section five

TRUSTEES, GOVERNORS, AND ADMINISTRATION

22. ADMINISTRATION: THE "GRAY COATS"

BY DALE GOODRICH

Our chief want in life is somebody who
shall make us do what we can.
—Ralph Waldo Emerson

THROUGHOUT THE HISTORY OF THE CLEVELAND CLINIC, THE ORGANIZATION'S excellence has emanated from the numerous giants of medicine, surgery, medical education, and research whose accomplishments have been chronicled in these pages. A few of these clinical pioneers have also been health industry visionaries and worthy stewards of The Cleveland Clinic's physical and monetary assets. Physician leaders Crile, LeFevre, Wasmuth, Kiser, and most recently, Loop, guided the organization through the twentieth and into the twenty-first centuries, in both good times and bad. We should, nevertheless, pause and recognize the non-clinical specialty of professional administration, without which the business accomplishments of the Clinic would not have occurred.[1]

As with its clinicians, the Clinic has enjoyed a continuing succession of skilled and capable administrators who have made countless contributions to the advancement of the institution's mission. Professional managers and administrators have worked to keep the organization viable and on course during difficult and trying financial and political times. They made the Clinic's growth potential a reality by developing the main campus, the health system, and a network of hospitals and clinics covering northeastern Ohio and

both coasts of Florida. These men and women were truly "specialists," in that they brought specific and highly refined expertise in finance, operations and administration, marketing, information systems, security, foreign and governmental affairs, law, human resources, practice management, planning, construction, public relations, and entrepreneurship. The "Gray Coats" effectively complemented and supported the "White Coats" to create a healthcare organization ranking among the finest in the world.

IN THE BEGINNING

Non-physician administration at The Cleveland Clinic can be traced back to 1914, when Amy Rowland became Crile's right-hand assistant. Her duties ranged from patient care to administration. She wrote a book which turned out to be the precursor of the *To Act As a Unit* series, called simply *The Cleveland Clinic Foundation*. The William Feather Company of Cleveland published it in 1938, and the first few chapters of *To Act As a Unit* rely heavily upon it as a source.

Amy Rowland, George W. Crile's assistant since 1914

Edward C. Daoust, who at times has been referred to as the fifth founder, was a professional administrator of great significance in The Cleveland Clinic's early history. Daoust, son-in-law of Bunts, was the attorney who drew up the founding documents as specified by the four founders, and who continued to serve The Cleveland Clinic Foundation, ultimately as its president, until his untimely death in 1947.

In 1921 the Clinic officially opened its doors, and Daoust, along with attorney John Marshall, figured prominently in the organization's beginnings. Perhaps the first true operations administrator was Litta Perkins,

who served as business manager and handled financial matters as directed by the founders. The first hospital administrator and director of nursing was Emma Oxley, the superintendent of the Oxley Homes. These were two houses on East 93rd Street that were pressed into service as a hospital until 1924, when the first real hospital opened (see chapter 2).

Gertrude Hills was the first administrator hired for the "new" hospital that opened in 1924. In her position as manager of offices, she was responsible for hiring employees, managing banking and payroll, admitting patients, and handling other business matters as needed. She was human resources, operations, finance, and admissions all rolled into one! Charlotte Dunning was the superintendent of the new hospital for the first three years, after which Abbie Porter replaced her and served in that position until 1949. Thus, in the earliest history of The Cleveland Clinic, women played critical and prominent roles in the management of its affairs. Maynard Collier succeeded Porter. As noted in chapter 3, Litta Perkins was one of the 123 people who perished in the 1929 disaster. H. K. Whipple succeeded her as secretary later that year. He continued to serve in various administrative capacities until his death in 1940.

In 1930, John Sherwin joined the Board of Trustees. He was the first business-oriented, non-academic trustee. Sherwin took a direct and active part in Clinic affairs, serving as a precursor of today's Executive Committee of the Board of Trustees. Attorney Benjamin Fiery performed the Clinic's early patent work, a forerunner of the current office of technology transfer and innovations. In 1940, George Grill became superintendent and assistant secretary of the institution. Grill had formerly been assistant superintendent of schools in Lakewood. In 1943, he left to re-enlist in the Army with the rank of captain after his son was killed in combat.

