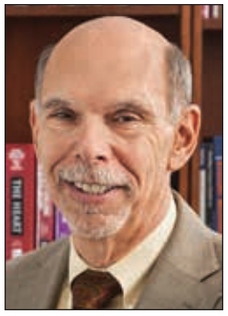
Transforming Healthcare Delivery

An Interview with Kenneth L. Davis, M.D.,
President and Chief Executive Officer, Mount Sinai Health System

EDITORS' NOTE *Dr. Kenneth Davis attended the Icahn School of Medicine at Mount Sinai and completed a residency and fellowship in psychiatry and psychopharmacology, respectively, at Stanford University Medical Center. Upon returning to Mount Sinai, he became Chief of Psychiatry at the Mount Sinai-affiliated Bronx Veterans Administration Medical Center and launched Mount Sinai's research program in the biology of schizophrenia and Alzheimer's disease therapeutics. Davis was appointed CEO of The Mount Sinai Medical Center in 2003 after spending 15 years as Chair of Mount Sinai's Department of Psychiatry. He was the first director for many of the institution's research entities and received one of the first and largest program project grants for Alzheimer's disease research from the National Institutes of Health. Davis also served as Dean of the Icahn School of Medicine at Mount Sinai from 2003 to 2007 and as President of the American College of Neuropsychopharmacology in 2006. In 2002, he was elected to the Institute of Medicine of the National Academy of Sciences and, in 2009, his undergraduate alma mater, Yale University, presented him with the George H. W. Bush '48 Lifetime of Leadership Award.*



Kenneth L. Davis

INSTITUTION BRIEF *The Mount Sinai Health System (mountsinai.org) encompasses the Icahn School of Medicine at Mount Sinai and seven hospitals, as well as a large and expanding ambulatory care network. The seven hospitals – Mount Sinai Beth Israel, Mount Sinai Brooklyn, The Mount Sinai Hospital, Mount Sinai Queens, Mount Sinai St. Luke's, Mount Sinai West, and the New York Eye and Ear Infirmary of Mount Sinai – have a vast geographic footprint throughout New York City. In 2016, Mount Sinai Health System hospitals received roughly 3.7 million patient visits, including inpatients, outpatients, and the emergency department.*

The Icahn School of Medicine at Mount Sinai opened in 1968 and has more than 6,300 faculty members in 33 academic departments and 36 clinical and research institutes. A renowned medical school, it is ranked number one in the nation among medical schools for overall research funding per principal investigator. The Mount Sinai Hospital is ranked number 18 in the nation by U.S. News & World Report *and ranked in the top 20 nationally in six medical specialties in the 2017-18 "Best Hospitals" guidebook. The New York Eye and Ear Infirmary of Mount Sinai was also ranked nationally (number 12 in Ophthalmology and number 50 in Ear, Nose and Throat). Mount Sinai Beth Israel, Mount Sinai St. Luke's, and Mount Sinai West were ranked regionally.*

Will you discuss how well the Mount Sinai Health System is positioned within the rapidly changing healthcare industry?

We have innovation as a core value, and that value facilitates our desire to be a leader in transforming healthcare delivery. We have taken the appropriate risks that are necessary in order to establish the infrastructure required so that we really can position ourselves for transformation.

This means moving away from fee-for-service medicine to value-based medicine. This is how we are renegotiating all of our contracts with our insurers.

Have you found it challenging to make this move, and where are you in that process?

It certainly is, because we encounter large and small problems all along the pathway. As an example, we have been developing a program called Hospital at Home. With the help of the Center for Medicare and Medicaid Innovation, we had nearly a $10 million grant to see how many people we could take care of at home who otherwise would have been admitted to the hospital.

After handling the first 600 patients, we realized that this approach was providing care with higher quality, better outcomes, and better patient satisfaction, all at a lower cost.

However, trying to get insurers to deal with the reimbursement issues that are associated with a new kind of treatment became problematic. We had to partner with a group called Contessa to become the intermediary addressing the billing issues we were having across the board with payers who couldn't find a way to conceptualize how care at home would be reimbursed.

As care delivery moves out of the hospital, how will the role of the hospital evolve?

At our Union Square site, we're trying to have the community understand that this is a hospital without beds. It can do almost everything except intensive care in a setting that was previously seen as ambulatory. This includes complex procedures, interventional cardiology and radiology, and surgeries that were previously inpatient. Today, we added a more prolonged post-acute care period after surgery, before people are discharged, than we previously had.

Hospitals today are places for complex care, intensive care, tertiary and quaternary care. Increasingly, less complex procedures can be done on an ambulatory basis.

How important is size and scale to be successful in today's healthcare environment?

It's very important. Part of our motivation for growth was that we needed a larger footprint in order to manage value-based contracts. If patients are attributed to the Mount Sinai Health System through any contract, that attribution puts us at risk for the care of those patients. If those patients can't find a Mount Sinai facility that is relatively close by, they may go to another healthcare system that might not be as committed to value as we are. They could wind up with excessive testing, branded drugs instead of generic drugs, and perhaps unnecessary procedures, but that all still gets attributed to us and is our risk.

If we don't have a footprint that is large enough to accommodate those patients that are attributed to us, we lose control of those patients. That is why size and scale really matter.

