

WAYNE M. LERNER, DPH
In First Person: An Oral History

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WAYNE M. LERNER, DPH

In First Person: An Oral History

**Interviewed by Kim M. Garber
On June 14, 2018**

Edited by Kim M. Garber

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EDITED TRANSCRIPT
Interviewed in Chicago, Illinois

KIM GARBER: Today is Wednesday, June 14, 2018. My name is Kim Garber, and I will be interviewing Wayne Lerner, whose career in health care leadership began at Rush Presbyterian St. Luke's Medical Center in the '70s and continued at Jewish Hospital in St. Louis, the Rehabilitation Institute of Chicago and most recently at Holy Cross Hospital, also in Chicago. Dr. Lerner holds a master's degree from the hospital administration program at the University of Michigan and a doctorate in public health, also from Michigan. Wayne, it's great to have the opportunity to speak with you this afternoon.

WAYNE LERNER: Kim, it's a pleasure and an honor to be here.

GARBER: You've lived most of your life in the Chicago area – tell us about the Austin neighborhood where you grew up.

LERNER: I was born and raised in Austin – the far west side of Chicago, right next to Oak Park. My mother, Jackie Pochter Lerner, was also born and raised in Austin. She and my two brothers and I all had the same grade school teacher. My father, Alexander Lerner, grew up on the near west side of Chicago. My maternal grandparents were born on Taylor Street, so I'm a third-generation Chicagoan on that side. I was born into a lower middle class family – we didn't take a lot of vacations, didn't go to overnight camp – but we were never wanting for anything.

I went to public schools all the way through including Austin High School. In 1963, there was a red-lining scare in Austin. A lot of the white community moved out because the mortgage brokers were coming in and saying that you wouldn't be able to sell your house. Some of the first black families were moving west of Cicero Avenue. The first families to move in were lower middle class like everybody else. Austin was a heterogeneous community and relatively safe until the early '60s when it became much more dangerous. In the middle to late '60s, we had riots at the high school. After the King killing, the west and south sides of Chicago were not safe places to be.

We had riots in my neighborhood. One of the profound events in my upbringing was knowing that we were living under martial law and that tanks were going down my street, Lotus Avenue – we lived two blocks from the high school. I kidded people that I didn't go to the bathroom for four years in high school – the first year because of my religion and years two through four because of my color. It was an unsettling and divisive time.

One good thing about these experiences was that it taught me how to get along with people. My best friends growing up in Austin were Greeks, Italians, Irish, Jews and blacks. We were able to create a sense of community among these friends. That was true on the swim and tennis teams. That was true, much more importantly than the athletics, in the social organizations that existed within the high school. We had the Austin Brotherhood Club that was organized after the first set of riots to try to achieve a sense of community throughout the high school.

I had a series of close friends. My dad and his partner had a small accounting firm. His partner

had a son by the name of Jeremy Margolis¹ – who turned out to be prominent in Illinois government and close to Governor Jim Thompson. I had many friends in the Greek Orthodox community and from many other cultural backgrounds. These interactions added to my sensitivity about people, in general, and specific groups in particular. In the field that I went into, the ability to work with and get along with many different kinds of people in different situations helped me better relate to them.

During that time Austin was rampant with gangs. Our family didn't move out until '69. I was the last white kid on my block. The ability to grow and mature in that community was one of the more profound events of my upbringing. I'll give you one insight. I used to carry a gun. People were being shot in my alley and my backyard. My bedroom windows faced the backyard and people were breaking in. My dad, who was a World War II vet, taught us to shoot air rifles in our basement. I had a pistol with me at all times.

Austin was an interesting high school. If you go back in its history, it was academically one of the best in the area. Benny Goodman graduated from there in the '20s. During the time that I was there from '63 to '67, I didn't get a great academic education but I got a great people education. When I went to Illinois for my undergraduate education, I got my comeuppance because I was competing with people who were highly intelligent and much better prepared academically.

GARBER: How old were you when you were carrying a pistol?

LERNER: I was 15 or 16. I had a pistol underneath my pillow. I have a brother three years younger and a brother eight years younger, and when I would come home from college I used to have to walk them to grade school, a block and a half from our house. We couldn't walk through the alleys, a short cut to get there, because of the gangs. We had knives being pulled on us. It was a very dangerous time, a very aggressive time. People were angry. Race relations were not good.

We had different groups within Austin, white as well as black, who were striking out at each other. It was no surprise that the white community – especially north of Jackson Boulevard and going further north – vacated that community. It's heart wrenching because if you go to the western edge of Austin, west of Central Avenue towards Austin Boulevard, you have houses there that would rival those in Oak Park, but people ended up leaving because they couldn't stabilize the neighborhood.

GARBER: Were you and your brothers attacked?

LERNER: No, we were able to avoid that. For instance, I had a job as a soda jerk at Finkelman's drug store at the corner of Madison and Lotus. I would use what I was fixing at the soda fountain to pay off the gang members so that I could get home ok. They would come in with no money. They would just want to have whatever they wanted.

GARBER: So you would make a banana split...

LERNER: A milkshake or a malt.

¹ Jeremy D. Margolis, an attorney with Loeb & Loeb, served as Illinois inspector general, director of the Illinois State Police, and assistant United States attorney. [Loeb & Loeb. *Jeremy D. Margolis*. <https://www.loeb.com/attorney-jeremydmargolis>]

GARBER: ...in exchange for not being hassled on your way home.

LERNER: There's all kinds of stories about businesses who paid gangs for protection. This was my way of saying to the guys, "Come on, we've gotta live here together. You want a malt, I'll make you a malt." The two brothers who ran the drug store understood that. Otherwise, they would've been burned down like everybody else.

GARBER: Or, at the very least, they would have had no soda jerks. We're laughing a little bit because the whole concept is so strange but you had to live with this.

LERNER: It wasn't anything that I would have expected. In my early teen years I had friends, I went to day camp, I played baseball in the alleys. I didn't know what my parents were going through. My dad bought his first house on Lotus Avenue in '63 for \$15,000 or \$17,000 and we were lucky to get that amount of money in '69 when we moved out. The trauma for my father and mother and grandparents at that time must have been immense but as a kid I didn't know that.

My dad and his partner, Mr. Margolis, had an office on Madison and Western. That area was burned during the riots of the '60s. There are all of these things that you realize when you become an adult and you think, "Holy mackerel, how did they make it through that?" Further, how did those experiences affect me?

GARBER: I was wondering why your parents didn't leave earlier – you mentioned that you were the last white family on your block – and it was because they owned a home.

LERNER: Right.

GARBER: Let's go back to the values of your parents. Not only did they have this whole experience that you've just described but also they grew up during the Depression and World War II. How did that mold their values and your values?

LERNER: I'd like to focus on the maternal side of the family because I wasn't as close to my dad's parents. My maternal grandfather, Leo Pochter, and his wife Anna, had no formal education. My grandfather was a hoodlum when he was growing up. He used to deliver alcohol for Al Capone. He started what became the second oldest heating, ventilation, and air conditioning firm in Chicago. I worked for him summers while I was going to school. It was named ACME because that name would be listed first in the yellow pages.

Grandpa was not academically smart but brilliant from a street sense point of view. He ended up getting contracts with all the Chicago fire houses and police departments and post offices and libraries. He knew how to work well with people. He had people working for him including a series of men who came up from Mexico every year. I worked with these gentlemen every summer for several years and relished the relationships I was able to develop with them. Grandpa and Grandma had lived through the Depression and they would tell stories about families living together in two-room apartments.

My parents grew up in the same type of environment. Neither my father nor mother was able to complete college. I was the first person in our family to complete college and to get an advanced degree. My dad was a medic in World War II and, I think, would have loved to have been a physician. Coming back from the war, there were quotas that medical schools had as to who they would admit.

My dad would always say that he never got the chance to go because of his religion. He subsequently became an accountant, although not a CPA. He created a livelihood for his family so that we were not wanting. I often thought that, if I had the chance, I'd ask him if he felt fulfilled because he was a special man, a Renaissance man.

As I mentioned, my grandfather had little formal education but was street smart; my dad was much more of a learned man who read constantly. Both could interact with people in ways I never could have imagined. My father would work on people's taxes. People would come in and say, "Al, I want you to do something." My father would say no but they'd still walk out shaking his hand. This ability to interact with people was part of what I would call the series of profound things in my life that allowed me to become who I am. From totally different perspectives, their focus was on family, education and a sense of community. Those three things are what drive me.

GARBER: Were these Jewish quotas established after World War II?

LERNER: My guess is that given the racial, ethnic and religious bias that existed in our country, they have existed for years. Anti-Semitism, like racism, sexual preference and gender bias still exists today. One of these days our society will have to deal with this in a productive fashion.

GARBER: Is there anything else you'd like to say about your high school years?

LERNER: I had a series of remarkable friends, especially four guys that I've known since I was 6 or 7. We're still close friends: Gerry Berman – you interviewed his brother, Howard, for his oral history.² Howard and Gerry grew up in the same neighborhood. My other friends were Ira Kaufman, Jim Kochman.

GARBER: You went on to the University of Illinois – what made that your choice?

LERNER: I applied to Northwestern and Johns Hopkins because I was 4th or 6th in my class out of 500 and I thought I was a better student than I was. I was rejected by those private schools. I ended up going to Illinois on a scholarship, which was a blessing given how much my father didn't make. I'm not even sure we could have afforded any of the private schools.

GARBER: Did you pledge a fraternity at U of I?

LERNER: Yes. This is where I met Howard again. Howard was a president of a fraternity which is now defunct called Tau Delta Phi. In those days, you rushed fraternities while you were still in high school because then you moved right into the fraternity as a freshman – at least you did at Illinois which had the largest Greek system in the country. As high school sophomores, Gerry and I would go down and visit Howard at the fraternity – it was a big deal to go down there. When I later went to Illinois, I wasn't really a legacy but almost because of Howard.

² Howard J. Berman served in leadership at the Blue Cross Association, the American Hospital Association and BlueCross BlueShield of the Rochester Area, later known as Excellus and then the Lifetime Healthcare Companies. His oral history: Garber, K.M. (Ed.). (2014). *Howard J. Berman in first person: An oral history*. Chicago: American Hospital Association, can be retrieved from https://www.aha.org/system/files/2018-01/Berman_080211_FINAL.pdf

I ended up going to Illinois and pledged Tau Delt. In retrospect this was probably a mistake because I joined the fraternity that I had seen through the eyes of a high school sophomore but, as a college freshman, I had changed. Number two – I had grown up in a culturally mixed neighborhood and I was joining essentially an all-Jewish fraternity. I didn't fit in. I didn't come from the North Side or the South Side. There were just a handful of us from the West Side in the house. It would have been more comfortable for me in one of the more mixed fraternities. As it turns out, through one of my roommates in the fraternity I met my current wife, so things come around for different reasons.

GARBER: Were you involved in political activism at the U of I?

LERNER: I did the normal protests that people were doing. Illinois was a conservative school. Before 1969, women had hours. They had to be in by eleven o'clock. Doors had to be open. The summer of '69, when Michigan closed its campus and had not just protests, but learn-ins and different type of engagements between faculty and students, we had the National Guard in our quad saying "You will go to class." It was a very conservative environment. I was never a "rebel rebel." At the time, I was a psychology major, which pushes you way left of center. I was interacting with people who were more way left of center, but I was never what I would call a "Quentin Young activist."³

GARBER: Is there anything else you'd like to say about your undergrad years at U of I, before we go on to Michigan?

LERNER: Most people grow up and make long-lasting friendships in their undergraduate education but that was not my experience. My long-lasting friendships were with the kids I grew up with in Austin or met in my professional life.

I got my academic comeuppance at Illinois. I went from being this top-notch student at a Chicago public high school to a kid who, in his third semester, went on academic probation. Now some of that was my problem. I tended to party more than I went to school. My parents wanted me to be a physician but I had no science background to speak of at all, so that just wasn't going to work. I ended up changing my major about five times in the week between the first and second semesters of my sophomore year.

I became a psychology major. I found my grounding in psychology, thought I would be a clinical psychologist but my love is social psychology, the psychology of working with individuals and groups, leadership and organization structure. That came back to support me later on in my life.

GARBER: Don Wegmiller, who we interviewed in this oral history series, was talking about how valuable he thought it would have been if he would have had that sort of social psychology training because he felt that time and again in his leadership career that it would have come in handy.

LERNER: Yes. I was a psych major and a math minor. One side of my brain thinks analytically and loves math – in fact, I worked in computer science long before there were computers

³ Quentin Young, M.D. (1923-2016), was a physician and social activist who practiced in Chicago, on staff at Michael Reese Hospital and also at Cook County Hospital where he served as chairman of medicine. Dr. Young supported civil rights, national health care and ending discriminatory practices in hospitals. [Eltagouri, M. (2016, March 8). Dr. Quentin Young, Chicago activist for civil rights and public health, dies at 92. *Chicago Tribune*. <http://www.chicagotribune.com/news/ct-quentin-young-dead-20160308-story.html#>]

that we know about. Then I have the psych side, which is the creative side and the arts side of working with people. I love that interaction between the two. When I teach today, I teach from that perspective, looking at situations from multiple perspectives.

I should also mention that about the time I went on academic probation, my father had a mini-stroke which foreshadowed his early demise. That got me focused, and I think that's why the last five semesters I worked hard enough to bring my overall GPA above a B.

GARBER: You graduated from Illinois and went right on to grad school.

LERNER: Correct.

GARBER: For some reason you decided to leave the state and went to the University of Michigan. The "some reason" was perhaps partly due to Howard Berman's recommendation?

LERNER: Not even "partly." It was. I was at Gerry Berman's wedding when Howard and I started to talk. He said, "You're a second-semester senior. What are you going to do next year?" I said, "I'm going to go into psychology. I'm going to be a clinical psychologist," which was, in the early '70s, an extremely difficult graduate school in which to be admitted.

Howard said, "What about hospital administration? You worked in a drugstore and managed the front end of a drugstore." I was also manager of a Burger King when I was 16 or 17 in Oak Park. "So you've been doing this for years. Have you ever thought about it?" I said, "What's hospital administration?" having never heard of it, in spite of my dad being a medic.

Howard was on the faculty of Michigan at the time. He said, "Why don't you come up and interview with the program and learn a little bit about it?" I went up there, talked to Howard, talked to the faculty. Howard said, "I will recuse myself from the admissions committee if you decide to apply."

I chose to apply. This is like one of the two blind dates of my life that ended up really well. It was a blind date to go to Michigan. It was a blind date to meet my second wife. I went up to Ann Arbor. Howard, by that time, had left Michigan and gone to Blue Cross. I went to Michigan, spent the first year in Ann Arbor trying to understand what sounded to me like Latin. I had never had a political science class. I had never had a business class. I had never had an accounting class. I had never had anything to prepare me for it, and would spend my weekends trying to figure out what I was learning.

After finishing the first year, I was lucky enough to get an externship at what was then called Rush-Presbyterian-St. Luke's Medical Center,⁴ working with the Exec VP, Gail Warden.⁵ That

⁴ Rush-Presbyterian-St. Luke's Medical Center (Chicago) was formed by the merger of Rush Medical College with Presbyterian-St. Luke's Hospital in 1969. This leading academic medical center is known today as Rush University Medical Center. [Rush. *Rush history: First medical school in Chicago*. <https://www.rush.edu/about-us/about-rush-university-medical-center/history>

⁵ Gail L. Warden was executive vice president at the American Hospital Association and later became president and CEO of Group Health Cooperative of Puget Sound and then President and CEO of Henry Ford Health System. His oral history: Garber, K.M., (Ed.). (2010). *Gail L. Warden in first person: An oral history*. Chicago: American Hospital Association, can be retrieved from www.aha.org/chhah]

summer, everything came together for me. I could see the application of what I was learning in school, the application of management theory, management approaches and what we used to call industrial engineering, or the systems thinking, to the patient care process. It all began to make sense and I came back to Michigan in a big hurry to finish and get out and start my career because I was so excited about this career.

