

# SCOTTSDALE INSTITUTE 19<sup>TH</sup> ANNUAL SPRING CONFERENCE

## Healthcare Leaders Embrace Reform 2012

Hosting a great annual conference is one way for a nearly 20-year-old organization to get better every year and that's exactly what we achieved at Scottsdale Institute's Spring 2012 Conference, which extended and deepened our discussion of how to excel in patient care and population health under healthcare reform. The 125 attendees from SI member organizations and sponsors gathered at the Camelback Inn April 18 to 20 attested—once again—that this was the best SI conference ever.



SI Vice Chairman Don Wegmiller frames the conference theme of healthcare reform.



▲ Julie Creamer and Dr. Jerry Osheroff enjoy networking at a break.



▶ Drs. Classen and Shoolin share thoughts after a presentation.

From the Washington “insiders” Wednesday afternoon to the CEO Roundtable Thursday morning to the closing Town Hall Friday, the discussion was stimulating and often eye-opening, reflecting the fact that we're present at the creation of a new and exciting healthcare world.

**Judy Murphy, RN, Deputy National Coordinator for Programs and Policy, Office of the National Coordinator for Health Information Technology, HHS, presented “HITECH Update: Feet on the Ground and Head in the Clouds,”** a snapshot of where the country is today in terms of healthcare IT from the perspective of federal funding programs such as the HITECH stimulus, Beacon Communities and SHARP Research Projects.

As a result of Meaningful Use incentives, the portion of primary care physicians who have adopted EHRs doubled to 40 percent from 20 percent between 2009 and 2011; 85 percent of hospitals intend to meet Meaningful Use requirements. To date about 2,500 hospitals and 75,000 physicians have earned \$4.5 billion in payments. The goals for 2012 are to accelerate Meaningful Use and promote interoperability. “Think of HIE as a verb, not a noun. Health information exchange is occurring at the speed of trust,” she said.

Workforce training is a point of major emphasis at nine universities and 80 community colleges within five US regions. “We want to catalyze IT workforce development in the next 18 months,” said Murphy.



Washington DC insiders Paul Keckley, PhD, and Judy Murphy, RN, kicked off the conference.

**Paul Keckley, PhD, Executive Director of the Washington, DC-based Deloitte Center for Health Solutions, addressed the question “What Should Healthcare Leaders Do Now?”** To set the stage he described his own recent experience as a knee-surgery patient in which he was treated at four hospitals and five laboratories.



▲ Steve Hester, MD, senior VP/CMO presents “A Review of ACO Pilot Projects within The Center for Health Policy Research Dartmouth Institute--Brookings Collaborative, and Norton Healthcare's Journey.”



◀ David Newman, JD, PhD, executive director, Health Care Cost Institute, introduces the Institute to the audience.

With 8.2 percent unemployment, healthcare costs rising 6.2 percent a year, GDP growth of just 2.5 percent and the US taking in only \$2.4 trillion while spending \$3.5 trillion, the fourth year deficit will exceed \$1 trillion. “Employers need to be at the table,” he said, to solve the unsustainable healthcare cost curve.

An inveterate Washington, DC observer, Keckley said he would “not be surprised to see the individual mandate thrown out” by the Supreme Court as it considers the constitutionality of the healthcare reform law.

## CEO Rising

Thursday morning saw the desert sunrise and the most compelling CEO presentations SI has featured in recent memory. **Craig Sammitt, MD, President & CEO of Dean Health System, presented “Transforming Healthcare at Dean: Leading the Journey to Value-based Care.”** A decade ago Madison, Wisc.-based Dean “had a foot in two canoes,” he said, of Value (its health plan) and Volume (its fee-for-service business that delivered 57 percent of its revenue). Since then Dean has worked hard to put both feet in the Value canoe and learned many lessons in the process.

