

Abbott Northwestern Hospital
University of St. Thomas
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By Lois Quam

Thank you and introduction

Dean Puto, thank you for your introduction today. It is a great pleasure to be back at the University of St. Thomas, where the next generation of leaders are made. I was last in this room when you hosted **Tom Daschle** to speak about health care reform. What a wonderful Secretary of Health and Human Services he will be.

I would like to begin by recognizing some very special guests with me here today. My parents, **John and Louise Quam**, came up from Northfield, and I of course owe them a lot!

And, my husband Matt Entenza. I'd like to say just a few words about Matt. I was interviewed earlier this week for a research study on women's leadership. As you know, in business, there are still relatively few women who make it into the top ranks. The researchers were asking me what factors were most important in my ability to do so – and I said the encouragement and unwavering support Matt has given me. For at every important moment, he has been there with me and for me. Thank you, dear.

Today I have a rare opportunity and that is to give a speech in honor of a living legend, **Dr. William Peterson**. Dr. Peterson, I am so delighted that you are here today. We all have much to learn from you. Dr. Peterson left the comfortable places in medicine to go to the uncertain places where he was needed most. He looked hard at the gaps in physician leadership and listened intently to the needs of the community. In essence, Bill enlarged his practice to include the health care system as a whole. With that, he traded the profound satisfaction of seeing a patient improve to seeing the health care system, a frustrating and satisfying patient, indeed, improve. We are lucky he did – for in doing so he brought to this work what he had learned from his patients. He remembered that this is a profoundly human endeavor, not an administrative task.

For in health care, the essence of each of our work is simple and straightforward. There is nothing more personal, more intimate – and we are often reminded that it is a matter of life and death. And the gifted health care practitioner not only heals but also inspires the next generation of leaders.

For me, there are two doctors who especially stand out as inspiration. Sometimes, I think I owe my career to Dr. Edward **Strem**, a St. Paul allergy specialist. As a young girl, I had trouble with allergies and asthma, and after repeated trips to Dr. Strem, my health improved markedly. My mother always spoke with gratitude about Dr. Strem

noting that I missed six weeks of kindergarten and then only one day of first grade. And I really loved the trips from my hometown of Marshall to the Cities for those doctor's appointments, the time alone on the drive with my Dad, and the cherished chance to go to a restaurant. That experience with Dr. Strem instilled in me a deep appreciation that medicine makes a difference, that getting to the right doctor matters. By seventh grade, I knew I wanted to work in health care.

And I certainly owe my ability to fulfill my career to Dr. Paul **Kubic**. Matt and I have three sons close in age with Ben 23 months older than our twin sons, Will and Steve. There were moments when seemingly endless colds led the nurses at Paul's office to call them "the epidemiologic triangle." Paul is a wiry, terrific pediatric pulmonologist at St. Paul Children's and he taught us to care for our sons in ways that left us confident and our sons healthy. He made the latest research alive for us, as each visit, was like a 'grand rounds' for parents. He coached us so we knew what not to worry about, what to worry about and what to do. Without Paul's help ensuring our children's health, I wouldn't have been able to work for Hillary Clinton, build the health care plan for AARP, or expand coverage for low-income families and Medicare beneficiaries.

So as we move from caring for individual patients, and their families, to leaders caring for a health care systems, we must always remember that this work is personal and deeply special. This work is always, no matter how many committee meetings there are, about a loved one who lives, who nearly died; a child who is at school and not home sick; or a family that doesn't have to worry about medical bills.

At this moment, we face some challenging situations in health care. The economic challenges, our nation faces, are also rooted in health care challenges. The precariousness of health care coverage in our country makes the economic downturn so much worse for millions of Americans. The high costs of health care make it harder for our companies to compete in a global market making it harder for our economy to rebound. "Job lock," the fact that people stay in the wrong jobs so they won't lose health insurance, makes it harder for new businesses to flourish. Talented individuals often ask me whether they should start their own company, even if it means that their family has to give up health insurance for a year or two. I do not have a good answer for that question.

So we have a tremendous obligation to act now where we have delayed before and to lead in the interests of the whole not simply our organization. And in those obligations and challenges, excellent leaders find ways to turn challenges into opportunities – to make something better than has gone.

The economic downturn and health insecurity

Amongst all the citizens of the industrialized world, Americans face a unique hardship when they lose their jobs or suffer a sudden, steep loss in income. We face a big rude awakening when we next have to go to the doctor, when we break an arm, when we get really sick, when we have to pay for our own coverage. For many, job loss means the loss of health insurance coverage. For many, deductibles and co-payments are now so expensive that insurance coverage is too expensive to use. Or the very things we need the doctor for most are explicitly not covered by insurance.

