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2018 Winston J. Durant Lecture: From Resident Row to the C-Suite – All-Star Teams and Front Row Seats

By: Jim Klauck

Thanks very much for that introduction Steve, and your very complimentary comments.

Well, good afternoon everyone. I'd like to start right away by sharing with you how much of an honor it is for me to (even) be considered for this recognition, much less standing here at the 2018 recipient. The caliber of this program is really second to none, and the quality of leaders who have come through it, your professional accomplishments, and contributions to improving the care of patients in the very impressive way that you have, are truly remarkable. It is most definitely a very humbling experience for me to be a part of this prestigious group. In fact, as I have reflected back - being part of high caliber, world class teams over the years has been my fortune and blessing...and will be a recurring theme in my remarks.

So,, in our brief time together, I would like to take you on a quick journey.

Since we are all most influenced (and impacted) by the early experiences that mold and shape us – I’ll start by sharing a little of how my fateful story began, and where it has brought me. Then a couple of unique perspectives from my current position (as Dave Zilz calls it – ‘from resident row to the C-Suite’), and then conclude with a few key principles that have contributed to a fulfilling professional journey for me personally.

The Journey Begins

About 31 years ago (perhaps very nearly to the day), I walked through the front doors of UW Hospital, and it changed my life...and from that point forward, things would never be the same. As a 19 year old pre-pharmacy student, I came to apply for a job as a decentral pharmacy tech - a job I heard of through a room-mate of mine, who at the time worked the night shift in the pharmacy computer room. He told me that the UW Hospital Pharmacy is hiring for jobs - but make sure you apply for the “decentral” tech position, stating that I would get to work on the patient care floors, and with doctors, nurses and directly with hospitalized patients. I thought to myself - that does sound like a great job. Even though I was a pre-pharmacy student, my understanding of pharmacy practice up to that point was primarily based on what I observed the local independent pharmacist doing in the small central Wisconsin town that I grew up in.
Well after somehow getting hired (I think they were desperate for cheap student help) it didn’t take long for me to get hooked! As most of the older folks in this room know – the job was a unique one, and no longer exists today. In addition to a mix of stocking some meds on the patient care unit and computer order entry of pharmacist transcribed orders – a bulk of the position was passing medications to the hospital inpatients (pills, solutions, IM injections SC injections, NG tubes, G-tubes, narcotic cocktails, eye drops, eye ointments, GI preps, and yes...from time-to-time, even a suppository). I was on the patient care floor of a large academic hospital, working closely with pharmacists, nurses, medical doctors, and patients.

What a great experience! Handling, visualizing and entering those medications provided such a huge foundation for pharmacy knowledge, even ahead of immersing myself in pharmacy school classes. And even more, I was actually seeing the patients that those medications were treating.

As stimulating, challenging, and exciting as that ‘new job’ was – I also gained another whole perspective...something I didn’t expect. I quickly found that it was about more than just passing meds to patients, and entering orders into the computer system. And about more than just about my learning, and working a job in a prestigious place. It was about being part of a powerfully impactful team, making a difference in the lives of others!

It was the kind of stuff nurses, and many of our pharmacists, do every day. You know what I am talking about, it is what being on the front lines of health care is, and for me, having a front row seat to the amazing things being done in an academic medical center - it’s what powerfully touched my heart, and gave me the proper perspective going forward. For me, it brought meaning to that quote (that I would later see) in Pam Ploetz’s office which read “what have you done for the patient today?” Something we lose sight of too often in healthcare, especially when much of our time is on the administrative side of things.

Well, for a young kid hungry to grow and learn in a job that would support the pursuits of my newly declared major – this job was a challenge...But it was more fulfilling than any pursuit in my life up until that point. Every shift was a full 8 (or even 9 or 10) hours of learning and adventure. I learned the importance of relationships and teamwork - as often the techs had to band together to help each other get through the busiest med passing times, or to divide and conquer that mountain of orders that needed to get into the computer before the cart fill cut-off time. Not to mention working very carefully, to best support the world class pharmacists on my team – because in that role, you could make or break how their shift went – and they truly relied on their technician support to help manage their time.