I retired almost forty years to the day from when I got my master's degree and I'm still engaged in the field. I am one of those people who can say without a doubt that I was exceedingly lucky to have fallen into a profession that I love dearly. I can't imagine a day not doing something in health care.

Anyway, I finished my second year. Part of the second year experience is to do a master's thesis. When they place you for the master's thesis, they ask, "Where do you want to work? What kind of project do you want to work on?" I said, "I want to go to Riverdale." They looked at me like I was crazy. I said, "Riverdale is the comic book town where Archie and Veronica live. I grew up in Chicago. I've worked in Chicago my whole life. I know nothing about a small-town, community-based enterprise. I want to get experience in that kind of community."

I went to Monroe, Michigan and worked on the brand new merger called Mercy-Memorial Medical Center. I was able to work with the executive director on a project of melding the medical record systems between the two hospitals. To do this in an environment that was so different than Chicago was really educational to me.

GARBER: The second year of your graduate program was the thesis year, which was like an administrative residency?

LERNER: Yes, the administrative externship work could have been called a residency but it wasn't nine months in length, it was three. Michigan had a two-year academic program and a three-month externship. They felt that there was enough academic content for two years and that there was growth in getting clinical experience, if you will, in those three months in the summer between. Then we would apply that experience in our second year of the academic program culminating in this master's project that we were doing.

The University of Michigan, especially in the '70s, was strong in pushing us towards administrative fellowships. Rather than graduating with our master's degree and then going to find a job immediately, they said essentially, you still need some maturation. Why don't you go work for somebody really good for a year and then use all of that experience and your education to start your career? A lot of people ended up getting a fellowship.

I was fortunate that I graduated when I did – in '73. The health care field was totally different before 1983. We had cost-based reimbursement. Money was plentiful. There was remarkable growth and development, and Rush had a whole series of jobs that were available. Through Gail, I was able to interview for one of four or five positions at Rush. That's when I got my first job as the assistant administrator for ambulatory services.

GARBER: Is there anything else you'd like to say about Michigan or about John Griffith

before leaving this topic?

LERNER: John Griffith is a tough-love type of academic individual. There was nothing touchy-feely about John, even to this day, and I chair a committee that's named for him, the Griffith Leadership Center.⁶ But he taught us the ability to think analytically, the ability to tell a story in a way that's right to the point. We had to describe a year-long master's project in ten minutes – essentially doing an elevator speech. John led a faculty that was on the cutting edge of what was going on in hospital administration. The people that I got to study with were amazing – Fred Munson,⁷ Bill Dowling,⁸ Howard Zuckerman,⁹ Ed Tuller,¹⁰ Sy Berki,¹¹ Arthur Southwick.¹²

I made remarkable friends when I was at Michigan. My two closest friends from Michigan were Al Greene,¹³ who was an executive on the west coast, and Jim Friedman.¹⁴ Al went into operations, like I did, and Jim went to work for the Public Health Service in Washington. They have been two of my closest friends. My other close friend from Michigan was Paul Boulis.¹⁵ Paul was president of Illinois Blue Cross/Blue Shield. I was in a class of 25. We had some of the first African-Americans admitted to a health administration program. We had a few women which you didn't see in the other academic programs.

GARBER: Were these women nuns?

LERNER: No, there weren't any in our year. It's not that Michigan didn't admit them. They just didn't happen to be in my class. Those were two phenomenal years. That propelled me later on

⁶ The Griffith Leadership Center is part of the School of Public Health at the University of Michigan. [*Griffith Leadership Center.*] <https://sph.umich.edu/glc/index.html>

⁷ Fred C. Munson, Ph.D. professor emeritus, taught at the University of Michigan from 1969-1992. [University of Michigan. *Faculty history project.* <https://www.lib.umich.edu/faculty-history/faculty/fred-c-munson/>].

⁸ William L. Dowling, Ph.D., professor emeritus, served as chair of the Department of Health Services at the University of Washington from 1994 to 2008. [University of Washington, School of Public Health. *William L. Dowling.* https://depts.washington.edu/hserv/faculty/Dowling_William/].

⁹ Howard S. Zuckerman, Ph.D., directed the Center for Health Management Research at Arizona State University and later at the University of Washington. [Rathbun, J. (1997, May 15). *UW News.* <http://www.washington.edu/news/1997/05/15/professor-brings-health-care-research-center-to-the-uw/>]

¹⁰ Edwin Tuller served as vice president, corporate planning for the American Hospital Association and later in leadership positions related to quality improvement and health performance measurement. [Ed Tuller, *LinkedIn.* <https://www.linkedin.com/in/edtuller/>]

¹¹ Sylvester E. Berki (1930-2007) was a health economist, professor at the University of Michigan and chair of the Department of Medical Care Organization at Michigan. [Public health Prof. Sylvester E. Berki died July 10. (2007, January 11). *Michigan News.* <https://news.umich.edu/public-health-prof-sylvester-e-berki-died-july-10/>]

¹² Arthur F. Southwick, J.D., (died 1997) was professor emeritus at the University of Michigan in the School of Public Health and the School of Business Administration. [Prof. emeritus Arthur F. Southwick died March 3. (1997, March 5). *Michigan News.* <https://news.umich.edu/prof-emeritus-arthur-f-southwick-died-march-3/>]

¹³ Albert L. Greene (1949-2009), served as president and CEO of Valley Presbyterian Hospital (Van Nuys, California) and in other leadership positions. [Albert L. Greene. (2009, April 19). *Los Angeles Times* <https://www.legacy.com/obituaries/latimes/obituary.aspx?n=albert-l-greene&pid=126332288>]

¹⁴ James M. Friedman served for 20 years in the U.S. Public Health Service and then became executive director of the American Academy of HIV Medicine. [Friedman, J.M. (2017, July). Roiling thunder. *HIV Specialist*, 9(2), 2. <https://aahivm.org/wp-content/uploads/2017/07/FINAL-DRAFT-July-2017.pdf>]

¹⁵ Paul S. Boulis served for 25 years with Blue Cross and Blue Shield of Illinois, including as president from 2005 to 2009. [Illinois Blue Cross and Blue Shield chief Paul Boulis to retire. (2009, August 27). *Chicago Tribune.* http://articles.chicagotribune.com/2009-08-27/news/0908260816_1_blue-shield-employer-groups-multistate-employers]

to want to go back and further my education.

GARBER: At the University of Minnesota there is a famous “Minnesota mafia” and I wonder whether Michigan has that same sort of strong alumni network.

LERNER: Yes, in fact, we talked about the Michigan mafia all the time. I don’t know if we stole it from Minnesota because so many people started at Minnesota. Today, the Michigan alumni numbers more than 4,000. Back in the days when I started, we used to have an annual symposium that brought everybody back to campus. It was particularly special to see the older leaders of the field interacting with what we now call “early careerist” administrators. We had an alumni association. I was president of the University of Michigan Hospital Administration Alumni Association in 1982-83. We did remarkable things to engender the kind of camaraderie that leads to what you would expect from a mentoring program. It allowed people to develop lifelong relationships. As I’ve said to my graduate students – and this was long before Google – I can find out anything about any executive in three phone calls or less, simply because of these kinds of networks. I’ve found them to be invaluable.

GARBER: Let’s move on to your years at Rush.

LERNER: I was lucky enough to get a job at 23 running the clinics and the emergency room. I could spend the whole day talking about Rush. Rush had Dr. James Campbell, someone who was very important in my life.¹⁶ He and Gail Warden and a bunch of other people I’ll name a little later had put into place what they called the matrix management system. They felt that there should be a doctor, a nurse and an administrator as co-directors, if you will – co-responsible individuals, co-accountable individuals for particular areas of operation.

I was paired with a phenomenal physician-executive by the name of Edsel Hudson¹⁷ – an African-American internist who was running ambulatory care for Rush – and Rose Navaro.¹⁸ Rose, a Latina, was in charge of nursing for ambulatory care. We were an unusual triumvirate. I learned immense amounts from both Rose and Edsel. I think that Gail did this on purpose. I think he knew that I would be nurtured by Edsel, who had the most wonderful style about him as a teacher. The medical students and the residents loved him. His patients loved him. I loved him. He was a most remarkable man. Rose taught me about nursing and toughened me up a bit.

GARBER: What was his teaching style?

LERNER: He was the opposite of me. He was not talkative. I’m talkative. He was quiet and reserved. I’m not quiet and reserved. He was exceedingly thoughtful. He would think about

¹⁶ James A. Campbell, M.D. (1917-1983), served as president of Presbyterian-St. Luke’s Hospital beginning in 1964 and led the reestablishment of the Rush Medical College in 1969. [Van, J. (1987, March 1). Rush recalls 150 years of health study, care. *Chicago Tribune*. http://articles.chicagotribune.com/1987-03-01/news/8701160848_1_medical-school-medical-training-young-doctors]

¹⁷ Edsel K. Hudson, M.D. (died 2010), a practicing physician, served as assistant vice president of ambulatory care at Rush-Presbyterian-St. Luke’s Medical Center in Chicago. [Edsel Hudson. (2010, January 17). *Chicago Sun-Times*. <https://legacy.suntimes.com/obituaries/chicagosuntimes/obituary.aspx?n=edsel-hudson&pid=138631560>]

¹⁸ Rose Navaro, who had been coordinator of community health nursing at the Mile Square Health Center in Chicago, was named director of health center nursing at Presbyterian-St. Luke’s Hospital in 1970. [Professional activities. (1970, February). *Presbyterian-St. Luke’s Hospital News Rounds*. https://archive.org/stream/newsrounds19701970rush/newsrounds19701970rush_djvu.txt]

things a lot and compose his answers only after thinking about them. He challenged in a most respectful way what you had to say. On the other hand, like you do with students, he did with me, which is he gave people degrees of freedom. He gave them rope. If you're going to stub your toe, it's okay. You've got an umbilical cord here. Just don't do anything really stupid. I was blessed by having the opportunity to work with Edsel and Rose for those first two years after graduate school.

Now I was 23. I was managing mostly women – and predominantly African-American women – who were old enough to be my mother or my grandmother. I had remarkable experiences working with them in the clinics and the emergency room. I was essentially the only white guy in the clinic. That led to my work with a number of people from Rush in the community, because it just felt comfortable to me. This all ties back to my upbringing. If I hadn't come from a multi-cultural upbringing, if I hadn't grown up being taught to respect people for who they are, being non-judgmental, and trying to understand them, and then going through the tumult in Austin – it just made me very comfortable in varied environments.

We had a gentleman who worked at Rush by the name of Hats Adams.¹⁹ I know Gail mentioned him in his oral history. Hats and I would go to Madison and Ashland, and Madison and Western, to these little restaurants and have breakfast with community leaders. The only other white person was George Washington on the one-dollar bill. Because of the experiences I had especially during my high school years, I never felt uncomfortable. To this day, that's helped me in every one of my jobs and every one of my experiences.

GARBER: I wonder if you might share more about what Rush was doing in the community.

LERNER: Years ago, the board of Rush was offered the opportunity to move away from the west side of Chicago – the story I heard was that Rush was offered land in Oak Brook by the Butler family. This was in the '50s as the Board was considering reactivating Rush Medical College – they could have moved the whole enterprise out there. However, the board and management leadership, Dr. Campbell, reaffirmed their commitment to the community, reaffirmed their commitment to the west side.

A sense of community involvement, a sense of community engagement, was paramount in everything that I learned at Rush. The ability to work with other professionals, this idea of matrix management, was one of the operating principles that I learned. Dr. Campbell had developed a multi-institutional system approach to health care. It was his feeling – and I say his only because if there were other people involved, I don't know, but we always heard it from Dr. Campbell – he felt that we were an academic enterprise. We were generating medical manpower – at the time, it was just medical students, but subsequently, nursing, health sciences graduates, graduate students. If we did our job well, we could produce enough manpower to staff other institutions and, further, not only create a system of care, but have outpost hospitals – we had two hospitals we were going to build, one in Park Forest South and one in Schaumburg. We were going to develop a series of ambulatory sites around the area.

I learned a series of important principles from my parents and grandparents which were

¹⁹ Reginald “Hats” Adams (died 2015), served as director of the Department of Community Affairs at Rush University Medical Center (Chicago) from 1980 until his retirement in 2015. [Reginald Adams. (2015, November 18). *Chicago Tribune Media Group*. <https://www.legacy.com/obituaries/chicagotribune/obituary.aspx?n=reginald-adams&pid=176549625>

reinforced by my experiences at Rush – a system way of thinking, the importance and role of academics in the delivery system, social justice or social equity, and how you make it all work. I was lucky that I was able to cut my teeth at Rush during that time.

Before 1983, before prospective payment came in, we were paid via cost-based reimbursement. Not only were we able to think up great things and encourage creativity but we had the money to back it all up. Rush did all of its big building in the '70s. That's when it created the Nursing College, the College of Health Sciences, the Graduate College, the Bowman Center. We were able to do things that other people weren't able to do or didn't take the opportunity to do.

GARBER: Must have been fun.

LERNER: It was fun. Having said that, Rush was not without its politics, like the issues between the full-time academic medical staff and the private practicing medical staff. Obviously, there's also politics within management – not only hospital management. I mean management, generically speaking.

It was a great time to be a youngster in management. My way of dealing with it was by thinking that I was going to be a kid in a candy store. I would have the opportunity – only once – to eat as much candy as I wanted. I was going to watch not only how the whole system develops, but also how people develop their management styles. I could decide, by watching different management styles, which fit with my personality and which didn't.

If you think about it, I was going back to my old psych background. What could I learn from people, organizations, groups? Being an observer of people has been something that has helped propel me all my life. I tend to be observant. When I give lectures, for example, I'm always watching my audience.

Rush was an amazing situation. I worked for Gail Warden but three years after I got there, he left to go to the American Hospital Association. He gave me my first job in 1972 and he has been one of my two most important mentors and supporters ever since – he and Howard Berman. I've had a 40-plus year relationship with each of them.

We had remarkable people at Rush. We had Gail and Dr. Campbell. We had Dr. Mark Lepper,²⁰ who was the dean of the Medical College. We had Dr. Bill Hejna. Bill was an orthopedic surgeon who was remarkable in his clinical talent and equally remarkable in his management talent. Bill was a tough guy to work for, and he was my second boss. Gail would take us and move us through a rotation of continuing operating responsibilities. After two years in ambulatory care, he moved me to the Medical College. I was the administrator for the Medical College, working with Dr. Hejna.

I learned how to work with the faculty and the medical staff those two years in the medical school. Those years helped me later when I went to St. Louis to Wash U, because I had spent those two years not only interacting with the private practicing medical staff but also with the full-time academic staff and the basic science staff. I would not only do rounds on patient floors, I would do rounds in the operating room and in the basic science laboratories. I am intellectually curious and

²⁰ Mark H. Lepper, M.D. (1917-1994), served as dean of the Rush Medical School in Chicago from 1970 to 1973. [Heise, K. (1994, February 16). *Chicago Tribune*. http://articles.chicagotribune.com/1994-02-16/news/9402160035_1_preventive-medicine-internal-george-washington-university]

Rush was a great place to pursue that kind of curiosity.

