

# Viewpoint

AN EXECUTIVE PUBLICATION FROM THE SCOTTSDALE INSTITUTE

MARCH 2018

"I have one goal," says Wright L. Lassiter, III: "Reduce the gap between today and what's possible." It's a lifelong mantra he's using more than ever as President and CEO of Detroit-based Henry Ford Health System, a \$6 billion healthcare organization. "We must keep our eyes on what's possible and keep moving toward that end. Otherwise, we're not doing our jobs," says Lassiter, who joined Henry Ford in December 2014. With more than 30,000 employees, Henry Ford is comprised of eight hospitals, including five acute care hospitals, three behavioral health hospitals, more than 200 ambulatory care sites, an insurance company, as well as several retail, pharmacy and other non-acute care services.

Lassiter, 54, was born in a "prototypical" American home, in Tuskegee, Ala., also the home of historic African American figures Booker T. Washington, George Washington Carver and the Tuskegee Airmen. His parents were both professionals who stressed education, but he also derived many of his leadership philosophies from sports like basketball, which he played at LeMoyne College in Syracuse, N.Y. Reflecting his continuing life-balance focus, Lassiter's scholarship was evenly split between basketball and academics. After receiving an undergraduate chemistry degree from LeMoyne, he earned a master's in Healthcare Administration from Indiana University.

Lassiter has more than 20 years of experience working in large, complex health systems, including Methodist Health System in Dallas and JPS Health Network in Fort Worth. In 2005, he became top executive at Alameda Health System in Oakland, Calif., where he led an expansion and turnaround of the \$865 million public health system, achieving eight years of positive financial performance with operating margins as high as 19 percent. Alameda garnered The Joint Commission Top Performer status, increased patient engagement from the 1st percentile to the 80th percentile and twice received the Press Ganey Spirit of Excellence award for employee engagement. Lassiter also led efforts to improve quality and patient safety, including an 18-month effort that reduced patient harm across AHS by 50 percent. He now brings that experience to Henry Ford, which pioneered the integrated health-system model four decades ago.

## **Why did you choose to come to Henry Ford Health System as its new President and CEO? What do you see in store for Henry Ford under your new leadership? What new style of governance and structure do you bring to the organization?**

Well, it certainly wasn't the weather—I do *not* like the snow. Really, it came down to two things. First, I saw a unique and wonderful opportunity to become the leader of one of the most storied and successful health systems in the country. Henry Ford has a 100-year history of providing high-quality healthcare and being an anchor in the community. In 1915, when Henry Ford himself wanted to make a difference for his employees, he bought out other investors who he had joined with to build a hospital, and he became the head of our flagship medical center, Henry Ford Hospital in Detroit. Since then, we have built so much on to that foundation—the Henry Ford Medical Group, a multi-specialty, employed, group practice that



WRIGHT L. LASSITER, III,  
PRESIDENT AND CEO, HENRY  
FORD HEALTH SYSTEM

has been a model for other organizations around the country; an integrated care delivery system with the acquisition of an insurance company; and an academic institution focused on teaching the next generation of physicians and engaging in groundbreaking clinical and public health sciences research. Secondly, I was very intrigued by the resurgence of the city of Detroit and greatly impressed with the grit and determination that has made it such an exciting time to be here. Together, those reasons really made the move to Michigan the right decision.

When I came to Henry Ford in 2014, we were getting ready to celebrate our 100<sup>th</sup> anniversary. What this organization has meant to this community is really

remarkable. As I became the president and CEO, I urged our team to take that sense of accomplishment and pride and channel it into the next 100 years. The same things that helped us earn that first century of success are not what can sustain us through the next century. The healthcare industry is evolving so rapidly, often faster

than we can adapt. We're under intense and increasing pressure from changing regulations and an uncertain political landscape. Our population continues to age and there's a huge increase in chronic diseases like diabetes and cancer. Consumers are getting tech savvy and are demanding solutions that match today's digital marketplace, as evidenced by January's announcement of Amazon/Berkshire Hathaway/JPMorgan Chase jumping into the healthcare arena. We have to meet that demand through innovation and efficiency.



