

# CEO Viewpoint

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**W**ith David Bernd healthcare is truly a family affair. The CEO of Sentara Health Care and his wife, a nurse practitioner, have three adult children all of whom work in healthcare organizations ranging from biotech, healthcare products and pharmaceuticals to healthcare delivery. At 60 Bernd provides a good role model as CEO of Norfolk, Va.-based Sentara, whose eight acute-care hospitals and nine outpatient facilities serving more than two million residents make it the largest integrated healthcare provider in southeastern Virginia and northeastern North Carolina. Sentara ranked first in Modern Healthcare's 2010 list of top integrated healthcare networks. Bernd was born and grew up in Milwaukee until he was 17, studied history and economics as an undergraduate at William & Mary and earned an MBA from the Medical College of Virginia. Oh, yes, he is also a beekeeper.

## What are the top two or three issues you face as CEO of Sentara Health System?

The top challenge is the current economy and the need to be very cost conscious and reduce expenses. We need to do that while simultaneously executing our strategic plan and growth initiatives for future success.

Trying to balance those two is very interesting especially today when we have lots of opportunities for consolidation and acquisition. For example, we just merged with a hospital in east Prince William County, Va., Sentara Potomac.

Like everyone else we're also dealing with shrinking federal and state budgets.

We also continue our emphasis on quality and safety. We've been recognized nationally for achievements in patient safety. The organizations that provide quality care are the ones that are going to win in the long run. When I came here in the 1970s as an administrative fellow it was just called Norfolk General Hospital and the budget was \$24 million; now it's \$3.1 billion.



DAVID BERND

Fortunately we've been very stable as we grew. There have only been two CEOs in 35 years.

## Will these issues change under the current administration in Washington?

No, I really don't think so. I'm disappointed with healthcare reform. I'm very much in favor of universal

coverage, however putting another 30 million people into a broken system is not the answer. Improved access for the uninsured needs to be coupled with payment reform, starting with Medicare paying for episodes of care with incentives for quality outcomes. There are a number of things that could have been done to re-engineer the system for a more durable, long-term solution.

## Can you identify two or three benefits that IT has had on your organization?

From a CEO's perspective I'd say our IT organization has been one of the most innovative in the country. Sentara launched the nation's first electronic ICU in 2000 and was the first in the country to embed analytics to produce alerts for bedside medication administration.

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Our EHR implementation has helped drive clinical quality initiatives that have dramatically improved patient care. Some of the benefits are economic. In 2009 we generated \$29 million in cost reduction or new revenue from our EHR. We know that technology done the right way can generate economic returns. Good clinical quality has good economic outcomes. However, it comes down to how you look at it. Most organizations just view the EHR as the cost of doing business, but if you don't expect an economic return you probably won't get one.

A third benefit is that by all going on the journey of the EHR implementation, we re-established and reaffirmed our culture and mission, our sense of common purpose.

Clinical quality, economic return and alignment of mission—I'll take the hat trick any day.

#### **What do you believe are the most significant near-term challenges that could be addressed by enabling Information Technologies?**

I'd say bringing your community physicians into alignment with the organization. The community docs become tightly aligned through IT by getting everybody interoperable. Hospitals have an obligation to help physicians adopt IT. We have a phrase "Better Together" that captures our belief that physicians shouldn't have to do this alone.

#### **What has been the biggest change you have seen in healthcare over your career?**

Technology has probably been the greatest change during the last 35 years. But sadly, from a non-technology perspective, it's been the lack of Americans taking care of their own health. In the last 10 years it's been astounding. The rate of obesity in this country is astronomical and has led to many chronic conditions.

Positively, we've got a great acute-care system but there's not enough done in preventive care, in people taking responsibility for their own healthcare. We need more self-accountability in healthcare.

#### **What is the best piece of advice you've ever been given?**

My predecessor Glen Mitchell told me to delegate responsibility and authority to good people and to ensure in them a sense of ownership. One day I was meeting with one of my managers, he told me "if it were my organization..." and I told him, "It is your organization, now act like you own it".

#### **What advice would you give to a young person seeking to enter the healthcare field?**

It's most important to find a workplace with the right business ethics, the right mission and to find a mentor from whom they can learn.

#### **What is your favorite part of the work you do?**

Interacting with people and watching them grow. Also, I like ideas. If someone comes up with a good idea I say let's go for it.

#### **If you weren't running Sentara Health System, what would you be doing?**

I have 15 hobbies. I am an apiarist, I raise bees. I also raise oysters, play golf, am a woodworker and gardener.

#### **What is the biggest mistake you ever made?**

I made a large mistake when I was a young administrator. I let a guy talk me into buying a "body box" which was for respiratory therapy studies. It cost \$10,000, which is still a lot of money and the thing never worked. I didn't do my homework. You've got to be careful. I learned a lot from that.

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SCOTTSDALE INSTITUTE

*The Healthcare Executive Resource for Information Management*

Stanley R. Nelson, Chairman • Donald C. Wegmiller, Vice Chairman • Shelli Williamson, Executive Director  
1660 Highway 100 South, Suite 306 • Minneapolis, MN 55416  
Phone: 952.545.5880 • Fax: 952.545.6116  
E-mail: [scottsdale@scottsdaleinstitute.org](mailto:scottsdale@scottsdaleinstitute.org) • [www.scottsdaleinstitute.org](http://www.scottsdaleinstitute.org)