GARBER: You mentioned that Rush was looking to build in Park Forest South and Schaumburg. Did these hospitals get built?

LERNER: Neither of them got built. I don't remember the exact reason, whether it was because of the certificate of need or the planning board or the community or other issues. More importantly was that Dr. Campbell believed in system thinking and made sure we were organized accordingly. Systems thinking is now evident throughout our field.

GARBER: Rush did acquire other affiliates or satellites.

LERNER: But much later.

GARBER: You also touched on the town/gown conflict issues. I wonder if you could elaborate on that and how Rush addressed it.

LERNER: The town/gown is reflective of the different approaches of a full-time academic physician versus a private practicing physician. A private practicing physician is in business to do clinical work primarily or solely. The academic physician does clinical work but also does research and teaching. How do you put them together into a single medical staff – you've got to have a single medical staff for the Joint Commission. Who becomes the president of that medical staff, an academic physician or a private practicing physician? What kinds of policies are promulgated in the organization – they may have different effects on the academic physician versus the private practicing physician? These all come into play.

Their motivations are totally different. Their incentives are totally different. Their rewards are totally different. Rush was predicated on a teacher/practitioner philosophy. Dr. Campbell felt strongly that regardless of who you are, you ought to be able to teach, or do research, and practice. Historically, in this country, it was practitioners who were the teaching faculty until, with the influence from Europe, more full-time faculty were employed.

The private physicians – the town physicians – were told that if they wanted to be on the medical staff, they would have to give a “tithing” – my word. Ten percent of their time was either to be spent in free care – taking care of the poor – or in teaching, or research. They had to play in that ballpark. The academic physicians were told, “You can't exclude clinical work. Some significant portion of your life should be spent in clinical work.” When I was in the medical school and we set up salary schemes for the academic physicians, we tried to develop a compensation methodology that provided incentives for research, teaching and clinical work so that we tried to create this balance. The town/gown concept, this idea of bringing together into a single medical staff, people with very different motivations, very different approaches – it's a challenge, and continues to be a challenge for academic medical centers today.

At that time, Rush had three insurance products, which was way ahead of the field. They had Anchor HMO. They had a PHO and they had a fee-for-service arrangement. Dr. Campbell's idea was that you make all of the opportunities available to everybody. So the offer was made to the private physicians – you want to be part of the HMO? Be part of the HMO. We'll find a way to make it work. You create opportunities for them to partake together, and then if they don't want to do it, essentially, we could say to them, “We gave you the chance. Don't complain to us.” This was an

ongoing effort.

Rush was strong as a clinical institution and had an orientation towards teaching health professionals. Rush had research but not as much as today. Its research agenda has grown considerably since then. It was blossoming back in those days. I got great grounding in each of those three areas. Nursing – same type of focus. We had full-time nursing faculty, who were engaged in clinical operations, and clinical people who were fully ensconced in the academic programs.

Dr. Campbell talked about three things all the time: equity, equality and parity. He would say – I’m going to paraphrase – You can attain equity. You can try to achieve equality. But, if you don’t achieve parity, then you really haven’t created a balance in the system. He and Gail said that it wasn’t enough that medicine and nursing had an academic program. Management needed to have one as well. That management would never be considered an equal partner with medicine and nursing – remember the matrix organization – unless they could say, “We’ve adopted a teacher/practitioner model as well.”

That was the genesis of the Department of Health Systems Management. Richard Jelinek,²¹ was one of the first acting chairmen. Bruce Campbell²² became the VP for Administrative Affairs and Chairman of HSM. Fast-tracking to the latter part of my career at Rush, I had the same job as Chairman of the Department of Health Systems Management and Medical Center VP. We embodied this teacher/practitioner model.

GARBER: Does that program award a master’s?

LERNER: Yes. The first HSM class graduated in 1981. The first hospital administration program was at the University of Chicago, where the superintendent of the hospital was the director of the program. The teacher/practitioner concept for hospital administration dates from then. We were told by the accreditors, “You’re just an old program in today’s guise.” I’m proud to say that I was the chairman when we took it through accreditation the first time, and now Rush is, I think, number five on the *U.S. News and World Report* ranking of health administration programs.

While I left the Medical Center in 1990, I’ve always been a supporter of Rush. I’ve contributed to Rush and I’ve come back for periodic lectures. A year ago, I started teaching a course for first-year graduate students, “Health Care 101,” at Rush. I am thrilled to be back in the classroom.

GARBER: Another topic related to Rush is that I’m curious to know about competition among major academic medical centers. What does this look like?

LERNER: Rush was developing and growing under the leadership of Dr. Campbell and Gail and doing wonderful things. Rush has been through many changes since Dr. Campbell passed away

²¹ Richard C. Jelinek taught at the University of Michigan from 1964 to 1971 and was a founder of Medicus Systems Corporation in 1969 and Mediflex Systems Corporation in 1983. [University of Michigan. Richard Jelinek. *Faculty history project*. <http://faculty-history.dc.umich.edu/faculty/richard-jelinek/bio>

²² Bruce C. Campbell, Dr.PH, served as CEO of Advocate Lutheran General Hospital (Park Ridge, Ill.) from 2000 to 2008. Earlier leadership positions included CEO of Advocate Illinois Masonic Medical Center and executive positions at Rush-Presbyterian-St. Luke’s Medical Center (both in Chicago). [Colias, M. (2008, June 26). Lutheran General CEO to step down. *Crain’s Chicago Business*. <http://www.chicagobusiness.com/article/20080626/NEWS03/200029975/lutheran-general-ceo-to-step-down>]

like most organizations do when there is a leadership shift and now has skyrocketed back into prominence. Years ago, health care organizations were locally oriented. What we are seeing now is much more of a regional or national approach. I'm not sure whether we're going to see medical schools affiliating across states like some of the big systems have done. Regardless of size and scope, health care is still delivered one person to another.

In Chicago, we've got half a dozen medical schools and many great teaching hospitals. The medical schools historically have done a great job of teaching their competition. The people who graduate from the medical schools and GME programs are the ones going out into the suburbs and practicing. They are your competition. Back in the old days, some things could be done safely in the community and many things couldn't. Today, 90 percent of health care delivery today probably can be done in the community and may, in fact, be able to be done in a doctor's office or in a clinic. This is light years from where we were in the '70s.

GARBER: You spoke of Bruce Campbell. Did you also work with Dr. Leo Henikoff?²³

LERNER: Yes. Leo became President succeeding Don Oder who was the acting CEO after Dr. Campbell passed away. Throughout my career at Rush, I worked closely with Don Oder.²⁴ Don was one of the C-suite individuals, with Dr. Lepper, Dr. Hejna, Gail Warden and Dr. Campbell. Don was the VP for Finance when I started there. He became the chief operating officer of the medical center and then interim president after Dr. Campbell died.

Don was one of those people who, initially as the VP for Finance and even more throughout his career, was fully supportive of the Health Systems Management program. He was my boss and gave me the influence and authority to get my job done with the other members of the management team who had to be part of the teacher/practitioner model.

Bruce Campbell started exactly five days after I did at Rush. It was clear who his dad was. Regardless of that, Bruce was a man unto his own and a professional in his own right. As an individual who worked in a family business – I had worked for my grandfather – I understood the good and bad of working for a family member. Bruce carried a lot of load by working at Rush and having his dad as president. He did it with panache and he did it well. Bruce left about the time that Dr. Campbell passed away, as I recall the dates.

GARBER: He ended up at Advocate?

LERNER: He went to U of C first, I think, and then he went to Masonic and then Masonic became part of the Advocate system. I think that's how it occurred.

My heart was broken when Dr. Campbell passed away. I had always felt comfortable walking into his office and talking with him. He had a major influence on me because of who he was, what he said, and what he tried to achieve. He could be tough – but not to me. I think it's because he saw

²³ Leo M. Henikoff, M.D., served from 1984 to 2002 as president and CEO of Rush-Presbyterian-St. Luke's Medical Center (Chicago). [From the archives: Rush commencement, 1992. (2012, June 4). *Rush InPerson*. <https://rushinperson.rush.edu/tag/leo-henikoff/>]

²⁴ Donald R. Oder was with Arthur Andersen before serving in various executive positions in finance at Rush-Presbyterian-St. Luke's Medical Center in Chicago. [Donald Rudd Oder. *Prabook*. https://prabook.com/web/donald_rudd.oder/81932]

that we had similar values, concerns and goals, even though we came from very different backgrounds. I think fondly of Dr. Campbell often.

Leo and I worked together when I was with the medical school. Leo was assistant dean of student affairs, I believe, so I knew Leo since the early '70s. The search process brought Leo back to Rush as the president. It was about that time that it became clear to me that I needed to leave Rush. I had been there almost 17 years and was told by search consultants that if I would stay there any longer, it would be almost impossible to get a new job because people wouldn't believe that I could do anything outside of the Rush environment. There were a series of things going on within Rush that motivated me to look outside. I ended up going to St. Louis for an interview and subsequently was offered the job at the Jewish Hospital of St. Louis.

GARBER: That's the next chapter in your story. Before we leave Rush, though, is there anyone else you would like to mention? Wasn't Dr. Luther Christman²⁵ there at the time?

LERNER: Luther was the dean of the Nursing College. I'd like to mention Yvonne Munn,²⁶ Ellen Elpern,²⁷ Sue Hegyvary,²⁸ Liz Carlson,²⁹ Roberta Fruth.³⁰ I skipped over the fact that I was the assistant vice president for nursing administrative affairs. I was running all the support services in the medical center and was the administrative liaison for nursing.

Those experiences with nursing were exceedingly important in my professional development. Rush had – and continues to have – some of the best nursing services nationally. Luther, Gail, Dr. Campbell, Dr. Hejna, Dr. Lepper and Don all put their resources behind nursing, not only to create the Nursing College, but also added resources to the nursing services. I am still good friends with many of the nurses with whom I worked back then. When I was promoted to VP for administrative affairs, I worked with the VP of nursing and the VP for medicine in a matrix fashion. Dr. Henry

²⁵ Luther P. Christman, Ph.D., (1915-2011), was dean of the Rush University College of Nursing from 1972 to 1987. [Luther Parmalee Christman. *Prabook*. https://prabook.com/web/luther_parmalee.christman/1300500]

²⁶ Yvonne L. Munn (1928-2017) served as assistant vice president for nursing at Rush Presbyterian-St. Luke's Hospital (Chicago), as vice president of nursing at Methodist Hospital (Dallas, Texas) and as associate general director of nursing at Massachusetts General Hospital (Boston). [Yvonne Lorain (Mogan) Munn. *The Boston Globe*. <http://www.legacy.com/obituaries/bostonglobe/obituary.aspx?n=yvonne-lorain-munn-mogan&pid=185610503>]

²⁷ Ellen H. Elpern, an advance practice nurse, served at Rush University Medical Center. [Elpern, E., and Disch, J.M. (2018, August). Retired nurse volunteers. *American Journal of Nursing*, 118(8), 60-63. <https://www.ncbi.nlm.nih.gov/pubmed/30048292>]

²⁸ Sue T. Hegyvary, Ph.D., served as associate vice president for nursing affairs at Rush-Presbyterian-St. Luke's Medical Center (Chicago) and then dean of the University of Washington School of Nursing. [Meet Hall of Fame inductee Dr. Sue T. Hegyvary. (2017, March 29). *UK College of Nursing News*. <http://www.uky.edu/nursing/about-us/news/meet-hall-fame-inductee-dr-sue-t-hegyvary>]

²⁹ Elizabeth A. Carlson, Ph.D., is chair of the Department of Adult Health and Gerontological Nursing at Rush University's College of Nursing. [Rush University. *Elizabeth A. Carlson, PhD, RN*. <https://www.rushu.rush.edu/faculty/elizabeth-carlson-nursing>]

³⁰ Roberta Fruth, Ph.D., has held faculty appointments at Rush University and at the University of St. Francis as well as serving as a consultant with Joint Commission Resources. [Hawaii Hospital Education and Research Foundation. (2016). *2016 Joint Commission update*. <http://hah.org/wp-content/uploads/2013/12/Joint-Commission-Nov-2-and-3-2015-Fillable.pdf>]

Russe was the dean of the Medical School.³¹

I should mention one other thing that happened while I was at Rush. I was at a management meeting on a Tuesday morning when I got a call from my mother, who worked with my dad at the accounting office, saying that my dad had dropped dead. It was January 19th. My dad's birthday was February 14th. I had not yet turned 32. He had not turned 60. He was an accountant who made his money during the tax season, and he dropped dead on January 19th. As you might imagine, my mother never recovered from that trauma.

I left work, tried to get my act together. I had been married for several years at the time and had a young son. At my dad's funeral, I looked around and saw many of my colleagues from Rush there – Bruce, Diane Howard,³² Gary Kaatz³³ and a couple of other people – Jack Trufant,³⁴ and Dr. Campbell. Dr. Campbell came to the temple for the funeral. Other people may have been there but that's who I saw. That he took time from his day to honor the memory of my father has always stuck with me.

While I was chairman and VP for administrative affairs, I decided that I needed to go on for advanced education. In '82, '83, '84, I kept thinking to myself, *I can't deal with operational problems my whole life. I've got to have something else to think about.* I was intrigued with the law and had taken several health law courses and thought, maybe I'll be a health lawyer. My experience could help. I could do well as a lawyer, bringing the clinical experience to bear. I looked around at Rush at the time. I had a wife and, by then, two kids. I thought that four nights a week in class for four years was too much.

I wrote John Griffith at Michigan. I said, "John, there are practitioner doctoral degrees in nursing and law and medicine. What about a practitioner doctoral degree in health administration?" John said, "I can't get a second to that motion from the faculty."

Well, a year or two later, the Pew Charitable Trusts funded four programs around the country, which would support people getting either a Ph.D. or a Doctor of Public Health. Michigan was the only one that was based in an academic program and required people to maintain full time employment while they were going to school. I applied to the Michigan Dr.PH program with a focus on health policy. I didn't want to get a doctorate that was essentially a second master's in hospital administration. I wanted to learn something totally different.

I was admitted to the Michigan program. I think I was one of one or two people who actually ran an institution. The others were policy types. I'm proud to say that I finished in three years and

³¹ Henry P. Russe, M.D., (1928-1991), an internist, served as dean of the Rush Medical College (Chicago) from 1981 until 1991. [Rittner, A. (1991, May 12). Rush Medical College dean, Dr. Henry Russe. *Chicago Tribune*. http://articles.chicagotribune.com/1991-05-12/news/9102120054_1_accreditation-council-rush-university-chicago-society

³² Diane Howard, Ph.D., is associate professor in the Department of Health Systems Management at Rush University (Chicago). [Rush University. *Diane Howard, PhD, MPH*. <https://www.rushu.rush.edu/faculty/diane-howard-phd-mp/>]

³³ Gary Kaatz served as president and CEO of the Rockford Health System (Rockford, Illinois) for 15 years until his retirement in 2015. [Haas, K. (2015, June 4). Rockford Health System CEO Gary Kaatz to retire. *Rockford Register Star*. <http://www.rrostar.com/article/20150604/NEWS/150609728>]

³⁴ John E. Trufant, Ed.D. served at the Rush College of Health Sciences and also of the Graduate College. [Rush University. *Rush Archives*. <https://www.flickr.com/photos/rusharchives/6602366563/>]

eleven months. I was the first graduate by two years.

