

Session 24 – From The Heart: Healthcare Transformation From India to the Cayman Islands: A Documentary and Panel Discussion

[Male Facilitator]

Alright. Ladies and gentlemen, give a big round of applause for a big fan of mine, Dale Sanders.

[Applause]

[Dale Sanders]

Alright. Me again, guys. Sorry about this. So we're about to watch a film documentary that I think you'll find very inspirational and very motivational about healthcare transformation, true transformation, from the heart, and it's happening on our backdoor in the Cayman Islands. We'll give just a little bit of context about why Health Catalyst® would sponsor this kind of documentary and how it came to be.

In the spring of 2009, I was contemplating a career change. I've been at Northwestern for about 5 years and President Obama has been elected and we knew that healthcare reform was coming in some form. And so, I thought, you know, I wanted to observe first-hand healthcare in a national setting in a different country while we kind of went through all the machinations and the challenges of the Affordable Care Act and I learned from that environment in another country, came back here about the same time that we actually were achieving something. And I was headed towards Canada. And I'm seeing in my office. It was a Sunday Morning or Monday Morning, 2 AM or so, and an email comes in and it's from the headhunter, acquaintance of mine, and it has Cayman Islands CIO in the subject line. I was like, oh, that's interesting. So I clicked on it and I opened it up and there's a URL to Craigslist, and it says, you know, the URL of Cayman Islands CIO. I'm going, I click on this, this is going to drain my bank account or something. But I did anyway, I clicked on it. And sure enough, it was a job description from the Cayman Islands for their CIO. So I had a resume and a cover letter all ready for the Canada thing, and so I made a few changes and I sent it off just out of curiosity and the next day I got an email back from the Human Resources Director, and his name was Ronnie Etsity. And I sent and I'm going, Ronnie Etsity, and Etsity is a common Navajo name, surname. And I grew up around a lot of Etsity. We've worked farming and ranching with Etsity. We would hire members of the Etsity family to work with us and I went to school at Fort Lewis College in Durango and there were a lot of Etsity, that if you're a native American, free tuition at Fort Lewis. And so, I asked him, I said, "So is the origin of the Etsity name from the Caribbean?" And he said, "No, I'm Navajo. I'm from Tuba City, Arizona." And so, I'm going really, holy cow! In the Cayman Islands. So we started talking and it turns out that I know his cousins and I went to school with his cousins. And so I thought, well this is pretty serendipitous. There is something going on here. So my wife and I agreed to go down and we're happy to go down for an interview. I think we talked on Monday or Tuesday. We went down on Thursday, interviewed on Friday, had an offer on Tuesday, and by that Friday, we had accepted the offer. And it was Canada or the Cayman Islands. And as much as I love Canada...

So about 6 months into my tenure there, Dr. Devi Shetty from Bangalore, India approached the premier of the country and the minister of health at that time with this idea and this vision to build an academic medical center on the Cayman Islands. And he introduced his form of medicine from Bangalore in Narayana Health in the western hemisphere in anticipation of the growing need for not only treatment but also nurses and physicians. And so that project progressed. I was in the health services authority and we got involved in some of the legislative changes and things required to do that. But it was a cooperative between private business, the government, and Dr. Shetty. And so I was kind of intrigued by Dr. Shetty and I started studying and learning all about him and he's a very inspirational person, just an incredible person. And that permeates the culture of his organization. They have 26 hospitals in Bangalore, by the way. And so, this is the first health city in the Cayman Islands just opened in the spring of this year and this is the beginning of that academic medical center in the Cayman Islands. It will eventually be a 2000-bed hospital.

So ultimately what we're trying to do in Health Catalyst is be a part of the transformation of healthcare. So, it's a little unusual that we would invest in this documentary because it's not a real great example of data-driven care, even though that's underlying everything that's happening there. But what it really is is it's transformative and it's very inspirational message. We're really grateful to share it with you and I'll give you just one tidbit, that's the cultural differences between Dr. Shetty and traditional medicine in the US. They close their books every day. They close their financial books every day. Everything they do is bundled pricing. One price, no other bills, one price. And I asked about closing books every day. What are you really doing with closing books every day? I mean what kind of business process are you driving, you have to watch your books that closely every day? And I can see doing it every week or maybe two weeks or every month. And the answer startled me. It was, we close our books because we want to know exactly what our margins are day to day so that we understand how much charity care we can provide to the patients that are in our facilities today and still maintain a financially stable business. So they're motivated to watch their financial, so they know how much charity care they can provide to the patients that need it in the hospital today. And what an interesting motive, right? I mean talk about operating from pure motives and business success following, I think that's a great example of that.