Those factors are behind the creation of what I call our "TrueNorth." It's a term that signifies the road toward leading the nation in superior care and value. There are four things we must relentlessly pursue to achieve that for our customers: providing the safest care with the best outcomes; an exceptional experience; affordable, efficient care; and having

compassionate, committed people. We are also taking a very aggressive, customer-facing approach to strategic planning that's led to a laser focus on high reliability, reducing waste and inefficiencies, and improving the patient experience through innovation and technology advancement. Our plan calls for ensuring market

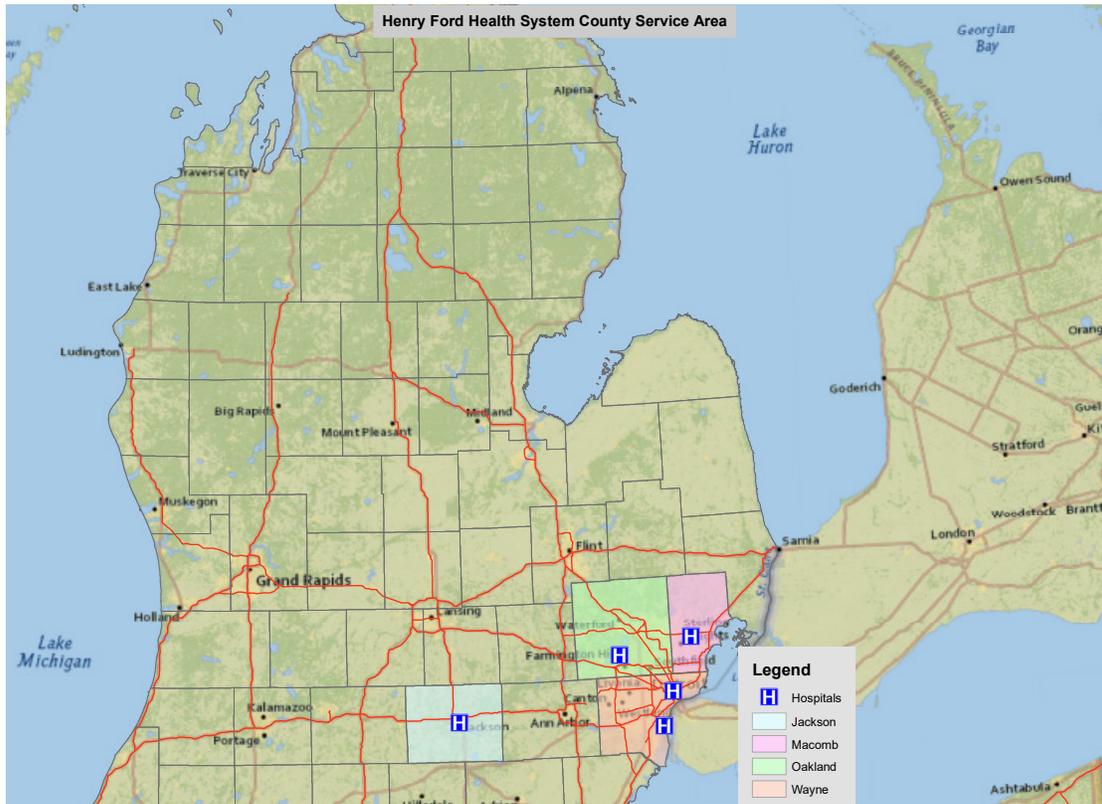
leadership and geographic expansion for both the provider side and the insurance side of our health system.

