



Intermountain Healthcare's CEO, Rob Allen, is Focused on Enhancing the Care Experience for Patients and Caregivers

TRANSCRIPT

[00:00:01] Rob Allen: As we focus on people first, we believe that that will play out in a better experience for our patients. I mean, if your team, if your caregivers are better ready to provide the right experience for patients, the patient and community experience is enhanced, right? We're seeing that play out in numbers for us along the way. When we look at goals, we think about engagement of our caregivers, and we've seen that increase dramatically in a really good way over the last year, and we're excited about the movement that that has made.

We think about our patient experience, and we're seeing that now start to trail and come up, which is proving out what we believe the point of it is. We'll keep watching those numbers along the way.

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[00:00:40] Announcer: Welcome to A&M Healthcare Industry Group's *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.

[00:00:58] Martin McGahan: Hello, and welcome to the *What's Your Moonshot?* Podcast with Alvarez & Marsal. My name is Martin McGahan. I am a managing director and the head of A&M's Healthcare Industry Group. I'm joined by my co-host, Dr. David Shulkin, who is the ninth Secretary of the US Department of Veterans Affairs, and also an A&M Senior Advisor. We are very excited today to welcome Rob Allen, who is the President and Chief Executive Officer of Intermountain Healthcare.

Prior to serving as the CEO, Rob was the Chief Operating Officer for five years. He was named one of the top 25 COOs in healthcare by *Modern Healthcare*, and has served in executive positions in Intermountain for 27 years. Under his leadership, Rob has helped propel Intermountain to national recognition, as a leading model for innovating health and wellness solutions, increasing value, and improving affordability and accessibility for all patients. Thank you very much again, Rob, for joining us today.

[00:02:01] Rob: It is a pleasure to be with you. Thanks for this opportunity, Martin and David. Look forward to the discussion, and just grateful to be a part of this journey in healthcare, where we can make a difference for people.

[00:02:11] Martin: Dr. Shulkin, thank you, again, for being part of this and being really kind of a driver of this for the A&M side as well.

[00:02:20] David Shulkin: Absolutely.

[00:02:22] Martin: Let's jump in. As part of this, Rob, we talk to healthcare leaders such as yourself about their moonshot. Obviously, when we're in healthcare, we spend a lot of time dealing with the day-to-day, but trying to see what the ultimate journey is here, for both you as an institution and ultimately for healthcare itself. We're honored to have you to talk about



what your moonshot is. I'll try to clarify it, but I would love your perspective as well. Really, the moonshot of Intermountain and also you is to simplify and streamline the healthcare experience and really focusing on people first.

That is really putting, I think, the patient and getting ahead of the game as far as treating diseases. I'd love to hear it in your own words, how you would describe your and Intermountain's moonshot.

[00:03:24] Rob: Thank you. As I think of moonshot, we all think of getting to the moon, we all think of these things that seem a bit impossible, and yet are worthy causes. When I think of healthcare, I think of it in the context of people and experience. When you think about this journey, we're built on legacy systems that were built around the episodic experience and needs of people, and yet as we look at it today, it's too complex. It's too challenging. It's too hard for our caregivers to go from point A to point B in their processes almost in a day.

You think of a nurse who only spends 30% of her or his time at the bedside in a hospital. That's not what they got into nursing for. We've piled on for lots of well-intended reasons, this complex administrative backdrop to the work that we do. You think of the patient who leaves a hospital and needs follow-up work, and then struggles to even figure out how to navigate back into the system. You hear stats as high as lab work that's been said that 70% of diagnosis and treatment requires lab work. Yet, it's also projected that outside of the hospital setting, 40% of lab work ordered never gets done.

You start to think about, how do we connect those dots? How do we make this easier and more simple for people? Put that in the context of, what are we trying to accomplish overall? I think in healthcare, sometimes we get lost in the competitive landscape we're in. It's a very competitive field. Survival requires competition skills, but yet we compete against each other but our true competition is disease. Our true competition is, how do we solve these ills that are impacting those we're here to serve and care for?

