Scottsdale Institute
COLLABORATION | EDUCATION | NETWORKING

CEO VIEWPOINT

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BORN AND RAISED IN ST. LOUIS, LAURA S. KAISER seems tethered by an invisible golden cord to the city known as the Gateway to the West. Each time she left town—for college, residency or executive positions out of state—something like serendipity brought her back. "I'm like a bad penny that keeps turning up," she jokes. It's more like a lucky penny. Today Ms. Kaiser is President and Chief Executive Officer of St. Louis-based SSM Health, a $9.3 billion Catholic, not-for-profit health system serving communities across the Midwest through a robust and fully integrated healthcare delivery system. SSM Health includes 23 hospitals, more than 300 physician offices and other outpatient and virtual care services, 13 post-acute facilities, comprehensive home care and hospice services, a pharmacy benefit company, a health insurance company and an accountable care organization. The 40,000 team members and more than 12,800 providers at SSM Health are committed to delivering exceptional healthcare services and revealing God's healing presence to everyone they serve.

Ms. Kaiser joined SSM Health in May 2017, bringing decades of experience in healthcare strategy, improving clinical quality, fueling innovation, driving performance and growth, creating partnerships and leading change while fostering a healthy culture. She previously served as Executive Vice President and Chief Operating Officer for Intermountain Health in Salt Lake City, Utah. She also served at Ascension Health in several senior leadership roles including Regional Executive for the Gulf Coast/Florida region and President & CEO at Sacred Heart Health System in Pensacola, Florida.

Ms. Kaiser serves on several boards including the Catholic Health Association, Embold Health, Joint Commission Resources, Merit Medical Systems, Navitus Health Solutions and the Scottsdale Institute.

She earned a Bachelor of Science degree from the University of Missouri, and Master of Business Administration and Master of Healthcare Administration degrees from Saint Louis University. Ms. Kaiser is a Fellow of the American College of Healthcare Executives and has been named one of the "100 Most Influential People in Healthcare" by Modern Healthcare magazine for the past five years.

SSMHealth



LAURA S. KAISER
FACHE, President & CEO
SSM Health

Prior to taking the top job at SSM six years ago, you served as EVP & COO at Intermountain and in several senior executive roles with Ascension. How has that experience shaped your leadership style and vision?

It's true for every one of us: Each of us is the product of heredity, environment and experience. I've been surrounded by people who wished me well, mentored me and lifted me up when challenges arose. I remember Sister Joanne's message to me when we were involved in a particular heavy lift, "You know, Laura, it's the fire-trodden furnace that shapes one's character." She's right. Because it was super-hot at the time. I have been fortunate to work with remarkable organizations and people.

While it would be hard to encapsulate all the lessons I've learned into a single answer, perhaps the one most fitting came from my parents: "Always leave things better than you found them." For me, this translates to taking ownership and believing that each of us can make a lasting impact in the world. It's why I have always been such a strong advocate of health equity, addressing climate change, and reforming the healthcare industry. While I have a responsibility to help ensure the continued strength and sustainability of SSM Health, it doesn't end there. I'm also focused on the lasting impact we can make in our communities, in our industry and throughout the nation for the benefit of future generations.

For health-system CEOs, the workforce crisis is at the top of the list of priorities. Staff shortages, burnout, and retention and recruitment challenges are all converging. What has SSM Health, with 40,000 employees, experienced in this area and how are you addressing this crisis?

While the healthcare industry has been predicting a shortage of nurses and clinicians for years, it accelerated – and expanded – in the wake of the pandemic. Like most of the nation's healthcare systems, SSM Health is now experiencing significant staffing challenges in both clinical and non-clinical areas.



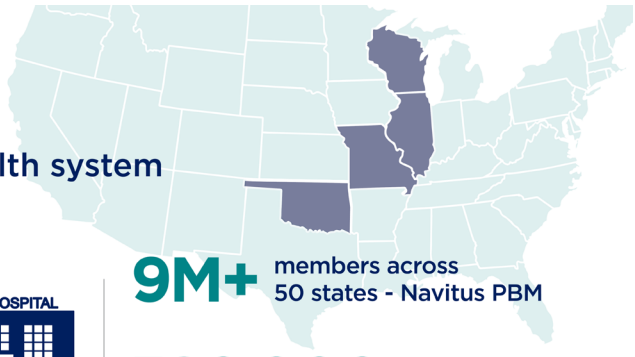
SSM Health's Saint Louis University Hospital

These challenges have driven us to think differently. Fundamentally, we must do more to support team member well-being. Statistics on the prevalence of trauma make it reasonable to assume that all those delivering and receiving care have experienced some form of trauma. It is critical that we provide the awareness, tools and training to support our caregivers.

Several months ago, we refreshed our "Care for Caregivers" program to better identify and assist individuals who are struggling. It is now designed to meet the needs of all team members – regardless of role – and is based on a trauma-informed approach. We're focused on minimizing trauma in the workplace and helping to retain our talented and dedicated staff who are essential to advancing our Mission.

