

---

ASSOCIATION OF ACADEMIC HEALTH CENTERS

---

# LEADERSHIP PERSPECTIVES

---

SOME LESSONS  
I HAVE LEARNED

A portrait of Steven A. Wartman, MD, PhD, MACP, President and CEO of AAHC. He is a middle-aged man with thinning hair, wearing glasses, a dark suit, a white shirt, and a striped tie. He is smiling and looking towards the camera. The background is a blurred indoor setting.

STEVEN A. WARTMAN, MD, PHD, MACP  
AAHC PRESIDENT / CEO

MAY 2018

[www.aahcdc.org](http://www.aahcdc.org)



Association of Academic Health Centers®  
*Leading institutions that serve society*

The privilege of serving as President/CEO of AAHC for 13 years has given me an extraordinary opportunity to gain a deep perspective and understanding of academic health centers. Prior to taking the position in 2005, I was, like most academic health center leaders, deeply embedded in academic medicine where I absorbed its values and acculturated its ethos.

AAHC offered me the opportunity to be “outside the tent” and provided a far-reaching platform to observe and reflect on the potential and challenges of academic health centers in a markedly evolving healthcare, scientific, economic, social, and political environment. Perhaps most importantly, I have had the privilege of learning from, working with, and befriending a large number of dedicated, mission-driven, and talented leaders whom I hold in the highest regard for their commitment to improving health and well-being as they continually advance the missions of education, research, patient care, and community service. I thank each of you for your support and for sharing so much with me.

“ I have had the privilege of learning from, working with, and befriending a large number of dedicated, mission-driven, and talented leaders whom I hold in the highest regard. ”

Trying to distill some of the key “lessons learned” over the course of 13 years is quite a challenge, especially given the scope and scale of the changes that have taken and are taking place. Nevertheless, here is my view of the critical issues facing academic health centers in the changing environment of the 21<sup>st</sup> century.

## 1 CHANGING INTERNAL CULTURE IS THE GREATEST CHALLENGE

Academic health centers, their faculty, and staff are often too self-absorbed, having a strong sense of entitlement and devoting too much energy to protecting the past. After lengthy discussions during many of my institutional visits, the conversation often turned from external threats, such as financial pressures, accreditation issues, research funding, and clinical competition, to the realization that the hardest challenges are not external but internal. In my opinion, the imperative to change institutional culture and behavior is the fundamental leadership challenge if academic health centers are to flourish in the future. However, the difficulties in achieving these changes are not to be underestimated. As one observer has stated, “Institutions [and individuals] seek to preserve the problem to which they are the solution.”<sup>1</sup>

## 2 EFFECTIVE LEADERSHIP, ALWAYS IMPORTANT, IS EVEN MORE IMPORTANT NOW

Given the need to change culture, successfully leading an academic health center requires individuals with transformational skills, a characteristic that is not readily assessed during the search for new leadership. The typical search process begins with the formation of a search committee and the hiring of a search firm. But prior to these developments, the institution should first clarify its present state, needs, and future directions. Based on this assessment, the skill sets needed in a new leader can be more directly specified before the formal search is started. Given the realities of pressing institutional needs and the pace of change, the search process should be limited to no more than six months. Because the search committee is generally composed of various institutional leaders who often

“...the imperative to change institutional culture and behavior is the fundamental leadership challenge if academic health centers are to flourish in the future. ”







have individualized stakes in the recruitment, its role should be streamlined to bring forth a qualified and representative cadre of candidates. In so doing, the committee should be instructed to focus less on the applicants' CVs and more on essential leadership traits, such as emotional intelligence. The next phase of the search, led by the decision maker (who should be involved in all phases of the search to assure continuity of communication and the building of an essential relationship), includes selective interview formats and other kinds of due diligence.<sup>2</sup>

### 3 ACADEMIC HEALTH CENTERS ARE GROWING SIGNIFICANTLY IN COMPLEXITY

To compound the importance of internal change and transformational leadership, the heightening complexity of academic health centers has a way of sneaking up on leadership. Because they are busy and multi-tasking 24/7, leaders and their senior teams do not have much opportunity to hit the pause button and reflect how management practices need to evolve or change. A well-organized and complementary management team built on trust and shared institutional mission can reassess on an on-going basis the need to update and/or change direction, and then effectively communicate and implement these strategic decisions.