All that wraps back around to people and experience, and there is much opportunity in healthcare for us to impact both of those, I think in a way that changes the game in a positive approach that makes it more sustainable. A couple of statistics I'll share. It's projected that 25% of the cost of healthcare, and to put that in context, I believe last year was \$4.4 trillion in this country. \$1.1 trillion is spent on administrative function that doesn't do any good. If I can be that blunt. It's not needed for what we're trying to accomplish. Saw another study that projected 27% of that \$4.4 trillion is spent on caring for things that are preventable.

You go back to people and experience, are we creating an experience that is a partnership to keep people healthy, to make it easier to get what you need, the right care at the right time in the right place? Those are the things that I think are worth pursuing. From a moonshot perspective, if we can solve that, we have solved a lot of the challenges of healthcare, and we'll have a lot more good coming out on top of the good that happens today, but there's much more good that can be done.

[00:06:14] David: Rob, I think that's an amazing vision, and I think you have a lot of people hoping that maybe Intermountain will show all of us the way forward in that. It'd be great to hear how you're thinking about that. I know you mentioned this is important from the patient experience, and it's important to get the right type of outcomes. You talked about caregivers, the people that are caring for the patients, who are the Intermountain employees.

What do you think about making their jobs easier and taking some of that administrative non-clinical time away from them? Are you doing something in Intermountain that you could share with others? Is technology part of that, or is this more workflow redesign?

[00:07:02] Rob: We're doing a lot, and we hope to learn from others along the journey as well, but I'll share a few things we're doing. First is to look to our people. We have 64,000 caregivers. By the way, we refer to all of our employees as caregivers. Some are hands-on caregivers, others are in support roles, but all of that is intended towards caregiving. What we do as an organization. We look to our caregivers to guide us in thoughts and ideas. Over the last six years, our caregivers have generated and implemented 394,000 improvement ideas across our enterprise. It's quite remarkable. 50,000 to 60,000 a year rolling forward. They have ideas and thoughts on what we can do better.

I believe if we listen to them, and if we facilitate their ability to make change, that they will do a lot of good. Now, I'll say that the area that we need to improve in, in addition to all those ideas they're bringing forward is, we need to get better at spreading it across all of our 630,000 square mile footprint that we serve in. Too many of them stay isolated in one care site. Where we've improved there, we need to improve it everywhere. That's an area that we're working on. Then you look on the other side, the organization, I believe, has to facilitate the change as well.

You can get a lot ground up, but from the top-down structures, support systems, all of those need to come into play to help to simplify that as well. Those are process rebuilds. I do think we need to rebuild the work in healthcare. We can't hire enough people today to fill the jobs we have. We need to redesign the jobs so they're doable. A lot of that, I believe, technology can help us with. We're trialing some new things. There are others out there who are using some of these as well. One of those is the ambient dictation tools that are now available.

We had a 97% rate of acceptance, and wanting to accept and use the tool, 3% didn't. It's a training process, and some clinicians don't want that hassle. Many reported up to two hours a day save time. For a doctor, that's game changer. When we talk about burnout, how do you keep physicians in play? Well, make their lives a little easier in the process, and it becomes more meaningful and they remember why they got into healthcare, and they're energized by that. It's been fun to hear the stories of our doctors who were in our pilot groups. About how that changed their lives.

I had one doctor telling me that, this is a doctor I've known for years in one of our rural communities, that ever since he's had a computer, every night after work, he goes home, he has dinner with his wife, and then he opens his computer and spends two to three hours charting. Well, once you move to these tools, that evening time becomes personal time, family time, whatever you need to regenerate yourself. We give back time to physicians to fill out their lives in a way that's meaningful to them. That's important. We're trialing right now some tools.

In every one of our hospitals, now we've just been through a merger, so this is not all of the hospital beds in some of our new facilities that have joined us, but in all of our legacy facilities, every room has telehealth capabilities. It means we have a diagnostic capable camera that can zoom in so fine that a physician remotely could diagnose things on a patient. Can see what they need to see just like they're right up close. In that scenario, we start asking the question, why can't that tool gather information in the room and do the nurse's charting? What if you overlaid that with a Siri-type function?

