

# CEO VIEWPOINT

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Eugene A. Woods, MBA, MHA, FACHE, is president and chief executive officer of Atrium Health, one of the most comprehensive and highly integrated not-for-profit healthcare systems in the nation. With 36 hospitals, over 900 care locations and an annual net revenue of more than \$11 billion, Atrium Health is responsible for nearly 14 million patient interactions each year.

Woods joined Atrium Health in April 2016 and quickly collaborated with the organization's nearly 70,000 teammates to unite around a redefined vision to be the first and best choice for care and a new mission statement to improve health, elevate hope and advance healing—for all. During his tenure, Atrium Health also has been recognized as one of the Best Employers for Diversity, for new grads and for Women by

*Forbes*; number one on the list of Best Places to Work for Women & Diverse Managers by *DiversityMBA*; one of the 150 Top Places to Work in Healthcare by *Becker's Healthcare*; and the number one military-friendly employer in the country. In addition, the organization has been recognized by *U.S. News & World Report*, Leapfrog Group and the American Nurses Credentialing Center as among the very best in the nation and honored by the American Hospital Association with the Equity of Care Award and one of the first-ever Quest for Quality honors.

One of today's most prominent leaders in healthcare, Woods is passionate about protecting and expanding access and coverage to all Americans, better engaging with our communities to advance positive health outcomes and achieving equity of care by eliminating disparities. He has long been active as a leader among his peers in the American Hospital Association, including a term as chairman of the board of trustees in 2017. Woods is also a member of *Becker's Healthcare's* Advisory Board and the *Wall Street Journal's* CEO Council, and currently serves on the board of Best Buy and as deputy chair of the board of the Federal Reserve Bank of Richmond.

Woods has nearly 30 years of healthcare leadership experience, having overseen non-profit and for-profit managed hospitals, academic and community-based delivery systems and rural and urban facilities. He previously was president and chief operating officer of CHRISTUS Health, a not-for-profit health system comprising 50 hospitals and long-term care facilities, 175 clinics and outpatient centers, and 30,000 associates, where he oversaw acute, post-acute and international operations for facilities in the United States, Mexico and Chile. Previously, he served in dual roles at Catholic Health Initiatives—as CEO of Saint Joseph Health System and as senior vice president responsible for implementing national initiatives for the faith-based organization, which operates in 18 states. Prior to that, he served as COO of MedStar Washington Hospital Center, a 968-bed teaching hospital located in Washington, D.C.

Woods holds three degrees from the Pennsylvania State University: a bachelor's degree in health planning and administration, a master's degree in business administration and a master's degree in health administration.



### **What is your overall vision for Atrium Health and how do you view your role in leading the organization toward that vision?**

My vision is that, in this new decade,

Atrium will serve nationally as a key architect in shaping the change required to transform the care-delivery system as we have known it. Looking back on my almost 30 years in the field, the ground has never been more fertile to create ecosystems oriented toward keeping people healthy, rather than just being a sick-care provider. And we are making major investments in analytics, technology and science to position ourselves to do just that. Along those lines, our vision is “to be the first and best choice for care,” so we are building upon our capabilities to connect care seamlessly and virtually into the places where our patients live, play and work so that we are their most convenient and trusted health partner—whenever and wherever they need us. With that in mind, I see one of my key leadership responsibilities is to create and nurture a culture that can thrive in this evolving world and galvanize my very talented team to deliver on our highest aspirations. Additionally, I see my role as leading in such a way that all 70,000 teammates feel personally invested in our mission, “to improve health, elevate hope and advance healing—FOR ALL.”

### **You served as Chairman of the Board of the American Hospital Association in 2017 and have been especially active as chairman of the equity of care committee and taking the #123forEquity Pledge. What is the Pledge and how does equity of care shape your leadership vision?**

First let me say, I really feel very fortunate to have chosen a profession which gives you a platform to make a great and lasting impact on communities and social justice such as helping eliminate disparities of care. As Martin Luther King Jr. once said, “Life’s most persistent and urgent question is, ‘What are you doing for others?’” I have never lost the passion that first led me to this vocation for that reason. And I feel privileged to be at Atrium because our commitment to care equally FOR ALL runs deep in our DNA. So, we strive daily to help model the change we would like to see in the entire field.