### Sammitt offered these highlights:

- ACOs are a team sport
- Invest heavily in primary care—5 percent of payment goes to PCPs who control 80 percent of care
- “We haven’t changed what we couldn’t measure”

**David Feinberg, MD, Associate Vice Chancellor & CEO of UCLA Hospital System, addressed “Healing Humankind, One Patient at a Time.”** Despite the fact that UCLA was performing clinical miracles, two out of three patients would not recommend UCLA to others. So, the health system focused on transforming its patient satisfaction scores, nearly tripling them to the 99th percentile. A big part of that effort involves the requirement that all senior executives do rounds and engage individual patients face to face.



Mike Schatzlein, MD, president/CEO, Saint Thomas Health Services, illustrates IT’s role in accountable care.



Dean Harrison, president/CEO, Northwestern Memorial HealthCare, details how IT enables better clinical outcomes.

### Keckley offered five “Watch Fors”:

1. **Lame Duck session of Congress**—will determine what docs make and if Bush tax cuts are renewed among other tasks
2. **Employers**—contempt for healthcare system and no link to what health plans do
3. **Winners/Losers**—we don’t need the acute capacity we have, clinical interventions don’t require beds
4. **Consolidation at plan level accelerates**—private equity understands it’s time to “Go big or get out”
5. **Where’s the doctor?**—docs content to be employed, substantial shift to primary care from specialists



▲ Craig Sammitt, MD, president/CEO, Dean Health System, discusses Dean’s clinical transformation journey.



David Feinberg, MD, associate vice chancellor/CEO, UCLA Hospital System, describes patient-centered care at UCLA.

**Mike Schatzlein, MD, President & CEO of St. Thomas Health Services, an arm of Ascension Health that covers 70 counties in middle Tennessee, presented “Evolving Information Technology Toward Accountable Care.”**

### St. Thomas has developed a roadmap to building an ACO that involves a new care platform with four key goals:

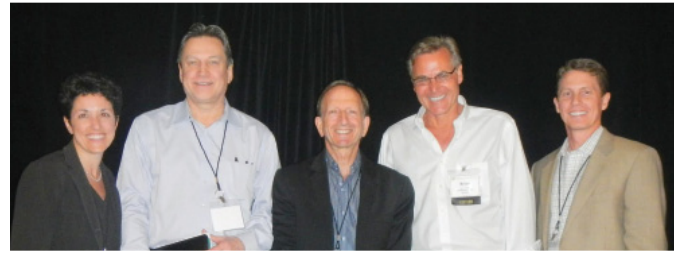
1. Improve the health status of consumers
2. Reduce healthcare costs
3. Improve the patient experience
4. Engage patients

**Dean Harrison, President & CEO of Northwestern Memorial Healthcare, addressed “Advancing the Northwestern Medicine Plan: Enabling Technology and Key Outcomes.”** The \$1.8-billion Chicago-based health system, which has invested \$90 million in IT in the past three years alone, has as an overarching goal of creating “doors” for patients into the system without having to add any hospital beds. “We’ve made a big bet on an Enterprise Data Warehouse. It’s driving a lot of research,” he said, including an initiative that produced a dashboard for cutting 30-day readmissions. “Our goal,” said Harrison, “is to be data-driven, with no more silos.”

## New strategies, New models



"From the Top: Strategies and Implications," Thursday's panel tackled how different organizations are approaching healthcare reform. (L-R): Ed Ness, president/CEO, Munson Healthcare; Susan Wiemeyer, director, Microsoft; Tom Williams, PhD, president/CEO, Integrated Healthcare Association; Gary Campbell, president/CEO, Centura Health; Kevin Wardell, president, Norton Hospital, moderator.



Thursday's panel, "Advancing New Models of Care," included (L-R): Cynthia Litt, executive director, Cedars-Sinai Medical Delivery Network; Brian Hedberg, senior VP/CIO, Health Care Service Corp.; Steve Margolis, MD, assistant VP/CMIO, Adventist Health; Brian Patty, MD, VP/CIO, HealthEast Care System and Mike Neal, SVP, Cerner, moderator.

