



## What's Your Moonshot?

A Podcast Series Where World-Class Healthcare Leaders Seek To Solve Big Problems



### Transcript

**[00:00:00] Jonathan:** Health workers are asking us, what are you the Joint Commission doing? Decarbonization and sustainability is really critical to a health agenda, especially because climate change is having not only a direct and inequitable impact on health but also on health equity globally. There are three things that I think are worth in my work with the National Academy of Medicine. First, if healthcare were a country, it would be the fifth worst polluter worldwide. Think about that. Worldwide healthcare equals approximately the top five other countries in terms of the impact on climate. That said the United States alone is responsible for over a quarter of worldwide healthcare emissions.

**[00:00:45] Moderator:** Welcome to A&M healthcare industry Groups, *What's Your Moonshot Podcast* series, where world-class healthcare leaders seek to solve big problems. Listen, as we talk to today's health system CEOs about the journey to achieve their moonshots.

**[00:01:03] Larry:** Welcome to A&M's *What's Your Moonshot Podcast*. I'm Larry Kaiser, a managing director in Alvarez & Marsal's Healthcare Industry group. I'm joined by my co-host, the ninth Secretary of the Veterans Administration, the honorable Dr. David Shulkin. David, we're incredibly fortunate today to welcome the President and Chief Executive Officer of the Joint Commission, Dr. Jonathan Perlin. Dr. Perlin became the seventh president and CEO of the Joint Commission on March 1st, 2022, joining its mission to continuously improve healthcare for the public by evaluating healthcare organizations and inspiring them to excel in providing safe and effective care of the highest quality and value.

Dr. Perlin was previously president, Clinical Operations, and Chief Medical Officer at HCA Healthcare where he led clinicians, data scientists, and researchers in developing a learning health system model for improving care at the system's 185 hospitals and 2200 other locations. His team's work achieved national recognition for preventing elective preterm deliveries, reducing maternal mortality, increasing sepsis survival, and developing public-private academic partnerships for improving infection prevention and treating COVID.

Before HCA, Dr. Perlin was Under Secretary for Health in the US Department of Veterans Affairs where he led the Veterans Health Administration to national prominence for clinical performance. Dr. Perlin, we are very pleased to welcome you to the podcast today.

**[00:02:36] Jonathan:** It's a delight to be here with you, Dr. Kaiser, and the Secretary Shulkin. Thank you both for having me here today.

**[00:02:43] David:** Great. Jonathan, we can't think of a better guest to have on the *What's Your Moonshot Podcast*? You're what I call the trifecta. You've worked in not-for-profit healthcare, for-profit healthcare, government, and now in one of the nation's most important organizations overseeing quality. You have the real opportunity to share thoughts across just many different landscapes in healthcare. I know in your new role at Joint Commission, or at least I still called a new role, you've been there a while now I know, I am sure have some pretty big goals for the organizations and what we call moonshots and what the Joint Commission does affects the rest of us in healthcare. Do you want to tell us a little bit about what some of those big goals might be for the Joint Commission?

**[00:03:37] Jonathan:** Absolutely. First I want to just thank you for your terrific leadership and Larry as well you both had extraordinary impact on improving healthcare. Really that's what our team hopes to do with the Joint Commission. I've been there about 10 months and today's Joint Commission is really about three things; inspiration, improvement, and accountability. To just describe those in that order, I don't know that everyone realizes why the Joint Commission is called the Joint Commission, but it really ties to the inspiration that came from within healthcare medical practice itself.

The Joint Commission's predecessor organization followed the wake of Ernest Codman's work in quality and the flexor report on science-driven medicine. In fact, its predecessor organization was started by the American College of Surgeons to assure that hospitals have the capacity to offer safe and effective medical care. The American College of Surgeons actually continued inspecting hospitals through World War II.

As you might imagine, during World War II, physicians were drafted. Prior to World War II, most hospitals were run by physicians. With the advent of the Second World War came the ascension of non-physician professional hospital management. I am the depleted physician ranks that meant that the American College of Surgeons sought to share the responsibility of reviewing hospitals with other. So jointly with the American Medical Association, American College of Physicians, the American Dental Association, the American Hospital Association, American College of Surgeons, a new entity was chartered and that was the Joint Commission about 75 years ago. Its goal was to inspire and improve.