When I was chair of the AHA Board and its Equity of Care Committee, we also wanted to start a national movement around equity of care. And we designed the #123forEquity Pledge as a place to help launch

and engage in a national discourse on the fierce urgency of now, as it relates to equity of care and diversifying our leadership teams. The Pledge asks health systems and leaders to commit to three foundational initiatives: collect real data from patients on race, ethnicity and language so we can track disparities correctly in a way that informs our quality improvement efforts; double-down on clinician cultural competency training to meet patients where they are; and commit to having C-suites and board rooms reflect the communities they serve. And while there is still much work to do, I am very proud of the initiatives that colleagues across the country are spearheading. To date, all our nation’s state hospital associations—and about 1,700 other organizations—also signed onto the pledge and, in doing so, took a powerful step toward eliminating health disparities.

### **You currently serve on the executive committee of the Federal Reserve Bank of Richmond and are now deputy chair for Best Buy. How does this cross-industry experience help shape your view and strategy for healthcare?**

I’m a firm believer that it is important to learn from other sectors that have gone through transformations similar to what healthcare is going through now because, given the accelerated pace of change in our field, we don’t have time for a normal learning curve. Being on both boards has exposed me to new thinking, accelerated my learning on a host of fronts and enabled me to infuse this new thinking into my own organization. The other bonus is that these settings allow the free-flowing exchange of ideas with some amazingly accomplished individuals who are doing incredible things for the right reasons. To me, this is an ideal learning environment for us all.

For example, it has been valuable to have a front-seat view on how Best Buy is effectively competing with Amazon through their omnichannel strategy. Best Buy has seriously ‘upped’ their game by shifting their strategy to be more consumer-centric, through a both/and strategy, which includes growing its storefront physical presence, while deeply infusing digital and online capabilities throughout. This strategy has led to growth with both their in-store pickup and in domestic online sales, with their domestic online revenue at about \$1.4 billion as of last quarter. And they continue to diversify and build new capabilities with existing infrastructure. A great example of this is their successful entry into the healthcare space with the acquisition of Great Calls. They also can combine technology with human interaction in a winning combination like the Geek Squad. And so, there are a lot of similarities between what we are striving for in healthcare with the consumerism movement.

In terms of the Federal Reserve, healthcare is one of the largest sectors of our economy and I am learning through a different lens how jobs created for healthcare have been vital to our country's economic recovery and growth over the years. What I also love about serving is the exposure to other



*Atrium Health's Levine Cancer Institute II, which opened in 2019, double the size of the previous facility.*

sectors and seeing how they are interconnected. Being on both boards has been extraordinarily beneficial in expanding my thinking and approach as a leader. I also get to educate other board members on the complexities of healthcare—beyond the seven-second sound bites. And my hope is that this is equally valuable for my board colleagues.

**As a healthcare market, the Southeast remains one of the country's few areas untouched by consolidation. Is this an opportunity or an obstacle for Atrium Health's market strategy? What are the other key market factors you face?**

Consolidation is accelerating in the Southeast as more systems are working with other like-minded organizations that also strive to gain a competitive edge by maximizing capital resources and talent. We see this as a big opportunity for Atrium not just because we have a proven track record of driving significant cost savings and enhancing clinical excellence with our partners, but also because we have scalable clinical platforms in areas such as cancer, for example, where we have 25 care sites through which we can deliver the best clinical pathways and trials. Additionally, in virtual care, we had more than five million patient encounters last year. And we have effectively used this technology to bridge gaps in care across broad geographic distances. Case in point: 29 of 100 counties in North Carolina don't even have a psychiatrist. Integrating virtual behavioral health services across hundreds of our locations has helped us bring life-saving care to those who need it most, no matter where they are.

Another differentiator is how we are thinking differently about the challenges faced in rural communities such as Anson County, North Carolina. There, we rebuilt a new kind of micro hospital with very few acute beds but completely integrated with medical homes and virtual care. And in doing so, we transformed a model that was losing roughly \$10 million a year into a nationally leading example of a finan-

cially sustainable care model that has significantly improved the health status and chronic conditions of those living in that county. We believe we are well-positioned to partner with like-minded health systems in the way that one plus one could equal 11 for our communities—and

create thriving organizations that can lead in this new era of healthcare.

