[00:00:00] Saad Ehtisham: You gotta have cross functional team mindset, organizational culture that is focused on driving patient outcomes and removing cost within the organization, which means you need to be seeing yourself as those who are helping drive the clinical journey forward. And if you can do that mindset, that sends a different message because it tells the teams on a daily basis what we're doing on the finance side, operational side and the clinical side as an integrated system is driving for outcomes and cost containment and waste reduction, which at the end of the day is getting to the variation in care.

[00:00:40] Narrator: Welcome to A&M Healthcare Industry Group's what's yous 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] Jamie LaGuardia-Frie: Welcome to A and M's what's yous Moonshot Podcast series. I'm Jamie LaGuardia Fry. I'm a Managing Director and Chief Commercial Officer of A and M's Health Industry Group. I'm joined by my co host, Dr. David Shulkin, senior Advisor at A and M and the ninth Secretary of the United States Veterans Affairs. Today we're speaking with Saad Edisham, President and CEO of Atlantic Health System.

Atlantic Health System serves New Jersey, Pennsylvania and New York metropolitan areas. It has more than 550 sites of care, eight hospitals and has over 24,000 employees. Saad, thanks so much for being here with us today.

[00:01:36] Saad Ehtisham: You're welcome, Jamie. It's a pleasure to be here.

[00:01:39] David J. Shulkin, M.D.: You know, we couldn't be happier that you're here. Of course, you know, people talk that I've run the Department of Veteran affairs, but my real claim to fame is that I used to work at Atlantic and I know what a terrific system that is and how important it is to New Jersey. And you have the opportunity being their new President and CEO to make a big impact on New Jersey and certainly all throughout that metropolitan area.

So, these are challenging times to take a job in running a big system.

So much uncertainty, so much financial turmoil going on. How are you thinking about balancing what you need to do to keep the system sustainable now and at the same time to be able to continue to invest in longer term strategies?

[00:02:27] Saad Ehtisham: David, thank you. And by the way, you've left me. You were part of the legacy of at Clinic Health. So I really appreciate what you've done when you were running Morristown Medical Center, a fantastic organization.

And that's the challenge that's before all the CEOs and the healthcare system. So, for me it's Always going to come back to we're there for the patients in the community.

And the way I'm approaching this job is nothing different than realizing how can we make ourselves essential to the community. And it comes down to patient experience, it comes down to access, and it comes down to taking care of your team. So, I've been telling my teams it's the vision you got to set the vision of who do you want to be when you grow up.

And for me, Atlantic has all the components and the makings to be a premier healthcare system. So, we've set on the journey, and it's been rolled out, the strategic plan, the journey to top performing national leader in healthcare. So, we espouse to be in the same atmosphere as the Mayo, Cleveland Clinics, NYU Langone. So that's the North Star in that how do we get there is going to be focusing on outcomes and organizing and collaboration across all teams. Because most health systems have work in silos. There's silos in there. So, my job is to reduce those silos, create a fictional system for the patients to be able to access our healthcare and make it easy for them. It's almost like Disney. Take the complexity behind, make it easy for them to access you and then deliver on extraordinary patient experience. I think that's the winning formula in my opinion, for the future.

[00:04:03] Jamie LaGuardia-Frie: No, that's great.

A strong CEO, CFO partnership depends on transparency.

How do you and your team ensure alignment between your finance functions and your clinical and operational functions?

[00:04:16] Saad Ehtisham: You know, historically finance has been a department for health system or a function arm of the health system that's seen as just looking at spreadsheets and it seems very sterile. There's not much collaboration, there's not much trust. To me, what I've focused on is making sure that finance is seen as partners in care journey and they have to change their mindsets. They have to transcend the typical spreadsheet mentality, counting the beans, so to speak, to one that is going to help transform the care.

And in that you got to have cross functional team mindset, organizational culture that is focused on driving patient outcomes and removing cost within the organization. Which means you need to be seeing yourself as those who are helping drive the clinical journey forward. And if you can do that mindset, that sends a different message because it tells the teams on a daily basis what we're doing on the finance side, operational side and the clinical side as an integrated system is driving for outcomes and cost containment and waste reduction, which at the end of the day is getting to the variation in care. Dr. Shulkin knows that really well. Variation in care is what impacts patient outcomes. And if we can remove that and smooth that out, we're going to be moving forward as a clinical enterprise much more efficiently than we are in the historic finance operational clinical triad.

[00:05:45] David J. Shulkin, M.D.: I want to go back to sort of taking your two questions and sort of trying to bring them together. So, you have this vision to be world class and certainly that to me is the most important thing leadership can do is to set that vision and set that bar.

And then you have these fiscal realities of what's happening.

And so, I wonder how you're thinking about whether you need to have a stronger payer integration into that strategy. I know the Atlantic ACO was one of the first ACOs Medicare ACOs in the country and there's been fairly successful. And you've had some partnerships with some of the health plans in the New Jersey region.

How are you thinking about the future in terms of payer provider relationships in Atlantic? Taking risk.

[00:06:38] Saad Ehtisham: So right now, 38% of our book of business is on risk-based contracts, on value based contracts, which is much farther ahead than most health systems which are somewhere between 15, 20% true risk. Right. And you mentioned the ACO. We have two ACOs, 5,000 providers in their primary care specialty, another one almost 6,000. Combination of employed joint venture and independent physicians driving for outcomes. In the new strategic plan, we've set the target for the next three years to get to 48% which is pretty aggressive given the fact that there are some headwinds coming our way from regulations and we don't know how to all is going to settle out.

So, it's not a one shoe fits all multi-pronged strategy. You got to focus on the value-based care components partnerships with the insurance. Will you go on more risk-based contracting with us? Can we model some things out and test how that goes? At the same time, it's also looking internally and creating clinical effectiveness programs. I think that's very, very important in order to know how to drive for outcomes.