Since starting at the Joint Commission, I've taken, as you might expect, a pretty hands-on approach. I've actually been on two full surveys, start to finish opening conference to exit conference. I got to tell you, I learned a lot.

First, I observed that the surveyors were excellent. The surveyors of yesterday year they were up to date, they were caring, they were respectful. I observed that they balanced education and collaboration with accountability. The phrase that I heard most frequently to test a concept with show me.

I had never attended an entire survey start to finish on the receiving act, but I learned a lot. You really see the interconnection of the standards and the subordinate elements and performance. This allows a synthetic view of performance to emerge. This is really quite true for things like fire safety. We're a miss here or there may be minor, but a bunch of small misses together create risk for catastrophe. I'm using my operational experience in that hands-on approach to really calibrate the accreditation and survey process to be more critical, compelling, and address the most durable issues. I believe this is the best way for the Joint Commission to honor its mission to continuously improve healthcare.

**[00:06:26] Larry:** I can only say that when you showed up for one of those surveys the place being surveyed the anxiety level must have increased somewhat. John, we're fresh to learn that your moonshot's not focused on one major challenge in healthcare but on three of the biggest issues that are facing healthcare organizations today, describe your top three strategic priorities and how they roll together into your moonshot if you would.

**[00:06:51] Jonathan:** Larry, the very top of my agenda or health equity, environmental sustainability, and workforce both in terms of the new models of care and frankly the sustainability of the workforce itself. These three issues are absolutely at the pinnacle of relevance to improved healthcare. They're also at the pinnacle of major societal issues. I've been accelerating the focus on each of these priorities areas and I'm pleased to report that we're already making progress.

**[00:07:20] David:** John, how can the Joint Commission impact health equity? We hear from leaders all over that this is an important goal, and I think all of us want to decrease the disparities that we see in healthcare. Will the Joint Commission begin to start building standards, surveys to look for health equity, will begin measurement processes? How can the Joint Commission begin to impact something like that?

**[00:07:48] Jonathan:** The premise of your question, David, is exactly right. As an organization, we're operating under the belief that equity must be the foundation for all that we do in healthcare. Without equity, even the opportunity for Safe Care cannot, frankly, will not exist. We believe that reducing healthcare disparities is not only a quality and patient safety imperative but also our moral and ethical duty. The words of Martin Luther King of all the forums of inequality in justice and healthcare is the most shocking and inhumane.

With those words in mind and appreciative of the exacerbation of disparities in the wake of COVID, the Joint Commission's new healthcare equity accreditation requirements actually went into effect January 1st of this month. We want to equip our healthcare organizations that we accredit with the resources and tools to most effectively meet the new requirements. Most importantly, we believe that these requirements will help healthcare organizations provide care that's of high quality and equitable.

The new elements of performance include some things that go in a slightly different direction than some might anticipate. They require designating a leader on the executive team, assessing health-related social needs, a term that we use some would call social determinants of health but we think that's some clearer and more accessible. Stratifying quality and safety data, creating an action plan, evaluating that plan's effectiveness and keeping stakeholders informed.

I mentioned these standards go in a slightly different direction. They're directional. We're not saying focus on transportation to care or food adequacy or maternal mortality though each of these are incredibly important and formidable challenges. We're asking the systems to look at their data and they don't fly the most pressing opportunities in their context and take the actions that they think are appropriate. This directional approach also means that we'll be communicating through data, and that's really the direction we want ahead. Evidence-based, data-driven, and outcomes-oriented. We'll be elevating the healthcare equity standards to be a national patient safety goal effective July 1st 2023. We also appreciate that healthcare organizations are really at different points along their healthcare equity journey. That road is not always smooth. It's paved with many challenges. Our goal is to meet organizations wherever they are and support them with appropriate resources. That really gets back to the words I try to use at the beginning that characterize the mission of the Joint Commission, inspiration, improvement, and accountability.