It not only was an early start to a new network of friends and colleagues - I cross-trained to be able to cover every team, and every unit in that very large hospital, and I snapped up all the extra, open shifts that I could. Some of my classmates even gave me a hard time for how much I worked. They would say that I was hungry for the ‘overtime’ or ‘extra money’ - but what they didn’t know is that I had found a front row seat to where all the elements of high quality, academic medical center patient care converged...and it was my pleasure to help out, whenever called upon by the department manager of in charge of staffing. It was a rock-solid foundation for my new vocational journey - Plus, I found it also offered periodic pontoon boat rides on Lake Mendota hosted by Tom Thielke - and additionally, he even
rented us a state-owned van, for a 33-hour (non-stop) road trip to Las Vegas – to be a part of his ASHP Presidential address! That experience was another very early exposure to the value of professional organizations, and related networking - something that remained very strong with me ever since.

Well, some time went by - I entered into pharmacy school, and discovered a few other things while still working in my student tech role. I met these young, hard-working graduate students – doing a ‘pharmacy residency.’ People like Chris Hatwig, George MacKinnon, Wayne Bohenek, Kristin Hanson, Lee Vermeulen, and others. I learned firsthand from them, what that experience offered - by way of a concentrated and extended experiential component, mixed with robust and intense leadership training, and the various doors that were opened into a variety of career paths in pharmacy. It was those connections, relationships, and observing the roles that each of them took upon graduation, that first planted the seed of pursuing the master’s administrative residency for me. Many were also relationships maintained to this day – and include close friendships held together through the years, like so many of us have through this great network.

Well, after a couple of brief stops, one at a pharmaceutical company out east and the other to work for Stan Kent back when he was Director at the Milwaukee County Hospital – UW took me into the MS Residency. It was another very rich time of concentrated learning in my pharmacy training.

I have to believe the experience was the same as it was for many of you – lot’s of work, mixed with a good amount of fun, new friends and networking with colleagues. In fact, it is still amazing to me, to look back – and consider everything that was packed into a two-year learning experiential program. Indeed, another transformational experience, with an exceptional group of individuals.

It included my own resident classmates – Dan, Lisa, Ken and even Steve (also known as Opie, Sarge, the Rocket, and Gordy!). Definitely a diverse and eclectic group, as usually happens in this program. But also Lee, Vic, Nancy, Rowell, Neil and others – very special individuals who were part of that amazing experience, and that I have stayed connected with to this day.

It carried forward to my first position out of the residency, where I had the privilege to join Dan Ashby, Richard Faris, Vic Perini (each mentors to me, in separate and unique ways) at Methodist University Hospital in Memphis. We made great strides as a new and young leadership team - advancing our pharmacy practice model, implementing dispensing technologies, and (occasionally) hanging out with Elvis at Graceland.

And further fast forward to me coming back to the exceptionally talented UW Hospital pharmacy team some years later, which Tom Thielke titled an Assistant Director position, but also kidded around that it was my ‘remedial post-residency training’. Pam Ploetz (again) reminded me that even though an administrator – our work was for our patients. It’s also where I was reunited with Skibby and Lee, and my old residency classmate Steve Rough - where we all partnered on some great work together.

It was also at a time when PSW was transforming itself under it’s relatively new leader, Chris Decker – who wasted no time engaging key pharmacy leaders around the state to rally them to accomplish great things for pharmacy profession - and has been doing so ever since! So, whether it was remedial training,
or another all-start team – it certainly broadened me greatly, was exactly what I needed at that point in my career, as well as rounded me out (professionally) for what was ahead for me at Froedtert.