## Platform for Accountable Care

On Thursday afternoon a blue-chip executive panel from **Memorial Hermann Healthcare System**—which is hosting **Scottsdale Institute's Fall Forum Oct. 25-26, 2012 in Houston**—tackled the topic of how the Houston-based organization is building an infrastructure to become accountable for care.

**David Bradshaw, Chief Information, Planning and Marketing officer**, said the health system estimated that if it failed to act under health reform by 2016 it would lose \$376 million. So, it cut \$116 million in costs—which turned out to be only 2.5 percent of its total costs. "That leaves a gap," he said, which must be covered by care delivery, physicians and health plan, the latter of which requires 1.8 million lives to be effective.

**Richard Blakely, MD, CMO of Memorial Hermann Physician Network (MHMD)**, described how a "humble" P&T (pharmacy and therapeutics) committee evolved into a system-wide clinical resource management committee that plays a significant role in positioning the health system for accountable care.

**Bob Murphy, MD, CMIO**, discussed Memorial Hermann's journey to CPOE and clinical decision support (CDS) in which its eOrdering Editorial Board of 15 physicians led development of 500 order sets using the Zynx tool. In the past two years the organization has been able to wring \$1.4 million in savings from using order sets with six common conditions. Deployment of a rules engine has enabled the prevention of 8,000 medical errors a year.

**Shawn Griffin, MD, Chief Quality and Informatics Officer of MHMD**, said 2,600 physicians signed up for clinical integration and that was largely due to engaging physicians from the start in the task of standardizing measures across the organization.

**M. Michael Shabot, MD, System CMO**, who arrived at Memorial Hermann in 2007 to lead its overall quality initiative, said the organization's goal is unequivocal: 100 percent compliance with quality measures. Bundled compliance is documented in the flow of care. Health-system analysts have determined that each central-line infection costs the organization \$37,500, and for pediatrics the cost of such an infection jumps to \$62,800. "We've been able to reduce harm events to zero for a one-year period," he said.

## An ACO with benefits

We extended our ACO discussion into Friday morning with "**Lessons Learned: The CalPERS ACO Pilot**" presented by executives from San Francisco-based **Dignity Health**: **Stephen Foerster**, senior director, managed care; **Mary Carol Todd**, senior VP, clinical efficiency; and **Scott Whyte**, VP, IT Connectivity.



Dignity Health executives kicked off Friday morning with "Lessons Learned: The CalPERS ACO Pilot." (L-R): Mary Carol Todd, senior VP; Scott Whyte, VP; Scott Parker, SI board member, moderator; Stephen Foerster, senior director.

Dignity Health (formerly Catholic Healthcare West) joined with 1.42-million-member CalPERS (California Public Employees' Retirement System) and Hill Physicians IPA to launch a Sacramento-based ACO pilot that has now become a commercial ACO with a critical mass of 42,000 members. "It wasn't specifically designed to address health reform," said Whyte. "Its value is to determine how we lower the cost of healthcare through care management and compete against Kaiser."

“Virtual integration” became the lowest cost alternative: creating trust, dialogue and work as opposed to a legal structure. The metric became the cost of healthcare per member per month—not admissions. “We did not change provider contracts, we just added risk/share contracts,” said Whyte. Given that 70 percent of physicians in Sacramento lack a true EMR, the ACO has created a web-based tool for access to their patients’ electronic records.

A major finding so far has been that even an advanced HIE isn’t sufficient to support coordinated care—“It’s about workflow and outcomes,” said Whyte. That approach has led to opportunistically designed workflows such as a pre-surgical checklist customized for this ACO.

## Top 100

**Jean Chenoweth, Senior VP, Performance Improvement and 100 Top Hospitals Programs at Thomson Reuters, moderated the panel “Top Performing (and Reforming) Health Systems: The IT Role.”** Organizations that make TR’s 100 Top Hospitals ranking are six times more likely to be Baldrige Award winners and twice as likely to be in the advanced stages 5, 6 and 7 of the HIMSS EMRAM score.