**[00:10:28] David:** I think you said, John, that there must be tremendous variability in where organizations are on that journey, and also probably where each organization sets its bar. I think this is an important step of measurement of setting the goals, but just give us a sense about where you think the average hospital is in this journey. If there was a scale of 1 to 10, 1 at the beginning of the journey and 10 achieving full elimination of disparities. Where are we average across the country?

**[00:11:09] Jonathan:** I think we really need humility on this question. I'd like to say we're in the upper half scale, but we're not. We're at the lower end of that scale. I think the wake-up call, at least for me, was that I know in my past experienced those, we've made progress in the area we focused on, but I feel unfortunately accurate in the prediction that when hospitals stratify their data, and I don't care what the data are, take any of the data on healthcare processes or outcomes, be it patient experience or infection rates, et cetera, when they stratify by race, ethnicity, language, pay status, not just zip code.

Zip code is not very sensitive, but area code, the deprivation index block code, et cetera, census tract block codes, disease, state, sexual orientation, gender identity, it almost doesn't matter, but you will find surprises. In my past, I found surprises in those data that even adjusting for comorbidities you just can't account for. I think we have tremendous opportunity.

**[00:12:14] David:** John, I just have to ask you on that, given your leadership and involvement in the Department of Veteran Affairs and my background there too, do you think the VA has done a better job at this than most?

**[00:12:28] Jonathan:** I think there are a number of reasons the VA has actually done a much better job than the most. First, the VA has been more culturally diverse in terms of service members for a long time. Second, some of the challenges and women's health and the military have led to an intense focus on equity and gender-related care. The health services research and the long history of an electronic health record have allowed not only the stratification of data but the ability to set targets and make progress. I thank you for progress that's been made. There's a great deal to be learned there.

**[00:13:04] Larry:** John, you touched on it a little bit earlier, but another major challenge that has become even more critical with more attention focused on it is workforce management, specifically burnout that we've really seen experience tremendously in the last few years. What are some strategies you're working on to assist organizations with this now and in the future? Clearly, organizations themselves are working on this as well.

**[00:13:30] Jonathan:** Yes, Larry, when I speak with healthcare leaders, the top three issues on their set of challenges on the agenda and workforce and health equity, and environmental sustainability. The operational challenge right now is around workforce. As we know, the increased demand for healthcare during the pandemic, along with the increased strains on the health professionals themselves exacerbated what were already existing stresses contributed to the great resignation in healthcare.

We're grappling today with an unprecedented staffing shortage. The results of this staffing shortage can be visualized, at least the way I visualize it, is as a three-way collision that pits the interest of the patient against the interest of the community, against the interest of the healthcare workers themselves. Each deserves the best, patients deserve safe high-quality care. Communities need access to full range of health services and healthcare workers deserve a safe and healthy working environment.

I learned a term in systems thinking called multi-solving. You can't solve for one without solving for the others. Staffing is an incredibly complex issue. It's not even easy for airlines. We're talking about something like healthcare where there are myriad more specialties. There's no one solution to easily fix. It can't be resolved by a singular entity. We can all agree that the pandemic has brought crucial attention to the need for more trained healthcare workers to meet the demand of patients and a reduced turnover. What Joint Commission is doing is, I think, important and we want to do something right now.

As you may have heard, on January 1st of this year, we announced that we have now eliminated 168 standards, 14%, and to rising a number of other standards across our accreditation programs to streamline the requirements and make the requirements as efficient and importantly as impactful as possible on patient safety quality and equity. Standards will help us provide some much-needed relief to healthcare professionals organizations as they continue to recover from the effects of the pandemic. Our goal is to eliminate any standard that no longer adds value. We want to have fewer but more meaningful requirements that better support safer, higher quality, and more equitable health outcomes.

Something else that we announced as well additionally to provide financial relief to hospitals and health systems Joint Commission announced that we would not raise domestic hospital accreditation fees in 2023. Candidly, as a result, some of our surveys are being conducted for less than cost. These standards reductions accreditation freeze results from our comprehensive review that we announced in September, we reviewed all of what we call the above and beyond requirements. Those that go beyond the Centers for Medicare and Medicaid Services or CMS conditions and participation.