I owe much of the credit of landing at Froedtert to Kristin Hanson, who also became a great partner once I arrived (along with Mark Naumann and John Kolesari), and who was also a key impetus and leader to the growth of our residency program. While I am happy to stand here as a leader of that department, and its great accomplishments – every one of the significant achievements is attributable to an all-start team of staff and leaders who were motivated and excited for advancing the care of our patients. The explosive growth of new programs and system enhancements that were implemented improved care, and were justified as such, as we grew. In addition to the awesome frontline staff, we have had an exceptional (and growing) slate of amazing leaders – (many out of this program, but also a few from Kansas and Ohio State programs, that continue to fuel the great work that is done. In addition to Kristin, Todd Karpinski, Jordan Dow, Phil Brummond, Garret Newkirk, Binita Patel, Kate Schaafsma, Matt Wolfe, and Tim Hinkley, and many other non-UW graduate leaders have been instrumental. In my mind, the new things we implemented were all best practices. The fantastic growth included: new practice sites in the OR, Emergency Department, and various clinics; a pharmacy benefits plan position; pharmacist medication histories upon admission and discharge; a ‘meds to beds’ program, a medication safety officer, many automation implementations; prior authorization technicians; discharge pharmacy Rx technicians; central compounding; retail store growth; 340B program optimization; mail order services; creation of an integrated service center; residency and pharmacy internship growth; TWO new schools of pharmacy (rotational sites, faculty appointments, research and publications); home infusion services; recruitment of new leaders; creating our own leaders; and more growth! It has definitely been a great, and exciting run!

For an enterprise pharmacy leader and administrator, it was like watching iron sharpen iron, and it continues. In fact, these days, my primary role is to provide all the support I can, and just get out of their way, as they continue to do great things!

**Path to Hospital Administration**

And within that mix, and growth - as you have heard Steve Rough outline, I have had somewhat of a non-traditional career path. It isn’t where I would have envisioned myself being, 25 years ago as a new residency graduate. But maybe not too surprising either, as I think back to something Dave Zilz shared when talking to us as residents, about his own path into hospital administration. He described how often times the **Pharmacy Director** (as it was known at the time) was really like a ‘mini-hospital CEO’ but of a very broad, and vital clinical support service.

He said - You are trained up to lead, and manage areas which include the full spectrum of: technical staff, professional staff, physician relationships, rapidly advancing science supported by (or not) evidence-based literature, investigational drug studies, informatics and technology, contracting and a specialized supply chain, very large expense (and revenue/reimbursement) budgets, service and distribution, highly regulated areas, research, emergency preparedness, medication safety, academic affiliations. All of those functions are direct correlates to the fullness of core pharmacy functions within any hospital system.
My first opportunity into that space was to take on executive responsibilities for both pharmacy and supply chain. In addition to the scope of pharmacy growth that I mentioned – our health system was just beginning to integrate into a multiple hospital network – we were in need of someone to handle bringing our supply contracts together across all settings (something we had already accomplished in the pharmacy by the way), as well as to consolidate organizational structures. The other great need for us at the time was a structure and process to more closely engage physicians and nurses to review and critically evaluate the implants and clinical supply items (something else very similar to what we in pharmacy had already been doing well in our P&T Committees for decades).

As my role grew to support other Clinical Ancillaries (laboratory, radiology/imaging, rehabilitation, ambulatory surgery centers, and clinical engineering) – the profile of work was very much the same, and included working with those teams to:

1. Integrate, roll up and align services across multiple hospitals
2. Evaluate utilization of high cost tests and supplies (lab tests, blood, implants, imaging scans) in light of supporting evidence and outcomes
3. Evaluation of cost structures and processes to achieve improved efficiencies
4. Search out best practices, work to adopt them, and to measure (and publish) improvements along the way

Again, these were many things already successfully being done in pharmacy areas. But now I was applying them to new clinical areas, and setting up and supporting them to run independently with effective leadership structures.