At the same time, we're actively seeking creative new ways to attract talent, grow the talent pipeline in our communities, and tap into alternative talent pools domestically and internationally. These efforts include using internship and fellowship programs to source top talent from colleges and universities to increase the number and diversity of early careerists in our workforce. In 2022, 42 percent of our interns and fellows were from racially and ethnically diverse backgrounds. We're also partnering with local

SSMHealth. | System Overview



A **$9.3B** not-for-profit Catholic health system

$464M in community benefit

40,000 team members

12,800+ physicians/ providers

300+ physician office/ outpatient sites

23 hospitals

13 post-acute facilities

58 counties served by SSM Health at Home

9M+ members across 50 states - Navitus PBM

520,000 covered lives – Dean Health Plan

33 managed hospitals/ affiliate relationships

Nearly **23,000** monthly virtual visits

organizations to reach military veterans, working-age adults with disabilities, and residents of economically stressed zip codes who might otherwise lack career advancement opportunities. Last year, alone, we developed about 10 such partnerships.

Ultimately, it's more important than ever that we all be focused on creating an organizational culture that listens and responds well to feedback. We must get to know our people as human beings – meet them where they are, help them achieve their goals, and provide opportunities that are both personally and professionally rewarding.

You have long been a proponent of health and wellness rather than simply treating illness. What role does health equity play in achieving this goal?

We will always need high-quality acute, life-saving care, and in this country, we are very good at it. But if our goal is to create healthy and thriving communities, we must focus more on prevention and wellness versus simply providing episodic treatment. This means ensuring every person has access to healthy food, clean air, and water, along with reliable transportation and safe places to live, work and play.

The annual cost of health inequities in the U.S. is estimated at $320B – with direct healthcare services contributing to only one-fifth of an individual's health. Socioeconomic factors, behaviors, and physical environment make up the rest.

We have a lot of expertise and resources in our local communities to address health equity – but we must align our efforts. SSM Health includes standardized patient screening for social determinants of health in all acute-care settings through our electronic health records. When an issue is identified, we provide immediate referrals to community partners who can help. We also assign care managers to support our highest-risk patients. The early numbers are very encouraging: We supported more than 81,000 individuals from November 2022 to June 2023.

We're also working to create better access to behavioral health services. In St. Louis, for example, we worked with more than 30 community partners to create one

of the nation's first behavioral health urgent care clinics. It provides individuals in crisis with immediate access to these highly specialized services in a setting designed to meet their needs. The surgeon general has called behavioral health the major crisis of our time. I think he's right. The need has been so great that we're launching a second center in early 2024.

At the highest level, we want to create programs that support people in living their healthiest life and reaching their full potential. In Oklahoma, for example, SSM Health has partnered with the Brendon McLarty Memorial Foundation to expand an initiative that places emergency inhalers in every public school in the state. Brendon was a young boy who died from an asthma attack in 2012. Asthma is a serious threat to so many children, especially the poor and vulnerable, and it can limit their ability to be in school. We're privileged to be able to partner with the foundation and save lives. This effort is another way we are addressing the inequities that still exist in our communities.

Everyone agrees the social drivers of health—housing and food insecurity, transportation, environment—impact about 80 percent of a person's health and well-being and traditional medicine only about 20 percent. What is SSM Health doing in this area? Have you seen any improvement in community health? How would you measure it?

As those statistics demonstrate, healthcare providers can only do so much -- It will take all of us to find and implement solutions. Community-wide partnership and investment in social services are key.

While payment reform could help to better incentivize and fund community health programs, our communities cannot wait for policy to evolve. SSM Health is actively funding community-based services and partnering with other non-profits to deliver them.

Food insecurity is a big concern in many of our communities. While we utilize food pantries, Meals on Wheels, and other means, we also have some unique programs that make a difference in people's lives. One is called Veggie Rx. At SSM Health St. Anthony Hospital in Shawnee, Oklahoma, physicians write "prescriptions" that are redeemed for free produce at participating retailers. We also provide education on nutrition and cooking in collaboration with community partners. In 2022, 71 patients completed the program. Of these, 95% reported an increase in fruits and vegetables in their diet, and 98% reported a decrease in their household's food insecurity.

We also developed the WISH Center (Women and Infants Substance Help) in St. Louis, which provides holistic health, prenatal care and post-natal support for pregnant women overcoming addiction. These women are an underserved group, and this work provides hope – it better positions these moms and their babies for long-term health. Our team there has treated more than 2,500 clients since opening in 2016. Nearly all those women chose to deliver at an SSM Health hospital, and we can report that about 80% were drug-free when giving birth. We continue to provide care for two years post-partum to assist their recovery.

We also have opened two Long-Acting Injectables Clinics. These clinics provide long-acting injectable medications to behavioral health patients who have trouble maintaining a daily medication schedule. We take a holistic approach there as well, providing transportation and food, if needed. We average more than 300 clients a month. The numbers are impressive – reduced ED visits and readmission rates that dropped by more than 70 percent to less than 5 percent. While statistics can be impressive, the real effect is seen in the lives of our patients – reunited families, reduced homelessness, and the ability to maintain steady employment.



