

CEO Viewpoint

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Doug Hawthorne tells how he was working on a Saturday morning when one of his senior execs brought his two young sons into the office. Upon leaving the youngest boy returned to Hawthorne and asked, "Can you give my daddy a raise?" Not leaving without an answer, Hawthorne leaned over and replied, "Ask your mom to give your dad a raise." That young man is now in graduate school, but whenever evaluation time arrives, the same executive says, "How about a raise?" and Hawthorne replies, "Go ask your wife." It's a story that belies Hawthorne's stability as a healthcare executive and family man. Born 64 years ago in Orange, N.J., at 10 he moved to San Antonio, Texas where he earned an undergraduate degree in business and a master's in healthcare administration at Trinity University. In 1960 he came to Dallas to do a residency at Presbyterian Hospital and stayed 41 years. In 1983, Hawthorne was CEO when it became Presbyterian Healthcare System and, in 1997, when it merged with Harris Methodist in Fort Worth, he became president and CEO of the new faith-based organization, Texas Health Resources, which serves 16 counties in north central Texas with a population of 6.2 million people. Hawthorne and his wife Martha have five children and six grandchildren.

How is Texas Health Resources dealing with health reform, Meaningful Use and related challenges like ACOs?

One in four Texans is uninsured and we're higher in North Texas with 31 percent uninsured. While it creates challenges, THR has long been a leading advocate for healthcare reform for both the state and nationally.

Texas Health is part of the Premier ACO Collaborative and is on a multi-year accountable care journey that will involve several pilots of various models with both employed and independent physicians. We announced agreements this year with Methodist Health System and UT Southwestern Medical Center to jointly pursue accountable care initiatives, and we expect to have significant developments on that front in 2012.

We also are planning to embark on a pilot ACO project with one of the largest independent physician associations in North Texas and have been developing innovative pay-for-performance models with payers, including Blue Cross Blue Shield of Texas among others.

What's been the role of health IT in advancing systemness and clinical integration in a large, complex enterprise like THR?

Health IT is like the lining of a coat. It holds together and shapes our 13 wholly-owned hospitals into a uni-



DOUG HAWTHORNE, CEO,
TEXAS HEALTH RESOURCES

fied system. Texas Health is investing more than \$200 million in HIT over a 10-year period.

"Go live" for the electronic health record at Texas Health Presbyterian Hospital Denton this month marks the completion of implementing the EHR in all of our wholly-owned hospitals. We were among the first Texas health systems to implement an HIE, launched in collaboration with Children's Medical Center of Dallas in 2010.

We're continuing to invest in enhancing the IT capabilities of physician offices of Texas Health Physicians Group to tie more than 250 locations

together and enable secure storage and sharing of patient information.

Under "Meaningful Use" we've received \$7.3 million in Medicaid incentives and \$19.5 million in federal Medicare incentives.

How would you describe THR's transition from a hospital-based system to a community-focused care-delivery system?

In 2006, Texas Health embarked on an ambitious 10-year strategic focus designed to transform the delivery of health care and make Texas Health a national benchmark health system. We call it our "Climb Up Transformation Mountain." Earlier this year, we marked

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our ascent to Base Camp 1, evaluated our progress, made some adjustments to our trail maps, and began our climb to Base Camp 2.

One of the goals of our 10-year strategy is to become an integrated provider and coordinator of care. We use an analogy of the acute care hospital as a box in the center of a table with other health services to the left and right—education, wellness, prevention and primary care on one side with rehab, long-term, palliative and hospice care on the other.

We're folding down the sides of the hospital box and creating an environment where we help people access and navigate the continuum of care.

We'll partner with other organizations to provide some parts of the continuum of health services, we could add some capabilities through merger or acquisition, and we'll probably have to build some services from the ground up.

What is your physician-engagement strategy given the growth of THR's physician group as well as partnerships with major independent physician groups?

Effective change cannot happen without close collaboration among physicians, health systems and payers. We use the analogy of a "House with Many Rooms"—offering physicians many ways to engage with us, from HIT implementation, to management services to employment in Texas Health Physicians Group, a 501a organization.

We're changing the leadership structure of Texas Health by bringing more physicians into both clinical and administrative leadership positions. We're also developing pilot projects for accountable care with independent physician associations.

Texas Health is providing technical and financial assistance, to the extent legally permitted, to independent physician practices to help them implement health information technology.

Texas Health has several very successful joint venture partnerships with physicians, including two full-service acute care hospitals and six short-stay hospitals.

We expanded Texas Health Physicians Group with the acquisition of Medical Edge at the end of 2010. Now Texas Health Physicians Group is the largest group of physicians in North Texas under one health system.

How valuable to THR have partnerships with other Dallas-region health systems such as the medical school at UT Southwestern and another faith-based community health system like Methodist Health System?

Collaboration with other providers and community organizations is absolutely necessary if we are to fulfill our mission to improve the health of the people in the communities we serve.

Since our announcement earlier this year, we've been laying groundwork with Methodist Health System of Dallas and UT Southwestern Medical Center in Dallas to jointly pursue accountable care initiatives. We expect to begin rolling out some initiatives in 2012.

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For many years, we have had collaborative arrangements with nursing education programs, ranging from paying the salaries of teaching faculty to providing work-study opportunities to advocating for increased state funding for medical education.

What's the biggest change you've seen in healthcare over your career?

I'd say the remarkable scope of opportunity that healthcare provides this country to care for more people with more sophisticated technology, educated people and coordinated care processes. That ability has changed radically over 40 years.

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

I advise residents and fellows to be patient. Take your time, learn from others and allow yourself to gain experience. Look at the diversity of healthcare opportunities. It's not just about the hospital anymore but the healthcare continuum.



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