

Viewpoint

AN EXECUTIVE PUBLICATION FROM THE SCOTTSDALE INSTITUTE

MARCH 2013

It's not surprising Don Wegmiller was elected to the Healthcare Hall of Fame this year. The honor crowns an already brilliant career that enters into yet another phase with seemingly undiminished vigor. Today at 74 he is Chairman of the Scottsdale Institute, a post he accepted after Founder and Chairman Stan Nelson passed away last summer. Don's career has rivaled his old friend's. Born in tiny Cloquet, Minn., he was raised in nearby Duluth. Turning down a full baseball scholarship to Arizona State, he earned a double major in economics and psychology at the University of Minnesota Duluth. After earning a master's in hospital administration from the U. of Minnesota he became assistant administrator at Fairview Southdale Hospital in Minneapolis, where he took the CEO job in 1966, at 27. In 1978 Don was recruited as CEO at Minneapolis-based HealthCentral, which by the time he left in 1993 had grown to 23 hospitals and become Allina Health System. The lack of historical models for running a system led him and other pioneering system CEOs to create a forum for idea-sharing called Associated Hospital Systems, now Premier. Don left Allina to become president and CEO of Clark Consulting, which during his 15-year tenure he built into Integrated Healthcare Strategies, the nation's largest healthcare executive-compensation firm. In 2002 Modern Healthcare named him one of "Healthcare's 100 Most Powerful People." Today he lives in Scottsdale and Minnesota with Janet, his wife of 55 years. They have three children and six grandchildren.

Scottsdale Institute, which you cofounded with your good friend Stan Nelson, is celebrating its 20th anniversary. What motivated you to create SI at the time?

When Stan retired in the early 1990s, we met for breakfast about once a month. One morning he said, 'I've been talking to this guy Jim Reep [founder of First Consulting Group] about an idea. You ran a system. I ran a system. The hospitals are on one side and the docs on another. That's never going to work. We've got to find a way to integrate the two using information.' It didn't help that neither one of us knew how to spell IT. But Stan said not to worry, we'll approach the people we know and they'll show us the way.

Stan put up \$6,000, I threw in \$4,000 and we started the Center for Clinical Integration or CCI. We realized IT



DON WEGMILLER,
CHAIRMAN, SCOTTSDALE
INSTITUTE

was the most effective tool to achieve clinical integration. We eventually changed the name to the Scottsdale Institute, but from its very beginnings its mission has been clinical integration, not IT per se.

As you look back over two decades of its existence what are your thoughts?

It has proved that if you don't reinvent yourself you won't survive. SI has done a good job of reinventing itself because it's member-driven. We listen to the members.

As chairman of SI what is your vision for its next decade?

I'm not sure it's fair to call it my vision, but I think SI's collective vision is to become a convener of the new organizations that are emerging in the new healthcare arena. I don't know if that means ACOs or broad-based

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clinical organizations that span a huge continuum of care without an insurance arm. BJC in St. Louis is an example of the latter. It incorporates everything from pre-acute care to acute care, post-acute care, long-term care and assisted living.

I think SI's vision is to be the convener around the goal of clinical integration, which is still the focal point of what these organizations do. The integration challenge 20 years ago was how to integrate doctors and hospitals. Today it's exponentially more difficult because we've added insurers to help manage population health as well as all the diverse components of care, including SNFs, home health agencies and even telemedicine. Clinical integration will still be the focus of these organizations and SI will be at the center.

You were a hospital CEO early in your career.

What has changed in the CEO's role?

There's a huge difference between what I did as a hospital CEO in a fledgling organization and what health-system CEOs do today. When I was a CEO I dealt with the hospital board of trustees and negotiated payment with insurers. You don't do either of those things at the hospital level anymore. The finance department of the system negotiates all contracts and you by and large don't have hospital boards anymore. That's left to the system.

You are chairman and co-founder of C-Suite Resources, a healthcare advisory and market-research firm. What does it do and what other activities are you pursuing outside of SI?

C-Suite Resources brings executives from companies in the healthcare market face to face with executives from hospitals, health systems and other provider organizations.

How has collaboration between hospitals and physicians changed?

The key factor is that both understand that their ability to thrive depends on clinical integration. So they're asking how do we achieve that and what data or information is required? We have tons of data but much of it is useless babble. We have to decide which data actually provides information to use and which to discard. Hospitals and physicians are making decisions together

and that's why we see collaboration in the C-suite with CMOs, CNOs and CQOs. Today we have clinical people helping make decisions in the C-suite, not just suits.

“SI's vision is to be the convener around the goal of clinical integration.”

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

The makeup of the decision-making group has totally changed. When I first entered healthcare the hospital administrator, the CFO and COO comprised the C-suite. Later we had an HR person. Today the C-suite is filled with doctors, nurses, quality and information executives. And the hospital executives are all working together in the same organization. Now we have hospitals and physicians operating out of the same structure, and the structure is what counts not whether those physicians are employed.

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

Absolutely do it. Healthcare is undergoing the most significant changes of any field in the country. Those people with 40 years' experience will find that it is no longer worth that much. As a young person your experience will be equal to theirs because we're facing a whole new world. Forty years ago leaders figured out how to get paid on cost reimbursement. Today you will be paid on value and on how you measure quality. So, you're entering a field where your lack of experience will not be a hindrance.



SCOTTSDALE INSTITUTE

The Healthcare Executive Resource for Information Management

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