



# The Mayo Clinic's culture of 'socialism run by Republicans'

By Jessica Sweeney-Platt | September 22, 2016

**A**s the healthcare industry moves toward a fee-for-value model, many organizations are struggling to shift their culture toward a team-based view of quality and compensation.



For more than 125 years, the physician-led Mayo Clinic, based in Rochester, Minnesota, has been practicing not only team-based medicine, but also team-based management and governance.

athenaInsight sat down with Stephen Swensen, M.D., medical director in Mayo's Office of Leadership and Organization Development, to discuss why the "Mayo Way" – a culture one of his patients described as "socialism run by Republicans" – is so successful at providing quality care and reducing financial waste.

**Q** What is the defining feature of Mayo's culture?

**A** I have 61,000 colleagues at Mayo. Virtually every one of them would say, "I'll tell you what our primary value is. The primary value is that the needs of the patient come first." Because we're all salaried [physicians] – because

departments, hospitals, and clinics don't keep any money they make, and it goes to Mayo Clinic in general – it's a very collegial, noncompetitive environment.

We've tried to integrate everything so we can focus on the patient and not have that detracted from – with competition between doctors for money and patients, or between clinics and hospitals for patients or procedures, or with 23 different hospitals all offering the same service lines. Because they don't keep what they make, there's no financial competition between them.

**Q** How does Mayo resist the pressures that would pull the organization away from its core cultural values?

**A** The main driver is that we're run by doctors that still see patients. All of our leaders are physicians that still practice medicine, still do surgeries, still do endoscopies, still do physical exams, still read CT Scans. That's probably the best insurance.

Some organizations have all these fancy mission statements and core values, and they don't live them. We are not perfect, but virtually every committee meeting, every board meeting, every day, every hour, someone will ask: Is this really about the convenience for the doctors? Or is it about the needs of the patient?

**Q** How would people at Mayo describe the leadership style of senior leaders?

**A** The nature of being a physician leader at Mayo is you're still practicing and you can't be in that position for more than eight years. So you're connected to the practice in a very different way than if you were chair or in administration for an unlimited amount of time, or if you weren't seeing or taking care of patients anymore.

Mayo pays physicians a small increment on their salary to be a chair, so the reason to do it is because it's part of a servant-leadership opportunity. You know you can still keep up your practice. And you know you'll be supported with great partners.

**Q** Has that made a difference for physicians?

**A** We have among the lowest physician turnover rates in the country. We occasionally will lose a physician leader at the mid- or higher levels. And generally, that's a celebration for him or her, and it's also an affirmation that we have a strong bench of physician leaders.

**Q** How does Mayo keep physicians engaged and energized?

**A** We treat our staff the same way we treat our patients. The way I like to approach patient care is, instead of asking, "What's the matter with you?" and then saying, "We'll fix it," asking them, "What matters to you?" Then work with them in a co-production, co-design, shared decision-making process, so that they are satisfied with their care and their life is maximized.

We should use the same lessons in dealing with the staff. We certainly have a vision and a plan and strategy for the organization and the departments. But when you work with individuals, you need to exhibit four behaviors that maximize the likelihood that they'll be engaged and satisfied.

**Q** What are they?

**A** My manager appreciates me. My chair is interested in my career. My leader of our group communicates transparently. And the fourth is: The chair of my department is interested in my ideas.

It's basically participatory management and taking interest in what matters to staff. Are you resilient? Is there something we can do to help with your work-life balance? Are you getting enough sleep? What are the pebbles in your shoes? And then working together to remove them.

**Q** Does your model change at all with the shift toward fee-for-value?

**A** We know our reimbursements are going to be very different in the next few years. And we welcome payment for value. The Mayo Clinic has utilized about 32 percent fewer resources than the average to deliver care to Medicare patients, while maintaining higher quality. We're among the highest value delivery systems in the country.

It's slowly changing, but basically the system is still an old model of fee-for-service. You do more surgery, you get paid more money. You do more appointments, you get more. We welcome the change because we're already there. And we think we should be paid for the savings, and right now we're not.

We still have waste, right? But we're utilizing 32 percent lower than the mean for Medicare already, just by the way we're culturally set up.

**Q** How can a network provide quality outcomes while driving down healthcare costs?

**A** If we took whatever we spent on healthcare in this country — \$2.8 trillion? — 40 percent of it, conservatively, is waste. Most experts might say it's closer to 50 percent. Most of that is overuse of services — redundant testing, for example. You get rid of that, and then you have too many docs, right? And you've got PAs and NPs and some nurses that can do so much of what we have doctors doing — cheaper and as good or better care. There's no physician shortage in the country, but we have capacity problems that our network of national partners can help alleviate.

**Q** Is Mayo doing anything specifically to help?

**A** Access to consultation services and telehealth, e-consults, virtual tumor boards. There's a smorgasbord of offerings that our partners can plug into, based on their needs.

We do tens of thousands of e-consults internally. We don't have the capacity in neurology, for example, to see every neurology consult, and neither do our partners. So we do e-consults, which better serves the patients' interests and itinerary without having them traipse over to see a neurologist face-to-face if they don't need to see them.

**Q** Can you name a personal accomplishment that led to higher quality and lower cost?

**A** I was the director for quality for eight years for our 24 hospitals. During that period, we started a Quality Academy. About two-thirds of our staff, 43,000, voluntarily took extra time to train as a Quality Fellow. Physicians now look at having two jobs at Mayo Clinic: Doing their clinical work and improving the quality of their work.

We also made substantial improvements in our risk-adjusted mortality rates, so they're among the lowest in the world. We did that because that's what Mayo is about: Higher reliability care. And that actually saved us money in the long term. As we improve the quality, the experience, the safety of our care, the portfolio of work has a huge financial dividend for healthcare.

*Jessica Sweeney-Platt is executive director of research at athenahealth.*



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