



Louis A. Shapiro

EDITORS' NOTE Louis Shapiro assumed his current position in October 2006. Prior to this, he served as Executive Vice President and Chief Operating Officer of Geisinger Health System's Clinical Enterprise. He began his career at Allegheny General Hospital in Pittsburgh and then joined McKinsey & Company as a leader within their health care practice. Shapiro is a fellow of the American College of Healthcare Executives, Chair of the Greater New York Hospital Association Board of Governors 2014-2015, and is on the board of Crutches 4 Kids.

INSTITUTION BRIEF New York-based Hospital for Special Surgery (hss.edu; HSS) is internationally recognized as the leading independent academic medical center specializing in orthopedics, rheumatology, and their related specialties. The hospital pioneered the modern-day total knee replacement and continues to build on its success in all areas of musculoskeletal health care, in the advancement of cutting-edge research, and the development of innovative approaches to diagnosis and treatment, all of which contribute to its global leadership. Outstanding results in quality of care and the patient experience have created a growing demand for its services, with people coming to HSS from across the country and throughout the world. HSS is the first hospital in New York State to achieve its third consecutive designation as a Magnet Hospital by the American Nurses Credentialing Center, the gold standard for nursing excellence. It is the only hospital in New York State that has maintained a significantly lower infection rate than the state average for hip replacement five years in a row. HSS is the official hospital of the New York Giants, New York Mets, New York Knicks, New York Liberty, and the New York Red Bulls. It is also the official hospital of New York Road Runners for the New York City Marathon. In 2013, HSS was named the first National Medical Center of the United States Olympic Committee's (USOC) National Medical Network. In this capacity, HSS is an official hospital for U.S. athletes. HSS is also one of only three hospitals in the United States designated as a Medical Center of Excellence by FIFA.

A Culture of Excellence

An Interview with Louis A. Shapiro,
President and Chief Executive Officer, Hospital for Special Surgery

Is it more challenging to lead an organization like HSS when the health care industry is undergoing such an intense transformation?

The health care industry is one of the most complicated for a variety of reasons. First, we're trying to keep people healthy or restore their health, which is both an art and a science. It's people helping people, with health care professionals having to rely on knowledge and teamwork, as well as technology, to accomplish that.

Second, the structure of the industry is still fragmented, and financing health care is as complicated as delivering it. Although the health care delivery system is rapidly evolving, it's still, in some ways, a cottage industry. In order for people to receive the appropriate care, a lot of pieces have to come together – and, in many cases, these pieces are distributed throughout the system and require careful coordination.

The health care industry is also one of the most regulated, and we're going through a time of both top-down and bottom-up change. The top-down change is coming in the form of health care reform and the goals of improving quality and access while reducing cost. The bottom-up change is a response to market forces, which are forcing hospitals and health care providers to understand how to stay relevant in the changing market and not become a commodity despite financial pressures. In a commodity market, some providers are at risk for becoming less relevant because one provider may become less distinguishable from the other, as cost and convenience may take precedence as a deciding factor in where to receive care.

To a certain extent, the health care industry is at risk for heading in this direction – with quality at risk for taking a back seat to cost and convenience. This trend is due in part to the challenging application to determine value, with value defined simply as quality over cost. While value is easy to talk about, it is very hard to accurately measure for those who need care or those who are paying for care. This equation, for example, may lead some to believe that if quality is at the level it needs to be and cost is low, then value must be high. While there is no question that the cost trends are not sustainable, if there is an overemphasis on cost without truly measuring quality, value may be miscalculated, leading to a level of quality and outcomes that should not be accepted. The value equation

only works if quality is at the level it needs to be, with accurate measures across providers.

How does an organization like HSS stay relevant in this changing market?

Over the course of our 151-year history, HSS has continually strived to stay relevant. For us, that means only one thing: Leading the way in patient care, teaching, and research at a level of quality that is demonstrably higher than other organizations that are also very good at what they do. We accomplish this in several ways.

First, through our people. In most industries, technology and machines are important. However, in service industries such as health care, people are equally – if not more so – important contributors to achieving the highest level of outcomes possible, at a cost that is affordable in proportion to the outcomes. Typically, when you have a large group of people comprising an organization, including a health care organization, you will often see a bell-shaped curve, with a large group in the middle who are good at what they do and have an impact; you have people on the right who are the best at what they do and have a significant impact on quality; and people on the left side of the curve who may need improvement. At HSS, we've been fortunate to have built and continue to invest in a concentration of talent that is aggregated on the right side of the curve.

We've also made our culture of excellence a foundational strategy that is not just something we talk about but something that we actively manage as an institutional priority. This culture allows people to be excited about being a part of something special, and it enables all staff to support the organization's mission, regardless of the role they play. Combine culture with talent and any organization can produce amazing results, although that is easier said than done.