**Current Market Challenges**

To transition to my current challenges and perspectives as a corporate administrator – there are definitely some newly added dynamics, that have me feeling the pressure in a whole new way today as the pace of change continues to ramp up and the stakes in healthcare are higher. I just returned from a CEO conference two weeks ago, and took note of what seemed to be the most pressing issues and recurring themes before us:

1. Dwindling reimbursements, and the shrinking healthcare dollar
2. The extremely tight labor force
3. Focus on automation, artificial intelligence, and machine learning
4. Precision (and personalized) medicine
5. Genomics, and immune cell engineering
6. Digital health models
7. Further shifts in care models to the ambulatory space such as ASC’s + neighborhood hospitals
8. Reducing variation and waste
9. And affordability of care (and medications) to patients

What’s being created is a very unique challenge – something that I would call a “transformational similarity” – where, while the scope of our work changes, the thinking remains the same. What stays
the same is the imperative to drive to the greatest value – and what’s changing is the healthcare landscape, with multiple, emerging variables.

It brings with it the need to be a visionary change agent, in a time of healthcare disruption. Especially while our systems are not set up to do what is best for the patient – as we are still caught up being driven by volume-based incentives, while knowing we need to get to value-based care.

On top of it all, did you know that the average hospital operating margin in 2017 was only 1.6%? And each day, roughly 10,000 people turn 65 years old, and become eligible for Medicare (which for most hospitals, cuts reimbursement by 50% overnight, compared with their third party payer rates). Many experts have made it clear that healthcare is a zero sum game for the next five to ten years. The American Hospital Association has said that as many as 1,000 hospitals will be facing bankruptcy in 2019.

For me personally, most of my pressures as a senior leader around these issues is strategic visioning in order to navigate through it successfully. In academic medicine, we all know that it is impossible to turn the Titanic on a dime (and we have never been able to do so). However, we are in a quickly changing paradigm. We have new players in our health care space. Silicon Valley and the tech industry has seen that 20% of our GDP is in healthcare, and they are already ‘on the prowl’ and are making significant strides.

Whereas being nimble has never been part of our vernacular – it is absolutely their sweet spot. And with all the revenue in play, the incentives could not be any stronger.

Our CEO at Froedtert has been clear for some time here – in that we will be a regional and market leader with respect to these emerging dynamics, and do everything within our power not to be disrupted! Our long term visioning must be focused, and if we’ve not already begun to pivot in key areas, it’s already too late.

For my specific areas of responsibility (lab, imaging, pharmacy, surgery centers, and rehabilitation), some new and unique challenges that have emerged include:

1. What impact will digital pathology have on a large team of high salaried academic pathologists?
2. How soon will artificial intelligence and machine learning impact what our radiologists do, and how many we need, to provide these services?
3. What is our game plan, and play, with respect to precision medicine, genomics and other personalized therapies?
4. Ambulatory surgery centers can provide the same surgical outcomes at a fraction of the cost (and reimbursement). Are we positioned well to move these cases in response to payer demands?

Pharmacy is certainly not immune to some of the same emerging challenges. We have come a long way in the past couple of decades, and made some significant advances, which include:

1. Expansion of pharmacist roles and practice settings
2. Optimizing patient medication adherence and safety through med reconciliation and other tools
3. Appropriate titling and scope for executive pharmacy leaders, to keep pace with the growing Pharmacy Enterprise
4. Specialty pharmacy programs which maintain the patient-pharmacy linkages which are so important to outcomes.
5. Expansion of schools of pharmacy graduates to keep up with demand
6. Expansion of specialized residencies to keep with those specialized practice areas, and the associated demand
7. And full product management at each step of the supply chain, all the way to the patient.

