

Inspired Leadership: Dr. Patricia Gabow Talks about Pursuing Transformation and Why Mentoring Matters



The National Center for Healthcare Leadership is proud to present the 2008 National Healthcare Leadership Award to Patricia A. Gabow, MD, Chief Executive Officer of Denver Health, for leading the transformation of her organization into a highly successfully, profitable, integrated healthcare system that remains committed to its mission of caring for uninsured and vulnerable populations and providing Level One care to all its patients. Under Dr. Gabow's leadership, Denver Health, a safety-net hospital that has provided over \$3 billion of care for uninsured patients since 1991, has become a model for the nation and has been

cited by The Commonwealth Fund as a high performance health care system. Dr. Gabow is also recognized for her commitment to mentoring, her innovation in going outside healthcare in search of new management ideas, and her commitment to best practices. For her dedication to advancing the nation's healthcare, NCHL salutes Dr. Patty Gabow and thanks her for her inspiration to the next generation of healthcare leaders.

Patricia A. Gabow, MD

Chief Executive Officer
Denver Health

Education

BA Biology, Seton Hill College,
Greensburg, PA

MD University of Pennsylvania
School of Medicine

Internal Medicine at the Hospital
of the University of Pennsylvania
and Harbor General Hospital (now
called Harbor-UCLA Medical Center)
in Torrance, CA

Nephrology training at
San Francisco General Hospital
and the Hospital of the
University of Pennsylvania

Career

Denver Health

1973 Chief of Renal Diseases

1981 to 1991 Director of Medical
Services

1992 – 1997 Manager and
Medical Director

1997 – Present CEO and
Medical Director

Boards and other affiliations

- Member of The Commonwealth Fund Commission on a High Performance Health System
- Numerous committees of the Institute of Medicine addressing policy issues
- Common Good Colorado/ Council of Advisors
- Selected by the International Women's Forum for its annual *Women Who Make A Difference Award* in 2005
- Named by *Modern Healthcare* in 2006 as one of the Top 50 Most Powerful Physician Executives in Healthcare, one of the Top 25 Women in Healthcare, and top 100 Most Powerful People in Healthcare in 2005
- Recipient of \$5 million grant from W.K. Kellogg Foundation on Health Care for the Underserved
- Author of numerous articles, editorials, and abstracts

For the past 16 years, Dr. Patricia Gabow has run one of the country's most successful safety-net hospitals. Denver Health, with 500 beds, 245 full-time physicians, and 5,000 employees serving 150,000 patients annually has consistently earned a profit since 1991. Her transformation of the institution, from the time she took over as CEO in 1992, was not incremental. It began with a change at its very core when she recognized that running a highly competitive business like healthcare—and improving the quality of services provided to patients—could not occur as long as it was part of government. It was Dr. Gabow's leadership abilities that allowed her to convince Denver's mayor to agree to an amicable divorce and to successfully lead the organization and its employees into the future.

How did you separate from Denver city government?

Persistence. When I took the job 16 years ago, we were \$39 million in debt. When you are a poor organization, people think you are incompetent so I understood no one was going to write us a check. The first step to our success was to get out of debt on our own. With the help of the Mayor and the state government, we worked to change the state's Disproportionate Share Funding program to enable more federal dollars to support the care we provide to the uninsured. This was essential but not sufficient. We were part of government and it was clear to me that government didn't have the agility, flexibility, or speed of action required if we were going to improve and succeed in a highly competitive business like healthcare. So I kept going to Mayor Webb (Denver Mayor Wellington E. Webb) and saying we have to get out of city government. He initially did not embrace this idea. Finally, he asked me if I was going to ever get off this issue, and I said no. Persistence counts because people understand that it is important to you. Mayor Webb also understood because he had a deep-rooted commitment to serving the disenfranchised. Once he became convinced that the only way for Denver Health to thrive and meet its mission as a safety-net hospital was to be private, Mayor Webb spearheaded the effort and he became our champion. That took a lot of courage because he had to convince fellow elected officials that severing the relationship with the city's second largest department was important for Denver Health's future.

To lead the transformation of Denver Health, you looked outside healthcare for answers. What inspired that idea?

I felt we needed a broader vision, to learn beyond our industry. Healthcare has suffered from the idea that we are completely unique. Certainly there are unique aspects about us, but we also share similar things with other large, complex models. So we went outside healthcare to get it right.

How did you implement your transformation?

After we separated from city government, we asked how we could provide the perfect hospital experience for our patients. It drove me crazy that we were still doing things the same way for the past 40 years—our core processes were unchanged. We received a grant from the Agency for Healthcare Research and Quality to explore ways to change things, and that included creating a steering committee with representatives from FedEx Center and Microsoft, among others. We gathered information and eventually came up with the Getting It Right: Perfecting the Patient Experience plan that focused on getting the right physical environment, the right people, the right processes, the right communications and the right reward as a means of incentivizing and rewarding people for the right behaviors. We “stole” the reward idea from FedEx and the Ritz Carlton.

How would you describe aspects of the Getting It Right plan?

