for whom the system simply wasn't working, but I didn't

> "I don't think our hospitals are going to look diverse in the C-suite if our boards don't."

understand why."

In recent years, Siegel has begun to see a change as he leads the nation's essential hospitals, his association's term for public and other non-profit hospitals with a safety-net role. The association's members often are a driving force, he says.

"It's great to be in the company of change agents," he says. "Our members have leaders who care about these problems and are working to fix them. Equity is now front and center in the American agenda. We're not there yet, but at least today we have the tools."

At times, it's still a tough slog, he notes. One of the must-haves on the road to equity is diverse leadership, and the effort to improve that is stalled. Medical schools are failing to enroll minority communities, and boards have been far too quiet on the lack of diversity, Siegel says.

> "I really think a leader's job is to create a safe space for talented people and tools to help them move forward. If I'm giving orders, then I'm failing."

"I don't think our boards of directors are demanding this," he says. "They need to be unequivocal that this is an expectation, not just a nice thing to do. But I don't think our hospitals are going to look diverse in the C-suite if our boards don't."

Lack of diversity, Siegel says, is short-sighted because it is harmful to patients and harmful to an organization's bottom line.

"The slow walk on diversity is just bad business," he says. "We're not going to succeed if our leaders don't fully understand the lives of our communities and their priorities."

America's Essential Hospitals is working with the Robert Wood Johnson Foundation on a population health project, and Siegel sees a disconnect between some healthcare executives and the communities they try to serve.

"I've been in communities where, if you ask the CEO, he or she will talk about chronic disease management as their main concern on population health. But if you ask the people, they'll say their most pressing need is a safe street for them to walk on, and safe playgrounds for their children. We're not going to get to population health without addressing what people think of as health."

In the same way, he adds, population health can't be attained if you weaken the academic medical centers which comprise much of his association's membership. The AMCs, with their three-legged stool of clinical care, education and research, sometimes feel the ACA is applied like a wildly swung ax, Siegel says.

"These are places in America that do what no one else does," he says. "They attract the sickest people who have the greatest social and economic challenges. Home may be a homeless shelter. English may not be their first language. These patients may have a harder time navigating the healthcare system, and they may be readmitted through no fault of the hospital."

Siegel's association is pushing Congress for a risk adjustment for these hospitals, which, he notes, had an aggregate operating margin slightly in the red for 2014. Compare that to, say, the pharma industry, which banks about 20 percent profits each year.

"To me, the future of healthcare is that hospitals will be at risk for dollars they get. I accept that," Siegel says. "We'll do everything we can to make that better, but we also need the regulators and the payers to do their part."

The challenges of America's Essential Hospitals' members are personal to Siegel. He and his sister were both born in a public hospital. Their mom emigrated to the U.S. from Haiti. "My family very much depended on a safety net when they came to America. So these issues are near and dear to me and my loved ones." **MPI**

Pamela Sutton-Wallace

Leaders need to challenge themselves to grow

Pamela Sutton-Wallace earned many accolades while serving 17 years in the Duke University Health System and easily could have spent many more years there. But she wanted to prove she could excel in leading a healthcare institution, and that led her to University of Virginia Medical Center, where she was named CEO in 2014.

"I grew up in the Duke system and was afforded many opportunities to develop skills, knowledge and relationships to be successful in healthcare leadership," she says. "In accepting the role of CEO at UVA, I wanted to challenge myself by applying these skills in a new environment where I believed I could bring value."

Given her Duke pedigree, where she rose to senior vice president of hospital operations, it's no surprise that her goals for UVA are high: to make it one of the top 10 health systems in the country. She inherited a strong structure, one with little to no debt on the books. But as she assessed UVA, she came away feeling it was a well-respected organization that nonetheless wasn't getting enough attention for all of its accomplishments.

"UVA had this great reputation, but you didn't see it referenced anywhere," Sutton-Wallace says. "It wasn't on The Leapfrog Group and *U.S. News & World Report*. You didn't see it on NIH listings. But I felt very aspirational, because all the underpinnings are here. We have some of the best faculty, some of the most innovative physicians, nurses and professionals I've ever met."

From the moment she began talks with her supervisor at the University of Virginia, Executive Vice President Rick Shannon, who is known for his work in quality and safety, she was determined that quality, safety and service would be "the hallmark of care."