The most health systems don't have a good governance structure on data archetypes.

All the AI programs are out there. They're using the solutions and finding a problem to drive outcomes. To me that doesn't work. To me we need to define what our problem is and then go find the solutions through AI or some other efficiency that can create outcomes. Physician partnership is really important.

Most health systems do not pull the clinicians in to help find efficiencies.

And to me we have service lines At Atlantic Health, some people call them institutes. To me, the dyad model ship of physician leader, admin leader. Driving the enterprise clinical needs forward and putting them in the center and then giving them the data to make informed decisions. That's very important.

So, most organizations are very data rich and information poor and they cannot convert the data into clinical insights that can be given to the clinicians at the right time, right format, right medium to make informed decisions. That's where the AI value I really see is the value of AI to drive outcomes, reduce costs and improve patient outcomes and clinical quality. That's kind of what we're trying to do.

[00:09:04] Jamie LaGuardia-Frie: How do you and your CFO model partnership for the rest of your leadership team? And also, as you're mentoring and working with emerging leaders, what advice would you give them?

[00:09:18] Saad Ehtisham: What I would tell, let's start with the emerging leaders. The advice I give them is it's not about you anymore, it's not individual support. Healthcare has become a team sport. And so, focus on honing in your collaborative skills, your skills to be able to put yourself in somebody else's shoes and be aware of yourself. Self-aware, emotional intelligence is really, really important in today's world. So that's, that's the advice I give them. Focus on those soft skills that we considered soft skills weakness in the past.

Today that's a strength. That's what you got to lean in with. You gotta, you gotta get people to buy into what you're trying to go, where to go, your vision. And you want people to espouse, to want to follow you. If you can evoke those emotions, people will, you know, you know, follow you on your journey. So that role modeling of the CFO and CEO, that's always been a really tight relationship in healthcare.

In some cases, it is to the detriment of the other executive teams with the CEO. So, the things that I've been trying to role model is not only just my relationship with the CFO, but the CFO's relationship with the Chief Information Officer. There's so much focus on technology and software needs and all those the CFO and the CIO need to be able to work together to be able to look at the IT enterprise, reduce the inefficiencies and be able to drive outcomes through that. Right? You can outsource, you can insource CFO relationship with the chief operating officer and the chief nursing officer to focus on the clinical enterprise, ever so important. And also, throw in the president of the medical group to look at creating access. What do they need to do, to be able to create access, create more productivity, have different models of care, value-based care ACO so it's not just the CEO CFO relationship now, it's the CFO with all the other team members and executive team and CFO almost has to become a chief strategy officer too. That mindset has really need to be evolved and honed in because the days of balancing the, the income statement and balance sheets are gone. They have to be strategic advisors. They have to convert what they're seeing on paper on the balance sheet and income statement to an advice the CEO. This is what I'm seeing. Here's the risk, this is how we mitigate that risk and how we move forward.

[00:11:45] David J. Shulkin, M.D.: Let's talk a little bit about risk. Everyone always watches the CEO and tries to understand where they're at and what they're thinking. But in particular, when you start a new job like you have, people are really watching you.

So, you've talked about this vision to become a really national world class system.

You've talked about some of the strategies. One of those was AI and technology and of course everybody is thinking about that. But where should people view you on the risk scale? Do you want to wait and see sort of what technologies pan out to be working? Watch some of your colleagues around the country or do you want to be on the leading edge? Do you want to be trying the new things and seeing what works? How should people look at your leadership style?

[00:12:36] Saad Ehtisham: For me I've always been, I'm a techno enthusiast, so let's start there. I'm a techno enthusiast, I like technology and so I'm going to take risks there. But we've got to vet the solutions that we're bringing in first. Tell the team what are we trying to solve.

If you know what you're trying to solve, then go find the partners who can help you solve that and more importantly, make sure that they're going to be around. Some of the problems that we see with these startups are two years out of their life cycle of execution. They're not sustainable or they buy, they got bought out by somebody else and then the vision changes and now we have a solution that we cannot use anymore because the backers are moving in a different direction.

Numerous examples of that. However, we also at Atlantic Health have venture studios where we act like a private equity firm and we have about $33 million in investments in startup technologies right now across United States and we're also looking for new ones. So, if we find somebody and we believe in them and that can add value to us in improving outcomes or reducing the drag on the revenue cycle. RCM is a huge area for AI to step in and do automated coding, provided you still got to put a person in between the AI and the. The outcomes to make sure it's going the right way and so we can leverage those. So I'm going to take risks there. That's where the team is going to be. You know, the CIO's job is to protect the cybersecurity portion. That's where they come in. CFO's job to advise me. Hey, it's kind of risky there, but we're willing to take it. I'm probably going to be on the seven to eight on a scale of 10, while the team is probably going to be three and below. And that's okay. And that's where you have healthy conflict to be able to get to the right solution. But I am kind of, I'm going to be pushing the organization calculated risk, not just risk, for the sake of taking a risk.

[00:14:33] Jamie LaGuardia-Frie: So, Saad, thank you so much for joining us. This was wonderful to get to know your strategies for sustainable growth and efficiencies. We've learned so much from your leadership and look forward to continuing our discussions.

[00:14:47] David J. Shulkin, M.D.: Yeah, what a... What a real pleasure and I'm very excited for you and the organization and the community as you continue on this path. It sounds like a great journey.

[00:14:57] Saad Ehtisham: Thank you. Thank you, Jamie. Thank you, Dr. Shulkin. Thank you for having me.

[00:15:09] Narrator: Alvarez and Marsal, Leadership Action results.