SSM Health has been a national leader in innovative partnerships and collaboratives, including helping develop the "healthcare utility" model and its first embodiment, generic-drug maker Civica Rx. SSM has also partnered with Cambridge University to further advance the healthcare utility model. What's the status of this movement and what can we expect to see from it in the next three to five years?

As responsible healthcare leaders, we must work together to make high-quality care more affordable and sustainable for the people and communities we serve. The healthcare utility model is a great example of innovation and collaboration for the common good.

Healthcare utilities are non-profit entities "owned" by a common group of customers who come together to eliminate some of the predatory pricing that inflates healthcare costs for all people. The term "healthcare utility" is relatively new, but many people in healthcare are familiar with the success of Civica Rx, the generic drug company that was the first to follow the model. Civica Rx was created by a group of the country's largest health systems, including SSM Health, along with several philanthropies.

In the case of Civica, certain drug companies had cornered the market on some important generic drugs and had created monopolistic pricing as well as supply chain disruptions. These actions harmed patients and health systems. Civica was created to solve that problem. With Civica we produce and distribute generic drugs with transparent costs and stable supply. All members get the same pricing, and no profits are taken. No one health system can own or control Civica. It exists to increase access and lower costs for everyone.

Last year, Civica Rx announced plans to manufacture and distribute insulin at the cost of $30 per vial, and even signed an agreement with the state of California to supply all its insulin. I believe this announcement played a key role in influencing other drug companies to lower their prices, too.

We're now eager to share this concept with others. SSM Health partnered with the University of Cambridge's Judge Business School to create the Healthcare Utility Initiative, which is a joint global strategic initiative to share the model and encourage others to follow it. Last year, we held our first summit in England. We also partnered with Cornell University to host a business case study competition this past April that engaged graduate students from some of the country's most elite universities in thinking about future opportunities for creating new healthcare utilities.

As to the future, we believe healthcare utilities have potential wherever monopolies and artificial price inflation exists in healthcare. We have a number of ideas for new utilities, but those are under wraps for now.

Value-based care has been in the health-system lexicon for about 15 years. SSM owns its own health plan and an ACO. In your experience is value-based care achievable in this country on a level that would make affordable quality care available to everyone?

Much of what we're trying to address with value-based care is tied back to payment reform. A value-based system of care is achievable, but we must incentivize wellness and solve for health equity. It's about focusing on unique patient populations to provide individualized access to the highest quality care, with the best outcomes, at the lowest possible cost.

To truly reach this goal, it will take active participation from health systems, payers, pharma and the government. The reason we only see sporadic progress to value-based care is because of continued misalignment of these major players.

The path we are on is unsustainable. Over the last decade, healthcare costs have increased twice as fast as worker pay, but the overall health of our population has not improved. Also, affordability and sustainability are different for various segments of our people.

For example, black women have pregnancy-related mortality rates that are nearly three times higher than white women. The maternal death rate for Black women was 44 per 100,000 live births in 2019, which increased to 55.3 in 2020, and 68.9 in 2021.

In contrast, White (not Hispanic or Latina) women had death rates of 17.9, 19.1, and 26.1, respectively.

This is unacceptable. As a society, we must choose to make health equity a priority.

SSM Health is leading the way in converting traditional fee-for-service contracts to alternative payment models (APMs) that create a sustainable financial platform to drive population health. Since 2020, we've added numerous APM contracts, which allow us to redesign the health system to better help people lead their healthiest lives.

As part of this transition, we've introduced new physician compensation models and care management programs for high-risk individuals. We've created systemwide goals around increasing annual wellness visits and health screenings. As I shared earlier, we're also actively working to identify and address the social determinants of health that impact our patient's overall wellbeing.

What will the healthcare landscape look like in five and 10 years?

I think it's safe to say that financial, consumer and staffing pressures will continue to shift sites of care and care models to provide holistic, easily accessible platforms – all enabled by technology. We're also preparing to care for an increase in the aging and chronically ill population. By 2035, the number of Americans aged 65 and older is projected to almost double to 89 million. That represents roughly 20% of the U.S. population.

At SSM Health, we're focused on chronic disease care management, prevention and screenings – along with wrap-around services to help seniors stay in their homes. This is particularly important in rural communities.

We're actively working to further expand virtual care and telehealth offerings, including behavioral health, primary care and remote patient monitoring. We're also exploring emerging AI capabilities and the integration of in-home smart devices. These are essential to delivering lower-cost in-home services, which is certainly where some of our care will migrate.

I believe we'll also see the continued introduction of new technology that enables us to become more efficient and reduce the administrative burden on our team members. This will allow our caregivers to work at top-of-license – and further increase access for those we serve.

While no one can truly predict the future, we are doing our best to anticipate the needs of our communities and patients and be prepared to meet them – just as we have for more than 150 years.

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