CEO Viewpoint

His wife of 35 years, Mary, doesn't remember it, but Tom Sadvary first met her in an ambulance in Pittsburgh, he a paramedic, she an ICU nurse. "She was so focused on the patient," he recalls. "Fortunately we had another opportunity to meet." Today, Sadvary, 58, is a more visible member of the healthcare team as president and CEO of Scottsdale Healthcare, a Scottsdale, Ariz.-based three-hospital integrated health system.

He was born in Olean in western New York near the Pennsylvania border where his father taught at St. Bonaventure University but moved to Pittsburgh at an early age. After earning an undergraduate degree in political science and economics at Allegheny College he returned to Pittsburgh where he trained as a paramedic. Initially eyeing law school, Sadvary was inspired to pursue healthcare by his best friend's dad who ran a nearby city hospital. In 1976 he started graduate school at the University of Pittsburgh School of Public Health where he earned a master's in healthcare administration. He did his residency at UPMC and then spent seven years in administrative roles at Barberton Citizens Hospital in Akron, Ohio. After joining Scottsdale Healthcare in 1986 as a hospital administrator, Sadvary moved up and assumed the top job in 2005. He is a member of the board of directors of the Scottsdale Institute. He and Mary have an adult son and daughter.

Scottsdale Healthcare is emphasizing clinical integration over an explicit ACO initiative. What's driving this strategy and how will it play out from an IT perspective?

We started our clinical integration strategy two years ago and decided ACOs may or may not be the future payment model. So, given our market, culture and medical staff we decided we were better off developing clinical integration as our foundation for value-based payment, capitation, bundled payment or whatever framework emerges.

TOM SADVARY,
PRESIDENT & CEO,
SCOTTSDALE HEALTHCARE

We're celebrating our 50th anniversary as a non-profit community-based healthcare system. All our physicians are in one quadrant of our geographic market, so if we can connect them electronically we can provide more coordinated care. In July we'll be launching a clinical-integration pilot in collaboration with a health plan and our own 10,000 employees.

Can you describe your "Narrow Networks" initiative and how it plays into your organization's overall strategic priorities?

Under reform Narrow Networks develop and transition into insurance exchanges in 2014. Our goal is to establish our own clinical integration model by this July to be ready for a couple of commercial products and Medicaid.

Clinical integration relies on an organizational model incorporating care plans around chronic disease management enabled by IT. That's fundamental to an ACO or any other payment model.

How is Scottsdale Healthcare responding to the emerging world of value-based purchasing, P4P and population health? What new tools do you need to do this successfully?

We've developed a three-phased approach for converting our organizational structure to an IDN from a hospital-based system. One, we want to transform our acute-care enterprise. Two, build and develop a clinical integration network with our clinical staff. Three, be prepared for population management and population health. Within those elements we want to achieve a break-even point in Medicare reimbursement.

Now that we're 90 days into bundle payment for procedures, what's the greatest challenge that provider organizations face in addressing bundled payment?

This might sound offbeat, but I think our biggest challenge will be patient compliance. Now that we've become accountable for a hip transplant, if a patient does not comply with her medications or therapy that's an issue for us. Hopefully through patient education, engagement and their own self-interest we'll be able to achieve a high percent of therapeutic compliance.

How has IT helped you transition from a hospital-based system to a community-focused care-delivery system?

Obviously IT helps us share clinical and non-clinical information with our doctors, and allow those clinicians to view all of a patient's information, including digital imaging. IT allows us to perform higher quality and more efficient medicine. What I keep hearing from docs is they want real-time clinical data for timely patient care, not just claims-based data.

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What's the biggest change you've seen in healthcare over your career?

The biggest change is from tremendous innovation in medical technology such as minimally invasive surgery, including laparoscopies and robotic surgery. There are also the conversion of X-rays to digital, which has helped revolutionize quality and access to information; cardiology with imaging and echocardiography. What you can now do in a cath lab. New drugs and cancer therapeutics. We do so much more in evidence-based practice. I look back in my 30-year career and it's been a revolution. Sometimes we don't stand back and see how far we've come.

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

Healthcare is a tremendous field whether it's at the bedside or supporting the people who are. It's very rewarding. I'd say be energetic, continue to learn and don't forget to be humble in what you do.

What is the most rewarding part of the work you do?

The relationships I've been able to develop with colleagues in the executive branch and on the clinical side. It's still basically a relationship business. I get rewards from those relationships but also from being able to achieve results. As a team we have a significant impact on the community we serve.

If you weren't running Scottsdale Healthcare, what would you be doing?

I'd probably be teaching history or leadership at the college level.

What's a favored book that you've recently read?

I'd say "Fall of Giants" by Ken Follett. It's full of history and is a great story. I like how it traces a family over the last century. I'm looking forward to the sequel in fall 2014.