Thus, UVA uses the Lean method and real-time, root-cause problem solving to address six areas of concern in its Be Safe Initiative. If an issue is reported in any of those areas, from a pressure ulcer to an infection to a staff injury, Sutton-Wallace and her leadership

> "Public health has always been about population health."

team visit the unit/department in question to ask what happened, whether the team faced barriers that led to the issue, and whether it was preventable.

"In two very short years, we have been able to achieve demonstrated improvements," she says. "That's exciting to me. That's why we do what we do."

Sutton-Wallace took a circuitous path to end up doing what she does. Although she was a candy striper as a youth – her mom worked as a medical transcriptionist for close to 40 years in a small Baltimore community hospital – her initial interest was in politics.

"I was three years into working on a Ph.D. in political science," she says, "and I realized I didn't want to teach and do research in the political space for the rest of my life."

> "My best lessons came from making mistakes. You learn a lot about yourself. You learn resilience, you learn the power of mentors to encourage you, and you learn how to integrate those learnings into improved performance."

She took a job working in underwriting at Blue Cross Blue Shield of North Carolina. It was during that time that Hillary Clinton was attempting to create a model for universal healthcare during her husband's administration. Sutton-Wallace became inspired by that and went back to school, earning a master's in public health at Yale, a curriculum that still pays dividends to this day, she says.

"At Yale, I had to take just as many epidemiology and biostatistics research method courses as health policy and management courses," Sutton-Wallace notes. "I was in a classroom setting that taught clinical aptitude. The majority of students weren't clinicians, but you came to understand disease pathology and the whole notion of population health."

Her background has afforded her good conversations with clinicians, she says, because she doesn't approach situations from a strictly financial angle.

"I'm very invested in what the quality is, and what are the outcomes associated with care," she says. "Public health has always been about population health."

Of course, finances are always one facet of the picture, and that is quite clear at academic medical centers, including UVA, which will face unprecedented financial challenges given the changing climate for healthcare providers.

"How are academic medical centers, which have often relied on very slim margins, going to continue to invest in research and education?" she says. "That's really challenging, because we still have an insatiable appetite for new technology and new discoveries, and we still want to train the best and the brightest new clinicians. But we don't necessarily have the income streams in those missions to cover those costs."

It's a dilemma that CEOs nationwide are trying to solve, even those like Sutton-Wallace who didn't initially aspire to a healthcare career. Because of that, Sutton-Wallace says she enjoys speaking to students and young professionals about her journey, including that interrupted path to a political-science doctorate.

"My best lessons came from making mistakes," she says. "You learn a lot about yourself. You learn resilience, you learn the power of mentors to encourage you, and you learn how to integrate those learnings into improved performance.

"You also learn not to be discouraged if things don't work out exactly as you've planned. Half the battle is figuring out what it is that you *don't* want to do." **MPI**

Governance and Board Selection

The new trustee skill set

We're constantly discussing governance with our clients, but this call was different. It came from a health system with a faith-based background: Would we help broaden their board with two new directors who had an emphasis and experience in improving quality and patient safety?

The request was different than what is traditionally seen in these situations, but it illustrates the changing nature of selecting and engaging board members in the era of reform. That's because the stakes grow higher every day for boards to govern correctly and help their organizations and CEOs succeed.

As the healthcare industry transitions from a fee-for-service model to one of value-based accountable care, more is riding on the selection of trustees than ever before.

Whatever the size, nature and scope of your organization, the skill set required of a director these days is a quantum leap over what may have been ideal even 10 years ago.

Here are some key areas to consider when adding a new board member:

Diversity of gender, ethnicity and age. Gender and ethnic diversity is important on the board; directors need to reflect their community or member pool. The healthcare industry still has a long road ahead of it in this regard – the Healthcare Governance Survey Report by the American Hospital Association showed its members' boards lagging in diversity on several fronts: ethnicity (90 percent white), gender (72 percent of trustees are men), and age (only 24 percent of board members are younger than 50).

The 3 essential roles of a board:

- Succession planning for the CEO and itself
- Long-term strategy
- Risk management

Fresh perspectives. Diversity of thought is important as well. In the past, we have sometimes seen board members who governed simply because their family's director "seat" had been passed down for a generation or two, or because they gave generously to the foundation. Those directorships are becoming too critical to divvy up in that manner. That's why an increasing number of boards are recruiting CEOs from other industries, both for a new angle on the organization's issues as well as a willingness to have an honest dialogue with the CEO they oversee. Term limits? Yes, that's essential as well.