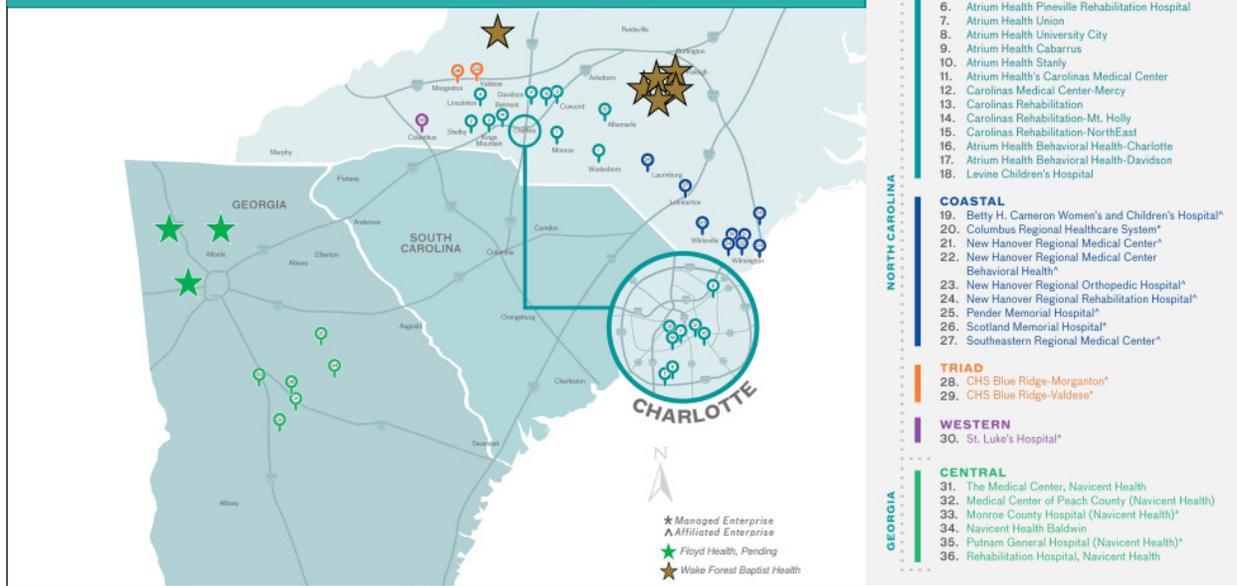
**Atrium Health is undergoing a strategic combination with Wake Forest Baptist Health and Wake Forest University. What are the synergies among these organizations and how will it change the healthcare landscape in your region?**

Let me just share one area in which I believe we will be able to transform care. Alzheimer's is the sixth-leading cause of death today, behind heart disease and cancer for elderly folks, and we have a large population in our region that's over the age of 65—and 350,000 of whom we cared for just last year at Atrium Health. Wake Forest continues to be recognized nationally in this space and they were even featured in a piece in the Wall Street Journal for their potential to change the game when it comes to Alzheimer's prevention. When you're able to make the latest science available directly to a patient in their hospital bed or at home, that's where the magic can happen. Alzheimer's prevention is just one of the many areas where we know we can revolutionize care. It's a partnership where we see tremendous complementary capabilities. And that's not even scratching the surface of our potential to transform medical education throughout the region, including plans to build a medical school in Charlotte focused on community, innovation and growing the next generation of clinical leaders.

**What is your population-health strategy, and do you think it requires eventual acquisition of a health plan?**

We have invested in the talent, tools and capabilities to care more holistically for populations, including our investments in analytics, digital platforms, behavior health, chronic-care clinics and more. We also have a good track record of successfully managing care differently through bundles and ACOs. In fact, we recently achieved a 100 out of 100 quality score with three bonus points. And we also received a 1.68

# Atrium Health's Geographic Market



percent MIPS (merit-based incentive program system) upward rate adjustment for professional billing, which was \$4 million in annual impact.

That said, Atrium Health currently participates in more than 200 commercial plans, each with its own benefit design and payment reimbursement model. It is complicated to say the least. Add to that, health insurance inflation is at the highest point it's been in five years—we believe there has to be a better way. So, while we haven't made any decision to acquire a health plan in the immediate future, we do continue to look for opportunities to work with other healthcare systems, employers and insurers to align incentives in a way that better serves patients and populations—and enables Atrium to continue to maintain financial viability. That all said, at the end of the day, we are staying focused on treating populations one patient at a time. When you go to your annual checkup with your physician, it matters if you're welcomed in a timely manner and with a smile. It matters if your test results are available when promised. It matters that we have the latest and best treatment options available. And it matters if your bill is easy to understand. It's not much more complicated than that.

## How is Atrium incorporating the social determinants of health into its vision? What kinds of partnerships are you pursuing to address SDOH?

Social determinants of health are really part of our strategy, not just our vision. Eighty percent of what affects a person's health actually happens outside our walls, where our patients work and live and play.