Formerly we could talk about those of us who are insured and those who are uninsured. Today, that division is a very blurry one, and a third group has emerged, the under-insured. Over the past 24 months, more and more insured Americans face so many coverage limitations and pay so much out of pocket, that they don't feel very insured. As a result, Americans are suddenly and sharply using less health care.

For doctors and hospitals, these challenges transfer into unpaid medical bills or bills paid in small installments over years. Doctors and hospitals face the sadness of seeing patients arrive too late with advanced medical problems and lives laden with unnecessary suffering.

For millions of Americans, health care also creates another personal dilemma. The way we have delivered health care across this country makes it a lot harder for us to have good jobs and secure jobs. It makes it harder for us to work our way out of our current economic downturn. Why? First, our health care costs are so much higher, than the health care costs of other countries, and those higher costs don't translate into better products and services. As a result, we don't compete well in global markets. For example, our cars, computers, clothes, watches, windows, and video games, are not better than those produced around the world because of our higher health care costs. Yet, they cost more and in some cases, a lot more, because of our higher health care costs. Our costs are much, much higher than Germany's, Switzerland's, Norway's, and Sweden's, so we can't even compete well against other countries with high living standards. As a result, companies put North American factories in Canada and our products struggle in global markets. That places a drag on our economic recovery.

But as I mentioned earlier, there is another, quieter, and damaging consequence. Americans too often pick their jobs or stick with their jobs to keep coverage, rather than being in the job where they can make the most difference or be most successful. That hurts because it reduces productivity across our economy and because it restricts the number of new businesses that talented people start.

So we have a lot to address.

In doing so, we recognize that we reached a point where we can't spend or cut our way out of our current health care challenges. We can't spend our way out of it because our

economy simply is unable to grow at a rate equal to the growth in health care costs. And we can't cut our way out of it because cuts typically just shift or delay costs in the end. A doctor's office visit becomes an emergency room visit. What we must do is get better value for our money, much better value for our money, and that takes leadership, real leadership.

The strengths of American medicine

Yet, while the challenges are many, we must never lose sight of the wonderful qualities and unique strengths of American medicine: terrific innovation, the ability, so often to get the care you need fast, and the high quality of doctors, nurses, and health care workers across our nation. We have much to celebrate and much to build on.

The importance of leadership

Leaders turn these strengths into the capacity to address our challenges. Leadership is the ability to build on strengths, and address weaknesses to create something better.

Too often health care leaders have fallen short. They have stopped at admiring the problem, and not gone on to solve it. They have acted with an eye to regaining the past or holding on to territory rather than building what is new and better.

This approach is very limiting – it doesn't solve problems or lead to remarkable leaders. Few leaders, who regret the present or guard their turf, are ever remembered as great leaders.

So today, I want to lay out the key next steps we should all work on and the traits of leadership we should all aspire to. Three key steps stand out for me: getting our essential priorities right; leveraging good models for health care coverage, and improving health care delivery.

Getting our essential priorities right

In the recent election, we often heard candidates talk about how much we want to be sure that our children have better lives than we have. The reference in this discussion was generally to our economy, but it is also a reference to health.

We are the first generation of Americans whose children are expected to be less healthy than we are. Not because our medical care isn't good enough but because we don't have high enough living standards. We eat the wrong things and too much of them. We aren't active enough and we have stressful elements in our daily lives, like precious daily time in traffic jams rather than time at home with the people we care about. A focus on health - not the cure of disease – should now be the focus of every health care leader. WE can reverse this trend and leave our children better off than we are.

Coverage for everyone

We cannot make useful strides in health care to improve lives or control costs unless everyone has coverage. We hurt ourselves over and over again by our failure in this category. When we do enact universal coverage, like Medicare, it works. When we do expand coverage, like Minnesota Care, it works. We need to move beyond this antiquated debate and simply do it and then begin the hard work to make it succeed.

Models for health care coverage

So what are the best ways to expand health care coverage? There are old and new models at work here.

SEIU, an innovative union, has developed a way for young adults to join a group to get health insurance. This is just what AARP has done for older adults for years. SEIU, with help from the Rockefeller Foundation and others, founded Qvisory to offer coverage that fits how people now work. The basic model for coverage in the U.S. is employer-based coverage. That worked much better when people took and stuck with one or two jobs over the course of their lives. Most people now have many jobs with many companies and many also have periods of self-employment too. That kind of work environment fits very weakly with health insurance coverage through employers. But individual insurance works for almost no one because it doesn't effectively spread risk.

This is the same kind of innovation that led SEIU to embark with Allina Hospitals and Clinics on a strategic alliance that harnesses the talent and expertise of front line health care workers to make Allina the best place to receive care.