It's worth noting that standards emanate from two sources, CMS and other regulatory requirements prescribe some of the standards that have to be met. Then the Joint Commission itself based on input from its joint partners, AHA, AMA, ACP, ACS, ADA also recommend other standards. There have been a lot of standards really been evaluating them. We will continue to review with the second tranche of standards under consideration right now for elimination or revision with the intent to announce that on July 1st.

For every six months, we'll repeat this process to make sure that any requirements that we, the Joint Commission above and beyond standards offer still address the most critical quality and safety issues. We'll assess to see whether the standard is redundant with other standards, whether the time and resources needed to comply with the requirement are commensurate with the estimated benefit to patient care and health outcomes. In short, our goal is to reduce the burden on an already overburdened set of healthcare workers and institutions.

We believe this needed standards review and standards elimination and accreditation fee freeze will lessen the staff burden and allow for greater focus on measures that truly move the needle at higher-level healthcare performance. Those higher-level healthcare performance activities will be focused very directly on healthcare equity, workforce, and environmental sustainability. As I mentioned, we'll be moving much more toward evidence-based, data-driven, and outcomes-oriented. That dialogue is around data and really we believe helps to build the performance excellence into, as they say, woodwork.

**[00:18:12] David:** Yes, John, I think that's terrific. You've mentioned a couple times this focus on environmental sustainability, and I think that that's one that surprises a lot of people because they say, "What's the Joint Commission involved with something like that? Is that really an issue that is critical to hospitals and health systems?" Can you talk a little bit about why that's risen to the top of your priority lists?

**[00:18:43] Jonathan:** Sure, David. First of all, I'll share an anecdote that I think it's unbelievably rare, if not unprecedented that health workers, particularly younger ones ask for new standards. That's almost an unprecedented experience. In the area of healthcare equity and environmental sustainability, health workers are asking us, what are you the Joint Commission doing? Decarbonization and sustainability is really critical to a health agenda, especially because climate change is having not only a direct and inequitable impact on health but also on health equity globally.

There are three things that I think are worth knowing. I learned this in my work with the National Academy of Medicine. First, if healthcare were a country, it would be the fifth worst polluter worldwide. Think about that. Worldwide healthcare equals approximately the top five other countries in terms of the impact on climate. That said, the United States alone is responsible for over a quarter of worldwide healthcare emissions. Second, as I mentioned, climate change is a health issue. It exacerbates heart and respiratory diseases as we know, but it adds to waterborne diseases and it even deprives others with clean water. As I mentioned, it's a health equity issue point three as those with the fewest resources are really at least able to compensate for its effects. They can't buy their way out of heat or cold or access to water. We've seen at a national level the impacts of this, again, exacerbated by



COVID. What we've done at Joint Commission is to convene two panel. Some include some of our strongest critics. The first panel really is looking at the proactive, what standards can we create that encourage health systems to address reducing their carbon footprint? Frankly, most of the carbon footprint is not from what we do, though what we do is about 7% anesthetics propellants and meter dose inhalers are almost the entirety on you can use dry inhalers.

Even cutting the flow rate of fluorinated anesthetics not only reduces emissions, but it also saves money. Double 11%, 12% is the stuff we burn for the powering of our buildings and our vehicles, but 82% is the stuff we buy. Our second panel, even though we've scrubbed our standards that don't cite use single use et cetera, the second panel includes people who have been very critical to say, inadvertently, some of your standards may drive excess consumption. This panel is helping us really scrub not only the standards but the language to make sure that we don't inadvertently contribute.

They say at Microsoft, you have to eat your own dog food, use your own tools. I'm pleased to report that the Joint Commission in July of last year signed the White House Climate Pledge to reduce carbon emissions by 50% by 2030 and net zero by 2050. By the way, degrees of reducing emissions are what worldwide scientists feel are necessary to take us back to a carbon level that over the last million years has allowed the earth to recover to a temporary climate.

We believe this is an issue that healthcare has to have ownership for. That one socially important in terms of the effect on health and health equity will meet those again with directional standards so that each health system can really determine the best opportunities in their particular context.