We had a choice of doing a research thesis or three papers on a related topic. I said, “I want to do three papers on a related subject.” I ended up publishing all three of those papers. I’m very proud of the fact that, between ’84 and ’88, while I was at Rush and chairman and VP, I was able to get my doctorate at the same time.

GARBER: What was the topic of the three papers?

LERNER: It was the impact of the change in payment on medical schools and teaching hospitals. In ’83, we moved to prospective payment. I wanted to know strategically and operationally and anthropologically how medical schools and teaching hospitals were going to change as a result of that.

GARBER: That is a huge topic. You say you wrote this at the time, so you were thinking through how they would change, as opposed to how they have changed.

LERNER: Exactly. In ’88, the field had not evolved that far yet. There had been some movement, but not much.

GARBER: Did you ever follow up – perhaps ten years later?

LERNER: No, I was on to other things by that time. The education and those papers became most relevant when I went to St. Louis and began working with Wash U Medical School and Barnes. It also helped when I was a consultant and later at the Rehab Institute.

GARBER: Can you summarize your thinking as to what the impact of the change was, between cost-based and prospective payment?

LERNER: The short story is that it changes your whole focus. Our incentives turned 180 degrees. We went from all-you-can-eat to living under a fixed payment. The DRGs were just beginning to be thought about. We hadn’t even considered the importance of episodes of care or community health or those kinds of initiatives. When you start to change your financial incentives like that, what are the implications for how you have to operate your institution? What does it mean for how you have to train and educate your staff? What does it mean for the town/gown conflict with your medical staff when, before you had plenty of money to support research, teaching and community service, then, all of a sudden, you have these fiscal constraints.

That was part of the tough times that Rush and other organizations were going through in late ’80s. The academic institutions were attempting to find ways to achieve their traditional mission with the looming changing payment system in front of them. We used to say, “Denial is not a river. Denial is denial.” Don’t deny the impact of prospective payment. It’s real. How do you get people to understand that and then change the way they operate as a result of that? I was intrigued by the power of department chairmen and thinking about how you get them to become part of the team to move the organization forward, especially with the change in payment?

GARBER: What are your learnings on that question? How did you get them to be part of the team?

LERNER: You encourage them to be part of the solution. You make them part of the team. You make sure that you hear them clearly about what it is that can motivate them. You create incentives and try to get them to play with rather than against you, because they have to be your champions at the local level. You can't do it at the local level, with the individual faculty or the individual practitioners. The chairmen have to be the leaders to bring on the changes in behavior which will be necessary to achieve success. It's like migrating leadership across professions. How do you do that in a changing environment? In truth, we had to change or face major financial challenges.

GARBER: Do you feel that implementation of PPS was a good change?

LERNER: Without a doubt. I think that we couldn't have handled the ever accelerating growth in the cost of medical care. We still can't. I think that the problem is that people are still institutionally parochial about their organization, their building, their enterprise, having a hospital in their community. When I started in the field in Chicago, there were between 120 and 140 hospital in Chicago. There are fewer than 100 today. Many of the ones which have closed are in the poorer communities of Chicago on the south, south west side, and south east sides. PPS probably accelerated their demise.

PPS forced us to change our thinking. If you look at the world today, the whole emphasis on improving the health of communities is all public health-based. The role of epidemiology becomes critical in any planning that's going on. Things come full circle.

GARBER: Do you have anything else you wanted to add about your time in Michigan?

LERNER: Yes, I had remarkable friends in both the master's and doctoral programs. In the former, Al Greene, Jim Friedman and I were a trio, held in check by our wives. After graduation, the six of us travelled all over the world together. Unfortunately, Al passed away one year after our last trip to Africa. Not a day goes by that the four of us don't think about Al.

In the doctoral program, my close friend was Bill Steeler.³⁵ The program experienced a good-sized dropout after the first year. We were to complete two years of didactic classes followed by two years to complete our dissertation. The two years academic was very strenuous. Bill and I supported each other throughout the process.

Bill was the chief administrative officer for the Cherokee Nation and then took a job as the director of primary care for the world wide Ismaili population. Bill and I used to spend hours talking, not just about health policy, but about his background and the cultural aspects of the Cherokee Nation as compared to mine. As a result, my horizons continued to expand.

At one point, I brought him to Rush to give a lecture on primary care and issues relevant to American Indian health care. Native American health norms are different from those applied to the Caucasian population. Their incidence of cardiovascular disease, diabetes, cataracts, etc., is much higher, and their death rates are different. Bill died in his 40s of a heart attack, a month or so before

³⁵ C. William Steeler (1948-1992), served as executive officer of the Indian Health Service, among other positions, and wrote the book, *Improving American Indian health care: The western Cherokee experience*. (2001). Norman, Oklahoma: University of Oklahoma Press. <https://www.amazon.com/Improving-American-Indian-Health-Care/dp/0806133562>

his degree was to be conferred.

Bill and I had a common advisor, Rashid Bashshur,³⁶ who taught research methods. He was a remarkable champion for both Bill and me. The doctoral faculty included, among others, John Griffith, Sy Berki and Ken Warner.³⁷ Many of them I had had in class 14 years earlier as a master's student.

GARBER: The next chapter in your career was in St. Louis. How did that opportunity come about?

LERNER: I separated from my first wife at the end of '86, beginning of '87. I had not yet met Sandye. I was a single dad and doing all the other things that I mentioned before. I knew it was time to leave Rush. Back in the late '80s, early '90s, it was easy to fly. I drew a mental map of about an hour's flight time from Chicago, this was probably three hours door-to-door. If I did take a job out of town, I could make it back to the kids' events, even during the week.

I started to look around when one of my search consultant friends called me because the job was open at The Jewish Hospital of St. Louis. I had never been to St. Louis, had never landed at Lambert, knew nothing about the Wash U campus or the city. I was one of six interviewees for that job. Only two of us had never been CEOs before, the others were sitting CEOs. I was 39 years old, almost 40, at the time.

They put us through three days of psychological testing and a series of interviews with a psychologist. We were succeeding David Gee,³⁸ and David had been there his whole career. He had been president for 27 years. It wasn't going to be a simple task to succeed David. He had a wonderful demeanor and was loved by the medical staff, the employees and the community. I have a copy of the test results, and it's remarkable how on target they are, even today.

I then had the opportunity to meet with the search committee. The Jewish board was very large, 60 or 65 people. They didn't have a foundation board per se, so it was a combined board. The executive committee was about 15 or 18 people, composed primarily of ex-chairmen of the board. The search committee and the executive committee were all people who had had tremendous civic and health care experience.

The gentleman who was chairman of the board at the time was Elliott Stein.³⁹ Elliott worked for Stifel, Nicolaus. He was an older gentleman who I would call "The Yoda of St. Louis." He was

³⁶ Rashid L. Bashshur, Ph.D., known as "The Father of Telemedicine," retired from the University of Michigan School of Public Health in 2016 after 54 years of service. [Dr. Bashshur, father of telemedicine, to retire 12/31. (2016, December 12). *Michigan Medicine*. <https://www.mmheadlines.org/2016/12/dr-bashshur-father-of-telemedicine-to-retire-1231/>]

³⁷ Kenneth E. Warner, Ph.D., is dean emeritus of public health at the University of Michigan's School of Public Health (Ann Arbor, Michigan). [University of Michigan, School of Public Health. *Faculty Profile*. <https://sph.umich.edu/faculty-profiles/warner-kenneth.html>]

³⁸ David A. Gee (died 2006), served as president of The Jewish Hospital of St. Louis for 27 years until his retirement in 1995. [David A. Gee obituary. (2006, December 6-14). *St. Louis Post-Dispatch*. <https://www.legacy.com/obituaries/stltoday/obituary.aspx?n=david-a-gee&pid=20178520>]

³⁹ Elliott H. Stein (died 2001), was chairman of Scherck, Stein & Franc, which was acquired by the Stifel, Nicolaus Investment Company in 1985. [Stifel. (2017). *Our history: In the heart of St. Louis since 1890*. <https://www.stifel.com/docs/pdf/aboutus/SFHistory.pdf>]

revered throughout the community. He was the person who helped Bill Veeck move the St. Louis Browns to Baltimore as the Orioles. It seemed to me that he was the person that everybody in St. Louis turned to for advice and counsel. One of my greatest regrets is that soon after Elliott's term ended, he passed away and I never got a chance to really know him.

John Dubinsky⁴⁰ took the lead at the interview. John was the board chair for the whole time that I was at Jewish. He was the chairman of a bank holding company and his family was prominent in St. Louis. I had all these other past chairmen of the board who were part of the search. I remember my interview clearly. I was sitting in a small conference room with all of these influential people, and there was a club sandwich underneath one of those metal lids. As I went to lift it, John turned to me and said, "I understand that you're engaged to be married." I said, "That's correct." By this time, I had met Sandye and we were going to get married. He said, "I understand she's not going to move to St. Louis." I said, "That's correct also." He said, "I understand that you get along with your ex-wife." "That's also correct," I replied. I looked at him and the committee members, smiled and said, "Clearly I'm not going to eat this sandwich!" I put the top back on it. I said, "Let me explain how this is all going to work."

Sandye had a well-established rehab company in Chicago which she had started from nothing. She had two teenage daughters. My ex-wife had gotten remarried and lived in the neighboring suburb from Sandye. I thought to myself, I can make this work. Every other weekend, I'll return to Chicago and we'll put the whole family back together – her two kids, my two kids and the two dogs. The opposite weekends, Sandye will come to St. Louis and we'll do whatever social functions we have to do in St. Louis. We did that for five and a half years.

GARBER: It's interesting to note that you had strikes against you. You had never been a CEO before and you could be seen as unwilling to make a commitment to the organization – you weren't willing to move your family to town. They must have had a hard time swallowing that, but they did. What was it about you that made you come out on top?

LERNER: I think the fact that I was coming from the Rush experience, that I had the academic background and that I had a great sensitivity for the medical staff town/gown issues. What I didn't know at the time is that the confluence of resources down there on the Wash U Medical Center campus was second to none – except maybe Houston. At Jewish, the medical staff was composed of full time, employed physicians and scientists and community-based private physicians. The full-time faculty generated 25 percent of the admissions while the private staff, 75 percent. Jewish owned and operated about 65,000 square feet of basic science research space with its own animal research lab. The faculty seemed to prefer to work at Jewish more than at Barnes or at the medical school because we had more of a homey, community environment. Patients came to Jewish not only because of our medical staff, because we had better – this is what they said, I didn't say this – we had better patient care, better nursing care.

The board was looking for somebody who had some type of institutional background, who was comfortable in systems, comfortable in an academic environment, comfortable in dealing with

⁴⁰ John P. Dubinsky, who served as the CEO of Mercantile Bancorp, Inc., was part of the leadership team that created BJC Healthcare and later headed the group that developed a biotech corridor in St. Louis. [Health-care heroes: John Dubinsky. (2005, Nov. 13). *St. Louis Business Journal*. <http://www.bizjournals.com/stlouis/stories/2005/11/14/focus4.html>]

both suburban and city institutions. Coming from the complex environment of Chicago, I felt comfortable with these challenges.

I also had youthful naïveté. You don't worry about taking risks when you're young. You just do it. At least I did. I talked about how I would try to keep the hospital independent, but I also said that we had to keep our eyes on the environment. This was 1990 and the big enemy then was managed care. Managed care was starting to make its presence known, at the same time we have all this competition. As one of my fellows, Sean O'Grady,⁴¹ used to say, "What makes The Jewish Hospital Jewish?" How do we create a sense of that culture, or retain a sense of that culture and at the same time succeed in a competitive environment in a relatively small market.

GARBER: That's an interesting question along with the question of what makes a Catholic hospital Catholic, which we may come to later. What are the hallmarks of a Jewish hospital?

LERNER: I wrote a piece for *The Jewish Light*. A recent convert wrote me a letter that essentially asked the question, "What makes Jewish Hospital Jewish?"

I didn't grow up in a predominately Jewish neighborhood like the north side of Chicago. Austin was a melting pot, as I said before. I'm not an observant Jew. I don't keep Kosher nor do I attend synagogue regularly. I'm a cultural Jew and very proud of my background, our heritage. I worked at Presbyterian-St. Luke's, right? I didn't work at Michael Reese or Mt. Sinai. I'm much more comfortable in a multi-cultural environment. When she wrote me that letter, I had to think long and hard about it. I spent weeks researching that question and subsequently wrote her a letter, which I will give you a copy of. Then I fashioned it for publication and we sent it in to *The Jewish Light*.

To me, being Jewish has to do with the same type of issues and values that I talked about before at Rush. It deals with social equity, social justice, care for all, regardless of their background, the poor and the not-so-poor. It deals with the icons of being a Jewish hospital – the chapel, the ark, the mezuzah on the doorpost – as a way of creating that element of protection, if you will. We had a kosher kitchen that I kept open, in spite of the fact that everybody wanted to close it, for the very small Orthodox community.

That leads you to the question of what's the role of a Jewish hospital, especially today? Conversely, what's the role of a Catholic hospital? What's the role of a black hospital? Years ago, Jewish doctors couldn't get on the medical staff of non-Jewish hospitals. The good news is that much of this segregation is gone.

Catholic hospitals, as I learned later in my career, operate within the Church's ethical and religious directives, the elements that make a Catholic hospital Catholic. We didn't have exactly that. We had a series of principles that we lived by, and those principles have to do with care for the Jewish community, care for the non-Jewish community, care for the poor, opening your doors to all who are in need – it's social justice issues that we're talking about.

⁴¹ Sean O'Grady has served in leadership positions at The Jewish Hospital of St. Louis, the Rehabilitation Institute of Chicago, as president of Glenbrook Hospital (Glenbrook, Ill.) and most recently as chief clinical operations officer at NorthShore University HealthSystem (Evanston, Ill.). [University of Iowa. (2018, February 7). Alumnus Sean O'Grady named CCOO at NorthShore. *News*. <https://www.public-health.uiowa.edu/news-items/alumnus-sean-ogrady-named-ccoo-at-northshore/>]

GARBER: Do those principles that you were just enumerating have a name? Is there a document that has those?

LERNER: It's probably referred to as Tikkun Olam, repairing or healing the world, pursuing social justice. I was just expressing my views of the question she had posed. I thought it was an intriguing philosophical and religious question that had operational implications. Does the hospital become less Jewish if we closed the kosher kitchen? Does the hospital become less Jewish if we made the chapel, multi-denominational? Yes, I think so. Can you have a non-Jewish ceremony in the chapel? Of course you can. Can you have a Jewish ceremony in a Catholic chapel? Of course you can. You just cover the cross. I mean, you can do these types of things to accommodate a person's needs. It doesn't take away from your heritage.

GARBER: You've mentioned a number of times that you succeeded David Gee, who had been there for 27 years.

LERNER: He had been there for 46 years, and president for 27.

GARBER: He did things a certain way that people were used to and comfortable with. How did the transition work and how did you handle that early period when you were somebody who was really different?

LERNER: Not only different but I had never been a CEO before. David had a remarkable relationship with all the board leadership, especially Shirley Cohen,⁴² who was a philanthropist and a volunteer. She was on the executive committee as well.

Two things happened at the same time. David and I began to develop our relationship while David remained as president for six months or so until I was on my own. That was by prior agreement with the board. I went through a nurturing and mentoring process with David. I'm sure he was talking to the board leadership at the same time. You don't invest 46 years of your life without carefully turning it over to somebody else.

David could not have been a better person to succeed. He was a consummate professional and health care executive. He was quietly, hysterically funny. He and his wife became very good friends to my wife and me. We'd go out to dinner all the time. He introduced me to some of the finer things in St. Louis.