That voice command could activate dictation tools so that a nurse in the room is spending their time with the patient, and the administrative processes are happening through these tools that are now becoming available to us. We're quite excited about what those possibilities are, and we think it's important that we take advantage of that to redefine the care flow, make it more simple, take the administrative burdens off, and we think we can impact care from an outcome, from an experience perspective. Also, frankly, from the cost

perspective, which we know, in healthcare, we have to figure out how to do that differently. We think these are the avenues that open a lot of doors for us.

[00:11:00] Martin: Really interesting. There's a lot to unpack. If we can dive into, I loved your description of all employees as caregivers. I think that's brilliant, because I'm always reminded people get into healthcare to care for people, and to really get patients better, and to really treat patients. That's the driver. No one gets into healthcare to have the perfect charter, the smallest amount of insurance denials, or anything like that. That's, unfortunately, become a lot of what we have to work on, but I love your thought of everyone being a caregiver.

A lot has been spoken about really, about the labor shortage, and you touched on it. You can't hire enough people. Coming out of the pandemic, we've done a lot of studies that the driving costs associated with attracting talent has ballooned, but really, focus needs to be on retaining talent, and retaining talent amongst the entire continuum. What's the objective? You talked about a lot of initiatives. Is that objectives to get to a manageable level? Do you have a goal in that regard, especially as it relates to the caregivers in your organization, where the target should be?

[00:12:30] Rob: Yes. We have a lot of goals around our caregivers, as you would imagine, given the environment that we're in. As we focus on people first, we believe that that will play out in a better experience for our patients. If your team, if your caregivers are better ready to provide the right experience for patients, the patient and community experience is enhanced. We're seeing that play out in numbers for us along the way. When we look at goals, we think about engagement of our caregivers, and we've seen that increase dramatically in a really good way over the last year. We're excited about the movement that that has made.

We think about our patient experience, and we're seeing that now start to trail and come up, which is proving out what we believe the point of it is, and we'll keep watching those numbers along the way. We also think about the impact turnover. You mentioned the turnover issues. What a challenge that is today in healthcare, and the shortages we have in areas. We're doing a lot to train and grow from within. People who can move into new jobs, how do we make them family-sustainable jobs? A lot of entry-level jobs are not. So, how do you take someone who has that interest, and help build their skills so that they can take on a new opportunity? We're doing a lot of training there.

We've got a lot of educational support for our people. One of which we're really excited about is our PEAK program, which provides a little over \$5,200 a year for education, and a lot of tuition reimbursement are traditional programs. You think of the old models. This is for education across the board. Whatever you're interested in. If you don't want to use it, you can gift it to a family member. We actually want to train your family to come be caregivers at Intermountain as well. We're going to provide resources that you can use for that, and create those avenues. We're excited about that.

We've had hundreds of people already use that to gift to a family member, not just their own journey along the way. Those are things we'll continue to look at. Of course, you have to deal with the competitive pay and staying up. We look at the other benefit factors, and try and make sure that we are competitive in the marketplace, but it's creating an environment and a culture where as we look at it, we want to create a space. You think of today's society, and the challenges that are there, and the divisiveness that's around us. We want a space at Intermountain.

Driven by our mission, and the umbrella of our mission, which is helping people live the healthiest lives possible, is the space under which we want to welcome everyone. We want caregivers, we want patients and community members to feel welcomed, cared for, and

loved at Intermountain. If we can create an environment that focuses around that, and everyone is working and driving towards delivering on our mission, we think we can create a space where people will be comfortable to stay. To express their journey of desire to serve within Intermountain and be a part of the team here, and that our community will connect with us in a positive way as well.

Those are things we're working to do, to keep people. We're experiencing some really good outcropping of that. Our nursing turnover shortage is about a third the national turnover with it. Our shortage, our open spots are less than average. This percent number of open spots than others are experiencing around the country. We've had some success. We need to have more, and we'll continue to focus there.

