

CEO Viewpoint

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It wasn't covered in the interview but we're quite sure one of Jim Skogsbergh's favorite movies would be "Field of Dreams," the 1989 movie in which a farmer builds a baseball diamond in an Iowa cornfield. Skogsbergh, president and CEO of Oak Brook, Ill.-based Advocate Health Care, was born and raised in Cedar Rapids, Iowa, and was a good enough baseball player to play the sport at Iowa State University in Ames, where he earned his undergraduate degree in physical education with the goal of becoming a teacher and coach. He eventually eschewed pitching, however, to earn a master's degree in hospital administration from the University of Iowa in Iowa City, then moved to Memorial Hospital in South Bend, Ind., for a decade. Later he was executive vice president of the Iowa Health System in Des Moines and president and CEO of Iowa Methodist, Iowa Lutheran and Blank Children's Hospitals. Skogsbergh, 52, came to Advocate in 2001 to run the 12-hospital, faith-based health system that is the largest integrated healthcare delivery system in the Midwest. He and his wife Diana have three children. Skogsbergh, who loves scuba diving with his son, recently became a private pilot, no doubt to fly over his own field of dreams.

What are the top two or three issues you face as CEO of Advocate Health Care?

In as large and complex an organization like Advocate, we're continually trying to simplify things to achieve key results, especially in health outcomes because everything we do is focused on clinical care. Second, we focus on the patient experience to improve patient satisfaction. Our third emphasis is to measure and improve physician satisfaction. We want doctors to want to work at Advocate. A fourth focus is sound growth, not just to get bigger but to expand our ministry in a manner consistent with our values: compassion, equality, excellence, partnership and stewardship. Last year, for example, we added a community hospital in Bloomington and a critical access hospital in Eureka. We also emphasize financial performance and are doing well in that area.

Will these issues change under the healthcare reform act?

I don't think so. Our focus on outcomes is unwavering regardless of healthcare legislation. Our commitment to great patient service won't change. We want to be a



JIM SKOGSBERGH, PRESIDENT AND
CEO, ADVOCATE HEALTH CARE

great place to work for our 33,000 employees and we're in the top decile of associate satisfaction. All of us have to be aware of the bottom line. In 2001 Advocate broke even, but within five years we made a significant jump and were upgraded to Double A. Our margins have been healthy to the point that 2008, 2009 and 2010 have been the highest performing years in our history.

What elements of the healthcare reform act do you feel are valuable?

We all love the fact that more Americans are covered. Expanding coverage is a good and just thing. We also appreciate and applaud focus on quality such as avoidable readmissions and unnecessary visits to the emergency department. Anything that focuses on outcomes is good.

We're very concerned about Medicare cuts because \$155 billion in reimbursement cuts is a substantial adjustment. That's traded off with expansion of coverage, which means increasing bad debt and charity care in a very slow economy.

What elements of the healthcare reform act do you feel are overreaching?

The Medicare cuts are our biggest concern. Readmission within 30 days if done properly is a good thing. But there are pitfalls. Our fear is financial penalties for readmissions that truly cannot be avoided. For example, if a patient is confused and didn't comply with post-discharge orders and as a result gets readmitted to the hospital that's of great concern to us.

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

We have made big IT investments because we believe the appropriate application of IT will improve outcomes for patients. We introduced CPOE four years ago and it has helped us significantly reduce medication errors. We've also focused on a number of IT-enabled process improvements that have dramatically cut turnaround time for results-reporting. On the backend, our investment in PACS has given our physicians ready access to radiology images. We are now in the process of rolling out bedside bar coding to all of our hospitals.

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

Like everybody in the industry our challenge near-term and longer is our cost position. We think technology will enable us to be more effective and efficient: the right medication to the right patient at the right time is going to lower cost. One of the ways we're going to get there is by using IT to enhance care across the continuum whether it be acute care, care that is provided in a physician's office or care that is provided in skilled nursing facilities.

What has been the biggest change you have seen in healthcare over your career?

Healthcare reform is as sweeping a legislation as any since Medicare. Perhaps an even greater change over the

last 30 years is how we as an industry have become more and more conversant with clinical quality. It wasn't that long ago that valid measures for clinical quality were non-existent. This sharpened focus on patient outcomes and patient safety has been wonderful, especially in the last 11 years since the publication of the IOM report "To Err is Human."

Another major change is the shift and realignment of physicians with the healthcare enterprise. It's only going to get tighter. As we face reform we'll build on those partnerships to achieve value and safety while being efficient.

What is the best piece of advice you've ever been given?

I've been blessed with great mentors and each one provided great advice, so I can't single out any one piece but the basics: treat people with respect, work hard, take your job seriously but not yourself. We have a lot of fun at Advocate. If what you're doing isn't a lot of fun you should do something else.

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What advice would you give to a young person seeking to enter the healthcare field?

We do have an opportunity to work with young people in a number of fellowships we fill. I'd tell them you need a master's degree either in healthcare administration or business administration. That's become clear in the last decade. You need to continue to pursue education, you've got to keep learning. Make sure you end up in an organization that welcomes residents, fellows and executive interns because opportunities for growth will arise for you in those settings. We always underscore to our fellows to be inquisitive and ask questions. You really need to be a sponge.

If you weren't running Advocate Health Care, what would you be doing?

I'd be the general manager of a baseball team or running a small scuba shop.



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