Financial acumen. Community representation is important, but a solid grasp of economics and an understanding of fiduciary responsibility have become essential traits for those in governance. Margins are thin, and every decision counts. One needs only to look at government reimbursements to understand this.

Specialization. In the example we noted above, the health system in question was looking for experts in quality and safety. There is no shortage of experts who can help an organization engage on these fronts, but what made this case unique was that the CEO wanted these board members to be the board's first directors from outside the region. Beyond clinical knowledge, boards should find members who can give experienced counsel in mergers and acquisitions, information technology or human resources.

National awareness. Healthcare used to be quite local. Certainly, location remains a factor, for now, in healthcare costs. But as the government becomes increasingly involved in healthcare, directors need to be well-informed about what is happening nationally and trends that are occurring within the industry. There's no shortage of hospitals and health systems that are still experiencing success under the new rules who can serve as models for your board.

Education in healthcare issues. Good board members whose business success has occurred in a different industry know that it's not enough to have a basic grasp of healthcare. One CEO we know sent one of his board members to a quality and safety conference to better understand why the CEO wanted to make changes in these areas. The director came back and reported, "Frankly, I'm scared about this whole thing. But I understand better now, and we have to do this."

Transparency. Your business life outside the sphere of healthcare can be a boon to the board, but when an issue arises with an entity in which you have a vested interest (i.e., a vote on a piece of land for new construction if you are a real-estate developer, or a decision on a new drug or medical device if you are a physician with a financial stake in play), you can set an example for your fellow directors, the CEO and even the community if you disclose that and recuse yourself from those decisions. Similarly, trustees must be willing to ask honest questions and push back when necessary with the CEO, even though he or she often is the very one training them.

Crisis preparation. Every organization will face turmoil and a time of testing; the question is "when," not "if." Well-functioning boards prepare for crisis, whether it is a fatal hospital-acquired infection, a tornado, a violent crime, or a financial setback for a publicly traded entity. How will the directors respond at this time? The answer could determine their long-term success. Responsive boards prepare by evaluating how others have weathered a crisis.

Managing talent. Trustees need to be involved in two fronts in succession planning – the CEO and their own. These can be difficult discussions, but the organization has entrusted these tasks to the board for a reason. A failure to be proactive in these matters can weigh down an organization for a long period of time. **MPI**

Nicholas Tejeda

Youthful leaders can transform the healthcare industry

When Nicholas Tejeda got his first CEO post at the ripe old age of 32, he made a running bet with his assistant. "Every time someone new would come into my office and meet me for the first time, our bet was, 'How long will it take for the person to make a comment about my youth?' Almost inevitably, it would be seconds, not minutes," Tejeda remembers.

Now, two promotions later within the Tenet organization, the 36-year-old Tejeda is the CEO of a hospital that hasn't even opened yet, the Transmountain Campus of The Hospitals of Providence in El Paso, Texas. The comments keep coming, albeit less frequently, and he sees it primarily as a function of working in healthcare.

"Certainly, no one is commenting in the Bay Area on anyone in technology being young when they're 36," says Tejeda, a student of history. "Quite the opposite – they're considered quite aged for the industry at 36. But if you look back in time at what Thomas Jefferson was able to accomplish by the time he was in his early 30s, or Albert Einstein and his miracle year that he had well before his 30s, you realize that it's a unique function of hospitals to look at youth that way."

Tejeda says he finds that large health systems are more open to younger leaders than community hospitals or small systems.

"I find that independent hospitals and smaller systems don't appear to have the luxury or the comfort with taking a risk on people who might be younger," he says, "and it's for a couple legitimate reasons. One is that they question the experience relative to the other people who are willing to come there. The other thing that the hospitals question is the young executive's willingness to remain in the organization for a sustained period of time."

Some in the industry have questioned whether the changes engendered by the Affordable Care Act have deterred organizations from hiring or promoting young C-suite

> "I find that independent hospitals and smaller systems don't appear to have the luxury or the comfort with taking a risk on people who might be younger."

leaders, but Tejeda doesn't see that as an impediment.