[00:15:35] David: That sounds great, Rob. One of the things that I think is a mystery to many people who run healthcare systems around the country is the pace at which value-based care is actually being seen. I think most of us believe that it just makes sense to move away from fee for service towards getting paid for outcomes, and doing the things you're talking about in delivering for our patients. Around the country, we're still seeing this as really a small part of the business. Now, I think Intermountain might be the example where it actually is impacting a big part of the business, since you're such a large payer, as well as provider.

What are you seeing in terms of Intermountain's business with value-based care? Is it all moving towards risk? Is it going to remain a balance? Is fee for service going to be in the Intermountain system in five years?

[00:16:42] Rob: Great question. I would first say, we don't believe fee for service is going away totally. That said, we're building our strategy and our approach around a value-based care model. Often, we talk about value-based care as a financing mechanism. That's a really important part of it, but it's not all of it. I fear that we get caught too much on that and forget the rest of that journey. The rest of that journey is alignment. Are we aligning the payment in a way that allows us to go upstream and invest in health? That's the payment mechanism. Are we aligning the process of care in a way that we're supporting your health journey, not just your sick journey?

Are we connecting the dots between the buyer of the payer of service? That being the employer or the government, through the insurance company, that's the entity that's creating the mechanism for that, through the delivery side, be it our clinicians, our delivery sites of care, into our social determinants work, and all the way back to the individuals in our communities we're here to serve. I think our challenge going forward is largely around that alignment piece. Now, for Intermountain, I'll tell you that we're in a really wonderful spot because of our history.

You look back, Intermountain was formed in 1975, when The Church of Jesus Christ of Latter-day Saints gifted 15 hospitals in three states to the community, and formed Intermountain. That was our start as an organization. Our hospitals' histories go much deeper, but we started there, with the church, to be a model health system. That has always driven us. I'm grateful for leaders before me, who built the foundation strongly around that cause. Then you think of the steps, David, you think of Intermountain starting its own insurance company in the early 1980s. It was unheard of, for a provider to be launching an insurance company. Then we moved into the medical group side.

In the '90s, we moved into our clinical work, and our clinical programs, which have been a national leader in a number of those arenas in the late '90s and into 2000. Really stacking the components that allow us to really manage this. In size, in our Utah footprint, about 50% of our payments come through a value-based care structure. A lot of that's our own

insurance, as you noted. We insure 1.1 million lives currently across three states, but that's expanding at the end of this year into other states. There are other contracts with other insurers who also bring lives, hundreds of thousands of lives into that pool for us.

Across our entire footprint, 37% of our revenue stream is in value-based care, value-based arrangements. That allows us to really think about, how do you deploy resource upstream? How do you keep people healthy? Versus some of my colleagues, unfortunately, who don't have some of those numbers in the percent of their payer mix, can talk about it, but it's really hard to make the shift because your mechanisms of payment are tied to doing the things we've done in the past. It doesn't allow you to go upstream as easy and as readily.

As a country, I think we've got to figure out, how do we go upstream more? 27% of our spend on caring for things that are preventable, that is a waste. Now, I'll be the first to say, people have the right to choose their lifestyle and what they do, and I'm one who doesn't always make the best choice. I think I've had my four Diet Cokes already this morning. There are things that we choose that may not help that journey in the right way, but I also believe most people want to choose a well-being in their life, because they feel better. They're able to be happier in their journey, and they want those things. They want a partner who can help them in that. Our surveys regularly bear that out.

We're focused on, how do we do that better in this journey? Creating a more seamless, personalized connection, so people can have the journey they want to have. I think most people want a journey that's better in health and well-being than they have today, and particularly for those who have health issues. If you're a healthy individual, you may be having the journey you want, and you're not having to navigate the health system to try and get pieces pulled together. If you're having health issues, I would say that most people would say it needs to improve.

In fact, the statistic, which shocks me today, still is two-thirds of America believe the health system was intentionally designed to be confusing. I mean, let that sink in. Two-thirds of our country think that all we do as leaders in healthcare sit around and try and figure out how to make it more confusing for you. Well, that should, if nothing else, shock us into action. We need to do things differently.

[00:21:08] David: Yes.

