

CEO Viewpoint

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"I've got a checkered past," says Jim Anderson, and we'll accept that if we're playing three-dimensional checkers. The 67-year-old president and CEO of Cincinnati Children's Hospital Medical Center has notched career experiences that would fulfill several lives. Prior to his current position, which he's held for 12-plus years, Anderson was president of the U.S. operations of a global industrial firm, partner in a well-heeled law firm and chairman of the board of Cincinnati Children's. "I got demoted from board chair to president," quips Anderson, who grew up in Cincinnati, got his undergraduate degree from Yale and law degree from Vanderbilt. "I wasn't brought up in the traditional healthcare culture. Bringing the experience of complex industrial processes into healthcare has had a very substantial impact on the things we've done here."

What are the top two or three issues you face as president and CEO of Cincinnati Children's Hospital Medical Center?

The three main things are improving the quality of care, the patient and family experience and the value to our constituencies through a compelling balance of great outcomes and best cost. My theory is that if we run a really good business efficiently and deliver valuable service we'll be better able to weather any business or economic environment. We measure ourselves all the time on each of these dimensions.

I came from a meeting this morning talking about patient flow, which is in many ways a manufacturing concept. We did some rough numbers on how we're doing today and concluded that at peak times we were using 76 percent of theoretical maximum bed capacity in 2004. In the first sixteen weeks of 2009, we were using at peak times 91 percent of that capacity. We're giving patients better care while moving them through the system more efficiently and in doing so providing them with a better experience at lower cost. We've done a number of things, including scheduling elective surgeries with a view toward better



JAMES ANDERSON

flow and improving discharge planning. When we admit a patient, we develop a discharge plan. There's less technology involved than there is process improvement, but we're doing much more simulation work using technology to predict the impact on flow of various changes in our activity and staffing.

Will these issues change under a new administration in Washington?

No. These are all issues focused on just running the operations well. I can't imagine that would change.

We want to do what we do exceptionally well with a clear focus on improving outcomes, experience and value.

What advice would you give to the new administration and congress regarding healthcare?

Move with some caution but at the same time with a sense of urgency. Our experience is that a focus on improving quality, process and safety can result in substantial cost savings. These ought to be prominent goals in any system change.

Can you identify two or three benefits that IT has had on your organization?

There are many. A significant one is increased availability of real-time clinical information whenever the patient enters the system. We're only partially there. Second is our ability to access clinical data for purposes of research, which we are now able to do with a great deal of flexibility. We can create a series of characteristics and pull up all the patient-records of those patients who meet those characteristics. It's enormously helpful for research. We're the second-largest recipient of NIH research funding for pediatrics—\$101 million last year—so it is an especially high priority for us. Third is the availability of useful, real-time business information from our PeopleSoft and EPIC implementations.

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What do you believe are the most significant near-term challenges that could be addressed by enabling Information Technologies?

In many ways what we're in the process of achieving: widespread availability of up-to-date clinical information to us and patients. Similarly, the ability to mine our substantial clinical databases for all forms of research. Third, our ability to have higher expectations in the quality of business management.

Have CEO/Board of Directors relationships at Children's changed over the past five to 10 years?

We have a new board chair but there's been no structural change other than adding a technology committee to the board two years ago. We realized that transformational change would be facilitated by increased investment in technology. We pulled together a half-

dozen CIOs from large, local firms. It's an opportunity to get advice from various types of companies as well as keep the board informed on technology advances.

Has your organization developed different relationships with physicians over the past five to 10 years?

Clearly, we have fewer community physicians taking care of patients in the hospital, while the number of very sick inpatients has gone up substantially. It's not economical for community physicians to see only a few patients in the hospital. The other trend is that there are fewer hospital inpatients who are not very sick. In most cases these inpatients are under the care of one of our employed subspecialists.

Did you have a mentor or role model early in your career?

Absolutely, several at the law firm and the industrial company—and at the boy's camp I went to, not to mention my parents and wife. I've certainly benefited from absorbing their life experiences.

What was the best piece of advice you ever received?

My dad's advice that a job worth doing is a job worth doing well.

If you weren't running Cincinnati Children's Hospital Medical Center what would you be doing?

I'd be running something else, practicing law or sailing. The challenge is getting them all in. It's doable and I am trying very hard.



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