Medicare has as a platform for health security and innovation

Medicare has been a platform for health care security and a popular platform at that. However, it has not been renowned as a platform for innovation as it often uses very traditional, regulatory approaches to deliver services. A rejuvenated Medicare that drives innovations, through leading edge institutions, would make a huge difference, as Medicare is by far the single largest purchaser of medical care. Such a model would require Medicare to work differently on a local level, work differently with non-profits, entrepreneurs and companies.

Medicare covers those Americans over 65, certain disabled individuals and Americans, of all ages with advanced kidney disease. I have had many conversations with 63 and 64 year olds, younger retirees and their families, and individuals with significant illness other than advanced kidney disease to whom these Medicare eligibility levels feel somewhat arbitrary. They would love to be a part of Medicare or something like it. We should look at ways to leverage Medicare as a security platform as employer based coverage continues to decline.

Improving health care delivery

Integrating global models of health care for better results

Incremental improvements, often important ones, come from extending the same models of thinking. Great innovations, on the other hand, come from combining different ways of approaching problems. Real leaps forward come from the cross-fertilization - thinking differently about the same question. Health care has often been slow to recognize or incorporate innovation, too often relying on received wisdom rather than new research results or the approaches developed other places. Many other industries have been more effective at integrating global models and developing improved methods that build on global best practices. The time has come to deliberately move on from that approach.

And how fortunate we are that this work is now beginning to occur. The **Penny George Institute for Health and Healing at Abbott Northwestern Hospital** does this important, innovative work. The Institute is the largest inpatient-based integrative medicine program in the country having tallied over 50,000 patient visits. (I am so delighted that Penny is here today.) The Institute blends the best of conventional, Western medicine with healing strategies and therapies drawn from other medical traditions. This combination is powerfully innovative given Western medicine's roots in the defeat of infectious disease and the emphasis of other medical traditions' on caring for the whole person putting a focus on healing as much as curing. Different ways of approaching the same challenges are then tested daily in practitioners' office and on an ongoing basis in clinical research.

Find those areas where improving care also controls costs – Evercare (John Mach)

We have tremendous opportunities to improve care and gain as a side effect the ability to save money. A Dartmouth study found that if the Mayo Clinic could treat all individuals with Medicare coverage, we could save about thirty per cent of the Medicare budget. Let me say that again. If every American citizen, covered by Medicare, received the quality of care and attention delivered at the Mayo Clinic, not only would they be very happy, but also we would save thirty per cent of the tax dollars used in Medicare.

How can we improve care by saving money? Let me give you one example.

Ovations, the organization I built as CEO, has a program called Evercare, which serves the elderly and chronically ill—patients who need a particularly high level of care and attention. As we all know, our health care system can be needlessly confusing. For patients with serious health needs, trying to get the right care, it is even more confusing, and it can be a discouraging—and expensive—experience.

We created Evercare to improve the standard of care and in doing so we cut down on costly confusion, side effects and hospital trips. Evercare's people care for patients and their doctors and families. They move heaven and earth to make sure Evercare patients are getting the care they need without delay. Evercare focuses on preventive care, early detection and coordination —to make sure that illness or injury are caught early, or avoided entirely.

This kind of attention is paying off. Studies showed emergency room visits were reduced by 50 percent among Evercare patients, and hospitalizations were down 45 percent, giving these patients a better quality of life—and generating significant savings on treatment.

The characteristics of successful leaders

Last, but not least, health care leadership is more than having good policies, programs and products. It is about how you do it.

Throughout my career, I have had the benefit of learning from lessons from great leaders and watching some not so great leaders. In closing, I'd like to offer you what I have had the benefit of learning.

What does it take to be a highly capable visionary leader with deep experience able to guide their institutions to success in a rapidly changing world?

- First, a highly effective leader is an optimist seeking consensus and collaboration between institutions with diverse purposes, perspectives and interests;
- Second, such a leader, has the ability to define and communicate a vision of the future and create practical workable paths for achieving that future successfully;
- Third, a leader anticipates changes, projects their broader implications, and adapts institutional structures and practices for success proactively;
- Fourth, great leaders are great and effective risk-takers in complex, multi-faceted environments characterized by high governmental involvement, scientific processes, private sector service delivery and non-profit engagement and advocacy;
- Fifth, a modern leader has the ability to enjoy working with people in all ways of life;
- Sixth, really great leaders are curious people who draw on history, literature, science and the developing disciplines of organizational behavior and theory so they can do better.
- Lastly, really great leaders combine these and make good ideas happen, and happen at scale.

Closing

To confront successfully and then overcome the challenges we have, and to do so by building on our remarkable strengths, we each will need to be leaders, highly effective leaders in this health care arena. So go forward and serve!