[00:21:10] Martin: Well, what we've had the privilege of talking to both your predecessor, Dr. Marc Harrison, and your Chief Strategy Officer, Dan Liljenquist, talking about Intermountain Health. What struck me as part of those conversations is the legacy of innovativeness that Intermountain has. That's always-- It's thinking, like you said, in value-based care, but it's also partnering with other institutions or other people in the delivery of care, or in how you approach the challenges. Talk a little bit about how you see the partnership aspects for the future of Intermountain.

[00:21:52] Rob: It's an interesting thing when you look at the history of Intermountain. In our early days, there was a lot of evolving, trying to take these 15 hospitals and create a true system. There was a lot of partnerships formed. Then we went through a period of time, for a couple of decades, where we were very focused on the quality journey. A really important part of our evolution as an organization. A lot of that was insular. We were geographically tight. We were able to do a lot of work across our system, and learn from each other, and to build out the strength of what we have today in our quality work.

Now we move into this era looking to the future of value-based care and really focusing in on, how do we truly change? The world is changing so fast, and technology is evolving so quickly. We recognize that even if we had the capability to do everything on our own, we

don't have the bandwidth. By the way, we don't have the capability. In case anyone has that disillusionment, we don't. We need others to bring capability to us, but that really draws out the importance of partnership. When we think about disease as the competition, it opens a lot of doors for traditional competitors to come together.

We look forward to that journey with others. We hope we can bring value to others, but we need others to bring value to us, if we're going to do this and do it well. We talk a lot at Intermountain now about open source. I know every organization has its intellectual property. There's always concern about, can you get a leg up on the next guy who you're trying to compete against? At the end of the day, we have to fix the healthcare system in the United States. We know that. Everybody in the system, I believe, knows that. It's got to change. Well, we can do it faster and better if we do it together.

We believe that we should share what we know, and how we do things with others, to help them, and we should learn from others, and hope they'll share with us. We can move faster together if we do that. We want to share, we want to partner. We're looking for the right partnerships that will help move forward the work. We think that that will come in in lots of different ways, and lots of different journeys. We'll find that many of our traditional competitors are important partners for part of those steps we need to take.

[00:24:05] David: Great. Well, Rob, as we're wrapping up, I know that this past year has gone probably by so quickly for you. It's hard to believe, but in November, it will be a year of you serving as CEO. While I know you were at Intermountain for five years as Chief Operating Officer, when you get into the president and CEO job, I'm sure it's got to be different and feel different. Many people are probably wondering, what advice you might give them for somebody who's starting as a new CEO, what lessons have you learned over this past year, or even, what would you potentially think about doing differently?

[00:24:50] Rob: Well, a few thoughts that come with that question. It's a great question. You know this journey personally. You've experienced it as well. I would say, one of the things this year that has proven extremely valuable is our people-first approach. Talking about our people, and simplification has caught the attention of all of our caregivers in a really positive way. They recognize the need, coming off of COVID, and all the issues we've dealt with to pull together. They've recognized the need for us to simplify the way we do our work, for them to be more effective, and frankly, to find it more fulfilling.

That's been a really good thing for us. When I think about, how do you go forward? I think back to early days of my career when I took my first hospital CEO job at 28 years old, and all on the job learning, right? I had a good doctor, who was on my staff, who had actually recommended me for the job. I'd been the CFO at this little hospital before. He'd recommended me to the board and to the organization. It was Intermountain at the time, to hire me as the hospital CEO. I was hired, and he came to see me, and I learned about his recommendation, of course, thanking profusely.

He said, in that discussion, "Can I give you some advice? I've been in leadership for 21 years, and I've learned a couple of things." I said, "Please, I'll take any advice you can give me." He shared his advice with me. One of those pieces of advice was, "Rob, always make your decision based on what's right for the patient, and you'll never find yourself on the wrong side of an argument." As leaders in healthcare, or frankly leaders anywhere, but in leaders in healthcare, we're here for a purpose. If we can drive our work to the good of that purpose, we will be successful.

