

Leading from the Front

An Interview with Michael J. Dowling,
President and Chief Executive Officer, North Shore-LIJ Health System

EDITORS' NOTE Michael Dowling has held his current post since January 2002, after having served as the health system's Executive Vice President and Chief Operating Officer. Before joining North Shore-LIJ in 1995, he was a Senior Vice President at Empire Blue Cross/Blue Shield. In addition, he served in New York State government for 12 years, including seven years as State Director of Health, Education and Human Services and Deputy Secretary to the Governor. He was also Commissioner of the New York State Department of Social Services.



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INSTITUTION BRIEF North Shore-LIJ Health System (northshorelij.com) is the nation's 14th largest healthcare system, based on net patient revenue, and the largest in New York State. It includes 19 hospitals and more than 400 outpatient physician practices throughout Long Island, Queens, Staten Island, Manhattan, and Westchester; The Feinstein Institute for Medical Research; and a vast network of skilled nursing, long-term care, rehabilitation, and hospice care services across the region. In addition, the Hofstra North Shore-LIJ School of Medicine opened New York State's first allopathic medical school in about 40 years in 2011 and graduated its inaugural class of students in May 2015. Excluding its affiliate organizations, North Shore-LIJ facilities house more than 6,400 hospital and long-term care beds, more than 10,000 physicians, more than 13,000 nurses, and a total workforce of more than 54,000 employees.

Would you talk about the transformation for North Shore-LIJ and will the resulting institution differ greatly from the traditional hospital model?

If we want to succeed in the future, we have to be different from the traditional model.

Since the inception of the system in the 1990s, our culture has been different from others. We believe very strongly that we must lead from the front and try new things, and we can't become paralyzed by over-analysis. In many of the new roles we take on, a lot of people haven't gone there before.

We will trip up along the way, but at day's end we will get to a different and better place, and that is the culture of the organization.

We have been out in front with a lot of things, especially in the New York market.

What actions have you taken to ensure that you remain at the forefront of innovation?

We were the first in this market to have an insurance company. We were the first to create a freestanding emergency room without any beds. We have been at the forefront of dramatically expanding outpatient and ambulatory care. We have relationships with CVS and we're opening up urgent care centers in partnership with others. We're creating partnerships with for-profit companies, and we have started our own for-profits inside our own company.

We were the first to pull an integrated system of care together. We're one of the first to get away from the traditional clinical departments in hospitals and develop service lines instead.

We are developing some innovative methods of training staff for the new world we're entering into. Our medical school is unique, and we just graduated our first class. We get 7,000 applications every year. Every other major academic institution is visiting us to see how we accomplished this.

In the world we're moving into, we have to be disruptors. We have to disrupt our own organization or someone else will disrupt us. We have to be looking from the outside in rather than from the inside out. We ask the customers coming to us for a service, "What do you want us to provide?" We're in the customer service business and one of the biggest challenges we face is how to deal with the consumer movement. Care in the future will largely be digitally driven, and consumers will make many more independent judgments.

We also have to evaluate how we train the staff, from administration through clinical leadership, for the world we think is going to exist in 2025. To do that, we have to put aside many of the methods that have been used to train our people since the 1980s.

We have created a cutting-edge, in-house corporate university. It would not have been possible to set up the medical school if we didn't have this corporate university. We employed a number of simulations for training at the university, which no one else was doing at the time.

Also, we have to consider how to ready people for a world that is being suffocated by regulation and compliance.

People in this industry often use the word "patients." Why do you use the word "customers?"

Physicians sometimes get upset when we don't use the term patients. However, I believe that we're a service business. People are looking for a service, be it surgery, diagnostic, prevention, or information.

The tradition for patients in healthcare is based on the idea that they're a subservient entity to the professionals, which suggests that we know it all and they don't know much. That world has changed. Patients who act as consumers are going to be much more demanding. Providers that look at them as consumers are going to be much more concerned about issues like how long they have to wait to be seen, since a patient's time is just as valuable as the doctor's.

When patients come to the hospital, their whole family may be with them, and while they're not the patients, they are customers. When I get letters about the care we have given in the hospital, it is rarely from the patient. Instead, it is from a patient's family member who looks upon the experience as the consumer.

Is the focus today on size and scale helpful in terms of quality?

Scale itself doesn't guarantee a good product, but in this world where insurance companies are becoming very powerful, we need to have all the pieces necessary for coordinated care.

If I have to manage care for various populations, then I have to have access to those populations and that requires multiple entities.

However, if the CEO of an organization has a goal of getting big just to be able to judge it by size alone, it will lead to failure. We need size to compete in the world we're in, but experience and quality will make the distinguishing difference.

How important is prevention and wellness for the healthcare of the future, and is this a key priority for North Shore-LIJ?