"I don't think the ACA has been at all harmful to younger leaders," he says. "In fact, I believe it has reinforced the need and the recognition by boards of trustees that a different talent set and a new sense of energy and curiosity is needed in leadership to adapt and understand the ACA. What has worked in the past might not work going forward, and so that's given those in governance a reason to look at new types of leaders."

A new approach is certainly what Tenet has in mind with the Transmountain Campus which, when finished in 2017, will be the fourth acute care hospital in The Hospitals of Providence health system in El Paso. The new facility is a teaching hospital developed through an academic affiliation agreement with the Texas Tech University Health Sciences Center. El Paso is sorely lacking physicians and the new venture will play a major role in solving this challenge.

> "What has worked in the past might not work going forward, and so that's given those in governance a reason to look at new types of leaders."

"This hospital is a large step in helping address that shortage," he says. "Studies have shown that physicians are more likely to remain where they train. The relationship between Tenet and Texas Tech is very strong, and I'm intrigued by what we can do in this market."

Although he left a non-profit system (Catholic Health West, now Dignity) to join for-profit Tenet, he says the differences between the two types of organizations are exaggerated.

"Both want to strengthen clinical quality and safety, improve the patient experience, and remain a financially viable partner for the community. At the end of the day, healthcare is a physician or nurse taking care of a patient, and they don't care if the parent company has bondholders or shareholders."

Tejeda has only been in El Paso for about a year. He has moved several times in response to career opportunities.

"I often get asked by early careerists, 'How have you had such success?' " Tejeda says. "There is no shortcut to hard work, diligence, risk-taking and luck. But one thing I can't overemphasize is mobility, and for me, mobility comes with a strong supporting partner, my wife. We have moved several times.

"We just moved from California, where we lived next to her parents – and we have their only grandchildren. Yet she supported the move to a community that we didn't know, where we'd never been, and where we didn't have any family because she knew this was a wonderful opportunity for us."

As to hard work and luck, Tejeda grew up in Wichita, Kan., and he and his siblings worked in his father's pharmacy from a young age.

"It was my dad's expectation that my sisters and I would know the customers' names by the third time they came in. He'd remind us that the customers never wanted to be in the pharmacy, because they were sick and sometimes grumpy. But he said, 'Imagine what you've won if they leave the pharmacy with a smile because of how you've treated them.' I've never forgotten that."

Luck intervened when the college-age Tejeda found a university and a part-time job close to his girlfriend Elena, who is now his wife. He stumbled into a job working in patient registration at St. Rose Hospital in Hayward, Calif. It was there that he had a chance encounter with the hospital CEO, Michael Mahoney. The two had an instant connection, as St. Rose was owned by a parent company in Wichita, Tejeda's home town. They spent an hour talking, with Mahoney telling him to look him up after college if he wanted a job. Tejeda did.

The rest, of course, is history, albeit a short history. He is, after all, just 36. **MPI**

Gene Woods

The best leaders reinvent their organizations, and themselves

It's the little things that tell you a lot about people. After CHRISTUS Health nominated Eugene "Gene" Woods, its chief operating officer, for Modern Healthcare's Top 25 Minority Executives in Healthcare awards, the respected executive took a position as president and CEO of Carolinas HealthCare System.

But when Woods was presented the award at a Chicago banquet six months later, two tables of CHRISTUS people, including President and CEO Ernie W. Sadau, flew in to show their appreciation to Woods. It was a classy move that revealed volumes about the character of both CHRISTUS and Woods.

"CHRISTUS Health was honored to support Gene's acceptance of this award for the same reason we nominated him – because we firmly believe that his time at CHRISTUS had a positive impact on our ministry," Sadau says. "Our relationship was truly a symbiotic one, and we wanted to honor that and cheer Gene on to his future endeavors."

Woods helped lead CHRISTUS' international expansion, expanding in Mexico, and establishing flagships in Chile and Colombia, where he was able to use his Spanish fluency (his mother is from Spain) to communicate with the teams there.

"I really enjoyed working with Ernie, the sisters and the whole CHRISTUS team," Woods says. "We were able to diversify the organization and reposition CHRISTUS internationally. But I've always had the goal of serving as the CEO for a large, nationally recognized organization committed to being a model for redefining healthcare in the next decade. And that is why I am so excited to be leading Carolinas HealthCare System. It has the depth and breadth of capabilities to chart a new course."