So, I'm really happy to share this documentary with all of you. We'll go through it. It's about 25 minutes. And then we'll have a question and answer session with some of the folks that are in the documentary. So thank you very much and we'll see you in a few minutes.

[Health City Video from 12:12 to 41:00]

[Dale Sanders]

Very moving. Those scenes of Mother Teresa are free. It's a good closing. Very much an honor to be associated with all of this. I want to recognize the folks that made this happen and I also want to bring some folks up on stage for some Q&A. But importantly, I want to ask Ethan, Vincent, Nathaniel, Hanson, and Chris Keller to stand up, the videographers and Health Catalyst employees that actually produced this. Guys, where are you...

[Applause]

Beautiful. Beautiful work, guys. I drove crazy for a little while here because I was so paranoid about this and then it became completely obviously how talented they are. Thank you guys so much for doing this.

[Applause]

I want to introduce two of the stars of this film and ask them to come up on stage. I want to read their bios first and then I'll ask them to come up from the audience. Dr. Chandy Abraham, Chief Executive Officer, Director of Medical Services for Health City. Dr. Chandy Abraham is the facility director and head of medical services for Health City in the Cayman Islands. He has extensive experience working in both clinical, as well as academic settings in India and the United Kingdom. In addition, he has held many senior administrative positions throughout his career. At the national level in India, Dr. Chandy is a lead surveyor for the National Accreditation Board for hospitals and healthcare organizations, the Indian accreditation, as you see, which works towards insuring the level of quality in the healthcare sector. He is a member of the technical committee of this board, which helps with setting standards and implementing accreditation in healthcare across the nation. However, Dr. Chandy's special area of interest has been in lean management in healthcare. He has implemented many projects in healthcare which have demonstrated the importance of developing processes that are streamlined and lead to cost-effective services that are of high value, high quality, specialist medical services, and a caring environment, which is easily accessible to the people at the Caribbean and the Cayman Islands and beyond, that would be the US.

Gene Thompson is a 9th Generation (43:26), a big family of entrepreneurs and is currently a director of Thompson Development Limited, one of the premier development companies in the Cayman Islands. His family is considered pioneers in property development and many other business ventures. Thompson Development has varied business enterprises, including commercial development, resort development, tourism, real estate, and retail. Gene has been involved and/or led various types of development projects, including commercial centers, residential projects, resort developments, and is now the project director for Health City Cayman Islands. The governing principle for Gene and his family has always been integrity and service to the customer. Gene operates several companies all with different characteristics and deliverables but he has always maintained his principle as the common thread. He attributes the success of all his business to this fundamental approach. So I'm very happy and welcome to bring on the stage today, Dr. Chandy and Gene Thompson. Please join us on the stage.

[Applause]

[Dale Sanders]

Did you like it?

[Gene Thompson]

Yeah.

[Dale Sanders]

Good. And by the way, this is the first time that they've seen the film and I sure hope you like it.

[Gene Thompson]

Thank you.

[Dale Sanders]

Thank you both for joining. So good to have you. Please have a seat and we have some questions here. I'd love to hear these. Thank you so much again for participating in that and for doing what you're doing and having the courage to do what you're doing is very motivational. Thank you very much.

Some of the questions here. Why were the Cayman Islands chosen for Health City Cayman Islands above other countries? And were there specific incentives provided that made them attractive? How long did it take for the government to provide all the necessary changes and concessions?

Gene, do you want to take that question first?

[Gene Thompson]

Yeah. The Cayman Islands were chosen because Dr. Shetty had a vision of a ship parked just off the US shores, and the Cayman Islands just happened to be that ship. But what happened is the Government of the Cayman Islands incentivized us, or the hospital project, upon making the necessary regulatory changes by giving us the right set of incentive packages. As I said earlier in the film, the government changed 9 laws and 13 regulations in a period of about 2-1/2 years and that was a great motivator for the Cayman Islands to do this, as well as they gave us significant tax incentives, duty incentives, that made it a very viable opportunity.

