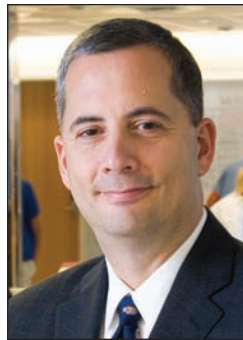


A Value-Based Model

**An Interview with Louis A. Shapiro,
President and Chief Executive Officer, Hospital for Special Surgery**

EDITORS' NOTE In October 2006, Louis Shapiro assumed his current post as Hospital for Special Surgery (HSS) President and CEO. Prior to this, he served as Executive Vice President and Chief Operating Officer of Geisinger Health System's Clinical Enterprise for five years. He began his career at Allegheny General Hospital in Pittsburgh and then joined McKinsey & Company as a leader within their health care practice. He is a Fellow of the American College of Healthcare Executives and serves on the board of both the Greater New York Hospital Association and Crutches for Kids. Mr. Shapiro is also a member of the Young Presidents' Organization.



Louis A. Shapiro

INSTITUTIONAL BRIEF The Hospital for Special Surgery (www.hss.edu) is a world leader in orthopedics and rheumatology. It has been recognized since its inception in 1863 as a leading academic specialty hospital dedicated to musculoskeletal disorders and autoimmune diseases and is the pioneer of the modern-day total knee replacement. The New York-based hospital performs more than 24,000 surgical procedures per year and has one of the most sought after training programs in orthopedics. Hospital for Special Surgery ranks among the highest in the nation for orthopedics and rheumatology in U.S. News & World Report "Best Hospital" issue, and is a recognized global leader in its field. An elite group of professional sports teams utilize Hospital for Special Surgery and its physicians including the New York Knicks, the New York Mets, the New York Giants, and Nets Basketball to name a few.

Can you give a brief overview of the key expertise that the Hospital for Special Surgery provides, and the strength of the services you offer?

We think of HSS as a value-based model of excellence in health care delivery.

As a full-fledged academic medical center, we take care of patients, we teach medical students from Weill Cornell Medical College, and we have residents and fellows who are in their post-graduate years for training. We also have an extensive research program with internationally recognized scientists who are leaders in their field.

What is different is that we have a focus, which is on musculoskeletal medicine – taking care of bones, muscles, and joints. The medical specialties included are orthopedics, rheumatology, and their related disciplines. As a highly specialized institution, we have considerable expertise treating a very specific patient population. This level of focus allows us to analyze and constantly improve care for our patients. Our extraordinary outcomes in both the quality of care and patient experience is where our value is measured.

There are many good hospitals that talk about great quality and service, but it isn't easy to differentiate. How are you able to do it?

We do more orthopedic procedures than anyone else. We understand the process from beginning to end and we understand the drivers of our outcomes. By way of example, this includes how we have achieved such a low infection rate. The process begins with our surgeons. If you do hundreds of hip replacements per year, you're going to be more proficient at that than if you do only 50 or 100. The longer a patient is in surgery, the higher the likelihood of getting an infection. So the skill of our surgeons is number one.

Number two is the cleanliness of the environment. We have a team of infection prevention specialists who educate our staff, and observe traffic patterns and patient flow on the floors. They have a full-time presence in our operating room so they can make sure that every practice that is oriented towards infection prevention through the whole process is at the highest level. We have specially designed operating rooms that were built for that purpose.

You're known as a leader in research. How critical is that to the overall brand, and can you highlight the emphasis around that area?

It's critical. The advancement of the body of knowledge in a particular area has to come from people in the business. Given the fact that we're the largest musculoskeletal provider in the country, we have more capability and knowledge to study both the clinical problems we are seeing in the exam room and at the bedside. We then take this experience and focus our clinical and basic science research on how to improve on the care that is being provided today.

We have five areas of focus for our research: autoimmunity and inflammation, including lupus and scleroderma; arthritis and tissue degeneration, which includes rheumatoid arthritis and the study of ACL tears, for instance; osteoarthritis, which is the wear and tear of cartilage resulting in joint pain; musculoskeletal integrity; and biomechanics, where innovation leads to advances like artificial joints.

Is the right discussion taking place today around health care reform, and is real reform possible?

Unfortunately, it's very challenging for a political process to fix a very complicated problem. My biggest concern is to make sure unintended consequences of health care reform are limited. Clearly, access to care should be improved. We need to figure out a way to improve how chronic diseases can be more effectively managed. Medical liability reform is not being addressed effectively. It is a major driver of health care costs. We also know that lifestyle contributes to health care costs being high, and that's also not being adequately addressed. We need more focused efforts to deal with the problem rather than trying to reform the whole system.

As you look a year or two down the road, what are you most focused on to continue the leadership and the strength of Hospital for Special Surgery?

We need to remain focused on quality, patient satisfaction, and employee engagement as the key drivers of the success of the HSS brand. No matter how good our performance is, we are relentless about our focus on improving upon our foundation of excellence. We also need to remain focused on our ability to grow. One of the challenges that comes from our success is that the demand for our services exceed our capacity. We're constantly expanding our physical plant and growing our employee base. Each time we expand our capacity, the demand for our services continues and consumes available space. Keeping up with the demand for our services is a priority.

As we enter a new decade, more than ever before, we are very aware of our unique position to improve the mobility of patients. As active baby boomers age, just as we pioneered the artificial knee, we are now working on new approaches to better diagnose, treat, and rehabilitate those with orthopedic conditions and rheumatic diseases. Our charge is to keep everyone with the highest level of mobility possible, which will have a direct impact on quality of life. ●