**[00:22:08] Larry:** Your focus on quality and safety for patients obviously is critical and is really the basis under which the Joint Commission operates. What lessons would you share with healthcare leaders trying to ensure patient safety and quality in their own organizations? Obviously, it's a focus in every institution. I like to say that we've always been concerned about quality, but only in fairly recent years has it really risen to the top where it is really the focus of our discussions. Comment a little bit about what other leaders can do.

**[00:22:41] Jonathan:** It's really not enough to know we have to move to action. Passion for change has to meet action. One of the mantras I believe across my entire career is that good quality is good business and so as we embrace these opportunities, we actually offer better care. I guess in summary, the most important lesson I'd share is that we honor principles of the Joint Commission's vision in our day-to-day activities. I believe that this is a vision that all of us in healthcare share providing patients with the safest, highest quality, best value healthcare across all healthcare settings.

That's a statement that's really-- those are the words of our vision and while they don't use the word equity, they include the operationalization of equity, all patients across all healthcare settings. It's been a privilege to be here with you today and want to thank all of those in healthcare for their commitment to the principles of the vision. We look forward to working with colleagues like the two of you, our member organizations, the policy community, and frontline healthcare workers to continue on this journey of improving safety, equity, and quality for all.

**[00:23:48] Larry:** I think the other thing is higher quality, usually associated with less cost as well, so there's no question that if you can maintain and build the quality costs do tend to decrease, that's another area that obviously we're all concerned about cost.

**[00:24:04] David:** John, thank you so much for spending the time with us today. I think everyone who listens is going to learn something that's really happening at the Joint Commission and where I think your leadership is bringing this and the influence that's going to have on the whole healthcare system. We're extremely grateful for that leadership and for your time with us today.

**[00:24:27] Jonathan:** Bit of privilege. David and Larry, thank you both for your leadership. I know we share a passion for this mission.

**[00:24:33] Larry:** Yes, indeed. John, again, let me add my thanks to you as well. It's been incredibly valuable and the work that you and your colleagues at the Joint Commission do really is allowing our healthcare system to continue to improve. We have a ways to go, but hopefully, under your leadership, we'll continue to improve. Thank you again.

[music]

**[00:24:58] Moderator:** Alvarez & Marsal, leadership, action, results.

**[00:25:16] David:** Well, I thought that was interesting, is clearly trying to bring some new thinking into the Joint Commission. Quite frankly, I think it's a very positive direction whenever you hear somebody say that they're eliminating standards and not raising prices, you know that, that he's spending time listening.

**[00:25:37] Larry:** Yes. I think under John, they really have focused on areas that are really important, not just running through a list of all these standards that they have. Not that any of these standards weren't valuable, but when he said they've eliminated 168 of them or something like that, it's very impressive, so he really is focusing in on those areas I think that are so critically important. Again, his focus on equity, I think, and putting that out as a standard, which I know was announced recently, I think also is huge.

I think the academic institutions are perhaps further along than the hospitals and health systems are in terms of equity. I think the hospitals are going to have to catch up and certainly with the Joint Commission pushing that, I think there's a ways to go as he pointed out. I think we're on the way and as you pointed out, the VA has been on that mission for a long time, primarily because of the diversity within the VA population.

**[00:26:33] David:** Yes. I think what John brings to the table really is that perspective, having seen this in the VA, but also watching, as you said, how HCA has really so successfully been able to turn quality into a business strategy by lowering cost, keeping profitability. He brings those things to the table and I think that's what we're beginning to see in his leadership at the Joint Commission.

**[00:27:01] Larry:** Yes. Anyway, it was great talking to John. He had the same job at the VA that you did your first job at the VA, correct?

**[00:27:09] David:** Yes. The nice thing about John, he's totally committed to the mission. When the wait time crisis happened in 2014 that led to the resignation of the secretary at the time and the former undersecretary John took leave from his job at HCA to come back and to step in VA until I could be appointed and his leadership in his steady hand was always appreciated at VA.

**[00:27:38] Larry:** He's a very impressive guy and I think the Joint Commission really is redefining itself under his leadership. I think it was great to have him today and I think he really adds to our lineup on the podcast.

[00:27:53] [END OF AUDIO]

## ABOUT ALVAREZ & MARSAL

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