He talked to me about the town/gown conflict extant in St. Louis and the cast of characters with whom I would be working. I was used to being anonymous in Chicago. In St. Louis, it was a tight community. David was giving me the lay of the land and some of the pitfalls to avoid.

About six months after I had started, he wrote a letter to the board leadership that said, "Wayne should be on his own. I've done what I can. I don't need to be here to hold his hand. He can take it from here."

He became my counselor, my advisor, and he and I began meeting regularly, privately, off-

⁴² Shirley Cohen (1925-2015), served on the board of The Jewish Hospital of St. Louis as well as in many other volunteer positions in the community. [Shirley Cohen. (2015, March 26). *St. Louis Post-Dispatch*. <https://www.legacy.com/obituaries/stltoday/obituary.aspx?n=shirley-cohen&pid=174487201&fhid=8519>]

campus, to talk about what was going on and to make sure that I was staying on the straight and narrow. This became even more important when we started the conversation about establishing the system.

The other person who was absolutely critical to my acceptance and our success was the chief operating officer, John McGuire.⁴³ John started his career in finance and migrated into operations until he became the hospital's COO. He served as chairman of the board of HFMA. John was an internal candidate for the CEO position but the board ended up not choosing him. Regardless, when I arrived on campus, he approached me and expressed his loyalty and commitment to work with me throughout the time that I was there. John and I have remained in contact ever since. There was no way that I could have done the work of putting BJC together without John running the institution, without him keeping me out of trouble. John was providing me with good advice from his perspective, and David was providing it from his. As a result of having that kind of support, I knew I could be successful doing what I needed to do as an institutional executive trying to drive change in that community.

We had a remarkable nursing executive, Brenda Ernst.⁴⁴ She was one of the best I had ever encountered. The whole JH team was populated with many talented individuals. I continued my commitment to hospital administration education throughout the fellowship program which David had initiated many years before. We recruited a young man from the Iowa Program – Sean O'Grady. Sean became one of my closest associates and remains so today. He has had a very successful career and, in fact, was promoted recently to one of the top senior executive positions within the NorthShore University HealthSystem.

GARBER: The story of the BJC merger has been nicely described in the book, *Anatomy of a Merger*,⁴⁵ which you edited. I don't think we need to go into that in detail, other than perhaps to note if there are key learnings that you had from the process or things that you wish you would have done differently.

LERNER: I edited the book after I left BJC. It was a creative approach to looking at the merger by having the current sitting executives write their respective chapters. However, it is a vanilla approach to the merger. We could never talk about the true dynamics of the merger because of all the politics and the personalities involved. In retrospect, it had all the drama of a soap opera.

The first stage of the merger was to bring Barnes and Jewish together into Barnes Jewish, Inc. I had looked at the landscape and saw the suburban institutions essentially eating our lunch. Barnes was sitting next to Jewish with Max Poll as the CEO, a very talented executive.⁴⁶ Max inferred that

⁴³ John McGuire served 18 years at The Jewish Hospital of St. Louis until his position was eliminated after the merger with Barnes Hospital. [Manning, M. (1997, November 23). *St. Louis Business Journal*. <https://www.bizjournals.com/stlouis/stories/1997/11/24/story6.html>]

⁴⁴ Brenda Ernst served 36 years, including 20 years as vice president for nursing at The Jewish Hospital of St. Louis, which later merged to become Barnes-Jewish Hospital (St. Louis). [Barnes Jewish Hospital. (2010, November 22). *Half a century later*. <https://www.barnesjewish.org/Newsroom/News-Releases/ArtMID/2560/ArticleID/62/Half-A-Century-Later>]

⁴⁵ Lerner, W.M. (Ed.). (1997). *Anatomy of a merger: BJC Health System*. Chicago: Health Administration Press.

⁴⁶ Max Poll served as president/CEO of the Barnes-Jewish Hospital and was later president of Scottsdale Healthcare Corp. [Bloomberg. *Max Poll: Chairman/founder, Goldwater Bank NA*. <https://www.bloomberg.com/profiles/people/7383364-max-poll>]

he was going to compete primarily with the suburban institutions and that I shouldn't get in his way.

I called a colleague of mine, Myles Lash, of The Lash Group.⁴⁷ I had Myles do a study which we presented confidentially to the executive committee which recommended that we initiate constructing a multi-institutional system, starting with Barnes and Jewish. At that meeting, I said in a very nice way, "We need to act before someone acts first. Be clear. If I was at Barnes, I'd know how to put Jewish out of business."

During this period, many Jewish hospitals were either going out of business or were involved in merger discussions. These included, among others, Sinai of Cleveland, Montefiore in Pittsburgh and Michael Reese here in Chicago. They were having a hard time remaining independent in the face of strong pressure from the managed care firms and the movement towards creating large scale health care systems.

I said to John Dubinsky, "I'm not only worried about Barnes one of these days deciding to take us out. I'm worried about our inability to compete with the suburban institutions, whose competition we've trained. We need to think about how we can bring Barnes and Jewish together. Other than St. Louis University, there are no other medical schools in town. Why not capitalize on the strength that we've got on this campus? Wash U – one of the top three medical schools in the country in NIH-funded research. We've got to be crazy not to take advantage of it."

Myles' firm did the study and we presented the results to the Jewish executive committee. In it, Myles reinforced what I had been saying. We needed to find a way to bring Barnes and Jewish together to create a system to better compete in the market which had the scale to execute a definitive managed care strategy.

We got Chuck Knight,⁴⁸ who was chairman of Emerson Electric and chairman of the Barnes board, and John Dubinsky together using an intermediary, to begin the system discussion. This started the ball rolling about how we could bring Barnes and Jewish together. A related story is appropriate here. If you added the capital requirements – now this is 1991 or '92 – of Wash U Medical School, Barnes, Children's and Jewish, we were already at a billion dollars. Guess where the money's coming from? The same community leaders who are on all of our boards. That realization and the conversation since led to the thinking that, by creating a system, we could achieve economies of scale operationally and in how we used our capital dollars.

With the assistance of another colleague of mine from Chicago, Bill Roach,⁴⁹ then of Gardner, Carton and Douglas, who had had extensive experience creating multi-institutional health care systems, we created a holding company called BJI – Barnes Jewish, Inc., and I became the acting CEO. Chuck and John felt that I didn't have experience of running a large system, so they chose to look for

⁴⁷ Myles P. Lash was president of the Lash Group and later founded Provenance Health Partners, LLC. [Provenance Health Partners. <http://www.provenancehealth.com/principals.html>]

⁴⁸ Charles F. Knight (1936-2017), was CEO of the Emerson Electric Company from 1973 until his retirement in 2000 and served as board chair of BJC HealthCare (St. Louis) in its formative years. [McGinn, S.K. (2017, September 14). Obituary: Charles Knight, major benefactor, former trustee, 81. *The Source* (Washington University in St. Louis). <https://source.wustl.edu/2017/09/obituary-charles-knight-major-benefactor-former-trustee-81/>]

⁴⁹ William H. Roach, J.D., was an equity partner at Drinker Biddle & Reath (f.k.a. Gardner, Carton & Douglas) and later a capital partner at McDermott Will & Emery. [William H. Roach. *LinkedIn*. <https://www.linkedin.com/in/william-h-roach-b9463749/>]

someone who did. Clearly, if we could bring Christian Health Services into BJI, their CEO, Fred Brown⁵⁰ had the requisite experience. The next set of negotiations resulted in Christian joining BJI with Fred as the CEO. Thus, BJI evolved into Barnes Jewish Christian and, over the next several years, we brought on board Missouri Baptist and Children's resulting in the creation of the BJC Health System. Bill Roach was our lead counsel on all of these transactions.

We did five mergers in three-and-a-half years. I worked 24/7. It was a good thing that my family was not in St. Louis because I was not available. It was critical that I could depend on John McGuire to essentially run the hospital because I was totally involved in the merger discussions and helping to bring the system together. We were one of the role models for bringing together an academically-based – not academically-owned, but an academically-based multi-institutional system.

You asked earlier about town/gown issues. There were many issues to which we had to attend. What should we do with our nursing schools – we each had one. What would happen to philanthropy? But, one of the biggest stumbling blocks was that the private physicians at Jewish – remember, I said they represented 75 percent of our admissions – how were they going to feel if we got together with Barnes. Because of Barnes' close relationship with Wash U, would they be pushed out?

We spent months negotiating a brand new approach to a medical staff organization structure that brought together the town and the gown, the full-time academic and the private practicing physicians. As John Dubinsky always said, "In a good negotiation, everybody wins a little, everybody loses a little." We did find a way to do that. We got the approval of the medical school and the Barnes and Jewish boards on a new medical staff structure which created a more level playing field with the various physician groups. This was a critical requirement to have in place should Barnes and Jewish be combined into one institution, which we subsequently did.

All of that was finished before I left. Fred was the CEO of the system, Chuck was chairman of the board and John was vice chairman. They were starting to initiate management changes in the organization. It was obvious that the next move had to be formally merging Barnes and Jewish hospitals into one hospital. It made no sense to have these two entities sitting a block or so apart.

It was clear to me that neither the Barnes nor Jewish incumbent could possibly get the CEO job, politically. I called my wife and said, "Hi, honey. I know we've been married five and a half years and we've commuted for all that time, but I'm coming home." That led me to move back to Chicago and go to work for the Lash Group.

GARBER: That's a wonderful segue to the Lash Group, but I'm not quite ready to leave St. Louis. You mentioned that there was an intermediary. Who was that?

LERNER: Bob Lefton.⁵¹ Bob Lefton was the head of the psychological testing and consultation firm which administered the three days of testing I mentioned before. Bob was another one of those people in St. Louis who was held in high regard by everybody and was an active member

⁵⁰ Fred L. Brown served as president and CEO of Christian Hospital Northeast-Northwest, Christian Health Services and BJC HealthCare (all in St. Louis). His oral history: Garber, K.M. (Ed.). (2016). *Fred L. Brown in first person: An oral history*. Chicago: American Hospital Association, can be retrieved from <https://www.aha.org/system/files/2018-03/160727-brown-transcript-chhah.pdf>

⁵¹ Robert Lefton, Ph.D., is cofounder, chair, and CEO of Psychological Associates (St. Louis). <https://www.q4solutions.com/teammembers/robert-lefton/>

of the Jewish Hospital board. He knew Chuck Knight and was able to lay the groundwork for the first conversations between Chuck and John. Bob was the person who helped to create the opportunity for Chuck and John to begin system discussions.

Both boards were populated by very prominent business and civic leaders from the St. Louis community. One of JH vice-chairmen was Jerry Loeb.⁵² Jerry was vice chairman of the May Department Stores. At the time, they owned Lord and Taylor and other retail companies. Jerry was exceedingly tough. He was my initial interviewer when I went to St. Louis the first time and I thought, in the first 40 minutes, *I've lost the job already*. Jerry became one of my greatest allies and a remarkable asset to me, to Jewish and to the system. He proved to be a formidable foe to Chuck Knight, who was the toughest boss I've ever worked for. I learned a tremendous amount from both Jerry and Chuck – but Chuck was brutally tough. We had remarkable strength on the Barnes and Jewish boards. As you might imagine, there was a fair amount of conflict that was never written about in the book. In retrospect, working with Chuck, John and Jerry was like getting another master's degree, but this time by fire.

GARBER: Chuck Knight was the chairman of the board at Barnes Hospital and ran Emerson Electric.

LERNER: He was the chairman and CEO of Emerson Electric.

GARBER: I believe he wrote a *Harvard Business Review* article.⁵³ He believed strongly in strategic planning.

LERNER: Totally.

GARBER: Do you have other comments about his leadership and management style?

LERNER: Chuck was noted as one of the three toughest bosses in America. It was Al Dunlop, Jack Welch and Chuck Knight.⁵⁴ Chuck's article on strategic planning, the one you referenced, was brilliant. He had a strategic planning process that he made us engage in that was second to none. I wanted to take that strategic planning process and migrate it to health care. Remember, this is 1992 or '93, years before people were really getting fully into system thinking. Chuck Knight was doing it because he had a global enterprise. He said, "The Japanese competitors are killing us. I have two choices. I can either change the way I operate or I can go out of business." He said, "If you want motivation, that's motivation." He said, "You guys are facing the same thing."

He had a talent development process that we now call "succession planning" or "succession development." He had a windowless room at Emerson Electric where he had the pictures of all the executives on the wall, with a little précis about their education and experience. Several times a year they would get together, not only to do a compensation or bonus review, but also to talk about how

⁵² Jerome T. Loeb (1940-2004), became president of the May Department Stores Company in 1993 and then chairman of the board until he retired in 2001. [Obit. (2004, June 13). *St. Louis Post-Dispatch*. <https://www.findagrave.com/memorial/37829393/jerome-thomas-loeb>]

⁵³ Knight, C.F. (1992, January-February). Emerson Electric: Consistent profits, consistently. *Harvard Business Review*. 70(1), 57-70. <https://hbr.org/1992/01/emerson-electric-consistent-profits-consistently>

⁵⁴ Dumaine, B. (1993, October 18). America's toughest bosses. *Fortune*. 128(9). http://archive.fortune.com/magazines/fortune/fortune_archive/1993/10/18/78470/index.htm

they could move people throughout the system to give them the best experience to help them grow and to gain the best value for Emerson Electric. It was brilliant. I had never seen anything like this before.

GARBER: Who was the “they” that you mentioned?

LERNER: The Emerson senior executive team. Chuck used a McKinsey consultant, Mike Murray, who he brought in to work on the BJC project along with Ajay Gupta.⁵⁵ At that time, Ajay was a young McKinsey consultant. He worked with us on implementing the merger and making it operational. Chuck depended on Mike Murray and the McKinsey people to move Emerson and BJI/BJC along. I was 44 years old by this time. I was not a child but I was still a novice CEO. I was watching the dynamics of these remarkable leaders in the St. Louis community – Dubinsky with the hospital and bank boards, Loeb with May Department Stores, Chuck with Emerson and BJC. I was learning a tremendous amount. It was an experience that I relished every day.

Going back to your question of what makes a Jewish hospital Jewish – when we decided to do the merger between Barnes and Jewish, it took some convincing of the Jewish community that this was a good thing to do because they wanted us to maintain their hospital independent, even if they didn’t use it for all of their health care services. If you talked to half a dozen people in St. Louis, I’d say that four out of the six would tell you that I sold the hospital down the river, even today. However, I would tell you that we helped to change the landscape of health care, not just in St. Louis, but in the country by the work that we did with BJC and the creative relationship we had with the medical school. I thought it was such an interesting story that when I left BJC, I said to Fred, “We ought to write a book about this.” He said, “You’re going to be a consultant now. Why don’t you do it?” That’s how *The Anatomy of a Merger* came along.

GARBER: You talk about four out of six people even today might say that you sold the hospital down the river. Who were the biggest foes and the biggest champions of the merger?

LERNER: The champions were some of the leaders on the board. John McGuire was quite supportive as he understood the competitive nature of the market even though he knew, as did I, that our professional lives would be changed forever by the mergers. Most people were not happy about it. I can tell you that most of the employees were not thrilled either.

How do you bring a merger together when the other institution is two or three times your size and you have to address concerns about, “What does it mean for me? I’ve got a mortgage. I’ve got kids in college. I’ve got house payments. What does this mean for me?” Those are not simple questions to address. What the leader says on Day One may be different than what the leader says on Day 100. The pressure that the leader gets from the board on Day One may be different than the pressure on Day 100. We uprooted and changed a lot of people’s lives. We tried to be sensitive to our staff’s concerns as we were implementing these changes. One of the things that’s always stayed with me is to recognize that the people far from the C-suite are the ones most affected by all of this.

