

AWARD RECIPIENT INTERVIEWS

The National Center for Healthcare Leadership is honored to present the 2014 Gail L. Warden Leadership Excellence Award to Dr. Glenn D. Steele, Jr., president and CEO of Geisinger Health System and Nancy M. Schlichting, CEO of Henry Ford Health System for using evidence-based leadership and innovative practices to improve healthcare. Through their work, they have succeeded in bringing high-value and accessible healthcare to their communities in their quest to advance population health. Dr. Steele is recognized for seeking better patient outcomes while reducing the total cost of delivering medicine. Ms. Schlichting is credited with creating a patient-centered health system focused on enhancing the patient experience, while improving its surrounding communities. With an openness to new thinking, a desire to mentor the next generation of leaders, and a commitment to change, Dr. Steele and Ms. Schlichting have permanently transformed healthcare leadership.

NANCY M. SCHLICHTING CEO, Henry Ford Health System

EDUCATION

AB, public policy studies, Duke University,
magna cum laude
Master of Business Administration,
Cornell University

CAREER

Henry Ford Health System

CEO (2011-present)
President & CEO, Henry Ford Health System; president & CEO,
Henry Ford Hospital; executive vice president & COO; senior vice
president & CAO (1998-2011)

Summa Health System

Executive vice president & COO (1997-1998)

Catholic Health Initiatives

President, Eastern Region (1996-1997)

Riverside Methodist Hospital

President & CEO; president & COO; executive vice president & COO
(1988-1996)

Akron City Hospital

Executive vice president & COO; vice president, strategic planning;
assistant director, operations (1980-1988)

OTHER AWARDS & RECOGNITIONS

Adjunct Faculty, Department of Health Services Administration Program,
University of Alabama-Birmingham, 2003-2007

Preceptor, Master of Healthcare Administration Program, University
of Minnesota, 1990-1999

Adjunct Professor, New York University, Wagner Graduate School
of Public Service, 1992-1996

Fellow, American College of Healthcare Executives

BOARDS & AFFILIATIONS

Walgreen Co., Board member

American Hospital Association, Trustee

Kresge Foundation, Board member

Federal Reserve Bank of Chicago Board-Detroit Branch

American College of Healthcare Executives

Downtown Detroit Partnership, Board member

Detroit Regional Chamber, Past Chair

Michigan Health and Hospital Association, Past Chair



GLENN D. STEELE, JR., MD, PHD President & CEO, Geisinger Health System

EDUCATION

BA, history and literature, Harvard University,
magna cum laude
MD, New York University School of Medicine
Internship and Residency, University of Colorado
PhD, Microbiology, Lund University, Sweden

CAREER

Geisinger Health System (2001-present)

The University of Chicago

Dean, Biological Sciences Division & Pritzker School of Medicine; vice
president, Medical Affairs; Richard T. Crane Professor, Department
of Surgery

Harvard Medical School

William V. McDermott Professor of Surgery

New England Deaconess

President & CEO, Deaconess Professional Practice Group; chairman,
Department of Surgery

OTHER AWARDS & RECOGNITIONS

AHA Health Research & Education TRUST Award (2010)

"40 of the Smartest People in Healthcare" Becker's Hospital
Review (2014)

Becker's Hospital Review 100 Non-profit Hospital Health System
CEOs (2012)

Health Financial Management Association Board of Director's Award
(2011)

CEO IT Achievement Awards (2006)

Modern Healthcare 50 Most Powerful Physician Executives in Healthcare
and 100 Most Powerful People in Healthcare (multiple years)

BOARDS & AFFILIATIONS

Institute of Medicine of the National Academy of Sciences Roundtable
on Value and Science-driven Healthcare, Member

Agency for Integrated Care, Singapore

Bucknell University, Board of Trustees

xG Health Solutions, Board of Directors

American Hospital Association, Trustee

American College of Surgeons, Fellow

American Society of Clinical Oncology, Past President



Q. What does that say about your leadership style?

A. I am a balanced person with a lot of focus on people and results. I was a math and science person growing up and I was never afraid of metrics. In fact, I really love looking at results. I have a balanced and disciplined business focus. I also am not a micro manager. I look at the big pictures and the long view, but I do pay attention to small things. If there is a spot on the floor or a person who needs help, I want to know about it. I try to be accessible. I have an email that anybody can use that I respond to. I encourage employees to let me know about issues that can't get resolved. So I pay attention to details but I don't obsess over them. The way to avoid being a micromanager is to build a strong team.

Q. You talk about continuous improvement and I wonder how you are seeking to improve as a leader?

A. I try to improve on being consistent and better at communication, more rigorous at decision making, and also more demanding in holding people accountable for their actions. To improve, I seek feedback; I encourage feedback and coaching at all levels, including myself. I will always be my worse critic.

Q. As you look at the next generation of leaders, how would you describe them?

A. It's a tradition to be critical of the next generation. But I am very high on them. I see a lot of strengths, especially their ability to see the world in a big way. They have had more exposure to a diverse, global economy and they want to make a difference. They are very community focused and they want to contribute to Detroit's comeback, which is a great strength for us.