**Tim Zoph, Senior VP, Administration and CIO, Northwestern Memorial Hospital,** said that technology is one of the top factors in becoming a high-performing healthcare organization—but so is talent. It’s not about the particular technology but how it’s implemented.

**Patrick O’Hare, Senior VP and Corporate CIO, Spectrum Health** cited a key metric that sums up their success and ongoing challenge, that Spectrum is always in the bottom quartile for cost and the top decile of continual improvement.

**Bruce Smith, Senior VP and CIO, Advocate Health Care,** emphasized the need to build a well-rounded IT team and “not focus on one thing. If you have an apparent weakness,” somebody on the team will be able to step up and address the problem. That approach has enabled two of Advocate’s hospitals to achieve stage 6 in the EMRAM score.

**Ed Marx, CIO, Texas Health Resources,** said, “It all comes down to leadership,” and leadership that aims at strategic organizational goals—not IT. “None of our KPIs [key performance indicators] are related to IT.” Technology is now so embedded in all of THR’s initiatives that its value is assumed as an enabler in all its strategic initiatives, which are “owned” by clinical and operational leaders.



Leading CIOs graced Friday’s panel “Top Performing (and Reforming) Health Systems: The IT Role.” (L-R): Ed Marx, Texas Health Resources; Bruce Smith, Advocate Health Care; Patrick O’Hare, Spectrum Health; Tim Zoph, Northwestern Memorial; Jean Chenoweth, senior VP, Thomson Reuters, moderator.

## CONCLUSION

### Town Hall Discussion—Building Systems for Better Care and Reform

Our veteran cleanup hitter, **David Classen, MD, MS, CMIO at Pascal Metrics,** moderated perhaps the best in a long line of excellent Friday town halls to close the Spring Conference. His esteemed panel: **Steve Aylward, General Manager, Commercial Health & Life Sciences, Microsoft;** **Harry Greenspun, MD, Senior Advisor, Health Care Transformation and Technology, Deloitte Center for Health Solutions;** **Judy Murphy, RN, ONC;** **Carol Simon, PhD, Senior VP and Director, Optum Institute for Sustainable Health Communities.**



Friday’s closing Town Hall discussion (L-R): Steve Aylward, Microsoft; Judy Murphy, RN, ONC; Harry Greenspun, MD, Deloitte; David Classen, MD, Pascal Metrics, moderator; Carol Simon, PhD, Optum; Stan Nelson, SI Chair.

The heart of the discussion was a sneak look at the new IOM report on IT and patient safety slated for publication by the end of the year. Classen, one of the report’s authors, described the chilling finding

that the original 1999 IOM report assertion that up to 98,000 patients may die from medical errors annually *likely underestimated the problem.* The new estimate is that 180,000 Medicare patients alone die each year from errors and that 27 percent of Medicare patients suffer an adverse event (ADE) in a hospital that goes unrecognized.

A second study, in North Carolina, found that a quarter of patients experienced errors over a five-year period. Yet another study published by Health Affairs determined that a third of patients developed ADEs.

Clearly, voluntary reporting does not work because it finds only four out of 400 ADEs, Classen said. “We’re missing more than 90 percent of patient errors.” The IOM website states that patient safety is a characteristic of a complex sociotechnical system requiring a multipronged approach:

- We need to do a far better job of monitoring installed systems. Once they’re in, these systems change;
- Make reporting of medical errors mandatory;
- We need an agency like the National Transportation Board. Healthcare is the only industry without an agency to investigate accidents;



## 2012 SPRING CONFERENCE FACULTY LIST

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**GARY CAMPBELL**, President/CEO, Centura Health

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**DEAN HARRISON**, President/CEO, Northwestern Memorial HealthCare

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**STEVEN HESTER**, MD, SVP/CMO, Norton Healthcare

**PAUL KECKLEY**, PhD, Executive Director, Deloitte Center for Health Solutions

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**STEVE MARGOLIS**, MD, Assistant VP/CMIO, Adventist Health

**ED MARX**, CIO, Texas Health Resources

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