[Dale Sanders]

Wonderful. Dr. Chandy, any thoughts from you on the selection?

[Dr. Chandy Abraham]

Yeah, I think more than anything else, Dr. Shetty wanted to also prove that this model will work outside of the Indian borders. I think there was some degree of skepticism about that and he said the perfect vehicle for that would be a ship off the shore of the US and I think that's how we chose the Cayman Islands. And I was at a meeting recently and someone said, "For any good project to survive in a country, you need a love triangle." And the love triangle is the government, private business, and the provider. And I think that love triangle came together very well on the Cayman Islands.

[Dale Sanders]

Interesting. Very much so. So a ship off of the coast of the US was the first thought. That's fascinating, isn't it? Very interesting. I heard during the discussions with the government when things were kind of up and down for a while that there was also some possibility of putting a facility on one of the Native American reservations in the US. Was that ever considered?

[Gene Thompson]

We have, I think, 10 or 11 countries that are interested in attracting this type of a project. But yeah, there was some talk with a couple of Native American groups to do something in the US that would be outside of the Federal Assistance.

[Dale Sanders]

Yeah. Interesting. Fascinating. Can you provide how much it costs per bid to build your hospital? You mentioned there. How is it possible to build a hospital for such a low cost? Can you describe that a little more, Gene?

[Gene Thompson]

You know, that was an interesting ride. I would say that I have 5 years ago had a greater chance of being an astronaut than being in a healthcare industry. I'm not particularly fond of the sight of blood. So when I was asked to look at this project to put it together in Grand Cayman, we looked at radical ways of doing things differently. And then on my opening speech at the hospital, one of the things that I said is the most empowering thing to me with doing this project was ignorance.

[Dale Sanders]

Interesting.

[Gene Thompson]

I went in there with no preconceived notions, no preconceived ideas. Dr. Shetty put 9 things on a sheet of paper and said we want you to get these things all done, and health practitioners' law changed, all the rest of that. And in addition to that, he wanted a building built from much below normal cost. We did some pretty radical things and the greatest thing about it is he gave me a blank check. That was great. Wonderful. The only problem was there was no money in the account. So we had to get really creative, we did get creative, and we ended up building a hospital in 12 months from start to finish. It's built for \$430,000 per bed and it's built with very high standards, a hurricane-rated building, it's an R-26 insulation factor and on and on and on. And it was fickle by being creative, thinking out of the box, and me going in without any preconceived notions, preconceived ideas on how a hospital should be built. One of the things that I may have said in the film is the guys that built the hospital is a homebuilder. That's who built the hospital for us.

[Dale Sanders]

Amazing. Dr. Chandy, any thoughts on the construction of the building?

[Dr. Chandy Abraham]

Yeah. I think what Gene said is right. If we had too many doctors on it, the head committees and subcommittees and we probably would have prolonged it for another 2 years. It was simply in building. I think I'm pretty glad that we handed it over to Gene.

[Dale Sanders]

It's a beautiful facility and it's just perfect actually. You know, at Northwestern facility I was associated with before I came to the Cayman Islands, it's kind of well-known for how beautiful the architecture is and how well furnished they are. I mean it's all well and good. It's not too far from the furnishings in this building actually but of course all of that rolls up into increased price...

[Dr. Chandy Abraham]

We've also had the Joint Commission looked at the building construction and they said it met the regulations of the Joint Commission.

[Dale Sanders]

Wonderful.

[Gene Thompson]

You know, one of the things, Dale, is if you took our hospital, or you took and impose a hospital that is typical in the west or superimposed it over our hospital. There would be about 230,000 square feet. Our hospital is 107,000 sq. ft.

[Dale Sanders]

Interesting. So efficient. More space.

[Gene Thompson]

A different one.

[Dale Sanders]

Yeah. It's a beautiful facility. Are there any unique systems or methods of construction that led to this much reduced cost that could be applied in the US? And if you thought an addition to exporting your services to the US and bringing patients to the Cayman Islands, what about building cheaper, better facilities in the US as a line of business?