To be a true industry leader, how critical is the education component you provide via the Icahn School of Medicine?

It's essential. The revolution that we're seeing in biology is extraordinary. If we turned back the clock 100 years, it would have been impossible to envision the kind of breakthroughs we have in computer technology. The revolution that has been spawned by physics has changed everything we do today. The revolution today in biology will have the same kind of unthinkable repercussions decades from now.

To remain on the cutting edge of this revolution requires a medical school that is deeply committed to innovation and exceedingly well-funded. It must be committed to understanding

the physiology of disease, the therapeutic targets that then become available, and can create the new therapies and diagnostics that will change medicine.

How important is it to establish a service culture within Mount Sinai Health System?

It's critical. There was a time at the beginning of my career where, even if a patient was told it would take weeks to see a doctor of their choice, they would feel lucky to get an appointment, and the doctor would feel he was doing the patient a favor. That has completely changed. We're in a service business – we have to keep the patient first, and that means a change in the orientation of the physician/patient relationship. It means that access, access, access is critical.

Does technology enable the doctor/patient relationship or detract from it?

It's easy to underestimate what technology means to the way healthcare is being delivered now and how it will be delivered in the future. Artificial Intelligence will cause huge changes in the practices of radiology, dermatology, pathology and, down the road, perhaps even the interaction between patient and physician around the reporting of symptoms and diagnoses.

To facilitate access today, we have to have a robust Internet presence and it has to be easy to navigate with as few clicks as possible. Patients expect very quick feedback on the questions they have. We're working hard to provide that.

How is technology impacting the way the Icahn School prepares the next generation of healthcare leaders?

There are students who don't even have to attend lectures because everything is available to them online. There are professors who are absolutely stunned to see a virtually empty lecture hall, yet students are all ultimately seeing that lecture at their convenience and repeating sections of it that they don't understand the first time. This is a new way to teach.

As you look at healthcare reform today and the debate that continues, is the discussion moving in the right direction?

No. In the entire debate, what we haven't heard is how we can make the system more efficient. What do we have to do to get away from fee-for-service medicine and empower value?

When the debate is all about whether it's capitation or block granting, we're losing sight of what is really going on in healthcare. When we hear code words like "responsibility," "free markets," and "choice," we think we're really changing healthcare. However, we're really just letting ideology trump pragmatism and take the place of meaningful reform. We're not focusing on the hard issues like, why are the health outcomes in the U.S. mediocre while our cost per capita is higher than any other country in the world? What is wrong with a system that allows that to happen, and how do we facilitate the proper reforms?

It's not as simple as saying, if we just eliminate the mandate and people have choice, we'll have better policies. This does not fundamentally change the construct and address what's wrong and determine how we can fix it.

Is the medical profession still drawing the talent it needs?

The Mount Sinai Health System campus on Manhattan's Upper West Side

I've seen a sea change in the new generation of young people who are coming in.

When I listen to older doctors talk about the complaints they have with medicine today, they talk about having lost their autonomy and how they have had to become part of a much larger group or be employed by a hospital. They have to spend more time in front of computer screens and they can't interact with their patients as much as they would like.

When we talk to the people who are applying to our medical school today, they are as bright as they ever were, but they are entering medicine for a different reason. They know medicine is changing, and their motivations are less about being able to run their own practices autonomously. Instead, they actually look forward to being part of a group.

They know care is complex, they are not intimidated by computers, and they're doing it for the right reasons – they really want to help people.

When we hear about all of the challenges in healthcare, an aging and sicker population, and the news coming out of Washington, is it hard to be optimistic today?

We're already seeing that the immunotherapies being developed to fight cancer are cause for great optimism. The reason I entered medicine was to understand disease and to find new cures.

In my lifetime, we haven't seen a major breakthrough in the treatment of schizophrenia or depression other than what happened accidentally from drugs discovered in the '50s.

In contrast, what has happened over the past five years, especially in cancer, has been extraordinary. The ability to relieve suffering, prolong life, and cure conditions that were previously seen as hopeless have to give us great optimism for the future.

My concern is whether government bureaucracy and policymakers will be able to keep up with the opportunities provided by biology.

During the Clinton years, we doubled the NIH budget. With the current breakthroughs we have in biological sciences that apply to medicine, if there was ever a time to double the NIH budget, it's now because of what it means for the extraordinary therapeutics that could be a decade away.

Yet, we're not having that conversation. Instead, the conversation is about whether we can really live with a 17 percent cut in the NIH budget and whether it is possible that pharmaceutical companies and other philanthropic and business ventures can pick up that slack.

This is utterly misdirected public policy.

How important is it as an institution to celebrate the wins?

We do try to celebrate. We have an innovation conference once a year where we reflect on where we have come from and where we're going. We celebrate at events like commencement, the white coat ceremony, and convocation when we endow new professorships.

However, when we look back on the past six months and we think through the kind of fights we have been having to sustain Medicaid in New York State, and when we look at the executive actions that are being proposed that have major effects on our margins that will put us under increasing financial pressure, it's hard to sit back and take a breath. However, I do appreciate that my college roommate's wife, who had incurable melanoma that went metastatic, has now been put into remission for a number of years by immunotherapy. I get great happiness from that, but it doesn't overpower the daily grind of talking to our government affairs people and listening to the latest piece of destruction. ●