

VIEWPOINT

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When Terry Shaw was 14, he was already cleaning grocery stores and warehouses and driving a forklift for a health-food distributor in the Dallas-Fort Worth area. He still recalls carrying 50-pound sacks of red wheat in the 110-degree Texas summers. Today, as president and CEO of Altamonte Springs, Florida-based Adventist Health System, he and his team are still doing the heavy lifting at the faith-based healthcare system, comprising 46 hospital campuses across nine states, with a continuum of integrated care that includes urgent care centers, home health and hospice agencies, physician practices and skilled nursing facilities.

Shaw's career with Adventist Health System spans more than 30 years, during which time his broad understanding and knowledge of healthcare finance, information technology and overall operations has enabled him to play a pivotal role in defining the organization's vision and direction. Prior to assuming leadership of the organization, he served as its executive vice president and chief financial officer, a role he held until 2010 when he gained chief operations officer responsibilities. Prior to that, he also held numerous positions at Florida Hospital, Adventist Health System's flagship, including senior vice president, vice president, assistant vice president and director.

Shaw, who earned a master's degree in administration from the University of Central Florida and bachelor's degrees in accounting and computer science from Southern Adventist University, was appointed to the Healthcare Leadership Council, a policy think tank, and serves as vice chairman of the Premier, Inc. board of directors.

You are now in your second year as president and CEO of Adventist Health System after serving as CFO for many years and then COO. How has your previous executive experience prepared you for the top leadership position?

I grew up professionally in our flagship, Florida Hospital, spending 10 years in operations and five in finance. That 15 years at Florida Hospital taught me what it takes to run a hospital, what happens on a clinical floor and what patients and consumers expect in their healthcare experience. From 2000 when I moved to CFO, I began spending a lot of time working closely with CEOs Tom Werner, and later, Don Jernigan. From 2000 to 2017, I worked heavily in helping Adventist Health System grow. Knowing how a hospital works has really benefited me in that process.



**TERRY SHAW | PRESIDENT & CEO
ADVENTIST HEALTH SYSTEM**

Has your long tenure at the same organization helped or hindered you in shaping your strategic vision for Adventist Health System in an era of disruption for healthcare?

All I can say is it's been an honor to work for AHS for more than 30 years. During my first four years, I was given the opportunity to lead an operations team in which we'd spend two months in the OR watching surgeries, talking to doctors and "cleaning up." Then we'd spend three months studying what we'd learned and reordering

the workflow. Those four years gave me a real understanding of how a hospital works on a granular level. Even then at AHS we were involved in "creative destruction" followed by rebuilding, which is a process that includes evaluating and refining things. When I took on higher management roles, I was fortunate enough to be able to meet often

with and learn from executives at other health systems like Banner, Intermountain, Ascension and Adventist Health. Those meetings really helped me understand the industry. Like Scottsdale Institute, the benefits came not just from the speakers but more from the informal conversations at breakfast, lunch and dinner where we could collectively unpack a visionary perspective of healthcare. Conversations like that ultimately led to creating our vision, which can be explained in five words: Wholistic, Exceptional, Connected, Affordable and Viable. We convey those five vision words to everybody from frontline employees to doctors to board members. I'm finding very good support.



Our first specific goal is to make sure every patient who leaves our ERs has a follow-up doctor's appointment that we help facilitate. Our overall goal is to support the care-navigation process where we know you and what you need to make your experience easier. Hospitals are by nature very inwardly focused and not consumer focused. We need to pivot to a consumer focus. People like using Amazon because it's very easy. Healthcare is complex, and we've done a poor job of hiding that complexity—in fact we're too proud of it!

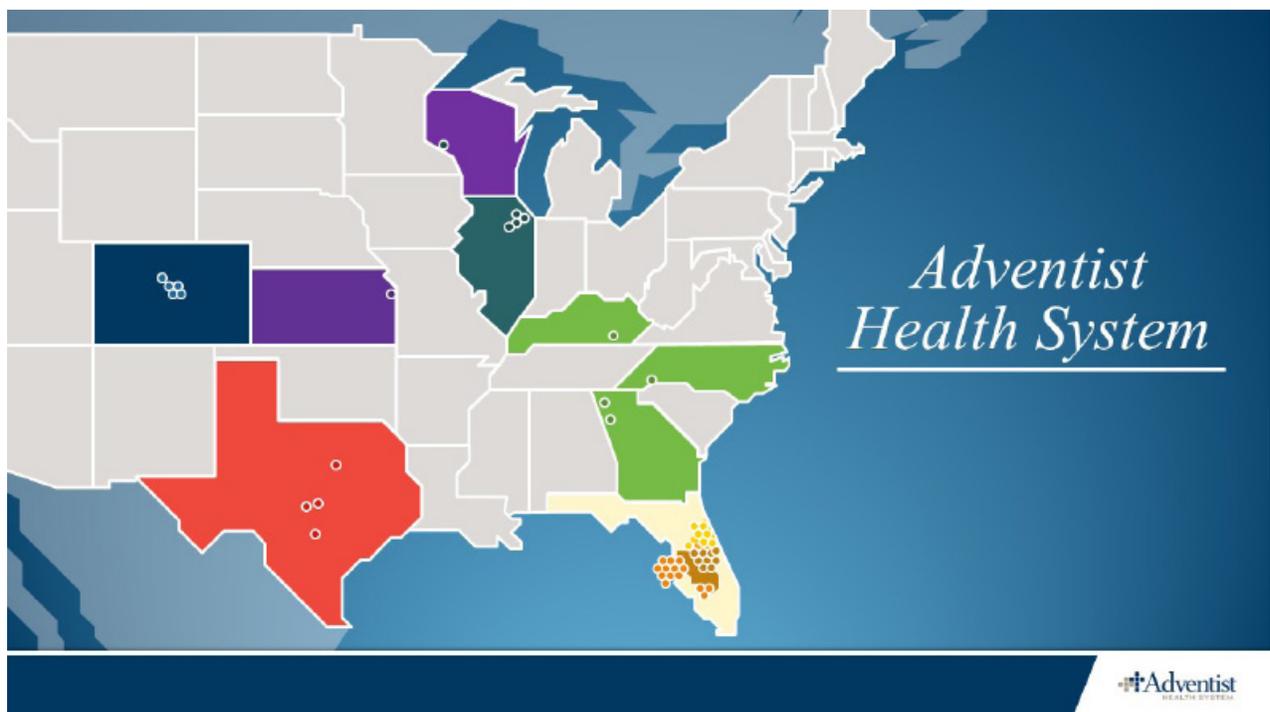
As part of this new consumer focus, we're leading 80,000 team members through a process to understand our mission, vision and values so they all can adhere to the same set of consumer-focused service standards, whether they're in Florida or Kentucky. It's a cultural revolution.