[Gene Thompson]

You know, the technology – I mean frankly, again as a non-hospital guy or non-healthcare guy, I don't think we did anything radical. The healthcare industry apparently thinks we did something radical. We used the systems that are fairly standard in the market, that we did it. We built the building out of something called insulated concrete forms. It's the largest of that type of hospital in the world. It's highly insulated and so on. But we don't think that there's anything that's radically different, just that we've used systems and just being more efficient.

One thing that we did when we designed this hospital, and by the way we designed the hospital in 5 months from start to finish at a committee of four.

[Dale Sanders]

Amazing. Wow.

[Gene Thompson]

And this was the hospital we designed and it's what we built before. But when we built the hospital, when we looked at designing the hospital, the design process was incredible because what we actually looked at is how can we cut square footage out, how we can drive efficiencies, how can we reduce the amount of reaches, the amount of steps. All of these things were done as a part of the process.

[Dale Sanders]

Amazing. What did the doctors and the nurses and staff say about the facility, Dr. Chandy?

[Dr. Chandy Abraham]

They're absolutely happy to work in that facility. I think it matches the best in the industry. So there is a naming issue. Recently, we did a reference device implantations and that's required an incredible infrastructure. The patient did extremely well and this is probably even about short of 4 months of opening.

[Dale Sanders]

Wow. Amazing. And how is that within 4 months of opening doors, after only a year in construction? Amazing. Let's see here. More kind of on building things, any consideration given to green initiatives in this construction?

[Gene Thompson]

You know, one of the things that we learned when we were doing the hospital are our hospitals are not great stewards of the environment. And again, we had this blank check that we could do anything we wanted. And one of the things we were able to do is to implement a significant amount of conservation on green initiatives, and here is what we actually found – is that all of the green initiatives we implemented, higher insulation value, harvesting of water, recycling, we were able to reduce our outflows by 60% through our own, through these programs. What we ended up finding is that the majority of these programs, in fact all of these programs, are positive economics. In other words, they were not a cause, they were positive economically. So we have various things from water harvesting, to our own oxygen generation, to solar, just high efficiency air conditionings and so on.

[Dale Sanders]

Wonderful. Beautiful. It's a very friendly environment to practice. Any thoughts about that, Dr. Chandy, with what doctors feel about it, that it feels very good to be there?

[Dr. Chandy Abraham]

Yeah. I think most of the doctors are extremely happy being there. The Cayman Islands is very friendly. I was just telling Gene, the only thing we missed is mountains. So after this, I'm planning to go up the mountains.

[Dale Sanders]

Yeah. Exactly. You could drive up to Little Cottonwood, go up to snow bridge, take the trend.

[Dr. Chandy Abraham]

Yup.

[Dale Sanders]

A couple of kind of clinical questions here, you stated that Health City Cayman Islands is designed based around near around model in India. Can you talk a little bit more about the protocols that you used? What would that do with protocol, process, and price? Process, protocol, price. Can you describe that a little bit more?

[Dr. Chandy Abraham]

Yeah, I think we used a lot of lean management in our systems there. So we do this little projects, we call them rapid improvement events. So that's something where we actually collect the information that's there, the data that's there. And then the collective team with the process owners would come together and then we actually said look at the data and we go through what we can do. We actually do a trial round on it and then we actually implement it in the hospital. And we found incredible, you know, gains from this, especially in a hospital that's been running for a long time. What we had found is a lot of the process, you know, it happened sort of pretty organically. So you have somebody who's the head of that particular unit, he puts the process in place. When he goes, some days he comes in and he says, you know, I don't like that part of the process, so you have two more steps in. And then somebody comes in and over the years, you'll find that the process has grown into a sort of monstrosity by itself. I did a study not really in our hospital, in one of the other hospitals, on discharge process. How many steps, the discrete steps, does it take to discharge a patient. I don't know if anybody has a guess on an average. To discharge the patient off the unit, how many steps would it take? And this is a good hospital. Any guesses on it?

[Dale Sanders]

Yeah, that's a great one. But I'm going to guess 20.