I’ll tell you a quick anecdote. When I went down to St. Louis, I was still smoking cigarettes. I stopped in ’94, in the middle of all the mergers. When I arrived at Jewish, the hospital had just gone

⁵⁵ Michael Murray, director emeritus, joined McKinsey & Company in 1967 and managed the Chicago office from 1981 to 1990. [Michael Murray. <https://www.vbprofiles.com/people/michael-murray-58957c0e38f32c77b900000a>]; Ajay Gupta is a senior partner with McKinsey. [Ajay Gupta. <https://healthcare.mckinsey.com/ajay-gupta>]

smoke-free. So several times a day, I used to walk outside and smoke. Volunteers would be out there, staff, housekeepers. I created all kinds of relationships as a result of that and I got great information. Even after I stopped smoking in '94, one of the things that helped me was that I had these relationships from the bottom-up. As I had done rounds at Rush, I was continuously doing rounds at Jewish, including the smoking areas.

That reinforced the need to be sensitive to what this means for the staff. What you try to do is say to people, "We're going to bring these organizations together and we're going to find and implement best practices." Saying those words and implementing them can be two different things.

GARBER: I've had other leaders who have been part of this interview process and have gone through a merger comment that it's remarkably challenging to forge a unified medical staff, even to make one women's guild – something that sounds more or less trivial.

LERNER: That is so far from trivial you can't even imagine. Women's boards are fiercely independent. Philanthropy is very difficult to stabilize or grow when you are in the midst of a merger. The things that are "owned by your community or by your community leaders" are the most difficult. It's easy to do the general administrative stuff – let's combine purchasing and IT and human resources. Those are the first changes to be implemented, the first organizational right-sizing. It took months to create a new medical staff structure. I don't know if one could put the women's boards together.

I'll tell you another big issue. Jewish had its own school of nursing when I started there as did Barnes. While I was at Jewish, I helped the leaders of the Jewish school of nursing migrate to a baccalaureate program. There's the influence of Luther Christman again. You've got to have at least a BSN, he used to say. We migrated the Jewish School of Nursing to become the Jewish College of Nursing. We had a very strong enrollment going forward and a great reputation.

Barnes had "given" their nursing school to the University of Missouri-St. Louis – I don't remember if they sold it or gave it. Chuck wanted us to do the same thing – to give our school to the University of Missouri-St. Louis. I told my board, "I'm not closing the chapel. I'm not closing the kosher kitchen. And, you're going to have to run me over me with a truck before we give up ownership of the College of Nursing." I said, "I have already lived through ten or twelve nursing shortages. Why would you give this up this asset, this resource, when you can work with the faculty to meet the needs of your system or your institution and have students graduate with outstanding academic and clinical experiences?" To this day, the JH College of Nursing is still in operation but under another name. It's endowed. You've got to pick your battles carefully about what's really important, knowing what's important today and what may be important tomorrow.

As we were putting the system together, never once did I worry about what I was going to do. I didn't have any dreams that I was going to run the system, because I did not have that experience or background. I didn't know whether I would stay in St. Louis. Sandye was willing to move as her girls got older. She figured she could reverse-commute for her business. Should I have stayed in St. Louis, how I would have maintained my relationship with my kids would be another challenge to consider.

You don't go through a merger like this, and you certainly don't take actions which lead to merging yourself out of a job, if you put your own issues first. I think that if you were to go talk to some of the board members, they would say that I did the right thing for the organization and the community, and I ended up having to leave as a result of that. I'm certainly not a martyr. If you see

a dream and you see the potential in that dream, you can't let your own issues get in the way of bringing it to reality.

GARBER: The reason that employees are worried in a merger situation is because typically there is going to be consolidation and downsizing. Did that happen? Where there fewer beds? Did you in fact lay off people?

LERNER: Not initially. We did "right size" the organization. We did downsize departments. While I was there, we started with the general administrative departments. We tried to find places for our people to land. At that time, we had not proceeded with consolidating the clinical services.

We tried to implement these changes sensitively, so that if staff at Jewish or Barnes were being reduced, now that we were running a big system, we could try and get them a job at Missouri Baptist or Christian. It gave us more degrees of freedom than we had before. However, Barnes employees were loyal to Barnes and Jewish employees were loyal to Jewish. What's the line? "Everybody likes progress but nobody likes change."

GARBER: Did you end up consolidating clinical departments?

LERNER: Not while I was there. I will tell you that the old Jewish Hospital building is no longer there. One of things that I learned at Rush was from Dr. Campbell, who was a genius at making sure that, if available property became available adjacent to the medical center, to buy it. That's one of the reasons that Rush was able to grow and build interconnected buildings.

While I was at St. Louis, I did that. We bought a piece of land across Forest Park Parkway from us, and we built a parking garage with a bridge to the hospital similar to Rush. When a school became available next door, we bought that and helped create a new school offsite. Now there's a new ambulatory care building, the Siteman Cancer Center, and now they've just taken down the last remaining old structures. They're building, I think, a maternal child hospital in there. You can't be wedded to the structure. You have to be wedded to the vision. Having said that, it's hard for people who are losing their jobs, who are threatened by the merger, to buy into that.

GARBER: That's a good tagline. Did you make that up? You can't be wedded to the structure, you have to be wedded to the vision?

LERNER: I just made it up now. That's the problem with interviews or giving lectures. I never give the same interview or lecture twice. It's just what comes out.

GARBER: You better trademark that one fast. Okay, you called your wife and said, "Honey, I'm coming home."

LERNER: Right.

GARBER: Somehow you ended up with a job at the Rehabilitation Institute of Chicago.

LERNER: We're one step ahead. It was clear that I was going to merge myself out of a job, and I had no interest in staying in St. Louis in some ill-defined corporate job. It was time for me to go back to the family. A colleague of mine, Myles Lash, of the Lash Group, one of the "Michigan

mafia,” is a close friend and was part of a study group that I belonged to – the Health Policy Issues Group.

Myles and I had stayed in touch. There was an opportunity for me to do some consulting with Myles to leverage the experience of doing BJC. I was speaking on the experience and writing about it because it was one of the more prominent mergers in the country. I ended up going to work for Myles. I was the Chicago office of The Lash Group. I went from running an organization where I had responsibility for 10,000 people to just me. That was a big shock.

I worked for Myles for about a year. My best project was with the University of Kansas Medical Center where Irene Thompson was the CEO. Her hands were tied from fully competing in the Kansas City market because of all the state requirements. We helped it break away from the state to become quasi-public/quasi-private. We convinced the Regents that the institutions on either side of the river were going to put them out of business. Today, KU Medical Center is a major player in that market and, ironically, the current CEO came from BJC. Bob Adams⁵⁶ and I worked together at BJC. He left to work at KU, and now he is running it. KU Medical Center is doing great things. As I was contemplating my future, I wasn’t sure that I wanted to stay in consulting. Out of nowhere, I got a call from another colleague of mine who is in the search business, and she said, “I’ve got this job opening at the Rehab Institute of Chicago. Would you be interested?”

As it turns out, I have not sought out any jobs in my career. It’s been serendipity, fate or, as we would say, bashert. I’ve always been driven by two things: will it challenge me intellectually, and will it challenge me professionally? All of my prior positions met those criteria. The Rehab Institute of Chicago⁵⁷ was an internationally-known specialty hospital for people with disabilities with a related academic and research program second to none in that specialty. It is affiliated with the Northwestern University Medical School and was located next to Northwestern Memorial.

I was blind to the realities which existed just below the surface. I was an outsider to the field of PMR and a non-MD so I had two strikes against me to start. I saw a prominent institution with a premier board – actually in the same world as my wife’s business – rehabilitation. It was a place I had known and respected for years. I loved the research they were doing. I thought to myself, “I can handle this transition.” I went through the interview process and I got the job. I think I convinced the search committee that I could help the organization stay independent and grow it systemically, as we had grown Rush and BJC, to create a system of care.

I tend to look at the glass as being half-full and underestimate the challenges in front of me. Even with all the lessons I’ve learned, I still do that. I think that there is no challenge I can’t meet. The transition took place. I became the CEO but it wasn’t without its turmoil.

I was at RIC for nine-and-a-half years. I’m a better executive because I spent those years in the world of physical medicine and rehabilitation. I was proud of the advocacy we did while I was

⁵⁶ Bob Page, formerly known as Bob Adams, serves as president and CEO of the University of Kansas Health System. [The University of Kansas Health System. *Message from the President and CEO*. <https://www.kansashealthsystem.com/about-us/ceo-message>]

⁵⁷ In early 2017, the Rehabilitation Institute of Chicago facility was replaced by the \$550 million Shirley Ryan AbilityLab, a translational facility intended to co-locate rehabilitation research and patient care. [Schencker, L. (2017, March 14). <http://www.chicagotribune.com/business/ct-abilitylab-hospital-opening-0319-biz-20170314-story.html>]

there for people with disabilities. I was proud of our various teams of athletes with disabilities. I went to Salt Lake City and saw our sled hockey team win the gold medal at the 2002 Winter Paralympic Games. I relished making rounds on the units and talking to the patients and their families. The staff – I think the world of all of them. The research that they’ve done has been groundbreaking.

I underestimated a lot of the aspects of working in a single-specialty institution where people had basically grown up in that organization. It would be like coming from another city and joining a congregation where everybody there had been members their whole life. There is no immediate acceptance into “the club.”

GARBER: You were an outsider.

LERNER: Totally an outsider. All the indicators that I tell graduate students to pay attention to when they’ve burned out of a job were there, but I didn’t pull the trigger early enough. I should have left after five or so years when it became clear that I was always going to be hampered by the institutional idiosyncrasies. It was clear to everyone but me that I was not happy. The motivation that I had to leave Rush when I was in my late 30’s, I didn’t quite have that same motivation to leave RIC. I was taken by the social panache, the people I interacted with, the celebrities. It was a remarkable experience. I met Christopher Reeve at an RIC gala a couple days before he died. But, as an executive, I should have paid attention to clear signals which I didn’t.

I had a board of 98 people, of which 65 were active and the rest were life and honorary. I had an executive committee of 23. I had to attend 138 board occasions a year – because they expected me to go to all the committee meetings. Their board was a combination governance and philanthropic board. The CEO hadn’t wanted to change that and neither did the board leadership. There is no way to establish yourself, pay attention to the board and move the organization forward, especially as a new CEO, when you have those kinds of demands.

I had two sets of issues going on. One was that I was feeling conflicted by how I was working with the board. The board at the time didn’t have a very clear succession plan for its own leadership. There was not a logical progression of board leaders. Second, there were a lot of end runs within the organization and a lot of games-playing by some of the staff. I never felt like I could get a foothold in that organization, which I had been able to do everywhere else. I never felt as comfortable at RIC as I had at Jewish or Rush.

When Gail Warden left Henry Ford, he became a professor in the department of health management and policy at Michigan. As I was getting ready to leave RIC, I said to Gail, “What graduate students never learn is how to deal with boards, especially when the cards are stacked against you. I’ve had a series of experiences now – and I can be objective because I’ve made plenty of mistakes. Even when you have a good organization, you can have bad experiences in working with the board.” He said to me, “Fine. Put together a lecture and come and teach it.”

For several years, Gail taught a senior seminar and I did a lectureship on the CEO/board relationship. I got great reviews from the students, I think, because I was brutally honest. It’s still a subject that people don’t pay enough attention to. At the end of the lecture, I gave them a checklist. I said, “You’re not going to need this right now, but as your career progresses, pull out this list. These are the kinds of things that you need to pay attention to, regardless of how our field changes. The relationship between a CEO and the board will be the same. We’re dealing with human nature. We’re

dealing with people. We have to deliver on those relationships.”

GARBER: Your next chapter is Holy Cross Hospital in Chicago.

LERNER: I left RIC under circumstances that were not favorable to anybody. Several months later at an Illinois Hospital Association meeting, I was sitting next to Joe Toomey, who at the time was running the Resurrection system.⁵⁸ Joe said to me, “What are you going to do?” At the time, I was 56 years old. I said, “I’m not quite sure. I don’t want to leave Chicago but I’m not sure there’s a hospital here I want to run. I don’t know that I want to go back into consulting. I’m really not sure what I’m going to do. I’m just trying to take some time to figure it out.” Joe said, “I’ll keep my eyes open for you.”

Several days later, I got a call from Diane Howard. Diane had worked with me at Rush many years ago, and was at that time chair of the board of Holy Cross Hospital, which is on the southwest side of Chicago. Diane said, “I’ve been talking to Joe Toomey. The Sisters of St. Casimir need an interim executive. Joe and I want you to go down there and interview.” I was speechless. This was a faith-based, safety net hospital, non-teaching, in Marquette Park whose CEO had left several weeks before.

There was nothing in my background relevant to this situation. I thought it would be intellectually and professionally challenging and exciting. I’d never even thought about running a Catholic hospital. The congregation is run by a council of four nuns, who are elected by their members. The Sisters of St. Casimir used to operate two hospitals in Chicago. One was Loretto, in Austin, which they had given to the community many years before, and Holy Cross.

The Sisters of St. Casimir, a Lithuanian order, was very small, only about 85 in total with an average age of over 80. They enjoyed a strong legacy in the community. They ran a girls’ school, Maria High School, which subsequently they had to give up because they couldn’t continue to afford it. They were putting their own money into it. That subsequently became a charter school, which is doing very well. They were operating and governing Holy Cross Hospital. They had their convent and chapel on the campus in Marquette Park next to both Maria and Holy Cross.

I went for the interview and had a conversation with Sister Immacula Wendt, the general superior, and the other council members.⁵⁹ At the end of the conversation, they said, “Let us discern the issues confronting us.” Clearly, I didn’t grow up in the community. I am not Catholic, but I had a wealth of experience and I could be helpful. At the end, they said, “Would you be willing to come as the interim exec?”

Sr. Immacula and I are avid White Sox fans so we bonded immediately. The fact that I grew up in an environment with Greek Orthodox, Catholic, Presbyterians, Jews, Unitarians – that sensitivity did me well, even though I had only ever been to Mass once before in my life. As the interim exec, I was dealing with a safety net hospital that had 40 percent Medicare, 40 percent Medicaid and basically no pay for the rest. Blue Cross and United were 1.6 percent each – not even a rounding error in their

⁵⁸ Joseph F. Toomey served as CEO of Resurrection Health Care (Chicago) for 15 years until his retirement in 2008. [Colias, M. (2008, April 23). Resurrection CEO Toomey to step down. *Crain’s Chicago Business*. <https://www.chicagobusiness.com/article/20080423/NEWS03/200029125/resurrection-ceo-toomey-to-step-down>]

⁵⁹ Sister M. Immacula Wendt serves as General Superior of the Sisters of St. Casimir for the 2018-2023 leadership term. [Sisters of St. Casimir. (2018). *Meet Our Sisters*. <https://www.ssc2601.com/about-us/meet-our-sisters/>]

checkbooks. My graduate school roommate, Paul Boulis, at the time was the president of Illinois Blue Cross/Blue Shield. As it turned out, Holy Cross had not renegotiated its Blue Cross contract for four years. I called Paul up and I said, “You’ve got to do something to help me out here.” I said, “We’re dying.” We were able to get a new contract that was very helpful, but again, this was only 1.6 percent of the patient volume.