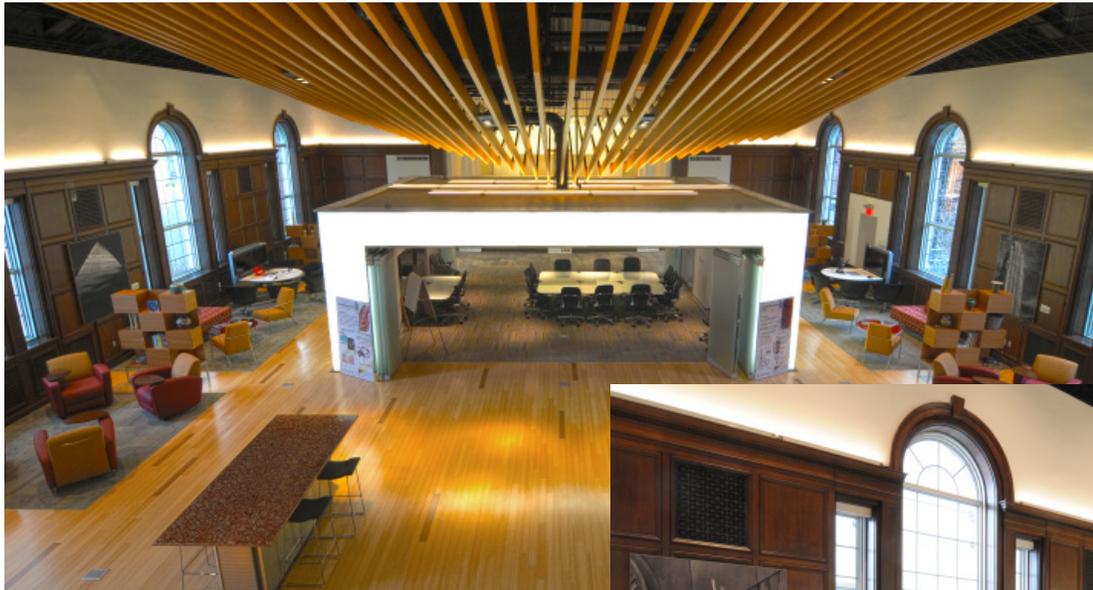
Governance and structure are a critical part of all of these initiatives. Not long after I arrived, we engaged in a nine-month governance assessment. That led to the decision to reduce our system board from membership in the high 20's down to 15. We are evolving our operating model to reduce silos and allow for ease of service-line growth and standardization across clinical sites. We have also brought aboard new talent: a Chief Strategy Officer, General Counsel and, soon, a Chief Clinical Officer.

One of the things I value in our new leadership team is the perspective from other industries. For example, our new Chief Human Resources Officer came from Kelly Services, a global temporary staff firm. Our new Chief Strategy Officer was at Geisinger Health but spent many years as a consultant on complex transformations and the digital experience.

**Can you tell us about some of the growth strategies in your vision for leading the future of Henry Ford?**

We are focusing on both organic and inorganic growth. First, because we are a large teaching, quaternary hospital in Detroit, we are uniquely poised to increase referrals from 50 miles or farther away for specialty care. Second, we are focusing on some of our key service lines like oncology, cardiology and sports medicine through a combination of innovative treatments and transformed care experience. Third, we're trying to leverage our fully integrated system to grow our number of aligned lives.





Shaping the future:  
[The Henry Ford Innovation Institute.](#)

We need to grow the number of customers we serve that have coverage under our insurance company, Health Alliance Plan (HAP), and, who want to see Henry Ford physicians.

Our inorganic growth continues to gain momentum. Since I arrived, we've added \$1 billion in revenue from acquiring Allegiance Health in Jackson, Mich. and HealthPLUS, an insurance company based in Flint, Mich. We continue to explore additional options to grow both our provider organization and our insurance company.



**I understand that Henry Ford is a member of a statewide Super CIN known as Affirmant Health. What does that mean for you as an executive board member and what does that mean for care coordination across the state of Michigan?**

In joining Affirmant, we work with six other health systems with virtually no geographic overlap. So, our goal is to deliver “better health at affordable cost through clinical integration.” Our focus is on more coordinated care. The first goal for Affirmant is to make sure every local CIN is a Medicare-approved accountable care network (ACO). We also belong to a statewide collaborative on post-acute care, medication management and high-risk chronic conditions. We are moving quickly to provide a better overall experience for Michiganders.

**Henry Ford has a strong health-plan presence within the Health System that manages approximately 700,000 covered lives. Can you discuss what alternative payment models and their uncertainty will mean to the future growth for the system and for Affirmant?**

We have a long history of capitation through our health plan. Our physicians in the medical group have managed risk for a couple of decades and we're well prepared for alternative payment systems. Our NextGen ACO has

28,000 lives. We have the ability to cap or sub-capitate 84,000 lives assigned to our medical group. So, I'm not concerned about negative growth impacts with alternative payments as we grow our aligned lives.

That doesn't mean we know it all. We certainly have risks. It goes back to why I came to Henry Ford: because this is where healthcare needs to head. We need transformation too. We have the opportunity to direct and coordinate a wide range of assets aligned in this effort.

**Population health and analytics are beginning to influence healthcare with sweeping expectations for managing patient populations with improved outcomes and reduced expense. What is Henry Ford doing to engage providers and consumers to better manage the Quadruple Aim?**

Our TrueNorth framework is well aligned with the Quadruple Aim. We use system dashboards to gauge value for our consumers, fewer ER visits, fewer readmissions, patient engagement and Five Star HEDIS ratings. At the operational level, our management team aims to refine clinical value using fairly robust analytics. Most analytics are retrospective but we're working to make them near real time.

