

A  
• New Leader  
Takes the Helm

# Aiming High

**ORA HIRSCH PESCOVITZ, M.D.**, became the University's executive vice president for medical affairs on May 11, responsible for overseeing the U-M Health System. A nationally recognized pediatric endocrinologist, Pescovitz served as president and CEO of Riley Hospital for Children in Indianapolis, where she also held the posts of Indiana University's vice president for research and executive associate dean for research for the IU School of Medicine. Married to transplant surgeon Mark Pescovitz, M.D., they have three children: Aliza, a lawyer who recently joined a major New York law firm; Ari, a graduate student in architecture in the Design, Architecture, and Art Program at the University of Cincinnati; and Naomi, a recent graduate of the Northwestern University Medill School of Journalism. Says Pescovitz: "I drop everything when they call."



Pescovitz at the Health System's new North Campus Research Complex

**MM:** What drew you to the University of Michigan Health System?

**OHP:** Two things. The first is the alignment between the hospitals and the academic medical center under one umbrella. That's relatively unique in the academic world. The Medical School and hospitals are in the top tier of their respective institutions and they're so well-aligned, and we also benefit from being located right on the U-M campus. But I don't think that alone would have drawn me to the position. What really snagged me was learning the U-M planned to purchase the former Pfizer property, now called the North Campus Research Complex. That's when I decided that if I were offered the position, I was certain I would take it. In my mind, the opportunity is unprecedented — to transform not only a university, but potentially an entire state, into a major player in research, and especially in the life sciences.

**MM:** The state and national economies remain deeply troubled; some volatile debates about health care reform are taking place; layoffs and closures have added to the unemployed — and potentially uninsured — population: You've stepped up to the plate at a time when the challenges have seldom been greater. Why?

**OHP:** Winston Churchill said, 'A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty.' I'm an optimist. I believe these interesting challenges afford us tremendous opportunities. But it's not just that I say, what can we make out of these difficult problems? The truth of the matter is that the U-M, and in particular the Health System, is a formidable institution with extraordinary strengths in spite of the fact that the state is in difficult straits right now. The financial health of the hospitals is stable, and although the profit margin is not as strong as it was two years ago, it's healthy and has stayed the line. Now, the fact that there's an economic storm outside means we have to keep our eyes open because we are potentially at risk, but at the same time, people should know that this is a very healthy place.

**MM:** How would you characterize your management and leadership style?

**OHP:** I think of myself as a servant-leader. I've been a physician, where I learned how important it is to learn through observation, to listen carefully. As a scientist, I know it's important to acquire data, be objective, let experiments tell the truth, and not let your pre-conceived ideas sway you; I've let

that drive my decision-making a great deal. As a hospital administrator, I've learned how important it is to be a member of a productive team because I've also learned what damage can come from dysfunctional teams. But I think I've probably learned the most from being a mother. As a parent, you want for your child to succeed more than you succeeded, and your role in life is to create a nurturing, comfortable environment in which your child will be as successful as maximally possible. My leadership style is a culmination of all those past experiences. It's my job to ensure that all the people who work with me have the resources and environment to achieve their maximum success.

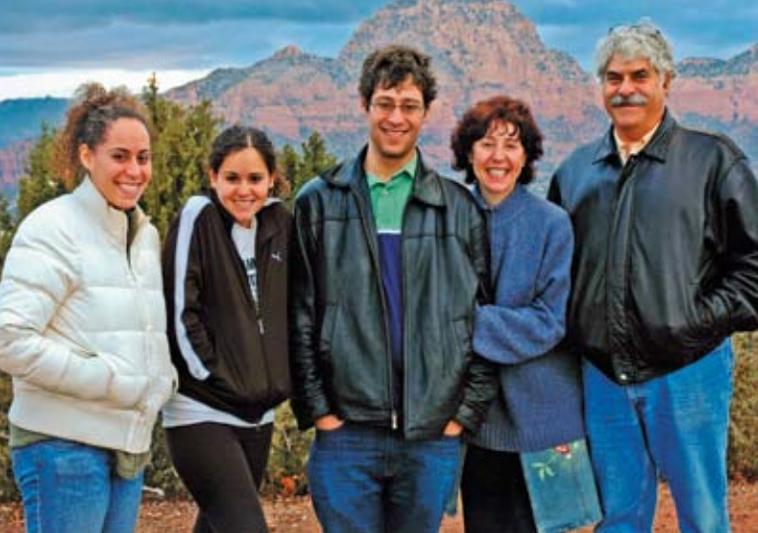
**MM:** What vision are you forming for the Health System's future? When you think five or 10 years down the road, what do you see — or wish to see?