It has definitely been a good strong run for many medication-use related enhancements (and thus the pharmacy profession as well). But with all these (many) accomplishments, there is absolutely more work to do. One of the things that has helped me most, and that I grew to appreciate in my many years with the University Health System Consortium was to always stay on top of the market changes, and with each new complexity, to study and anticipate what was coming down the pike. That thinking has served pharmacy leadership well in the recent past, but will we be as well positioned going forward? To help us look forward, here are several perspectives gleaned from many of my executive colleagues:

1. Does your strategy planning and thinking include ‘strategic visioning?’ (this is key and foundational, and should sharpen your focus from a longer term perspective).
2. What is your position relative the emerging disrupters?
3. What is your contingency plan when/if there are changes to the 340B program?
4. How are you currently reducing variation in your processes?
5. Which processes are you able to re-engineer to be more efficient?
6. In a zero sum game, what is your plan for survival?
7. What are you doing to prepare for those emerging ‘million dollar drug therapies?’
8. Are your team’s finance skills fine-tuned, and fully in-step with your CFO? (and health system?)
9. How are you responding to the strong demand for affordability by our patients?

On September 16th at Lambeau field in Green Bay Wisconsin – Minnesota Viking place kicker Daniel Carlson was called on in the final seconds of OT to kick a game winning field goal against the Packers. A successful kick would have sealed an overtime victory for the Vikings. This was something he had done numerous times before, and his team really needed him in that instance!

Well, most of you know the rest of the story. His kick went wide right, and he failed to deliver a victory for his team. Even beyond that, it was his third miss of that game – which collectively led to his dismissal from the Vikings later that week. He missed the mark...

So I challenge you - In our rapidly changing healthcare environment – what will you do to provide the leadership required to transform care models without compromising quality or outcomes?

As I heard one author put it – “Now is the time with the slowest pace of change, for the rest of your life.” If it is only going to come faster, are you ready for what is to come? Are you positioned with your organization’s C-Suite leaders, on these potential disruptors? If not, where should you be positioned?
Do you have contingency plans, and appropriate visioning to anticipate and prepare for a shifting landscape?

Will your strategic vision (and collaborative spirit) position you to be called upon to help lead your organization’s transformation? Use caution not to hold too tightly to models of the past, or practices that may no longer be sustainable in tomorrow’s care model of the future, because as top strategic pharmacy leaders, you certainly don’t want to be one to **miss the mark!**

**Personal Lessons and Takeaways**

So I have noticed that other Durant recipients have closed with ‘points to ponder’ or shared other ‘lessons from their journey.’ I will leave you with a quick **top 10 list** of some key principles that have contributed to a fulfilling professional journey for me personally:

1. **Have a passion for what you do!** Most of us are in healthcare because of the mission, and to make a difference in the lives of others. As you pursue this passion in the workplace, you will find yourself part of a like-minded, winning team! As I routinely tell my own 3 teenage boys – find a job doing something you love, and never work a day in your life!

2. **Network!** Local, national organizations, and University Health System (Vizient) Consortium. They were, and absolutely are, key elements for learning, growth, and perspective over one’s career. Plug in wherever and however you can, they are invaluable! Without them, I can’t imagine having ended up anywhere close to the same path that I am on today. At the end of the day, it is all about building relationships!

3. **Be mentored!** This is not just for residents/new graduates…in fact, the further along I go in my career, the more important and valuable it is. For me, some were formal mentors, with routine meeting sessions (like Tom Thielke and Dave Zilz), who were so generous with their time over the years. Others were less formal, and while they may not have realized how much they were having an impact on me at the time, I was carefully taking note along the way, as I very closely observed and tracked their leadership skills through our interactions in various employment settings and professional organizational activities and interactions (many of these on the University Health System Consortium front – Jon Armitstead, Marianne Ivey, Paul Bush, Dan Ashby, Mick Hunt and others). Again, another front row seat, working together with some great leaders, and passionate professionals.

4. **Be a mentor.** I recently heard it put this way – “A leader is someone who sees more talent and ability within you, than you see in yourself, and then helps to bring it out in you. Take a chance on someone. If you aren’t already, pour yourself into growing someone! While I have been committed to doing this in the workplace, I also pull it through to my home life, and work hard to do the same as a father to three boys.