We're aiming for analytics to build better comprehensive care, which will involve significant marketing toward high users of the healthcare system. We used to be in post-acute care nursing homes but, based on our analysis, selected a set of independent LTC facilities that have capabilities

to identify pharmacy noncompliance, employ case managers and so on. We're trying to better coordinate care to move patients more easily from hospital to SNF to home. Our new ER service uses EMTs to identify high-risk patients and alert ED doctors and support homecare referrals, so we can avoid unnecessary admissions. Lack of coordination leads to one-to-two days of hospitalization.

**Tell us about some of Henry Ford's Precision Medicine growth planning. Data and decision making are driving new ways to precisely manage vulnerable populations. Will this be a market changer for you?**

Precision medicine is a significant opportunity. We're one of seven sites that the National Institutes of Health (NIH) selected to build a 1-million population database. We've been on the precision-medicine journey since 2016, conducting molecular testing and coordinating all of our internal resources to better diagnose and treat patients. Henry Ford has a molecular tumor board, which is similar to a cancer-specific board but uses very different information—more granular, up-to-the-minute clinical information about patients with similar biomarkers. Synapse is our precision-medicine platform that supports clinical trials which is going live at the end of this year. We think at least 10 percent of U.S. cancer patients can benefit from this service.

**Henry Ford has a thriving Innovation Institute that embraces taking calculated risks and leads in the exploration of emerging technologies and innovation, as well as partnerships to bring new products and services to market. How would you describe some of these successes and their relevance to the future of care at Henry Ford?**

The Henry Ford Innovation Institute celebrated its sixth year last fall and has certainly accomplished a lot in that short time. It's perhaps best known nationally for re-designing and commercializing the hospital gown called the Model-G. The gown has since been licensed for manufacturing by Medline Industries and is now available to any hospital or health system in the U.S. We are doing some amazing things in 3D printing. A large majority of healthcare institutions use 3D printing technology for services like orthopedics. We are unique in that we are believed to be the largest producer of 3D-printed hearts

in the country. These 3D models allow our structural heart surgeons to plan intricate valve replacements in the frailest of patients—some of them in their 80s and 90s and considered too risky for traditional treatments. Our innovations team recently partnered with a Detroit-based IT company to develop a safe and secure mobile solution for physician-to-physician communication. It's called CareTrail and it combines patient-privacy requirements with the most popular features of social media sites like Facebook and Twitter to allow a patient's care team to communicate in real time. The Innovation Institute is also actively engaging on a global landscape, mostly by licensing our intellectual property for the development of hospitals in places like India and Saudi Arabia. We are also actively involved in an artificial intelligence project with a startup company in Israel to be piloted for neuroscience patients.

## Related Resources

Check out "Corner Office: 7 questions with Henry Ford Health System CEO Wright Lassiter." <https://www.beckershospitalreview.com/hospital-management-administration/corner-office-7-questions-with-henry-ford-health-system-ceo-wright-lassiter>

**What will be the role of IT—and specifically the role of the CIO—in achieving Henry Ford's TrueNorth?**

We know from Scottsdale Institute's focus on IT, and long-time engagement with CIOs, that the CIO's role is changing faster than any other executive. CIO skillsets have to change as cybersecurity, data analytics, machine learning and AI are changing technology in ways reflected in many of IBM Watson initiatives. The CIO will have to build partnerships outside IT and outside the health-system enterprise. It's still about technology, but not just about computerizing ADT or payment. It's much broader than that. The CIO role has always gone through cycles and it is undergoing yet another today.

~ Chuck Appleby

*Director of Publications & Communications*  
[cappleby@scottsdaleinstitute.org](mailto:cappleby@scottsdaleinstitute.org)



STANLEY R. NELSON, Founder & Chairman Emeritus (1993–2012)

Donald C. Wegmiller, FACHE, Chairman • Janet Guptill, FACHE, Executive Director

7767 Elm Creek Blvd. N., Suite 208 • Maple Grove, MN 55369

Phone: 763.710.7089 • Fax: 763.432.5635

[scottsdale@scottsdaleinstitute.org](mailto:scottsdale@scottsdaleinstitute.org) • [www.scottsdaleinstitute.org](http://www.scottsdaleinstitute.org)