**OHP:** Our vision is to create the future of health care — through scientific discovery, innovations in education, and the most effective and compassionate patient care. In this vision, the U-M Health System will be the leader in health care, health care reform, the curriculum that will shape tomorrow's leaders, and biomedical innovation. It's a bold and audacious vision that serves as the foundation of an aggressive strategic planning process we're launching this fall.

**MM:** How can Michigan make a difference at the national level?

**OHP:** Certainly health care reform is one of the areas where we can and should be leaders, because we're already making important contributions that position us well to play a role nationally. Let me give a few examples that I think are important. One is our relationship with Blue Cross Blue Shield of Michigan. As the country looks to reform health care, there's a lot to learn from what's being done in the state of Michigan, both from the leadership of an insurance company like Blue Cross

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● The Pescovitz Family in Arizona: Aliza, Naomi, Ari, Ora and Mark

and an academic institution like the U-M — and the relationship between the two. In partnership with Blue Cross, the Health System leads eight collaborative initiatives with other hospitals in the state that collect and analyze data to continually improve quality of care and outcomes. No other state in the U.S. has something comparable. We also assist Blue Cross in its large-scale initiative to transform chronic care delivery in the outpatient setting, known as the Physician Group Incentive Program. These collaborative programs help hospitals and physicians improve their care processes through detailed study of how care is delivered and rapid cycle improvement projects. They don't just reward good providers, they cover the costs of working on improvement, a concept we call pay-for-participation. We've shown that we get better long-term outcomes not by penalizing people for bad performance but by helping them to collaborate and improve. We work closely with Blue Cross through the Center for Healthcare Research and Transformation, a non-profit joint venture to improve healthcare for the people of Michigan and the country. Our Medicare Demonstration Project has used the same model of redesigning care to improve quality for patients. It has saved Medicare more than \$20 million over the past three years. The Health System also supports a program in the School of Public Health, called Value-Based Insurance Design, which aligns financial incentives by lowering out-of-pocket costs the more clinically beneficial the treatment is to the patient. We're on the leading edge in a lot of areas.

**MM:** Some believe that a greater emphasis on preventive medicine will yield a corresponding reduction in costs of health care. What are your thoughts on that?

**OHP:** I think people used to think that was true, but the data are increasingly showing that it may not be — but it's still a good thing to do! Preventive care may not result in major cost savings, but it will result in a healthier population and probably a more productive population, which will make us a better society.

**MM:** Bob Kelch refers to cultural changes — tighter teamwork, greater organizational self-esteem, improved morale — as some of his most significant leadership contributions. Do you have a sense yet of what you would like your legacy to be?

**OHP:** When I came here I said to my parents that it seemed a little challenging in the nadir of the economy, and my mother said, 'Well, you don't have a more difficult job than President Obama, do you?' I said, 'Well, in some ways it's a little harder because my predecessor was *so* beloved!' I feel very privileged and somewhat intimidated walking into such a wonderful institution where the culture has been transformed in such a positive way by Dr. Kelch's leadership. In terms of my legacy, I would like it to be one of a spirit of innovation and discovery, one that builds on the advances the Kelch era created, where that spirit of collaboration, teamwork and innovation is embraced. I value the strategic principles that the Health System developed for the years 2005-10. They are interwoven into the fabric of the organization. I would like to see growth in the North Campus Research Complex, and to see us build on Bob's trajectory.

**MM:** What principles guide you?

**OHP:** The English poet Robert Browning said that a man's reach should always exceed his grasp. And Michelangelo wrote that 'The greater danger for most of us lies not in setting our aim too high and falling short; but in setting our aim too low, and achieving our mark.' Those concepts drive me — the notion that you should always aim high — because people need something to shoot for, then set their lives on a path to achieve those goals. The goals have to be both important and doable. The goals we strive to achieve as a health system are important and doable.

**MM:** Given the responsibilities you hold, how do you maintain perspective? How do you relax?

**OHP:** People are different but, as my father always has said, 'My vocation is my avocation.' I love to work. But my family is extremely important to me. My husband, Mark, and I collect art and love music, exercise, reading. I used to play the piano.

**MM:** You don't play anymore?

**OHP:** I used to play at holiday parties — they knew that I had played piano in the past — but I'd have to practice for like two months just to be able to play "Let It Snow." [M]