So, we see our role as conveners in tackling the social obstacles that can compromise their health—things like lacking access to healthy food, a safe place to live and viable means of transportation.

In 2017, we performed a Community Health Improvement Study that focused on social determinants. The first thing we did was really listen to what our communities needed. And from that study, we were able to pinpoint—down to the very zip codes—their real disparities. We then built our Social Determinants of Health strategy around this data and took every angle into account to make our work as impactful as possible.

We firmly believe that investments made in our communities can improve overall health and the cost of care. That's why we've extended our hands to other like-minded organizations such as when we partnered with the YMCA of Greater Charlotte to launch mobile health units. Additionally, we expanded our school-based virtual clinic last year and now kids in 12 elementary schools throughout Cleveland and Lincoln counties can meet with physicians, while never leaving the classroom. We also launched our Kids Eat Free summer meal program, and, to date, we have provided more than 11,000 free and nutritious meals to kids in Mecklenburg and Stanley counties since 2018. And in partnership with Loaves & Fishes and many others, several of our physician offices now include food pantries with the ability to prescribe fresh and nutritious foods for several days. We've also been working with companies in the private sector and city government to address affordable housing and committed \$10 million to help more people in our community have a safe place

to live. We're grateful for these types of partnerships with those who share the aspiration to lift our city and our communities and challenge socio-economic issues in new and collaborative ways. And the best part? We've been able to take what we learned and share best practices with others in the field so that the impact is multiplied nationally.

### **Innovation continues to be a buzzword in healthcare. How do you define innovation and how do you plan to incorporate innovation into standardized, coordinated care and operations across Atrium?**

We have a broad definition of innovation at Atrium Health that's centered around how we can continue to care differently and better for our patients. For us, innovating doesn't have to be large to be lifechanging—even the smallest innovation can have a remarkable impact on our organization and on our patients and communities.

One recent example is we started leveraging [Amazon's] Alexa last year to bring care closer to home for more people. We saw the possibilities of using a technology that's already in the homes of so many. And we asked ourselves: why not make care more accessible with that? So now, all patients have to do is say "Alexa, open Atrium Health ..." and she'll connect them to the nearest one of our 33 urgent-care locations or emergency departments. She can also reserve their place in line because who wants to spend time in a waiting room? They really like that part!

Another great example of this is our Lung Bus. Levine Cancer Institute recently built the nation's first-ever mobile lung-cancer screening unit that's serving several of our rural communities across the region, with more to come. A bus may not be a hot commodity like voice tech but 20 minutes on it (and right outside your front door) may change your life forever. We want our teams to continue building upon successes like this by simply asking the question: can we do this in a different or better way? Innovating at any level, across an organization is an all-in endeavor, and I am proud of how the entire team has leaned into that.

### **How significant a factor is IT playing in the transformation of healthcare? Do you see the CIO's role changing as a result?**

Technology has been a game-changer in our field—as it evolves, so does the way we care for our patients and communities. The two go hand-in-hand. Healthcare, nowadays, in this fast-paced, digital environment is becoming increasingly focused on finding new ways to give patients the care they need (and are expecting). And it's up to organizations like ours to figure out how to leverage technology in a way that responds to those needs and expectations as they change.

This is especially the case because our patients are more multigenerational than ever before and millennials—who make up roughly 23 percent of the U.S. population—have very unique opinions about what they want from their healthcare providers. About half of them, and Gen-Xers, go online to search for reviews before they select a healthcare provider. And the majority prefer to schedule their visits and access their health information through digital apps—they'd even choose a virtual or telehealth visit instead of coming into a care location, if given the option. So, what does that tell us? It says that many of our patients are looking for the same experience with healthcare that they get when they book flights and hotel reservations or order food through mobile apps: they want convenient, connected care. And that's what we're giving them: care that's part of their everyday lives, wherever and whenever they need it.

What that means for our CIOs in the field is that their teams are going to have to be at the forefront of coming up with new digital solutions in which patients are right at the center. They're going to have to keep a laser-focus on what patients want, what's out there in the tech space that can be harnessed for health systems and they'll need to balance patients' expectations with enabling their care teams to meet those expectations. It's among the most important jobs in the field today.

~ *Chuck Appleby*

*Director of Publications & Communications*

[cappleby@scottsdaleinstitute.org](mailto:cappleby@scottsdaleinstitute.org)



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

Donald C. Wegmiller, FACHE, Chairman • Tom Sadvary, FACHE, Vice 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)