### 4 THE ACADEMIC HEALTH CENTER BUSINESS MODEL IS A REAL AND GROWING CHALLENGE

Because academic health centers must subsidize certain unprofitable but necessary areas (e.g., education, research, and certain types of healthcare), all while dealing with a highly independent professional faculty, some of whom have tenure, the business model is not straightforward but rather involves a complex web of often indecipherable cross-subsidizations. An effective approach to this challenging issue may seem out of reach, but a useful exercise would be to consider subsidies as a form of "R & D" and allot a percentage of overall revenues to those subsidized efforts. This approach can foster discipline and transparency in

funds flows and facilitate deep discussions concerning institutional goals and priorities.

### 5 PARTNERSHIPS ARE ESSENTIAL - AND THE LIST OF POTENTIAL PARTNERS IS GROWING

The consolidation of the healthcare market has been ongoing for some time and will likely accelerate as bigger and newer players join forces, especially those in vertically integrated networks. This presents a considerable challenge to many academic health centers, particularly those that have been struggling to fit into larger markets. Indeed, in some scenarios, the survivability of the stand-alone model is questionable given the traditional business model mentioned above. Academic health centers should vigorously pursue partnership development by following the mantra that "collaboration is the new form of competition." It is important to enter into partnerships with the understanding that partnerships are inevitably a compromise as institutional priorities are unlikely to spread with equal intensity across the partnership.<sup>3</sup>

“ Academic health centers should vigorously pursue partnership development by following the mantra that “collaboration is the new form of competition.” ”

### 6 PLAN TO MANAGE THE MACHINES

Technology in all aspects of healthcare is evolving at a rapid rate. Artificially intelligent machines are poised to subsume many of the functions of healthcare providers. While academic health centers are prime generators and testers of new technologies, they must develop coherent plans to “manage the machines” or risk being managed or out-flanked by them.<sup>4</sup>

## 7 A GLOBAL VISION IS A NECESSITY

As the world becomes increasingly interconnected, it is ever more apparent that disease and lack of wellness have no true physical or moral boundaries. Similarly, education, research, and patient care/community health know no borders. Academic health centers must facilitate and be part of the profound connectivity that drives global health and well-being.

## 8 BECOME THE TRUSTED SOURCE FOR MEDICAL INFORMATION

The amount of data available to health professionals and the public is already enormous and will become practically unlimited. Various proprietary algorithms belonging to search engines determine the rank order of “hits” to queries. In the information age, how does one distinguish real, partially real, and fake sources? I believe strongly that academic health centers must augment their traditional mission of knowledge generation to include knowledge curation.<sup>5</sup>

## 9 RE-IMAGINE EVERY ASPECT OF THE ENTERPRISE

Change is happening much faster than we realize and is threatening to outpace the abilities of academic health centers’ management and administrative structures to respond proactively. Twenty-first century forces, led by the fourth industrial revolution, have the potential to overwhelm and/or dilute the impact of these institutions. Academic health centers need to aggressively re-engineer their systems of education, research, and patient care, rather than tweak them repeatedly in response to immediate contingencies. Here are some questions to drive discussion in this regard:

- In education, why should your curriculum be different from any other institution’s?
- What is the significance of the NIH “treadmill” with regard to measuring the societal benefit of your institution’s research portfolio?
- How will patient care in the relatively near future be incompatible with what your institution has built to deliver today?

In the long term, academic health centers can lead if they are able to capitalize on their major unique capability: Capturing the synergies and efficiencies of optimally aligning the missions of education, research, and patient care so as to create a real-time learning health system. In my opinion, this is the key to their future, a future guided by the principle of improved health and well-being for all.

“*Academic health centers must facilitate and be part of the profound connectivity that drives global health and well-being.*”

<sup>1</sup>Attributed to Clay Shirky, New York University.