Carolinas is not a turnaround situation. It's a historically successful healthcare provider and the second largest public healthcare system in the nation, serving patients through nearly 12 million encounters each year. But, during his interview, Woods says board chair Ed Brown quoted the famous adage that, "What got us here won't necessarily get us there."

> "You can't solve for population health issues without solving for the disparities in care that exist."

Woods says his opportunity is to inspire his Carolinas team "to set a bold agenda for change that outpaces the industry and brings true value to individuals and communities." In so doing, he says, he'll be following in a tradition of innovation at the system.

"What I appreciate about Carolinas is that there have been a number of pivotal crossroads in our history where leaders could have tried to hold onto the past. Instead, they took the risk of reinventing the organization, and that's really the reason it's been so successful."

Success in leadership has been a staple of Woods' storied career, from serving as president of the ACHE club at Penn State University, where he earned both bachelor's and master's degrees, to his positions with the American Hospital Association, where his term as chair begins in 2017 and where he also serves as chair of the Equity of Care Committee.

But his interest in healthcare actually stems from two childhood incidents that showed him both the promise and the challenge of the healthcare industry.

When he was 10 years old, he was with his mother, sister, aunt and uncle in a car that slammed into a brick wall at a high rate of speed.

"Miraculously, we all survived," he says. "I don't remember the impact. I just remember that, as soon as the accident happened, it seemed like everybody was instantly there to care for us. It was just an amazing moment."

A later encounter with medical care ended tragically.

"One of my aunts died in a hospital of a medication error. She had three young children," Woods remembers. "It was something that could have and should have been avoided. To this day, I think about what life could have been like for her kids if that didn't happen to my Aunt Carmen."

Thus, patient safety has been a key priority for Woods throughout his career—in fact, his first management job in a hospital was as a director of quality. He recognizes the industry still has a long way to go on that front but says the latest AHA statistics show the trends moving in the right direction. Between 2010 and 2014, the AHA says hospital-acquired conditions decreased by 17 percent, saving 87,000 lives and $20 billion in healthcare costs.

"The goal is to reach zero harm, and I believe the field is on the right track in that regard," he says.

While he also believes much progress is being made in diversifying senior leadership in healthcare, he's very firm on how that needs to become a bigger priority at the board level.

"Our boards do not reflect the communities we serve," he says flatly. "One of the biggest levers in diversifying an organization is when the board declares that it's a priority. That was done at CHRISTUS and again here at Carolinas. I think it is an obligation of governance."

What gives him optimism is the work of the AHA Equity of Care Committee, where it's been demonstrated how diversity leads to improving healthcare disparities. In fact, more than 1,000 health systems recently signed the AHA's National Call to Action pledge to eliminate disparities. Woods says the goal this year is to have 2,000 systems sign the pledge.

"That pledge includes improving collection of race, ethnicity and language preference data so, as we're studying disparities in care, we have the right data set to use for that," he says. "The pledge also includes increasing cultural competency training and increasing diversity in governance and leadership. You can't solve for population health issues without solving for the disparities in care that exist and, in some cases, very dramatic disparities."

After many years as a leading voice in healthcare, Woods remains bullish on where the industry is headed. In a recent talk to students at his alma mater, he told them the opportunities are brighter than at any time in recent memory.

"It's an exciting time to be in healthcare because, in some respects, we're all learning together," he says. "Young people have an opportunity to bring an innovative spirit to their careers. But we can never forget that it's about patients and communities. If you're in it for those reasons, you'll be successful." **MPI**

ON COLLABORATION, NOT COMPETITION

"The future is going to require that we pursue partnerships rather than try to control everything in healthcare."

Marna Borgstrom
CEO
Yale New Haven Health System

Penny Wheeler
CEO
Allina Health

ON LEARNING TO SAY NO

"Your time is your currency. A lot of people make demands on your time and you have to think about what's important."

ON COURAGEOUS LEADERSHIP

"It's important … to stand up for what you believe in, and not be afraid to be different or unpopular to get something done."

Elizabeth Nabel
President
Brigham and Women's Health Care

What does leadership sound like?

The frequent changes in healthcare and in our organizations can make it hard to keep our leadership teams flourishing and functioning with cohesion. We help you assess, recruit and retain top talent and improve the way you work together – more symphony, less noise.

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