Q. And weaknesses?

A. They are impatient. But I was impatient in my 20's too. I wanted opportunity. The problem today is that we have taken out so many layers of leadership that the incremental steps for advancement that existed 30 years ago have disappeared. It's hard for them to increase their chances of success; it's a structural problem. I encourage them to join project teams and move laterally to get more exposure across business units so they are constantly learning. Not everyone will advance and people will have to find levels of comfort where they are. I am not worried about people who are ambitious, they will find a way. I am more worried about people who aren't ambitious.

Q. What did HFHS learn from the rigorous Baldrige process, where it became the first large health system to be recognized for quality?

A. Baldrige was rigorous and incredible. During our site visit, the Baldrige examiners are talking to a large portion of our work force; we needed 23,000 employees to be on the same page. And you can't fake that. Over the seven years that we participated, we got continuous feedback and we kept getting better—our metrics improved, our system integration got better; really not many have organizations have the patience and perseverance to do this. Each year I kept saying, it's not about the award, but then finally I said we are a competitive organization, can't we win this thing? And not long after that we won. Being recognized for hard work is really nice. It's very meaningful.

USING LACK OF PERFECTION TO STIMULATE INNOVATION IN HEALTHCARE

Dr. Glenn D. Steele, Jr.

President and CEO of Geisinger Health System

Running a healthcare system is the place where Glenn Steele's skills as a surgeon and CEO converge. He has transferred his experience from using data to inform medical decisions to using data to inform healthcare leadership. The result is that since Dr. Steele assumed the CEO's role in 2001, Geisinger has been a leader in revolutionizing the quest to improve population health. Innovations like ProvenCare have combined reengineered care with standardized best practices for procedures such as coronary bypass with the goals of reducing readmissions and improving the quality of medicine, while charging a flat fee. Some might ask, is that Geisinger's secret? No, it's their sweet spot.

Q. How have you used Geisinger's sweet spot to revolutionize healthcare?

A. We sit on both sides of the payor/provider continuum; we provide the care and then we oversee payment through our insurance company and that's a fundamental part of our success. It gives us a lot of flexibility to do interventions. So we are able to do live road tests where we reengineer the way we take care of heart disease or perform bypass surgery. We can change incentives and think long term about patient outcomes from both sides of the equation. When we started this it was a promissory note—a promise; now we have the evidence for change. We can show that it works. We make a difference for a large number of patients.

Q. What inspires your innovative leadership?

A. I was convinced that the weak link in helping humans was not the lack of new knowledge, it was how it was applied. So I was already pre-disposed towards healthcare reform when I arrived at Geisinger; I always wondered why in healthcare we got paid more if we made mistakes. And given the near-death experience from Geisinger's failed merger with Penn State-Hershey Medical Center in 1999, the folks at Geisinger were ready for change. I told them we are going to create our own strategy and mission, and we are going to work hard – 24/7 – and after a few years we will see incredible results. And, I said, if you don't agree you won't be here. Within five to six years of my arrival, we turned over 75 percent of our leadership without a revolution.

Q. So you had to deliver a do or die mission to 7,000 employees in 2001?

A. The issue with a mission is really how you disseminate information. I like people, I enjoy interacting with them. I really enjoy people who want to think about the hard stuff, even if they are aggravating from time to time, because when you are doing new and innovative stuff you can't be surrounded by sycophants. I really want people to say to me your ideas are crazy. I truly enjoy robust intellectual and transactional folks.

Q. What was the toughest part of instituting that change?

A. Recruitment. There were lots of really young and bright men and women who felt that they needed to be part of a large academic medical school, so I had to sell them on the success that was to be. I was able to recruit highly accomplished professionals who didn't need the ego of the big academic medical center, but who were more entrepreneurial. They were a certain kind of person who never thought about failure.

Q. But did you have to prepare for failure?

A. It's necessary. As an example, when we are recruiting at a high volume, I am constantly trying to get my direct reports to understand the balance between recruiting the perfect candidate, which will take forever, versus an 80 percent chance that you will get it right, which is pretty good. Now I am not designing failure in recruitment, but you have to allow for failure and react to it. And when there is failure, don't diddle with it; change the job, work with the person, or separate. The same application works in medicine when you are reengineering chronic diseases. There are lots of ideas not based on perfect data so you will have failure. What do you do? You remodel it and measure it and get it right. And along the way you hedge your bets.

Q. What bets have you hedged?

A. Honestly, everything I have done at Geisinger and before my time at Geisinger has included hedged bets. It is a direct link to the assumption that the things that I want to try may not work. When you are doing innovative and revolutionary things you try to get early markers to know when things are going in the wrong direction so you can modify what you are doing or stop it. Whenever I go to an organization—whether it was the Brigham or Deaconess hospitals or the University of Chicago or Geisinger—I have tried to look for the unique structural difference to see what we can take advantage of and use as a strategy to set us apart. Honestly, I could not have done this job without my experience at the University of Chicago; I could not have done Chicago without my experiences in Boston. Each step has resulted in an exponential increase in learning. So being able to take a mission and a strategic set and apply it to something that is already unusual in design is an intellectual challenge that I have enjoyed all along the way.

