

Summary Points from *Meet the CEO Series Meeting* held on Feb 19, 2013

Dr. William C. “Kip” Schumacher spoke to the College of Business Administration faculty during the *Meet the CEO Series* in February. Dr. Schumacher is the Founder and CEO of the Schumacher Group, an emergency and hospital medicine group, located in Lafayette. The Schumacher Group was founded in 1994 and today is one of the largest and fastest growing groups of its kind, partnering with more than 3000 healthcare providers who treat more than 4 million patients annually.

Schumacher commented on a variety of current news and business topics. Specifically:

- The original company mission of “providing continuously improving quality healthcare to all patients in a low cost effective manner and maintain the highest ethical standards” is still relevant today. Schumacher noted that they are a values driven company and all 1800 employees understand the company’s vision – that they are in the business of treating patients with respect and dignity. This vision has shaped the culture of the company and it is communicated on a frequent basis so that people understand it and use it to make decisions about their work. The vision is also communicated to all stakeholder groups including hospital risk management and billing departments.
- With the help of industry experts who have been brought into the company, Schumacher discussed the many ways medical practice metrics are being used in healthcare today: decreasing medical malpractice risks, coding and documentation improvements that impact the revenue stream and increase payments to physicians; and providing information to physicians in formats that empower them to improve their practice of medicine. Also, Schumacher Group uses predictive analytics - the process of extracting information from hospital and medical office data and using it to predict trends and behavior patterns – to develop good practices focused on the patient as a customer. The company educates hospital staff and management in the practical application of the metrics developed from predictive analytics in the hopes of improving efficiency, producing higher patient satisfaction ratings, and achieving better patient outcomes. The goal is to provide the healthcare professionals with information that drives excellence in their facility.
- The Schumacher Group has experienced 20% growth each year by recognizing opportunities for expansion and innovation ahead of the competition. The company is currently involved in these initiatives: operating an insurance company and a medical billing company; investing in a 100+ person IT department; providing wellness services in companies where the focus is on referring patients into specific hospital networks and aiding the patient in the coordination and delivery of health care services; coordination of primary care in 30 different facilities; and pioneering virtual care management in hospitals by using virtual nurses and physicians (exporting intellectual capital through the use of telemedicine).
- Dr. Schumacher noted that healthcare offers good employment opportunities for students today, especially those who can manage resources within an organization in an effective and efficient manner. With the coming changes in the US healthcare system, Schumacher stated that more people will feel entitled to care and appointments will become hard to get; people will then wait too long to receive basic care and then present themselves in local hospital emergency rooms (potential for a 10% increase in ER visits). Emergency rooms will end up

providing a safety net for all (those who really have need and those who feel entitled) which will ultimately drive up the cost of care and make it very expensive to manage expenses.

Submitted by: Dr. Lise Anne D. Slatten, Department of Management