<sup>2</sup>Wartman Steven A: Searching for Leadership: Best Practices for Academic Institutions. Association of Academic Health Centers, 2014.

<sup>3</sup>Wartman Steven A: Eight Strategies for Effective Partnerships in Healthcare. Nota Bene, Association of Academic Health Centers, February 2016.

<sup>4</sup>Wartman Steven A: Medicine and Machines: The Coming Transformation of Healthcare. Nota Bene, December 2016.

<sup>5</sup>Wartman Steven A: Curating Medical and Scientific Knowledge in the Information Age: A Role for Academic Health Centers? Nota Bene, Association of Academic Health Centers, February 2018.





# PERSPECTIVE



**BY** Larry J. Shapiro, MD

*Chief Executive Officer, University Health Partners of Hawaii  
Dean Emeritus, Washington University School of Medicine in St. Louis  
Former AAHC Board Chair*

I am honored to have been asked to offer some comments in this special issue of **Leadership Perspectives**. This occasion also provides an opportunity to make some observations on Dr. Wartman's exemplary service as leader of AAHC over the last 13 years as well as on his characteristically thought-provoking commentary in this issue. Steve Wartman couches his commentary in the context of "lessons I have learned," but I would point out that this issue advances many insightful lessons for others to ponder. That seems emblematic of the legacy that he leaves.

Throughout his career, Steve Wartman has been fascinated with the principles and practice of leadership. He has studied good and effective leaders and has advised many leaders personally. Notably, he has modeled superb leadership himself, having been among the best leaders I have encountered. With personal qualities that include warmth and sensitivity, Steve exemplifies the emotional intelligence that he speaks about in his commentary. During the term of his leadership at AAHC, he has interacted productively and successfully with the senior-most leaders in academic health systems around the country and internationally. He has become a friend and confidant to many, earning their confidence, their trust, their respect, and their affection.

Steve has continually shown himself to be a person of integrity and principle. He has steadfastly maintained countless confidences that have been shared with him. On numerous occasions, he has been an honest broker with an adept capacity to help parties with different points of view find common ground. When necessary, he has not been afraid to be direct and to offer needed advice. Importantly, among many laudable personal traits, his sense of humor has kept him in good stead.

I have been impressed by the fact that Steve Wartman clearly values all aspects of academic health systems and all of the health professions that are represented in academic health centers. He has successfully managed a very complex organization while husbanding relatively modest resources. Drawing from a long list of his specific accomplishments that I could cite, I believe

Steve deserves particularly high praise for applying his organizational and leadership strengths and global perspective to the conception, execution, and ongoing development of the Association of Academic Health Centers International (AAHCI).

Steve Wartman has unique insights and has the ability to help us envision what the future of academic health centers might look like. Many of these traits are reflected in one form or another in his commentary in this issue of **Leadership Perspectives**, and once more he leaves us with much to think about.

In his commentary, I think he correctly identifies many of the most salient issues and challenges for academic health centers today. Explicitly and implicitly, effective leadership in academic health centers is needed now more than ever.

As usual, he has his finger on the pulse of issues that are challenging at the moment. For example, recognizing the increasing complexity of academic health centers and the ever more pressing impact of the external challenges that they face, he advocates in favor of partnerships and the idea that we are often stronger together than we are as individual institutions. Steve Wartman shows himself to be an astute observer of culture in academic health centers, and speaks eloquently about important issues related to culture and cultural change. In that regard, while Steve clearly respects and treasures the traditional culture of academic health centers, he has long been at the forefront of recognizing their need to continually evaluate everything that they do and to adapt as necessary to improve and change with the times.

Like many others, I have benefited greatly from Steve's wisdom, sage advice, and good friendship. I know that the many members of AAHC and AAHCI share these feelings and hope that he will continue to be engaged with academic health centers as he moves forward into the next phase of his career. I am sure I speak for the many academic health center leaders who have worked with him and come to know him when I express our gratitude and wish him the very best.



Association of Academic Health Centers®

*Leading institutions that serve society*

Association of Academic Health Centers

1400 Sixteenth Street, NW, Suite 720

Washington, DC 20036

202.265.9600