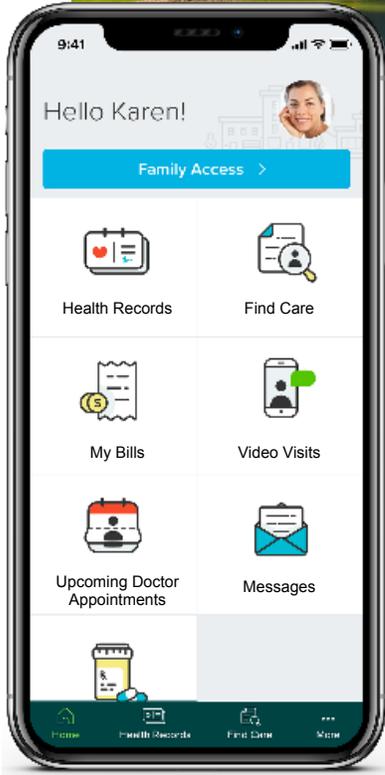
One of your first charges to Adventist Health System associates as CEO was to say, "We're not discharging patients." What does this mean and how does it influence patient care and relationships?

What not discharging patients means is not abandoning them when they're transitioned from the hospital. Let's make these transitions seamless and not leave patients to navigate the care landscape on their own. We need to be the connective tissue on patients' disparate journeys so they are not left alone. Our company is better than it was a year ago at creating a seamless and coordinated care experience, and we'll be a whole lot better in three years.

The term innovation has become both a byword and a buzzword for health systems as they shift to value-based care. How do you define innovation and how is Adventist Health System structuring innovation within the enterprise?

Great question. Innovation is both a place and a way of thinking. We have innovation centers at our two largest facilities. Back in February, we opened a 10,000-square-foot design center on our corporate campus where people from the industry came to share innovative thinking. We're taking innovation very seriously.





As digital health transforms healthcare, what do you see as the future delivery model? Will telehealth play a major role?

I see an awful lot of telehealth. We have a tele-ICU and a pilot using tele-nursing. We've launched an app called HelloWell, which we created to help consumers easily find and navigate care. A lot of people 40 years old and younger would rather access a physician through text

or face-to-face via telehealth. I believe the amount of data, photos and correspondence with physicians is only going to grow in the next 15 years and will change the way care is delivered.

Does being a faith-based organization as Adventist Health System is have real-world impact? Can an organization and culture embody a spiritual nature and, if so, how does this impact care and wellness?

Our mission is to extend the healing ministry of Christ, caring for the whole person—body, mind and spirit. Also, we've done some great research that has found faith-filled people have better health

outcomes. Dr. Koenig of Duke University helped facilitate our study on spiritual care in outpatient settings and found that not only do patients like faith-based care but so do doctors. Physicians need spiritual care themselves, and we have a breadth of physician wellbeing resources as well. We believe it makes a big difference. That's the other journey we're on in 2018. From a recruitment standpoint, our faith-based mission is also attractive to potential employees. Millennials, especially, want their work to have meaning and our mission resonates with a lot of talented individuals.

Adventist Health System is already quite large, with 46 hospitals and 80,000 employees in nine states. What is your growth plan given the industry's accelerating trend toward consolidation? How do you govern such a large care-delivery organization?

We've grown to \$10 billion from \$2 billion in 17 years. In the next eight years, I think we'll double that to \$20 billion. We could be \$20 billion today if we wanted to, but we're picky. Whatever hospitals or practices we add have to contribute value. We're going to grow, that's a given. We've got a good growth model that will allow us to bring faith-based care to more communities. Ultimately, in growing such a large care delivery organization, we need good people, decent plans and God's blessing. Culture eats strategy all day long.

~ Chuck Appleby
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