5. **Let your leaders lead.** You heard Jim Collins say it, and Steve Rough (in his Durant address): Hire talented leaders, be a good listener, give them all the support that you can (and that they need)
and get out of their way! Thankfully, I have been in the very fortunate position of spending much of my time getting out of the way of some great leaders (!).

6. Be a life-long learner. This is one of the things that most attracted me to the field of pharmacy – new research, leading to new therapies and developments, treatments that truly had an impact on patient outcomes – significantly improving the care of our patients along the way. And it has been all of that, and then some. But it goes beyond that with our rapidly changing healthcare environment. As leaders, we are all being challenged with much in this arena – don’t be left behind.

7. Look to be (and be viewed as), someone who will help lead that rapidly changing health care model that will be sustainable with our current economic headwinds. For those of you part of UHC/Vizient – you have heard Tom Robertson very effectively ‘sounding the alarm’ that our current healthcare spending trajectory is not sustainable now, and it certainly will not be in the near future…Be a part of the change, or you’ll be a victim of it.

8. Never lose sight of the reason we are all here – and that is to use the most advanced healthcare technology and advancements in the world to provide the very highest quality care to our patients.

9. Don’t lose your true north. For those of you who know me personally – this is family and faith. These are areas where I will not compromise. There may be (and have been) seasons of intensity and challenging workload…but those are temporary, and in fact it is my faith and family that have most supported and sustained me through those busy and difficult stretches. Being a ‘man of integrity’ and ‘strong character’ goes hand in hand with this for me. Some of you may have seen the USA Today headline this weekend, it read: “A Man of the Highest Character, George HW Bush Dies at 94.” Position and title are not so important to me, but if I can be remembered (even by some) in this way, then I know I will have succeeded.

10. And finally, #10 - don’t sweat the small stuff. Some of you in this room are aware of a major health issue that I went through not so long ago – and for those that are not, I was diagnosed with a brain tumor in 2000. As you can imagine when you get that kind of news, it’ll rock your world…and needless to say, it was a very challenging time for me and my family. Based on the spectrum of possibilities I was facing, they wasted no time getting me in for surgery. It was a time of uncertainty, with many unknowns, especially for a relatively young man, with a very young family. And while we don’t have time today for me to take you through every harrowing detail that was included in that major life event (from start to finish) – you can probably quickly see that by God’s grace, I was brought through it in a very favorable way. But I can tell you, it did not leave me unchanged!

In fact, for those who are younger in this room – some of you may yet to experience significant adversity in your life (or perhaps, maybe some of you much, much more…). It is something one of my own residency classmates is going through right now, as well as our own beloved Chris Decker – a personal friend, colleague, and mentor for me who has had significant impact on me both professionally and personally.
Whether it is you, a loved one, or the patients we care for – to go through it, support someone who is, or even to observe others courageously battle...reminds us (not only to not sweat the small stuff) but what is truly important in this life.

In fact, I would like to conclude by sharing a quote that Chris recently posted on his Caring Bridge blog that resonated very strongly with me: "Love the life you live.. and love who you live it with."

So in closing, thank you for coming today, and for your gracious attention to my personal remarks, and thank you for being the face of what makes this residency program the very best in the nation, one that I am so very proud to be a part of. I can’t stress enough how much this program means to me, and along with all the great relationships, has made a significant difference for me professionally.

And a very special thanks to the many of you who have allowed me to be a part of your team, and share in your passion and hard work to achieve successes and make a difference for the patients we care for. Especially my Froedtert team, UHC colleagues, and many of you in this room, to which I will be forever grateful.

And the most special thanks to my family, and specifically my wife Andrea for their unwaivering support and loving partnership over the years. Andrea - Thank you for patience, personal sacrifice for me and our family, and continually bringing out the very best in me, and focusing on what you know I can be, instead of my many shortcomings. Without it, I certainly wouldn’t be here today, and I appreciate it more than words can express.

I wish you all continued professional success. Thank you again. On Wisconsin!!