

Bill Nelson on Leadership Development, Clinical Excellence, and a Community of Caring



NCHL is proud to present the 2005 National Healthcare Leadership Award to William H. Nelson, president and CEO of Intermountain Healthcare. His career embodies the goal of NCHL to improve the health of the public through leadership and improved organizational performance. He is recognized for his commitment to building teams within his organization and identifying and developing future industry leaders. We salute Bill and thank him for his inspiration to future healthcare leaders.

William (Bill) H. Nelson
President and CEO
Intermountain Healthcare
Salt Lake City, Utah

Personal Stats:

Age: 59
Married to Christine for 35 years;
8 children and 11 grandchildren

Education:

- BA accounting Brigham Young University 1967
- MBA University of Southern California 1971

Career:

- Ernst and Ernst 1971-1976
Intermountain Healthcare
- 1976 - CFO
 - 1982 - senior vice president
 - 1995 - executive vice president and chief operating officer
 - 1999 - president and CEO

Boards:

- Healthcare Research and Development, Inc.
- Utah Symphony and Opera
- Utah Shakespeare Festival
- United Way of Greater Salt Lake
- Beneficial Financial Group
- Daimler Chrysler Bank

About Intermountain Healthcare:

Intermountain Healthcare is a nonprofit integrated healthcare system that operates 21 hospitals in Utah and Idaho, covers almost 500,000 people through its health plans, and has more than 500 physicians employed in its physician group.

Intermountain's awards and honors:

- Ranked America's No.1 integrated health care system (1999, 2000, 2001, 2003, 2004, 2005) *Modern Healthcare*
- American's Top 100 Most Wired Hospitals (2002, 2003, 2004, 2005) *Hospitals & Health Networks*
- "Bold 100" for strategic excellence in information technology (2005) *CIO Magazine*
- National Quality Award by the National Committee for Quality Health Care
- America's Best Hospital - LDS Hospital (2002, 2003, 2004, 2005) *U.S. News and World Report*
- Top Five Medical Centers in the Western United States - LDS Hospital (2003) *Money*
- America's 10 Best Children's Hospitals - Primary Children's (2003) *Child*
- Intermountain Healthcare Health Plans ranked No. 1 by Utah Department of Health (2003-2004)

Community:

In 2004, Intermountain directly provided more than \$67 million in charity care to patients in more than 147,000 cases. Intermountain also supported 10 independent community clinics that cared for more than 185,000 patients in 2004.

Even before Bill Nelson understood the value of teamwork, he was attracted to it. As a young staff auditor working in the Los Angeles office of Ernst and Ernst (now Ernst and Young) in 1972, he became interested in the auditing firm's newly formed healthcare practice because of its visionary leaders. "I joined the team," Nelson says, "not because I had a vision of working in healthcare, but because I respected Tom Testman and Norm Pasas as leaders. It was always about the team getting together and figuring things out. Tom and Norm were never people who thought they knew everything. They were people who said the team is what's important." As Bill has moved through his nearly 30-year career at Intermountain, mentoring, accountability, and governance oversight have been added to the leadership principles that support Intermountain's mission to improve clinical outcomes for its patients and to make healthcare affordable.

What are Intermountain's mission and vision?

The core of our mission is to provide excellence in healthcare services and do it affordably. Our focus is clinical excellence delivered with real caring and concern. To do this, we work on implementing best practices to reduce variation in clinical processes, which enables us to improve outcomes at a reduced cost. In everything we do, we ask, "Will this result in the best care for the patients? Will this improve clinical results?" We do this rigorously.

Intermountain's culture of excellence is highly regarded in the industry. How did that originate?

Our board is clearly at the core of our success. The board has always been made up of community leaders whose only focus is to provide excellence to the communities we serve. Since our beginning in 1975, our board has demanded that we produce the best. They require that we improve clinical outcomes. They demand that the amount we charge patients is significantly lower than our competitors. They require that we be excellent. And, so important, they give us resources and support to accomplish these objectives.

Our first CEO, Scott Parker, and Dave Jeppson, our first COO, led the growth and evolution of our organization. They developed our mission statement, focusing on clinical excellence, and created the culture that, throughout our history, has led us to focus on continually improving our clinical programs, processes, and outcomes.

How is accountability deployed through a diverse system like Intermountain?

It begins with teams of individuals who represent the breadth of our system, both geographically and clinically, who are concerned enough to commit the time and energy to define the clinical programs that we are going to work on, determine best practices, and develop a process that will accomplish best practices. When we implement a clinical process, we have nurses, physicians, and other clinicians who are knowledgeable in those processes on the development team. They have input into and ownership of the processes for which they will be ultimately held accountable. Our teams own their decisions.