For the right physical environment, we wanted our buildings to support quality, safety, efficiency and offer broad support for the needs of our families and workforce. Our buildings are beautiful, but they also need to support care in the appropriate way. So our new OB floor is three times larger than the older one, but our nurses walk 45 percent fewer steps. To get to the right processes, we looked to Toyota to learn how to get rid of waste, which is expensive and disrespectful to patients and ourselves. Initially, people think of getting rid of waste as cutting costs. But at its core, it is about respect; our employees have embraced this. We have saved about \$13 million using the LEAN tool without cutting jobs. We trained about 160 employees including trauma surgeons. All of our nurse managers are “Black Belts” in Toyota LEAN. We have grown by 30 percent in square footage yet have reduced our supply costs by 50 percent as one example of the power of LEAN.

As a physician, what leadership skills do you bring to your position as a CEO?

Being a physician—especially being an academic physician in research—is very good training for being a CEO, because I am committed to data and understanding the data and analytics.

Taking care of administrative issues is just like taking care of patients. First you have to assess the situation, make a diagnosis, create a treatment plan and then monitor outcomes. If the outcome isn’t what you want, you have to change the diagnosis or change the treatment. In management, there is often a tendency to treat symptoms without making a diagnosis. Having been a practicing physician really helped me to avoid that pitfall. And my background in research has given me a commitment to understanding and innovating rather than saying, “We’ve been treating this disease for ten decades, let’s not think of a new way.” I am used to looking for new and better solutions. And that is useful in approaching administrative challenges as well. I love to analyze data, but not to the point of being immobile. That’s true with both management and with treating patients. When you don’t have all the data, you have to be able to move forward with ambiguity.

What combination of skills do you bring to your leadership position?

One thing I would say is that leadership and parenthood are very similar. You have to care about people you are responsible for, you have to want them to do well, you have to set high expectations and you can’t let them go astray. As soon as people deviate from where you think they should be, you have to be willing to tell them. I am able to have a frank conversation with people that male colleagues often are unable to do. Like being a parent—delivering the tough message without getting emotional or unsupportive—is critical as a leader. My COO has often said I have perfected the technique of combining battery acid with whipped cream when I need to have these conversations.

Does academic medicine conflict with leadership?

In academic medicine, the idea of challenging and arguing in the search for new knowledge is part of our process. But when running an organization the idea that every decision can be challenged doesn’t work. So in leading very smart academic physicians, I need to be able to say we are going to agree and proceed for now, without challenging every decision. That’s often hard for academic physicians to learn, but it is important. But I think being a physician CEO is particularly useful in a safety-net institution where resources are scarce because there is confidence from the other physicians that decisions are being made from the perspective of patient care, not just from the perspective of the bottom line. That’s important because in a safety-net hospital the bottom line is so fragile.

What is Denver Health's most distinguishing characteristic?

Denver Health is an integrated model of care. We really show a true integration. We are a hospital, a neighborhood health system; we have school-based clinics; we have an HMO, correctional care, a detox unit, and call center; and we have implemented a complete information technology system that links orders to pharmacy to labs to radiology to billing that reduces errors and improves efficiency. All of this allows us to provide a continuum of care for the prevention and treatment of disease throughout our patients' lives.

What were the greatest influences in your life?

My family. Everyone came from Italy and my mother and I moved in with my grandparents and uncle after my father was killed in WWII when I was a baby. My grandfather had a tremendous influence on me. I have his pictures on my wall with some of his favorite sayings. He always called me "my girl," and he would say, "My girl, the great thing about America is that if you get an education, there isn't anything in this world you can't do." But he also told me, "My girl, if you have a gift and you don't use it, no confessor can absolve you." So I have always understood that I have a responsibility to help make the world better.

How would you describe your management style?

I have a high need to know and I am extremely involved in everything that goes on here. We are a very top-controlled organization. What I mean by that is that the vision and drive are in place, so that everyone knows where we are going and what we are doing. My job as a leader is to inspire others, because you can't do things by yourself and you won't be successful. So it is critical to engage everyone in the organization's vision with a passion. And you need to feel that passion yourself and then it has to be communicated to the workforce. I do have a need for control and that is a plus and a minus. Because I have been here for 35 years, I know everyone. I am also an incredibly hard worker and that is a strength and a weakness because I expect everyone else to be like that. I do think my drive pushes others. We have a close executive team; they are my barometer. It is important for leaders to be surrounded with those who will be frank and open with each other.

What will it take to reform healthcare?

First you have to understand we have no system of healthcare in this country. We do not have a comprehensive, cohesive approach. We have failed to define what we want from healthcare in America. We have failed to define a floor, which is what everyone would get. We have failed to define a ceiling. We have failed to create a clear system of incentives. It is not a rational

system. There are lots of conflicting messages and conflicting incentives. The other big issue is that a lot of entities make a lot of money off the current system and that will present a major barrier for anyone who wants to make a change. Change won't happen without political will. And then it will take political leaders with vision and courage.

You are adamant about sharing information and learnings with other healthcare organizations. Why is that important to you?

Our goal is to be a model for the nation for what healthcare should be. And as an academic institution we are keenly interested in sharing what we know. We don't look at our successes as something to keep to ourselves. Sharing and mentoring are really the keys to developing future healthcare leaders. But mentoring really must start with a great family and the passing on of values. Our children need to be educated, and education is in more trouble than healthcare. If the next generation isn't educated, it's a little late by the time they are adults to develop leadership skills. Those things are bedrock. Education is important to create skills, but mentoring is important to create the philosophy and leadership. You can teach management, but you have to mentor leadership.