Those who've joined the journey, all of our caregivers, for that common purpose, they will get on board and follow that, and they will make great things happen. Because that's why they came, too. I think it's easy, in the world today, where hospitals are struggling for

survival, where the competition is extremely tough, where you can't hire enough people. I could go on for hours about the challenges we face. You know it well. It's easy to get lost in that morass of challenges and problems. As leaders, I think our opportunity is to help people see clearly why we're here, and pull together in order to accomplish that.

I go back to the people first. Our people are the ones who will make this happen. Our job as leaders is to facilitate it, to inspire them, and then to get out of the way and let them go do the great things they do every day.

[00:27:13] David: It's amazing the advice that you can remember 25 years ago from somebody who probably made a comment they can't remember. I hope people watching this today, some of those will be able to say that about your message today, Rob, that that influenced them. Because that's powerful. Martin, I'll turn it back over to you to close up.

[00:27:31] Martin: Rob, thank you, again, for the time. We know you're really busy. I'll admit, from my perspective, talking about moonshots and talking about people first, but my mind being in healthcare, you think about the patients, and putting the patients first. I think what resonated with me is the people of Intermountain, as you keep and you make life easier for them, and streamline, and get them focused on what they're really great at, which is caregiving. Doing that, the patients become first, when you treat your people first. That was eye-opening.

I think the inventiveness of Intermountain, and how you approach things is obviously an incredible legacy that you're building on. Congratulations to you for that. Again, thank you for sharing your time and wisdom with us. This is always such a privilege to sit down with leaders such as yourself and really get your view on what is a really changing dynamic industry that we're all trying to make better. Thank you, again.

[00:28:46] Rob: Thank you for the opportunity. It's been a pleasure. Thanks for the good your podcast is doing as you draw out thoughts that we can share and learn from each other. Frankly, I do believe we will solve these challenges together. I look forward to working with you and my colleagues across the country as we tackle the challenges ahead to assure we continue to do good in health.

[00:29:04] Martin: Thanks, Rob.

[music]

[00:29:13] Announcer: Alvarez & Marsal. Leadership. Action. Results.

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[00:29:31] David: I think one of the things that struck me about Rob is that he just bleeds mission. I think that's really connecting with the people that work in Intermountain. It is such a great organization, but it's growing so rapidly through acquisition, that if you lose touch with your people, a lot of things can fall apart. I think that his focus on why people are there, and what that organization is about is probably right on track.

[00:30:07] Martin: Totally agree. Even the fact that the pill out, 25% of time is spent on administration, 27% is spent on treating things that quite honestly aren't disease-related or aren't beneficial to the patient. To know that and to attack it, when a lot of times in healthcare, we think that sometimes is our job, and our job is to make that less. Our job is to, as he said very eloquently, get out of the way and let caregivers do what they do best, which is treat diseases and make patients better, is clarifying and really powerful.

All of the innovative ways that he's attacking that through, how do you get doctors unplugged earlier? How do you increase their satisfaction? How do you increase caregiver satisfaction? By balancing their job, which they love, with having the time to do other things. Very, very powerful, and I think really important, because sometimes we think that 25% is our job, 25% is to make that-- Our job is to make that 25% less.

[00:31:24] David: Yes. No, I think that's right. I think they're becoming a real microcosm for being able to study these issues. With, you think about they have big tertiary hospitals, they have lots of rural hospitals, they've now bought physician groups in different locations, they have a big health plan, a big provider network, as he said, 50% on value-based contracts. This really may be a system that can be studied to replicate throughout the rest of the US.

[00:31:59] Martin: I totally agree. We often think wrongly that large health systems aren't innovators, that sometimes they get caught in the bureaucracy, and sometimes in the dealings that we all have to deal with, but long legacy Intermountain has of being innovators, of looking, again, not to do everything themselves, and find the best in class, and figure out different solutions to real problems. Sometimes by partnering, sometimes by expanding, sometimes by looking at it in different ways. Really powerful. I think your point about being an example is very, very pertinent and potent, and a way to look at how health systems can really treat patients and put people first.

[00:32:53] [END OF AUDIO]

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