EMHL Convocation | Class of 2016
Panel Discussion: Challenges in Healthcare Leadership

During the convocation for Brown University’s Executive Master of Healthcare Leadership Class of 2016, Dr. Ira Wilson led a wide-ranging discussion of the new and unique challenges confronting health care leaders today. Explored were the defining qualities of effective healthcare leadership amid a changing healthcare landscape.

Panelists representing hospitals, the pharmaceutical/biotech industry, a mental health advocacy group, and state government, opened the discussion by reflecting on the major changes they are seeing in healthcare and the challenges these pose for healthcare leadership.

• Massachusetts health care reform law has been a spectacular success as to access and coverage. The big issue for healthcare leaders is payment reform and how do we move away from the fee- for-service system to a value-based system, which many of us grew up with.
  – Dennis Keefe MBA, President and CEO, Care New England

• From a leadership standpoint, over the last two decades, the product industry has shifted from leadership by more of the traditional, innovative R&D folks to the tactical, with the leaders coming from the more operational side of the business, with a focus on efficiencies, cost controls etc.
  -Marsha Fannucci, MBA, Former CFO of Millennium Pharmaceuticals, Director Alnylam, Ironwood, and Momenta Pharmaceuticals

• Implementation of federal mental health parity law, and together with state laws such as in MA and RI, will not only change the course of where mental health is going but where health care in general is going. The Kennedy Forum is one effort to promote knowledge of the law and promote access. The Affordable Care Act is a huge change in access for people with mental health and substance abuse diagnoses.
  - William Emmett, Executive Director, The Kennedy Forum

Moderator Ira Wilson shared several perspectives on the macro changes occurring in healthcare:

• Providers are faced with very significant, radical change that is going to happen very fast. I would argue that no industry is as staid, very conservative and even backward as the healthcare industry. We have to let go of our kind of individualistic past and embrace a sort of collectivist, team-based future, which is culturally very different. As we move from a fee for service to value based payment system, and that can be very threatening, as it involves reduction in income for a lot of physicians.

• Rising pharmaceutical costs pose difficult challenges: For example, a new Hepatitis C drug costs as much as $80,000 a year but most health care systems that need to buy it can’t afford it. This raises an interesting issue as we think about short versus long term costs. Dr. Wilson later connected those cost issue to fundamental questions about the right to healthcare: if healthcare is a right, what does that right include? Does it include a right to have a Hepatitis C drug that costs more than $80,000?
• Accountable Care Organizations: Issue of capitation is the same as in the 90’s but with a lot of different sets of measurements along with it. Not very many healthcare systems have the sophistication, experience, culture, financial systems, and IT infrastructure to actually make capitation efforts work, which causes frustration and high levels of traumatization.

• Healthcare IT is very expensive, and its benefits have been oversold. Technologies don’t talk to each other.

• Alignment of financial incentives, while absolutely necessary, is far from sufficient from what we need to see. The kinds of changes needed are cultural in nature. Leadership of all healthcare institutions are facing changes, not just in how people pay for services but how you change culture and whether or not culture evolves over time.

Several questions were posed to panelists to probe further into issues impacting healthcare leaders.

**What defines healthcare leadership today?**

- I think there needs to be a lot more focus on people who can think out of the box and think from a completely new perspective on how you take a company to the next era. The lead time for drugs is well over a decade, so the choices made today have to reflect market time 12 years down the road. I think there needs to be absolute passionate focus as to the value to the healthcare system, as well as the patient.
  - *Marsha Fannucci, MBA, Former CFO of Millennium Pharmaceuticals, Director Alnylam, Ironwood, and Momenta Pharmaceuticals*

- Good leaders are good listeners. Knowing how to be a good listener to understand people within the organization. Healthcare IT is increasingly important, complicated and expensive. Non-technical leaders need to learn how to figure out how to make leadership decisions about IT, to become knowledgeable about things without just passing it onto their IT department.
  - *Ira Wilson, MD, MSc. Chair, Department of Health Services, Policy & Practice, Brown University*

**Emergence of healthcare stakeholders and increasing role of patients and their families in healthcare policy**

- Patients and their families have a place at the table when it comes to health care policy. The best way to judge is by asking is whether they are getting a value experience for the dollar that they or their employers spend. If they don’t know about how government regulations get developed, that is OK. Patients and their families still have a valuable role to play in providing feedback to the system.
  - *William Emmett, Executive Director, The Kennedy Forum*

**As a healthcare leader, what do you look for when you hire?**

- Healthcare has changed over the years. A lot of it today is about relationships and skill sets. People today need to be able to adapt to an uncertain environment; interpersonal skills are
really critical. A subset of that is the ability to partner with physicians in a meaningful way and be able to communicate with physicians and not being hierarchical. Fit is everything to an organization as well as vision and culture.

-Dennis Keefe, MBA, President and CEO, Care New England