Six months came and went and I decided to stay. The commitment of the Sisters to social justice, to both the poor and the not-so-poor, to equality, treating everybody that came through their doors appealed to me. I also appreciated their support for me, plus the fact that we had a unique governance structure. I had four or five sisters and five lay board members. The lay board was chaired by Diane Howard. We had experienced health executives besides Diane – Barbara Fahey and Larry Margolis.⁶⁰ We added John Ball, M.D., Ph.D.,⁶¹ who is a member of the Institute of Medicine and well known physician executive. Howard and John came from out of town for all of our meetings. We had five remarkable professionals to complement the five nuns. These ten people were helping us steer the safety net hospital to some form of survivorship.



Wayne Lerner at Holy Cross Hospital
Photo ©Eric Unger/Crain’s Chicago Business

Not long after I got there, we found ourselves in dire straits, we had four days of cash. You know what that means? We knew, based on the revenue flow that with four days of cash, that we were going to go out of business three or four months later. With those ten board members, we then went through a discernment process with the nuns to say, “What do we do to save this hospital?”

We had one of the largest and most active ERs in the city. We were doing 50,000 visits. We had 20,000 ambulance runs, more than any other institution in Chicago, into our ER. We were doing two and a half times the number of ambulance runs as Cook County Hospital.

Most of the hospital closures in Chicago have taken place on the south, southwest and southeast sides of Chicago. You could draw a radius six miles around Holy Cross and not touch

⁶⁰ Barbara Fahey, Ph.D., is adjunct faculty at Olivet Nazarene University. She served on the board of Holy Cross Hospital (Chicago) from 2005 to 2014. [Olivet Nazarene University. *Barbara Fahey, Ph.D.* <https://graduate.olivet.edu/about-us/faculty/barbara-fahey-phd>] Larry Margolis is managing partner at SPM Marketing & Communications. [SPM Marketing & Communications. *Larry Margolis.* <http://www.spmmarketing.com/portfolio-item/larry-margolis/>]

⁶¹ John R. Ball, M.D., J.D., served as an executive of the American College of Physicians and was president and CEO of the Pennsylvania Hospital in Philadelphia. [*Improving diagnosis in health care.* (2015). Institute of Medicine, The National Academies of Sciences, Engineering, and Medicine. <https://www.ncbi.nlm.nih.gov/books/NBK338587/>]

another hospital. The hospital's immediate six zip code community had 450,000 people in it, with some of the worst health outcomes you could possibly imagine. The community had changed from overwhelmingly Lithuanian, who were employed and insured – to a community that was half-African American, half-Latino. We had the second highest rate of housing foreclosures in the State of Illinois. And we were the third largest employer in the area.

This was the exact opposite of where I started my career with Rush – the opposite. I started in a remarkably stable organization with resources to spend, and now I am at the ultimate community resource. If it goes out of business, there's nothing there.

We did some radical things in order to keep the hospital alive. We suspended OB. We only had 600 OB deliveries at the end, 300 of which I would call “over-the-transom” deliveries – women who had never had any prenatal care who came in, delivered the baby and left. Most of them were undocumented individuals. We were using up a lot of resources. Our ICUs were packed because of the demand from the ER. We had two different police department districts use us from the south and southwest sides. The nearest trauma centers were Sinai and Christ. We took care of everything in between. Many times, they were on bypass so we had to fend for ourselves.

We suspended OB, took salary cuts, renegotiated vendor payments. These actions helped but what really saved the day was working politically with the State of Illinois. Speaker Mike Madigan was historically a member of the Holy Cross board.⁶² He was no longer on the board but his district, to the west of Holy Cross, did not have a hospital. Many of his constituents would use Holy Cross. The speaker had a long relationship with the Sisters. Our lobbyist, Jan Starr,⁶³ worked with the Democratic Party and knew the speaker. Jan arranged for us to meet with him to talk about our dilemma.

I said to him, “I can tell you what day we're going to go out of business if no more money comes in. We've done all we can, but now we are really at a loss about how to save the hospital. We've worked out a relationship with ACCESS FQHC – the Federally Qualified Health Center – to bring them on board.” This was a minor miracle, because, as you may know, an FQHC has to offer a full range of services, including reproductive services. We couldn't have somebody on campus offering reproductive services, because that violates the Ethical and Religious Directives. Sister and I had to go and present a case to Cardinal George and all the bishops to get the cardinal to agree to allow us to have the FQHC on campus in order to generate some primary care.

Out of that discussion, we created a stewardship agreement that says, any organization having a relationship with Holy Cross had to agree to abide by the Directives. You cannot offer reproductive services, but if somebody wants them, this is how you have to go directing them. ACCESS agreed to sign the agreement, which becomes critical later.

Then we went to the speaker and said, “We're out of options. We're done. We don't have any things we can do. We will close.” I said to him, “We are the second- or third-largest employer in six zip codes. I've got 1,200 jobs that are going to go away.” I said, “I don't know what they're going

⁶² Michael J. Madigan (D) represents the 22nd District in the Illinois General Assembly, having been first elected in 1971. He has served several times as Speaker of the House. [Representative Michael J. Madigan (D). *Illinois General Assembly*. <http://www.ilga.gov/house/rep.asp?MemberID=2300>]

⁶³ Jan Starr is president of Chicago/Springfield Consultants. [Chicago/Springfield Consultants. <http://www.csc-llc.com/janStarr.htm>]

to do, because everybody else is closing around me.”

Through the speaker, we were able to have a problem-solving meeting with all of our political leaders, from the U.S. senator’s office, all the way down to the aldermen. With their agreement, we were able to access unused funds from different sources in the state funds and they created a pool of money which was then dispensed, not just to Holy Cross, but to other safety net organizations as well. Holy Cross, obviously, got a substantial portion of the money.

That gave us breathing room so that we were no longer sitting with just four days of cash. We had ten, twenty, thirty days of cash, and we could continue to look for options. At the same time, the Sisters were discerning what they wanted to do with the hospital, because they could no longer assume the governance role. We put an RFP together and looked for tax-exempt or for-profit partners.

Vanguard showed some interest. We went through a long due diligence process, spent a fortune. In the end, they walked away from the deal. We were at the altar and they walked away. They were concerned about the State of Illinois’ finances, the Illinois Medicaid program.

The ten of us went back to discerning our situation. I said to the Sisters, “You’re going to think that I’m crazy but I’ve got an idea that I think we ought to play out. There’s another faith-based private safety net hospital six-and-a-half miles to our north – Mount Sinai. The Affordable Care Act⁶⁴ is coming into play in months. Between us and Mount Sinai, there’s a million and a quarter people, 400,000 of whom will now have Medicaid coverage that they didn’t have before. I think I ought to go talk to my colleague, Alan Channing, about bringing the two of us together.”⁶⁵

They discerned this idea for a while. I had laid the groundwork with the five lay board members, and, with the Sisters’ agreement, we started negotiating the merger between Holy Cross and Mount Sinai. We ended up creating that merger. I need to interject here a parallel situation to BJC. I could not have been able to work on the State financial plan, other potential options for Holy Cross or the merger without the help of our COO, Paul Teodo.⁶⁶ His dedication to the Sisters and the hospital was second to none. Like the relationship I had with John McGuire at Jewish, my dependence on John and Paul allowed me the freedom to negotiate the specifics of the mergers. I am pleased to say that both of these gentlemen and I remain close today.

We became part of the Sinai Health System. Sinai had to sign a report of stewardship (similar to the one ACCESS signed) agreeing that Holy Cross would remain Catholic and do everything that was necessary to remain Catholic. Sinai agreed to that. As it turns out, the Sinai board chairman was Catholic during the time of these discussions. His name was Gary Niederpruem.⁶⁷ It didn’t hurt that

⁶⁴ The Patient Protection and Affordable Care Act (P.L. 111-148) was signed into law in 2010 by President Barack Obama. [<http://www.gpo.gov/fdsys/pkg/PLAW-111publ148/content-detail.html>]

⁶⁵ Alan Channing served as CEO of Sinai Health System from 2004 until his retirement in 2014. [Wang, A.L. (2014, March 13). Sinai Health CEO Channing to retire. *Crain’s Chicago Business*. <https://www.chicagobusiness.com/article/20140313/NEWS03/140319861/sinai-health-system-ceo-alan-channing-retiring>]

⁶⁶ Paul Teodo, Sr., served as chief operating officer at Holy Cross Hospital. [Paul Teodo Sr. *LinkedIn*. <https://www.linkedin.com/in/paul-teodo-sr-b2090422/>]

⁶⁷ Gary Niederpruem, an executive at Ryerson, Inc., served as chair of the board at Mount Sinai Hospital and later at Sinai Health System. [Bushey, C. (2012, August 10). Sinai names new board chairman. *Crain’s Chicago Business*. <https://www.chicagobusiness.com/article/20120810/NEWS03/120819967/sinai-names-new-board-chairman>]

Gary was Catholic. It also didn't hurt that his sister was a nun. That was helpful in talking to Cardinal George's representative, Fr. Grogan, who was a remarkable ally in all of this.⁶⁸

For the second time in my career, I merged myself out of a job on purpose. I had an unspoken – but tacit agreement – that I would not be a competitor for the system job. The merger was executed when I was 63. I would have loved to have had the opportunity to run the system, but it was much more important for Holy Cross to land well and for the staff to have an opportunity to continue to grow and develop than for me to run the system.

I announced my retirement in April or May of 2013, which was almost 40 years to the day that I got my master's degree. I felt that after 40 years of doing what I had done and what I considered to be a reasonably successful career, it was okay to step away. Besides that, I was pretty tired. We lived in Glenview. Holy Cross was at 68th and California in Chicago. Including drive time, I was probably working 100 hours a week.

Soon afterwards, I got a call about serving on the board of the Cook County Health and Hospitals System. There's a nominating committee composed of a number of community and civic organizations. Representatives of several of them called and asked if I would consider having my name put forward to be a member of the board of CCHHS.

I'm a joiner. I've spent a lot of my professional life as a participant with the AHA, ACHE, IHA and many others. One of the proudest assignments I've had is chairing a group called the Adequate Health Care Task Force. That was created by legislation by the then State Senator Barack Obama. The act called for creating a model so that the uninsured and underinsured in Illinois could be covered under an insurance plan which would give them access to consistent and continuous health services.⁶⁹

At the time, 14 percent of the Illinois population were uninsured or underinsured. I was asked to chair the task force as I was leaving RIC and then joining Holy Cross. It could not have been more appropriate for the CEO of a safety net hospital to lead the effort to provide health services to all citizens of Illinois. The steering committee for the task force included Quentin Young and Ruth Rothstein.⁷⁰ Dave Koehler, who became a state senator, was the vice chairman and Joe Roberts, an independent insurance broker, was the fifth member of the steering committee. We met for over 18 months and developed a plan for Illinois which looked a lot like the ACA which came later with both a public option and deep involvement for the private insurance companies. Unfortunately, Governor Blagojevich received the report and placed it on a shelf. Hard work by teams of dedicated people

⁶⁸ Rev. William Grogan was appointed by Francis Cardinal George as Vicar for Health Care in the Archdiocese of Chicago in 2012. [Archdiocese of Chicago. (2012, August 27). Cardinal George names Rev. William Grogan as vicar for health care. *Press Release*. <http://legacy.archchicago.org/News/?id=126>]

⁶⁹ Wayne Lerner chaired The Adequate Health Care Task Force, which was one of Advisory Boards to the Illinois Department of Health. [State of Illinois Adequate Health Care Task Force. (2007, January 26). *Final Report*. <http://www.idph.state.il.us/hcja/AHCTF%20Final%20Report%201.26.07.pdf>]

⁷⁰ Ruth M. Rothstein (1923-2013), served as CEO of Mount Sinai Hospital (Chicago) for 25 years and subsequently became the head of the Cook County Bureau of Health Services. Her oral history: Garber, K.M. [ed.], (2009). *Ruth M. Rothstein in first person: An oral history*. Chicago: American Hospital Association can be retried from <https://www.aha.org/system/files/2018-04/Rothstein-FINAL-013109.pdf> [Geiger, K. (2013, August 5). Ruth Rothstein, 1923-2013. *Chicago Tribune*. <http://www.chicagotribune.com/news/ct-xpm-2013-08-05-ct-met-ruth-rothstein-obit-20130805-story.html>]

went to waste.

My idea of retirement was that I had to do something in my profession two or three days a week. I can't play golf seven days a week. I can't sit around and read books seven days a week. I had to stay involved and find ways to give back and continue to advance the field. I was already engaged with the University of Michigan Griffith Leadership Center. I was doing sporadic lectures in graduate programs. Being on the CCHHS board would give me an entrée to try and do something good for the community and for the institution. My nomination was accepted and I went on the Cook County Health and Hospitals System Board, which I did for almost four years.

As my term was winding down, I was a quiet counselor, a sounding board, for Karen Teitelbaum,⁷¹ who had succeeded Alan Channing as CEO of the Sinai Health System. I called Karen and laughingly said, "Why don't you consider putting me on your board? You can then call me anytime you want, and it's going to cost me money because I'll have to contribute to Sinai." Following my term at County, I went through the Sinai board nomination process, and several years ago, was appointed to the Sinai Health System board. I think I'm on five committees right now so I'm not bored. Further, Peter Butler⁷² asked me to be a co-course director for a first year course for the Health Systems Management students, so my involvement has come full circle.

The bottom line is, I'm not going to stop using my mind. I'm not going to stop using the 45 years of experience, and I don't believe we're done trying to create good for the community. We're a long way from that. I am committed to continue to try and make a difference.

GARBER: That's a wonderful way to end. However, there are a couple of general concepts that I'd like to talk about. You've spent time both serving on boards and serving as the CEO, reporting to boards. What do you consider to be the characteristics of a good board chair?

LERNER: Howard Berman said this first – I'll paraphrase him. He said a board chair's responsibility is to recruit a good CEO, support that CEO, or replace that CEO. The times that I have assumed the chairman role of a board outside my organization, I've tried to keep that in mind. I wasn't there to operate the organization. I wasn't there to second-guess the organization. I was there to support and counsel, "noodge", aggravate, provide oversight, ask the right questions.

Conversely, when I was the CEO, I needed someone who would do all of those things, but was also a counselor, an advisor, a mentor, a sounding board, when I needed a sounding board. Diane Howard, for example, when she was chairman of the board of Holy Cross, was wonderful. I probably talked to her two or three times a week. I don't like surprises. I'm a management person. We like certainty. We want to be in control. I get that. Your board chairman should never, ever, ever be surprised by anything. That was the relationship I had with John Dubinsky in St. Louis, which was critical as we were going through those numerous and complex mergers, all of which had major

⁷¹ Teitelbaum, Karen C. has served as president and CEO of Sinai Health System (Chicago) since 2014. [The corner office: Sinai Health System's Karen Teitelbaum on doing the right thing. (2015, January 27). *Becker's Hospital Review*. <https://www.beckershospitalreview.com/hospital-management-administration/the-corner-office-sinai-health-system-s-karen-teitelbaum-on-doing-the-right-thing.html>]

⁷² Peter W. Butler, a professor in the Department of Health Systems Management at Rush University, also serves as department chair. Earlier in his career, he was president of Rush University Medical Center and president and CEO of the Methodist Hospital System in Houston. [Rush University. *Peter Butler*. <https://www.rushu.rush.edu/faculty/peter-butler-mhsa>]

community implications. Unfortunately, I could never realize that kind of relationship at RIC. Clearly, there was a way of creating that relationship but I couldn't find it.

GARBER: You also mentioned your love of volunteering for different organizations. Could you talk about ACHE and what it's meant to you professionally?