It's a major priority. Are we in the medical care business or the health business? If we're in the medical care business, we're in the business of taking care of people after they get sick. This has been the model for our business forever.

The criticism of healthcare is often inappropriate because we've always been paid to treat patients only after they get sick. If this is the model, people shouldn't complain that we don't spend all of our time keeping them well.

What's happening now is our reimbursement system is transitioning from traditional fee-for-service to one that is more value-based. This switch creates an incentive to be in the health business as well as in the medical business. So the traditional model did not necessarily reflect a failure of the entities that were providing the healthcare; in many ways, it's a failure of the entire policy dictating how we got paid.

As we move into the wellness space, we have to tackle more complicated issues like individual behavior and lifestyle, since it's what we do to ourselves that creates the bulk of our health problems.

We also have to think about what we do from a public policy point of view to address social circumstances. For instance, there is a huge deficit in community-based mental healthcare. We also need to reevaluate how we interact with churches and community-based organizations.

The rhetoric around this says that we should make it simple and just switch. However, this requires reeducating and retraining people for that kind of a world because if we don't educate people differently, we won't get a different product.

We are opening a nursing school in the fall. The goal is to educate nurses differently to get them focused on health instead of just sickness. Our traditional educational systems are way behind the times in this area.

In the local community, the hospitals are still important and we don't want to lose that but, at day's end, we want them be under the umbrella of a strong brand with a distinguished name. After all, we're not just hospitals any longer; our homecare and our long-term care are also significant.

Is top talent still coming into this industry?

As I deal directly with medical students today, I find them to be as committed and talented as any group in history and, in many cases, much more so.

The number of people applying to medical school continues to rise. They recognize they're not all going to make the big money. Primary care doctors and telemedicine professionals have been neglected from the payment side over the past few decades, but that has now changed. People understand that while we still need high-end procedure people, if we're really focusing on the health component, we need other types of medical professionals even more, and reimbursements are moving in the proper direction to support this.

Judging a person's competence by how well they test is also beginning to change. It is a big mistake to think that because someone took a test and scored in the top 10 percent, that they're a good candidate. Being a good doctor also involves the relationship and trust aspect, as well as how one can analyze and think.

All of our medical students today train as EMTs during their first nine weeks, so they're out seeing patients from day one. The best way to learn is by doing, not just intellectualizing.

What are the values you look for in someone looking to move into this industry?

We look for passion and relationship skills. They must have a desire to create a new future and be disenchanted with the status quo.

We want people who are entrepreneurial thinkers. I could care less which school someone graduated from or what their grade point average was. I want people who are willing to walk out front and have people follow them; people who aren't afraid of new ideas. We practice Six Sigma and Lean projects so we're focused on getting innovation ideas out of the frontline staff.

Also, the best consultant is a disgruntled consumer. It's vital to take criticisms as a catalyst to come up with suggestions for what needs to be improved.

Are you concerned that the U.S. can meet the challenges it faces in healthcare?

Yes. I get very worried about the overreach of government. The culture we're creating is one where everything is expected to be standardized and we need to have a few lawyers at every meeting. The sense that complaints will kill us is counterintuitive to an entrepreneurial enterprise.

Government has a legitimate role in setting some goals, but they then have to step back and allow them to be accomplished. Instead of goals, they're setting rules and, in my opinion, most of them are ridiculous. There are thousands of process rules and new ones coming out all the time. Most of them have little relevance to the outcome we should expect.

Other countries may have similar complaints, but I get tired of comparisons to other country's health systems. There is much greater potential to be innovative here than anywhere else. However, government often gets to a tipping point and then goes too far and puts people in a straitjacket. Our work has also become too procedure-based and relies too much on technology, but that will change if health truly becomes the goal. It will become a much broader effort than just medical care. ●



North Shore-LIJ Health System's \$300-million inpatient tower at Long Island Jewish Medical Center in Queens, New York

I am putting a significant focus on education because I can't depend upon the traditional educational entities to deliver the personnel necessary for this new product. Frankly, if big industry takes on more of the education role, which I think they should, it's going to put a lot of pressure on the education establishment to modify how they do things.

Will the number of beds be less important to the structure and facility of the hospital in the future?

In the future, 60 percent of our business will be provided outside of a hospital setting. We have to be wary of creating a perception that hospitals are bad places. If people are really sick, they need to be there. But the bulk of the healthcare of the future will be provided outside hospital walls.

We have to drive people away from the desire to always go to the emergency room when they have a problem.

When it comes to branding, is the focus more on the individual hospital brand or on the North Shore-LIJ umbrella?

North Shore-LIJ is very well known because we do interesting things and we aren't afraid to take risks. It's a brand that competes against institutions that have been around 200 years, and we're making headway.

We're going through a major rebranding effort now and a reevaluation of our name.