How does the board hold Intermountain's leadership accountable?

Our board requires us to have clinical outcome goals as a major part of our annual goals. They monitor results and demand performance, which is tied to compensation. In our central operating group, made up of the top 19 leaders in our company, most of each individual's compensation is based on overall corporate goals. For people who report to them, about half of their performance is based on these goals. So the board is tough in the best meaning of the word. They demand and expect excellence. And then they give us everything we need to accomplish it.

Can you give an example of improved clinical outcomes?

In our intensive care clinical program we implemented a series of processes to reduce the number of patients who are stricken with ventilator-acquired pneumonia. Previously, 14 percent of our patients would be stricken, but by implementing these best practice steps we reduced it to five percent. We aren't in the business of basic research or new cures creation. Our objectives are to implement recognized best practices. And as we do it, we can demonstrate improved outcomes and reduced costs.

Intermountain's culture is also linked closely to teamwork. Can you elaborate on that?

Intermountain is a complex organization with hospitals, employed and non-employed community physicians, and a health plan. Key to our success is our teams, the great individuals with the common purpose of improving healthcare in our communities. Teams are the legacy of my predecessor, Scott Parker. He believed that you can't make the right decision unless you have the right perspective and input. I know I am not smart enough to make the best decision on my own. I need the perspectives of all the people who will be implementing our decisions.

Why does that matter?

It matters for two reasons. You need the input of all the people involved in implementing a decision so you have the widest possible breadth of knowledge and perspective before you make the decision. And if the people implementing a decision are part of making that decision and understand the rationale, then the implementation is dramatically better. They know the "gives and takes" and reasons for the decision, and they become owners of it. You can't fool people on this. They know when their input isn't being valued.

How is your management team set up?

Our management committee meets weekly and it includes EVP and COO Charles Sorenson, MD, an eight-year veteran, who is responsible for all clinical operations; CFO Bert Zimmerli, who joined us three years ago; and EVP Greg Poulsen, who is in charge of strategy and information technology and has been with Intermountain for 23 years. Then there is our central operating group, comprised of the regional operating vice presidents, the CEOs of our employee physician group and health plan, as well as central office vice presidents. There are 19 of us and we meet monthly to work through strategy and current issues. Within this group, we get the diversity of opinion and perspective that is absolutely essential to any decision-making process. This is critical in healthcare because the issues are complex and have so many consequences and implications.

How do you tie teamwork to leadership development?

One of the key things we have done at Intermountain is to identify our future leaders and then give them different experiences throughout the organization. When we have to make company-wide decisions, we pull together task forces and populate them with our future leaders so they can look across the entire system and appreciate how every area—physicians, nurses, other geographies, and the health plan—are affected by the decisions we are making. The members of our central operating group have specific responsibility to make sure that individuals within their groups are given a broad set of experiences, have access to different types of problems and problem solving, and can view decisions from the viewpoint of the entire organization.

Does mentoring play a role in Intermountain's leadership development?

Mentoring has been a crucial part of Intermountain's culture for as long as I remember. It played a critical role in my own development.

Can you elaborate on that?

For the nearly 25 years that Scott Parker and I worked together, there was never a formal time when he said I am going to mentor you. But I always knew I could go and talk to him, that he would be more than willing to share his perspective on issues and tough decisions. Our management team was together for nearly all that time and our meetings were wonderful mentoring sessions. I was there as CFO, but I could watch and see how decisions were made outside my realm of finance. I could see the critical elements in various decisions. And Scott was completely transparent in how he made his decisions.

How was your transition from CFO to CEO?

Scott went out of his way to make the transition successful. A full year before he retired he gave me the keys and allowed me to run the organization while he sat in the passenger seat and observed. He was always there to help, but I was driving. And the minute he retired, he retired. He never poked around, although he was always available when I needed him. Scott made sure I had the best chance possible to succeed. The change wasn't abrupt. In effect, he let me ease into his role.

How do you work with HR?

HR reports directly to me, and succession planning, identifying future leaders, and hiring are a key foci of senior management. Our hiring process for top leaders is daunting. We spend considerable time meeting with potential hires to see if they have the same beliefs and attitudes that Intermountain has, to see if they are a fit with our team. We have several rounds of interviews, some meetings with 10 or 12 people at once. We have candidates describe incidents where they had to live the values and mission that we adhere to. For candidates this process can be overwhelming, but we believe it works.

Where does your inspiration come from?

So much of what I get is from my wife. I have learned huge amounts from her in terms of caring about people and serving people and helping people, unconditionally and unselfishly.

*Interview by Lisabeth Weiner, Lisabeth Weiner Consultants, Inc.,
Chicago, Illinois*

