CEO Viewpoint

Y ou might say Craig Samitt, MD, is a child of healthcare reform. "I blame it on the Clintons," says the president and CEO of Dean Clinic as to why he snared an MBA at Wharton after earning a medical degree from Columbia University. "Hillary was seeking to reform healthcare and that prompted me to want to help." Now 48 and head of the Madison, Wisc.-based Dean, a physician-owned integrated health system serving southern Wisconsin, Samitt has an especially good perch to lead reform from the ground up. Besides its many clinics, Dean has all the elements for integrated care including a health plan and affiliated hospitals. Samitt has also been well groomed for the role, having served as Medical Director at Harvard Community Health Plan in Boston and then senior VP at its insurance arm, Harvard Pilgrim Health Care. In 2002 he was recruited as COO of Fallon Clinic in Worcester, Mass., and in 2006 took the top job at Dean. Born in Parsippany, NJ, the middle of three siblings, he earned an undergraduate degree in biology from Tufts in Boston. He lives with his partner Steve and three Basset Hounds: Burt, Otis and Calvin.

Dean Clinic is comprised of about 750 providers, a health insurance plan and partners with a hospital system. Is this an integrated model that can achieve better care at a lower cost?

I grew up professionally in integrated delivery systems and am a believer in them. I believe that model has the greatest potential to transform healthcare delivery. I was at a joint meeting of physician, hospital and healthplan executives right after the Affordable Care Act (ACA) was passed. It was rife with finger-pointing and mud-slinging about who caused the healthcare crisis. That's emblematic of the major challenge in healthcare: fragmentation. The solution is the opposite: integration.

How has being a physician-owned integrated system helped position you for the continuing changes of Healthcare Reform?

At Dean we live in a world of aligned interests and have therefore been pursuing value-based care versus volume-based care for more than a decade. When physicians, hospitals and health plans have an aligned vision, goals and incentives they can outperform fragmented markets that are thinking only about their own interests. In un-integrated settings, there are turf wars, waste and misaligned incentives that are not in the best interests of the patient. In an integrated system physicians, hospitals and health plans work continuously to jointly implement programs that

CRAIG SAMITT, PRESIDENT & CEO, DEAN CLINIC

deliver the best care for the patient at the least cost.

Wisconsin is ranked second nationally behind Minnesota in healthcare quality. What are some examples of what works in the areas of process improvement, quality measurement and patient outcomes?

There are numerous factors in Wisconsin that contribute to high quality care. There's already a high degree of integration, many "three-legged stools" if you will. There's a long-standing focus on quality and many value-based organizations that have pursued collaboration with a traditional emphasis on transparency of information. The Wisconsin Collaborative for Healthcare Quality (WCHQ) has brought together health systems to share data and publicly report it. There's also been an effort in the state to share best practices regarding quality and safety. And many organizations are using technology like EHRs and process improvement like LEAN to improve quality performance. Overall, the state has one of the most collaborative and quality-oriented healthcare communities in the US.

We understand that you often describe the work of Dean Clinic as "reforming care from the inside-out." Given that perspective, what changes can the industry expect to see over the next year regardless of how Reform plays out?

I believe the industry will continue to evolve toward value regardless of the outcome of healthcare reform. It already has. Since the ACA passed we've already seen many changes in performance, structure and strategy. There has been significant consolidation, mergers, suppressed price increases, a rise in quality and an enhanced focus on service. I've been a long-time believer that the healthcare industry can fix itself. The fact that such transformation occurred after the passage of ACA, but before major elements of the reform bill have been implemented, suggests that we've been able to "go home" (fix healthcare) all this time, to paraphrase the Wizard of Oz.

> " *We should very much expect that, in short order, there will be a Zagat, Yelp, Trip Advisor and Expedia guide to healthcare.* "

Dean Clinic and St. Mary's Hospital, your hospital partner, recently formed an Accountable Care Organization. How did you determine an ACO model? How do you expect delivery organizations to respond to declining Medicare reimbursement in the future?

We chose to pursue value long before the ACA passed, so we've been an ACO all along. We applied and were accepted for both the Pioneer and Medicare Shared Savings Program. Ultimately we decided, given our current performance, implementation timing, and other priorities, that MSSP was the best fit.

In terms of reimbursement, I believe it is inevitable that delivery systems will face flat or declining reimbursement for many years to come. We could seek to manage that with two approaches. First, we could continue to try to ratchet down our cost per visit or hospitalization, or second, we could seek out and reduce waste by focusing on wellness/prevention, accepting bundled/global payments, and managing risk. I believe the greatest opportunity for financial sustainability is the latter. You can only take so much cost out of a visit-based reimbursement system before you compromise quality. But when you live in a bundled-payment system you align around wellness, coordination of services, and alternative-care models.

What roles will quality, patient satisfaction and patient feedback play in the future success of health systems? Can the industry derive any wisdom from other industries like airlines or hotels?

This is a fascinating area for me. The airlines realized long ago that their business is price-sensitive. Hotels have aggressively focused on feedback they receive from customers via TripAdvisor and fix any deficiencies. Car manufacturers are highly attentive to safety ratings. In healthcare, we must be similarly attentive to our patient's wants and needs, and we must expect that transparency of performance is coming. We should very much expect that, in short order, there will be a Zagat, Yelp, Trip Advisor and Expedia guide to healthcare. Further, in the world of insurance exchanges, we should expect a shift to greater individual decision-making and a reliance on transparent information to drive healthcare choice.

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

I think we've come into the light, so to speak. There's much more information available today about our performance, best practices and comparative information about providers. I'm a big believer in information and data because it highlights A, where we are versus where we want to go, and B, opportunities for improvement as identified by variation in practice. A decade ago I'd never have used the term "profiling" in public. Today, "physician profiling" is no longer such a foreign concept.

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

I'm an avid business literature reader so I'm reading "Thinking, Fast and Slow" by Daniel Kahneman, a fascinating book on how we make decisions.