Q. Is that what attracted you to healthcare leadership from surgery?

A. I have always enjoyed being around mission-driven and difficult human beings and in healthcare administration you get a healthy dose of both. If you are operating and making a diagnosis, you find out quickly if you are right. My surgical background makes me a concrete thinker, and having the underpinnings of concrete results and a feedback loop are useful for running a complex organization like Geisinger. That's why someone with my background finds the big leadership role to be gratifying. Also, surgery is often presumed to be very straightforward, but there is a huge lack of information. Yet we still must make decisions. That is part of the reality of complex decision making: you must accept the lack of perfection and design it into the process. Then, you must decide how to handle failure if it happens.

Q. How do driven professionals deal with the prospect of failure?

A. I don't try to fail; that would be bad. As a surgeon you don't start out letting your patients know you could be wrong. I had to learn as I moved into more complex leadership roles that to think that I could be right about everything would be an illusion; but you can't start out admitting you are wrong either. Yet admitting that there are things you don't know increases your credibility. A person in a beginning leadership role who is very dynamic and charismatic and then also has to be the smartest person in the room, is headed for failure. So you may be the smartest person in the room, but you better hide it.

Q. Today—with all of your success—how do you recruit?

A. I look to see how Geisinger can help recruits with their career trajectories. I look for past accomplishments and success. If a person has done well in other venues, and then they have had an epiphany about coming from an academic venue to a place like Geisinger, and if they are interested in the mission, then our story will resonate with them. And then I tell them the beautiful thing about coming to a place like Geisinger is there is nothing else to do here but work. Then I smile.

Q. That sounds like whimsy; is that part of your leadership style?

A. Whimsy keeps me sane. Some people don't recognize the humor. I communicate a lot of serious stuff and enclose some of it in humor. How people respond helps me to know if the chemistry is right when I am hiring direct reports and direct reports to my direct reports. I like to take chances on people and I would bet on someone energetic but who might also be a transactional challenge. I have tried to find the right balance between taking recruiting chances and going for "a sure thing." I also like to ask creative, talented, and inspirational people to help me solve complex problems. I get a great deal of pleasure out of others' success. Leadership is about vicarious gratification.

Q. How do you see your role as a mentor?

A. Well that's one of the things I have learned—I can't do it alone. I have inherited or selected people that I want to do a job and I have worked with them to make sure they have the career trajectory that they feel they need. And there are other key colleagues that have been with me for three decades. Obviously, we have grown together and I believe we have made a lot of difference over the years in Boston, Chicago, and most recently at Geisinger.

Q. What else informs your leadership style?

A. I have learned from both positive and negative role models. I have seen many leaders who were too nice to be effective. They would tell everybody the stuff they wanted to hear. That never works. I have seen leaders who built large programs but who were gratuitously negative. I saw them pay the price when inevitable mistakes occurred and they were metaphorically hung in effigy in their town square. So if you were like me—a leader in waiting—you internalized these lessons. I am pretty sensitive to what is going on around me. I liken Geisinger to an orchestra; I am the conductor and I am also the music director, which means I get to pick the program. But I can't perform it alone. And if I choose only one type of music for an entire season, I will likely lose my first chair violinist and oboist and then the orchestra will not sound as good.

Q. What are the essential skills you are looking for in your orchestra members?

A. Whether in the medical or management sections, the individual has to have solid discipline-based credibility to bring to the job. And I think there are a lot of great people out there. I am very positive about our pipeline.

Q. What are some hard parts about leadership?

A. One of the challenges of successful leadership occurs when key colleagues grow up and leave home. Our people have aspirational goals. They come here and do great things and sometimes their career trajectory takes them elsewhere. I simply assume that it's a metric of a great institution and I always wish them my very best in their next career leadership phase.

Q. What does a leader need to succeed in these challenging times?

A. My job is to be positive and resilient. I continue to project confidence about the future of Geisinger. I believe this is a huge part of leadership. I try to make sure that the 150 people at Geisinger who are my key leadership colleagues have continued discussions about their own career paths and that they are doing the same with their direct reports. I project excitement about our future plans. Specifically, our insurance company is going into non-Geisinger markets to see if we can create similar value re-engineering, but with non-Geisinger providers. Early results are promising. Second, we are going into new markets on both provider and payer sides of Geisinger to see if we can bring our successes elsewhere in and outside of Pennsylvania. And third, we have created xG Health Solutions which is a joint venture between Geisinger and Oak Investment Partners. With xG, we hope to sell our data-analytic capabilities and our value re-engineering transaction processes to other providers and other insurers. We want to take our success to a much bigger space and see if our innovation is scalable. It's all very systematic, and it's all about real live road testing, not just consulting power points.

Q. You have announced your retirement from Geisinger, effective June 2015; what do you plan to do next?

A. Although I'm retiring from the Geisinger phase of my career, I'm not really retiring. A huge amount remains to be done in healthcare provision and healthcare payment reform. I plan to stay in the game. I will remain as Chairman and increase my activities in the xG Health Solutions effort to scale and generalize our Geisinger innovation.