

Interview with William Petasnick, FACHE, President and Chief Executive Officer, Froedtert Hospital and Froedtert & Community Health System, and 2008 Chair, American Hospital Association

Anationally recognized healthcare leader, William Petasnick, FACHE, leads Froedtert & Community Health System, an integrated delivery system in Milwaukee, Wisconsin, that has \$813 million in revenues and more than 5,000 staff members.

A distinguished community leader, Mr. Petasnick is the 2008 chair of the board of trustees of the American Hospital Association (AHA). Since 2004, he has served on various AHA committees and task forces, including a special committee on health delivery system fragmentation. In addition, he is a board member of the University HealthSystem Consortium, the Greater Milwaukee Committee, the Metropolitan Milwaukee Association of Commerce, the Blood Center of Wisconsin, and the Downtown Rotary Club of Milwaukee.

Mr. Petasnick has been honored with numerous awards and special recognition. In 2007, he received an honorary doctor of health sciences degree from the University of Wisconsin–Milwaukee, making him the first individual that the university has honored with this distinction. In 2006, he was named Person of the Year by the Downtown Rotary Club of Milwaukee. In 2005, the Wisconsin Hospital Association bestowed on him its Distinguished Service Award.

Prior to joining Froedtert in 1993, Mr. Petasnick was the deputy director and chief operating officer at the University of Iowa Hospitals and Clinics; the director of operations and chief operating officer at the University of North Carolina Hospital; and the senior associate director at the University of Wisconsin Hospitals and Clinics. He has written articles for various publications and is a frequent speaker at national conferences. He earned a bachelor's degree in political science from the University of Wisconsin–Madison and a master's degree in hospital and health administration from the University of Minnesota.

Dr. Grazier: *You are at the helm of this fast-growing health system. Since your arrival in 1993, Froedtert's net assets have grown tenfold and its clinical base has tripled. What model is behind this tremendous development?*

Mr. Petasnick: Our health system follows a partnership model, especially with the Medical College of Wisconsin, that is grounded in our core values and a common mission. Although tougher than outright acquisition, a partnership model

allows each organization to retain its culture and uniqueness. We are a community academic medical center health system. The mission of Froedtert Hospital as an academic medical center in partnership with the Medical College is quite different than the community hospitals and their alignment with community-based physicians. We view these differences as a strength, not a weakness, and that fundamental respect for each other enables us to achieve greater alignment. The result is an integrated clinical and economic structure in which all parties contribute to developing effective strategies. When I look back at the past 15 years, I am extremely satisfied with all that we have accomplished together. I could not have accomplished much without a strong management team. My staff definitely deserves the credit.

Dr. Grazier: *Clearly, this model brings positive outcomes. What are the key aspects of the partnership process?*

Mr. Petasnick: People are the most critical element. We focus on building cross-functional teams, forming relationships, and developing talent. The enjoyable part of management is giving people the opportunity to improve their capabilities and then seeing them grow and develop as effective leaders. Our management team can make decisions and execute strategies.

Another component to our model is accountability. All of us are held accountable for delivering results, but first we ensure that everyone has a clear understanding of the mission and the core areas we are targeting. The management team develops quantifiable and tangible measures and outcomes for each area, including finance and quality.

Dr. Grazier: *As the chief executive of a health system and as the current board chair of the AHA, how do you prioritize among the many challenges and solutions that affect your organization specifically and the hospitals across the country generally?*

Mr. Petasnick: Within our health system, we are following the AHA principle that health reform must begin at home with a focus on internal process improvement. We have built our strategic plans around achieving the Institute of Medicine's six aims for improving healthcare. This is consistent with the AHA's "Pursuit of Excellence" initiative, which is a call to every hospital and health system in this country to focus efforts on providing care that is safe, timely, effective, equitable, and patient focused.

Dr. Grazier: *By the time our conversation is published, the country will have elected a new president. Your tenure as AHA chair is concurrent with this heated political environment. How does this timing affect your AHA strategies?*

Mr. Petasnick: Americans, no matter their political leaning, will agree that the current healthcare system is not sustainable in the long run. Costs are continuing to increase, and in many of our communities access problems are growing. At the AHA, our job is to ensure that the healthcare reform agenda—from covering the uninsured to improving care quality to implementing information technology standards to

emphasizing wellness and prevention—moves forward. We continue our coalition-building efforts based on our Health for Life framework. In the United States, the economy is on everyone's mind. Healthcare accounts for more than 16 percent of the gross national product, and how healthcare is organized and delivered is definitely affecting the economy. Thus, in 2009, we must continue to distill, explain, and hone our framework as we work within the political process.

Dr. Grazier: *How did you get to where you are today?*

Mr. Petasnick: As many practicing healthcare managers did, I got into this field almost by accident. As an undergraduate in the 1960s at the University of Wisconsin–Madison, I was a political science major with an interest in public policy. I wrote a paper about this intriguing new law that had just passed; the title of this paper was “Medicare, Will It Last?” Forty years later, I am still asking that question. That assignment piqued my interest in healthcare as an intellectual pursuit initially and as a career eventually.

After earning a master's in health administration at the University of Minnesota, I took an internship at the University of Michigan Hospital and Clinics. There began my career-long commitment to working in the academic medical center environment. Throughout my career, I have been fortunate to work with remarkable mentors at great academic medical centers. I have benefited tremendously from their insights and their mission-driven value orientation.

Dr. Grazier: *What is the role of management in healthcare? What can the healthcare management field do to produce good managers and leaders?*

Mr. Petasnick: I have always thought that an important part of being a leader is being an organizational change agent. A leader must be able to motivate people and to create a sense of excitement about working as a team to achieve a common vision. The problems in the healthcare industry have become more complex, so the need for strong and effective leaders at all levels is greater. My own management philosophy is built on five key elements: (1) focus on people and develop them, (2) give your management team the latitude to make decisions, (3) hold people accountable for results, (4) never lose track of your core mission, and (5) do not let process get in the way of meeting your vision. I am a strong supporter of both the American College of Healthcare Executives and the National Center for Healthcare Leadership. Both associations play a key role in helping develop tomorrow's leaders and in strengthening healthcare organizations' leadership development efforts.

Dr. Grazier: *What words of wisdom do you offer to other managers?*

Mr. Petasnick: Although today the issues are more complex and the economic and political situations are more challenging than when I entered the field, this is a great time to be in health administration. Recently, I read Bill George's book, *True North*, about discovering authentic leadership. He states that “becoming an authentic leader is not easy because the first, highest hurdle is understanding yourself.”

In other words, the hardest person you will ever lead is yourself. Knowing yourself enables you to be an effective team leader, and an effective team is the key to being successful in healthcare; its complexity is simply too great for one person. Finally, I want to remind managers to have a sense of purpose, or as I call it, "keep the main thing, the main thing." This main thing is what you believe is important to you, your staff, your patients, and the community you serve.