

High-Value Care at the Highest Quality

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



The Hospital for Special Surgery on East 70th Street

EDITORS' NOTE Lou 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 healthcare practice. Shapiro is a fellow of the American College of Healthcare Executives, former Chair of the Greater New York Hospital Association Board of Governors (2014-2015), and on the board of Crutches 4 Kids.



Louis A. Shapiro

INSTITUTION BRIEF New York-based Hospital for Special Surgery (HSS.edu; 'HSS') is internationally recognized as the leading academic medical center specializing in orthopedics, rheumatology, and their related specialties. The independent hospital pioneered the modern-day total knee replacement and continues to build on its success in all areas of musculoskeletal healthcare, 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 fourth 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 Team USA athletes. HSS is also one of only three hospitals in the United States designated as a Medical Center of Excellence by FIFA.

What are the key areas to focus on in order to address the challenges within healthcare today?

There are a number of challenges facing the country as it relates to healthcare, including the aging of the population, which contributes to an increase in demand.

There is also a great deal of variability in many areas related to healthcare: access, cost, and quality, and how to meaningfully assess value.

It's a bit of an unsustainable problem that different parts of the industry are dealing with in different ways. The government is dealing with it with healthcare reform and increased regulation.

The jury is still out on whether or not the right solutions are being deployed or, even if they are, whether they are producing the desired results.

The part of the population that is covered by employer-sponsored healthcare is experimenting with different ways to change the dynamics around how insurance is being provided and care is being delivered.

Then there are all kinds of other parts of the healthcare value chain that are getting involved in different ways. Insurance companies are consolidating to be more effective. Technology is playing an increasing role and the industry has gotten much more complicated.

Within this grand experiment that is changing everything about the industry, at day's end, there are people who need help and people who are helping them, and everything that surrounds that. We need to guard against healthcare becoming overly commoditized, which would mean price and convenience trump quality.

While the industry is as old as society, it's still in its early stages. With all the changes going on, it's really important that the concept of value, which is a significantly used word in the industry, is defined appropriately and not simply as a euphemism for reducing costs.

When you say "quality," will you address what that means to HSS?

The old version of quality is the absence of anything bad happening, like complications and infections. Quality today is about receiving the outcome that one wants. We're an organization that focuses on one set of conditions that affect people: the umbrella of that is musculoskeletal, so we try to prevent issues from occurring in the first place. When they do, we want the patient to receive the right care at the right time from the right person and get the right outcome, which allows them to function at their highest

possible level – with unsurpassed reliability and efficiency.

We have thousands of people who come here for second opinions and a significant percentage of the time, the second opinion they get is different than the first opinion.

Will you talk about customer-driven healthcare and will that be what we see going forward?

In industry language, consumer-driven healthcare should mean that the patient is at the center of everything we do and that we're delivering the best care to them.

In real life, it means that the burden of decision-making in an increasingly significant way is being put on the consumer.

Over time, for many organizations that employ people, we see more premiums being paid by the employee, with higher deductibles and co-pays. That is still experimental and will continue to evolve, but it goes back to value. If we can deliver high-value care at the highest quality, and at an appropriate cost and, for instance, people aren't having surgery they don't need, then we are moving in the right direction.

Will you talk about the type of innovation taking place at HSS?

HSS is academically based, which means we're committed to teaching and research. The fact that we are singularly focused on one disease and condition set means we do more of what we do than any organization in the United States and probably the world. It's generally accepted that we're the leader in our field.

Some business academics would describe us as a focus factory, where we do a lot of the same thing and produce a better result, but we're also a knowledge factory.

It's really about taking the knowledge and disseminating it, so innovation is a core competency and something we've prioritized on our strategic road map. It fits into three areas: science, technology, and care delivery.

In science, we do clinical research, translational research, and basic science research, where we are seeking better treatment or cures; technology, which also falls under research and innovation, is about applying our knowledge of biomechanics; and on the care delivery side, it's a function of how we provide care here, how we use digital health solutions, how we're innovative through using artificial intelligence, and how we're working with companies to improve health with things like wearable devices. ●