We're also always focused on innovation through clinical and basic research that continuously discovers better ways to treat the diseases and injuries our patients experience. If innovation is supported correctly, the people behind that innovation will be shaping how patients will be treated 20 years from now.

We're also cognizant of the changing health care climate, so we're pursuing innovation along a new dimension within care delivery – helping the population stay healthy or be healthier, as well as focusing on the broader episode of care. Given the nature of HSS – with our specialized focus and our integration across



Hospital of Special Surgery's main campus on Manhattan's Upper East Side

the care continuum, we understand the entire episode of care for patients suffering from the kinds of diseases we treat. These are among the most common diseases facing the nation, such as osteoarthritis. This puts us in a unique position to continually innovate and helps set the standard in our areas of expertise.

These elements – people, culture, and innovation – are what enable us to stay relevant. It's a tumultuous time in the health care industry, and many organizations are feeling the pain and are trying to position themselves to be successful, which everyone needs to be doing. Some are choosing to give up their independence and become part of a larger organization to gain leverage in a marketplace. Others are integrating the financing and provision of care to take on risk for the health of the population they serve. HSS is taking a slightly different path. We plan to use our existing model to continue to create value at the same level as we have in the past, while continuing to adapt to the changes going on in the environment

The consequence of this approach – focusing on improving quality to increase value – is that we're growing our market share. Patients are choosing to come to us from all over the world – 95 percent of the people who come here have decided to drive by or even fly over a 'good' or even 'very good' hospital in order to get to HSS.

As long as consumers are able to decide where to receive their care, and as long as we can demonstrate our value to consumers, employers, and payers, we expect that we will continue to see increased demand for our services.

How hard is it to measure quality?

It's hard. There are hundreds of metrics that an organization can measure, including rates of infection, complications, readmissions, and surgical revisions. However, the challenges that all organizations are facing as a result

of the changing environment are creating market pressure for the industry to become more sophisticated at measuring quality, including patient outcomes.

To this end, for example, we're working to develop and use technology that will not only allow us to collect what the industry is calling 'big data,' but also 'small data' – patient-specific information that can be leveraged to develop an individually customized treatment plan and thereby ensure a patient's return to their highest level of function.

At day's end, isn't it all about outcomes?

Outcomes are broadly defined. We've been at the 99th percentile of "likelihood to recommend" for patient satisfaction for 23 consecutive quarters. But if you had a complication you should not have had, it doesn't matter how good the service is. We have been able to accomplish both. Our patients are achieving outcomes that are not available to them at other institutions and have an extraordinary patient experience at the same time.

Trying to keep someone healthy requires intervention in the form of education, awareness-building, and support, all of which we do. This is important not only during the diagnostic and acute phases of the episode of care, but it's equally important after the provider has seen the patient and continues to follow the patient long term to ensure a positive outcome.

How critical is the focus on prevention?

Prevention is absolutely critical, and a lack of focus in this area is really a societal problem. The health care industry has historically disassociated financing from delivery, so people have not been accountable for the cost of health care – insurance was provided by the government or their employer.

This is just one of several reasons why the U.S. as a society hasn't taken as good care of itself as it should – an issue that is further

compounded by a lack of physical activity, smoking, and obesity.

Because of our expertise in musculoskeletal medicine, we have developed a deep understanding of what happens at every step of the disease process or injury, including things that contribute to their occurrence. We have evaluated how that disease or injury could have been prevented through diet, physical fitness, or other preventative elements. If we can use this knowledge to widely encourage people to prevent an injury or disease from occurring, we have helped solve one of the country's most challenging health care problems.

However, the issue goes far beyond what one hospital alone can do. To begin to combat this, societal incentives need to change, along with education in our school systems, community support, and programs at the federal and state levels.

You mentioned innovation earlier. How do you keep an innovative edge?

By attracting great people – leaders in their field – to the organization. These individuals are not satisfied with the status quo – innovation is what motivates their very existence. You need to have a culture that nurtures that and give them the resources to help drive innovation.

Innovation also needs to be a strategic priority for the organization, and one that has teeth – it becomes part of your measurement system and how you allocate capital resources. It has to be important to the essence of the organization and has to be backed up by making sure you have people with a commitment to innovation joining your team.

HSS has developed a strong international reputation. How has that been accomplished?

Home base is always most important, but we have a responsibility to help others. We have very robust, formalized educational programs in far-reaching places like China and Greece. We also have humanitarian efforts in places like Ghana and knowledge-sharing arrangements in places like Brazil.

We have also assembled our own consortium of the most significant thought leaders in orthopedics around the world, made up of 16 centers on five continents. These organizations come together to share knowledge with each other and conduct research that is useful for everyone.

Patients choose to come to us from all over the world – last year they travelled from 80 countries and all 50 states. We have the privilege of taking care of these patients, so our job is to continue to demonstrate our value and give them a reason to choose HSS, while sharing our knowledge with others. ●