[Dr. Chandy Abraham]

Yeah. We found 64. 64 steps. And there was a particular portion of the discharge process where I can split into three parallel lines, and it was hidden, as well those three parallel lines would meet at the same time.

[Dale Sanders]

Interesting.

[Dr. Chandy Abraham]

Yeah. So, you know, we go and we actually do, because we do a value stream mapping, then we do...

[Dale Sanders]

A3's and all of it.

[Dr. Chandy Abraham]

A3's and then sit on. And we found that the whole momentum is there, if you implement it. And the amazing thing and for me the first two times I did this, the amazing thing is what you've been talking about in the last three days. Not only do you find the decreasing cost, you're beginning to take out all these bad resources that are sitting in there. The quality goes up significantly. So you've got a lower cost and you've got much better quality, and that's the best thing you can do. I am 100% convert to lean and we try and do this in all our hospitals.

[Dale Sanders]

Wonderful.

[Dr. Chandy Abraham]

Of course a stack of, a lot of what you have to do is to actually try and get it done well the first time itself.

[Dale Sanders]

Yeah. And so, is your staff – how far out does your lean training go in your staff?

[Dr. Chandy Abraham]

It's like a tricky question, especially when it comes to doctors. For a long time that I used to talk to my doctors about key performance indicators, they thought it was some kind of disease. So you know, it's a tough thing to do, especially with that. But I think if you show them the gain, if you can actually sort of be with them, you need to take them through these processes along with you. I'm a clinician, I'm a colorectal surgeon. I think we have another colorectal surgeon on this podium. There must be something about – dabbling about that dark region and finding solutions. So anyway, that absolutely, you know, I find it's not easy but when they do get converted, they're really good converts to it.

[Dale Sanders]

Yeah. Wonderful. Very admirable. We're getting the hook here, aren't we? I've got to ask at least one more question here. How is it possible to keep cost so low and outcomes so high? Lean is part of it. You know, the elephant in the room that people always wonder is well surely you must be paying very low wages.

[Dr. Chandy Abraham]

No, actually not. We've actually compared the wages. They may not be as high as it is here, because especially in the Cayman Islands it comes with the cost of living, it's about 2 to 3 times in the US.

[Gene Thompson]

It's about 2 times.

[Dr. Chandy Abraham]

Two times. So the cost of living is – so we can't really have low wages and in fact we have to pay them fairly close to what's paid here. So that has ended. But you know, the number of employees, the fact that we do the single line billing, our billing department has three people right now.

[Dale Sanders]

Isn't that amazing. Wow!

[Dr. Chandy Abraham]

And one of our billing people...

[Dale Sanders]

Wow. [Applause] My goodness.

[Dr. Chandy Abraham]

Right now my billing department has two people because I brought one of my billing people here. He's sitting in the audience. So I went to visit, just a little time, I went to visit one of the administrative departments on one of the big hospitals in the US close to Florida and they took me to this gigantic building, and I asked them, is this the hospital? He said, "No, this is the administrative block." I almost fell off and I think (59:33) those administrative costs, we still have insurance companies which want us to give CPT codes and DRGs and all that and we've told them that if you want us to do that whole bunch of staff and you know, I'm discovering things, if you put an ID, you can bill five CPT codes. I never knew that. And so, I said if you want us to get into again, we're going to have to pay him more. You can take our savings. You know, we charge you very low. The savings that we make, we'll pass it on to you and that's a mantra and you know what you want to do. And I think in the future, as we get more and more efficient, our aim is not to make prices higher. Our aim is to make prices lower.

[Dale Sanders]

Lower. Better margin. Yeah. Just classic business. Boy, I wish we didn't have to end but we do. It's just an honor, true honor, for me to have any association with you. I appreciate it so much. You guys, again, Ethan, Nathaniel, Chris, thank you. Utah is a state that is proud of its pioneer heritage, founded by pioneers that went through hardship to get here. We are really proud to be associated with pioneers, such as yourselves, and whatever degree that we can help you be successful and influence the US, please help us help you. Thank you so much.

[Unknown]

Thank you so much.

[Male Facilitator]

Alright. Ladies and gentlemen, big round of applause again.

[END OF TRANSCRIPT]