

Viewpoint

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The classic American Dream, globally diversified today, involves European immigrants crossing the Atlantic on a freighter, working hard and sacrificing in America so their children can succeed. Say hello to Marc Boom, MD, whose parents came over on a freighter from Belgium and whose mother learned to speak English from watching TV in her adopted homeland. Now president and CEO of Houston Methodist, a Houston-based, seven-hospital integrated delivery system with about 15,000 employees and annual revenue of \$2.4 billion, Boom, 47, has made the most of it. He earned an undergraduate degree in biology from the University of Texas and an MD from Baylor College of Medicine before returning to his east-coast roots to earn an MBA from Wharton. He completed a residency in internal medicine at Massachusetts General Hospital, Harvard Medical School, and fellowships in geriatric and general medicine at the Hospital of the University of Pennsylvania. Prior to taking the top job at Houston Methodist, Boom was executive VP of The Methodist Hospital, president and CEO of Methodist Diagnostic Hospital and president/CEO/medical director of Baylor-Methodist Primary Care Associates, a network of primary physicians. His wife of 23 years, Julie, is a pediatrician at Texas Children's Hospital and they have two daughters and a son. Oh, yes, he is also a gourmet cook.

Houston Methodist is nearly 100 years old and yet changed its name a year ago. What drove this rebranding and what was the process like?

We had two major reasons. First we wanted to give a nod to the wonderful city of which we are a part. Houston is amazingly diverse with a good economy built on oil & gas and healthcare. Second, we were seeking differentiation given that there are about 80 Methodist Hospitals around the country. Modifying it with Houston seemed like a perfect solution.

Houston is one of the most competitive healthcare markets in the nation and has all the problems besetting healthcare, including a high proportion of uninsured. How does Houston Methodist differentiate itself among such world-class organizations and in such a challenging market?

It's really a matter of focusing on the fundamentals. And there's nothing more fundamental than the patient. Focusing on the patient involves a clinical mission as well as a growing educational and research one. It's all about unparalleled quality, safety, service and innovation so the patient wins. It starts with our faith-based mission as part of the Methodist Church and carries forward in the acronym "I CARE" which stands for Integrity, Compassion, Accountability, Respect and Excellence. These values serve as the foundation for everything we do at Houston Methodist.



MARC BOOM, MD, PRESIDENT & CEO, HOUSTON METHODIST

As healthcare moves from a volume-based, fee-for-service model to one based on value, accountable care and population health, how are you positioning and shaping Houston Methodist to continue to be a leader?

There's a host of priorities under value-based healthcare, but it's all about delivering better care to patients. As we embark on a journey we want to build upon a foundation that is patient-

focused. We're happy with where we are today but at the same time, we always want to be better tomorrow. The elements include being recognized in our market as having a strong geographic presence. We're working with payers and providers to achieve good market coverage in Houston, including the South side, Clear Lake and The Woodlands where we're building a new hospital. At the same time, we recognize we're becoming much more than hospitals and acute care. One of the hospitals we recently acquired duplicates one we have so we're repurposing that hospital as a post-acute, long-term care facility. It's the first faith-based not-for-profit LTAC in the city.

We use the term "readiness" to describe our approach to an uncertain healthcare landscape that is emerging at a pace difficult to predict. Bill Gates's quote applies here: We tend to overestimate the amount of change in the short term and

underestimate the amount of change over the long term. From an IT-systems perspective, we're continuing to implement Epic and developing connectedness with primary care physicians in the Houston community.

It's all a matter of timing. We are not running to an endpoint. There are hundreds of thousands of patients who seek the care delivered today at our seven hospitals. We can't disrupt what we are doing well today for some promised tomorrow. People tend to forget that the population is rapidly aging and hospitalizations will rise for that population. There's a demographic reality.

The other wave is we're shifting to the outpatient sector, where we need to manage the chronically ill and utilize fewer hospital beds. What's so very important is that ultimately there's a very small group of patients who drive cost. That's where the focus needs to be.

I understand that your mantra as chief executive is "Safety, Quality and Service." How do you ensure that this phrase has an impact on your organization and its 15,000 employees and is not just clever sloganeering?

It isn't clever sloganeering. It's fundamental. And it starts with values, a faith-based mission from the board of directors on down. To me value is the answer. In our value equation the numerator is safety, quality and service and the denominator is cost. The Holy Grail is clearly to improve quality while driving cost down. For example, in an initiative for early recognition of sepsis, we drove mortality down to less than half through regimented patient screening while also saving costs.

We reward our employees for their commitment to our patients. Every employee at Houston Methodist is eligible for quarterly patient satisfaction bonuses and annual safety & quality bonuses. Our 640 management personnel are under incentives based 30 percent on finance, 35 percent safety and quality, and 35 percent satisfaction, so in a very direct way we've weighted 70 percent of incentive compensation on safety, quality and satisfaction. Last year, we spent more than \$25 million in incentive compensation—with almost two-thirds of those dollars going to non-management employees.

“We can't disrupt what we are doing well today for some promised tomorrow.”

For the ninth consecutive year, Houston Methodist has been recognized as one of Fortune's 100 Best Companies to Work For. What's the secret to this success?

Again, fundamentally it comes back to the patient. Studies show there's a 90-percent correlation between employee satisfaction and patient satisfaction. We emphasize employee satisfaction as much as patient satisfaction. When you have happy, engaged employees viewing their work more as a calling than a job, they're going to ensure they raise their hands when something needs correction. They'll own it. Besides

things like annual employee surveys, we also do lots of fun activities for employees like when we had a contest to take photos of themselves doing something active in Houston Methodist shirts for

a chance to win a trip for two to the recent Pro Bowl. We established a culture of values, as mentioned above, and our employees exhibit those behaviors every day.

Not only are you the first physician executive to lead Houston Methodist, but you still see patients at clinic each week. How does this shape your management style? You also have an MBA from Wharton. Do you represent the model for the healthcare executive of the future?

Our business is taking care of patients. That requires individuals of many skill sets, some on the front line, some in more administrative roles. I believe my clinical background gives me insight that would be more difficult to attain if I hadn't worked at 4:00 am in the ER. I've always said that if you want to see how a hospital works check it out at four in the morning. Seeing even a few patients grounds me. I'm my CIO's worst nightmare because I'm actually using the IT systems. Do physicians make better CEOs? It's really about the set of experiences and the ability to master that broad set of skills required to balance clinical and business goals. Sometimes, that's a physician with great business skills. Sometimes it's an administrator with great clinical understanding.

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