LERNER: I was remarkably honored several years ago to know that I was going to receive the Gold Medal Award from the ACHE. I was blown away. I had no idea I was being nominated. For a short time, early in my career, I was the youngest fellow in the College – having achieved fellowship at my 33rd birthday. I had been a member of an early careerist task force chaired by Dave Jeppson from Intermountain.⁷³ Dave was a great leader and mentor to many who became a role model for me. I feel strongly that you can't criticize an organization if you're not willing to get involved. If you're not willing to put time and energy and your own resources into an organization, don't complain about it. Whether it was the Chicago Hospital Council or IHA or the College or the little bit I was able to do for AHA by being on RPB 5 for three or four terms.⁷⁴ I was honored to be able to be part of those organizations.

More importantly, I felt that I got more from those organizations than I gave because every time I was engaged with one of those organizations, I learned many things I didn't know before. I saw perspectives that I had never seen before. I understood the implications of actions or policies I never would have understood before. I developed a great sensitivity to their unintended consequences.

I'll give you an example. When I was at BJC, Fred Brown was chairman of the board of AHA. He nominated me to become a member of the Joint Commission board. I sat on the Joint Commission board for several years, and then I became chairman of the AHA Committee of Commissioners, as such, I was a member of the executive committee. As a commissioner, you had to spend time going around the country talking to people about the Joint Commission, the evaluators who were coming out, and so on. For a Chicago boy to go to Idaho, Wyoming and North Dakota was eye-opening.

I felt the same way with each of the organizations I joined. Each one of them allowed me to learn something that I never would have learned before. It increased the number and variety of people I could relate to. It increased the number of people I could talk to. I could be helpful to them. They could be helpful to me. As a result, I have been able to have some remarkable relationships. With the IHA, I was honored to serve as chairman of the board and, again, learned much both about health care delivery across the state as well as the interactions between policy and operations. Ken Robbins⁷⁵

⁷³ David H. Jeppson served as an executive at Intermountain Health Care from 1975 to 1993. [American College of Healthcare Executives. (2000). *2000 Directory*. Chicago: ACHE.]

⁷⁴ Regional advisory boards, later renamed Regional Policy Boards (RPBs) were established by the American Hospital Association in 1968 in each of the nine regions of the country to help foster discussion of issues and to advise AHA staff and board members. [American Hospital Association. *Regional Advisory (now Policy) Boards*. <https://www.aha.org/about/history>]

⁷⁵ Kenneth C. Robbins, J.D., served 33 years in leadership at the Illinois Hospital Association and then joined Drinker Biddle & Reath. [Ken Robbins, *LinkedIn*. <https://www.linkedin.com/in/ken-robbins-33b1a725/>]

was a phenomenal association president and Steve Scheer⁷⁶ had an amazing mind for economics and policy. Both remain close colleagues of mine.

The other thing I'm very proud of is that, very early in my career at Rush, it became clear that, at least in the City of Chicago, there wasn't an organization outside of your institution where young people could get involved and either learn about or study policy or engage in activities which could impact the local delivery system. The Chicago Hospital Council had committees, but really, this was an organization for the CEOs. Seven of us, including Bruce Campbell, Gary Kaatz, Bob Remer⁷⁷ and I decided to set up an organization called the Young Administrators of Chicago. We each nominated seven people. We wanted a third of the people to be on the delivery side, a third to be in insurance and a third to be with associations or consulting firms. YAC – Young Administrators of Chicago – morphed into CHEF – Chicago Health Executives Forum, and today it is a major affiliate of the ACHE with over 1,900 members. I'm proud of that. I'm proud that we took it on ourselves to go to Dr. Campbell and say, "Dr. Campbell, can you loan us \$250 so we can pay the mailing costs?" We put in our sweat equity to put YAC together. By the way, we repaid him in full.

GARBER: Would you speak about family and how you dealt with work-life balance issues?

LERNER: Marsha, my first wife, and I met when she was a nursing student at the U of M and I was a second year graduate student. We married after she graduated and settled in Chicago where both of us could be employed in our fields. We had two great kids – Adam and Becky. During our marriage, we had several challenges including managing a two-career family; the untimely death of my father and the demands it placed on me, on us, to settle his estate and be a support to my mother; the introduction of children into a sometimes turbulent relationship; and my desire to grow professionally and academically. We subsequently divorced but have remained supportive of one another and our respective families.

Several years later, I met Sandye, an OT who owned her own rehab company which she started in her living room when she was a single mom with two young daughters, Joey (Joanne) and Cari (Carolyn). We bonded on several levels – work, family, the desire to give back. Once we got serious, we brought the kids together and began to evolve into a new, extended family. Sandye's closest business associate was Cindy, also a single mom with a young son, Jeremy. Even before we got married, we were the "Brady Bunch" and celebrated all the holidays together. Sandye and I married in 1991 and I returned to Chicago in 1996. Several years later, after two bouts with breast cancer, Cindy passed away. Jeremy was a sophomore at Northwestern and we just took him in and gave him a place to call home. It was a natural thing to do since the five kids had been together for many years. Our family officially grew to five kids when, about 5 years later, Sandye and I adopted Jeremy. Now our family, all in, totals 17, including 5 amazing grandchildren.

Marsha and Sandye were great partners as I moved through my career. To this day, Sandye remains my biggest supporter (and critic) as I had been for her as she grew her business. We had so much in common that our relationship has eclipsed anything I think either of us could have expected.

⁷⁶ Steve Scheer was a consultant with the firm Health Management Associates. [Wronski, R. (2011, May 4). Hospital expansion booming. *Chicago Tribune*. <https://www.chicagotribune.com/news/ct-xpm-2001-05-04-0105040333-story.html>]

⁷⁷ Robert B. Remer served in various management positions in Chicago-area health care facilities including Cook County Hospital. [American College of Healthcare Executives. (2000). *2000 Directory*. Chicago: ACHE.]

Now, both retired, we are giving back through our voluntary activities. I've enumerated mine. Sandye serves on the Gilda's Club-Chicago board to honor Cindy's memory and that of another of her staff who passed away from breast cancer.

In retrospect, I don't think I handled the work-life balance well. Growing my career, going back to school, dealing with my dad's death, immersing myself in the merger activity in St. Louis and Chicago and becoming a stepfather to teenage girls put a tremendous strain on, first, Marsha and, then, Sandye. I wish I could say that I was a good partner during those days but, in truth, I probably wasn't. I tried to always be available and present for my kids' events and celebrations and those of Joey and Cari, even when I was in St. Louis. Needless to say, all of our actions have consequences. I just hope that the benefits of the fruits of my labor, and Sandye's, are seen as being greater than the costs all of us, especially our kids, have had to bear.

In the end, I had a remarkably satisfying career. I was challenged both professionally and intellectually and tried to make a difference in people's lives in each of my positions. I was mentored by some of the finest executives in our field and tried to do the same via the HSM Program, Fellowships, CHEF and the U of M. "Paying it forward" comes naturally because I always appreciated what was done for me throughout my career. I try to pass along the values and principles which have served me so well. They include the following.

- Try and find your potential by pushing at your limits.
- Embody "The Golden Rule." It will serve you well.
- Adopt a fair share mentality. It is up to each of us to address the needs of those whose health and lives are in jeopardy.
- Address problems/opportunities from the perspective of those most affected. "Walk in other people's shoes."
- Put the community/organization first in all you do. This is critical if you are to be seen as an unselfish (servant) leader.
- Management requires analytical thinking surrounded by the influence of humanity. Use both to guide your actions. Lead with both your head and your heart.
- Find ways to advance our field and make contributions to organizations in your community and profession.
- Finally, be humble. No one is so smart or all-knowing to be superior to others. Sandye always says that every person has their "genius." Seek this out and see what you can learn from them.

Thank you, Kim, and the AHA for this tremendous honor. My parents and grandparents would be so proud.

CHRONOLOGY

1950	Born January 30 in Chicago
1970-1971	University of Illinois Teaching assistant
1971	University of Illinois Bachelor of Science

1973 University of Michigan
Master of Hospital Administration

1988 University of Michigan
Doctor of Public Health (Health Policy)

1972-1990 Rush-Presbyterian-St. Luke's Medical Center (Chicago)
1972 Administrative Extern
1973-1975 Assistant Administrator, Ambulatory Care
1975-1977 Assistant Administrator, Rush Medical College; Assistant to the Senior Vice President
1977-1979 Assistant Vice President, Nursing Administrative Affairs
1979-1983 Assistant Vice President & Administrator, Presbyterian-St. Luke's Hospital
1983-1990 Vice President, Administrative Affairs & Chairman, Department of Health Systems

1982- Rush University (Chicago)
1974-1977 Instructor, Department of Health Systems Management
1977-1982 Assistant Professor, Department of Health Systems Management
1982- Associate Professor, Department of Health Systems Management

1990-1996 BJC Health System (St. Louis)
1990-1996 President, Jewish Hospital (St. Louis)
1992-1993 Acting CEO, BJC Health System
1993-1996 Executive Vice President, BJC Health System

1991-1996 Washington University School of Medicine (St. Louis)
1991-1996 Associate Professor (adjunct), Health Administration Program
1995-1996 Professor of Medicine (adjunct), Department of Medicine

1996-1997 Lash Group
Vice President

1997-2006 Rehabilitation Institute of Chicago
President & CEO

1999-2006 Northwestern University, J.L. Kellogg Graduate School of Management
Adjunct Professor, Health Industry Management

2006-2013 Holy Cross Hospital (Chicago)
President & CEO

SELECTED MEMBERSHIPS AND AFFILIATIONS

Academy of Management
Practitioner-at-large representative

American College of Healthcare Executives

Chair, Committee on Elections
Faculty, Congress on Administration
Life Fellow
Member, Committee on Membership, Subcommittee on Recruitment
Member, Editorial Board, *Hospital and Health Services Administration*
Member, Editorial Board, *Management Series*
Member, Gold Medal Award Committee
Member, Learning Resources Committee
Member, National Task Force on Young Administrators
Member, Young Administrators Forum Planning Group, Midwest Region
Regent of Illinois

American Hospital Association

Chair, Committee of Commissioners
Member, Committee of Commissioners
Member, Committee on Health Professions
Member, Regional Policy Board 5

American Medical Rehabilitation Providers Association

Chair, Task Force AMPRA PAC
Member
Secretary-Treasurer

Association of Administrators of Ambulatory Services

Treasurer and Chair, Planning Committee

Association of American Medical Colleges

COTH Representative, AAMC Assembly
Member, Editorial Board of *Academic Medicine*
Member, Subcommittee, Group on Business Affairs for Financial and Statistical Standards
Member, Working Group on Momentum

Association of University Programs in Health Administration

Chair, Task Force on Quality Improvement
Member, Committee on Nominations

Catholic Health Association

Member, Health Reform Initiatives Committee

Chicago Healthcare Executives Forum

Member
President and Founding Member (Young Administrators of Chicago)

Chicago Hospital Council

Member, Committee on Administrative and Professional Activities

Chicago Park District

Member, Mayor's Fitness Council

City of St. Louis

Member, Special Task Force on Regional Hospital

Member, St. Louis City/County Health Care Task Force

Cook County, Illinois

Chair, Managed Care Committee

Chair, Work Groups in Strategic Planning

Member, Cook County Health & Hospitals Systems Board

Member, Health Advisory Committee, Democratic Nominee for Board President

Member, President of the Board of Commissioners Health Care Transition Committee

Member, Quality and Patient Safety Committee

Hospital Association of Metropolitan St. Louis

Member, board

Member, finance committee

Illinois Hospital Association

Chair, Blue Ribbon Panel on Certificate of Need

Chair, Board of Trustees

Chair, Committee on Association Finance

Chair, Committee on the Annual Meeting

Chair, Council on Institutional Regulation

Chair, Policy Council

Chair, Provider Tax Advisory Committee

Chair, Strategic Planning Committee

Member, Board of Trustees

Member, Executive Committee

Member, Nominating Committee

Member of various task forces, committees, panels, councils

Regional President

Treasurer, board of trustees

Vice Chair, Council on Health Facilities and Services Planning

Vice Chair, IHA PAC

Vice Chair, Policy Council

Institute of Medicine of Chicago

Fellow

Member, Medical Health Care Committee

Joint Commission for Accreditation of Healthcare Organizations

Chair, Board Retreat Planning Committee

Member, Accreditation Committee

Member, Board Officer Nominating Committee

Member, Board of Commissioners

Member, Executive Committee

Member, Public Member Nominating Committee
Member, Retreat Planning Committee
Member, Task Force on Governance
Vice Chair, Audit and Oversight Committee

Missouri Hospital Association

Member at Large, Board
Member, Committee on State and Federal Legislation and Regulation
Member, Council on Research & Policy Development

National Council on Healthcare Leadership

Member, Council on Core Competencies

Rush University, College of Nursing

Member, Community Advisory Committee

State of Illinois

Chair, Adequate Health Care Task Force
Member, Governor's Transition Committee
Member, 7th Congressional District, Senior Health Policy Advisory Committee

State of Missouri

Member, Missouri Health Systems Partnership

Tri-State Hospital Assembly

Chair, Educational Conference

United States Department of Veterans Affairs

Member, Special Medical Advisory Group

United States Paralympics

Member, Leadership Council

United Way of Greater St. Louis

Chair, Health Services Section

Chair, Hospital Section

University of Michigan, Department of Health Management and Policy

Chair, Griffith Leadership Center Advisory Committee

Chair, Nominating Committee

Member

University of Michigan, Program in Hospital Administration, Alumni Association

President

AWARDS AND HONORS

1980 Outstanding Faculty Award, Rush University, College of Health Sciences

- 1986 AHA Health Care Leaders for the 21st Century, American Hospital Association
- 1991 Wayne M. Lerner Excellence in Leadership Award established at Rush-Presbyterian-St. Luke's Medical Center
- 1992 Outstanding Teacher Award, Washington University School of Medicine, Health Administration Program, Class of 1992
- 1995 Lawrence A. Hill Memorial Award for Excellence in Health Administration & Policy, University of Michigan, Department of Health Management & Policy
- 2001-2006 *Crain's Chicago Business' Who's Who in Chicago Business*
- 2007 Excellence in Service Award, Illinois Hospital Association
- 2008 Community Hero, Chicago New Communities Program
- 2010 Healthcare Leadership Award, Chicago Health Executives Forum
- 2013 Gold Medal Award, American College of Healthcare Executives

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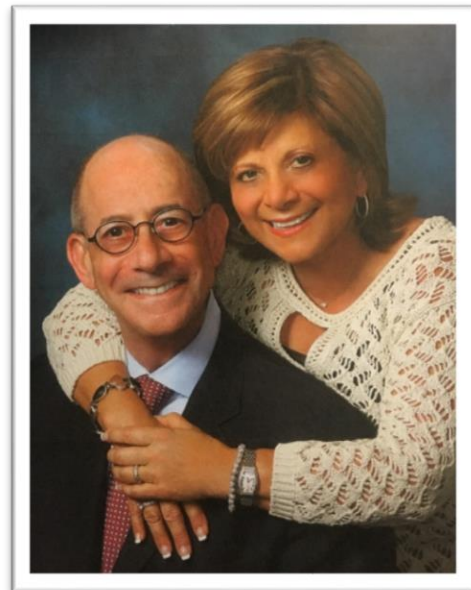


The Family
Photo ©Fenn Villain Photography & Design



**Wayne Lerner with Ruth Williams, RN, at
Rush-Presbyterian-St. Luke's Medical Center
(Chicago)**

**Photo courtesy Rush University Medical
Center**



Wayne and Sandye

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