THE POST-WAR ERA

The end of World War II brought a period of significant change and transition to the Clinic. Crile had died before the end of the war, and Lower, who had been functioning as the chief of operations, decided that it was time to retire. Daoust, still prominently

Clarence M. (Tony) Taylor,
Executive Director, 1947-1955

James G. Harding,
Hospital Administrator, 1952-1969

involved in the Clinic's business, died in a plane crash in 1947, as we have previously noted.

At that time, Sherwin stepped in and engaged the firm of Booz, Allen and Hamilton to make recommendations for the future management of The Cleveland Clinic (see chapter 5). From this engagement there emerged a design for a system of governance, headed by a non-physician executive director, modeled upon business corporations of the day. Clarence M. (Tony) Taylor left his position at Lincoln Electric and took the reins of administration, while a few physician-led committees governed medical affairs. During Taylor's tenure, from 1947 to 1955, The Cleveland Clinic ran like a corporation. In 1952, James G. Harding, a former assistant administrator at St. Luke's Hospital in Cleveland, had become The Cleveland Clinic's hospital administrator. He succeeded Ken Shoos, who in turn moved to the position of administrator at St. Luke's. In 1954, Earl J. Frederick joined the "methods department," introducing industrial engineering concepts to The Cleveland Clinic. Many believe this to have been the birth of management engineering in health care.

Toward the end of Taylor's tenure as executive director, unrest grew among the medical staff, as they desired a more active role in the management and future direction of the organization. The Clinic then engaged Hamilton and Associates to study its operations and develop a new plan, which provided for a physician-led Board of Governors to direct day-to-day activities. The Board of Trustees would retain fiduciary responsibility.

Richard Gottron assumed the position of business manager in 1958 and acted as liaison between the trustees and the Board of Governors. The first Executive Secretary to the Board of Governors was Dr. Walter Zeiter. Later, non-physician administrators, including James Lees, James Cuthbertson, Tom Bruckman, and Gene Altus, a former management engineer, would fill that position.

In 1969, LeFevre, who had become the first chairman of the Board of Governors in 1955, stepped down to be replaced by Wasmuth, an anesthesiologist with a law degree. The style of governance now changed significantly with the Board of Governors becoming much more aggressive and taking increasing responsibility for the day-to-day activities of the organization. Gottron was appointed President of the Clinic's subsidiaries (The Bolton Square Hotel Company, The Motor Center Company, and The Cleveland Clinic Pharmacy). He became despondent, however, and committed suicide at his desk in January of 1969. Later that year the Board of Governors eliminated Harding's hospital administrator position, and he left the institution.

THE TURBULENT 1960s AND 1970s

The late 1960s and early 1970s saw an increase in professional administration staffing and the differentiation of many functions into new and specialized departments. In 1968, a permanent, on-campus general counsel's office was established under the leadership of John A. ("Jack") Auble, Esq. Auble also succeeded James Nichols as secretary of The Cleveland Clinic Foundation. Nichols, with his familiar bow ties, had come to The Cleveland Clinic in 1956 from the law firm of Baker, Hostetler and Patterson, where he had done legal work for the Clinic. He served as secretary of the Foundation until 1969, when he succeeded Gottron as business

John A. "Jack" Auble,
General Counsel, 1968-1992

Robert J. Fischer,
Director of Finance, 1970-1985

manager after the latter's death. Nichols became director of finance early in 1970, resigning later that year. Robert Fischer succeeded him as the next head of the financial arm of the organization. In late 1970, Gerald Wolf assumed the position of controller and later was promoted to treasurer.

A creative new management concept, the administrative services coordinator, took shape in 1968 with Gilbert Cook, a former methods engineer who had become an assistant administrator, in charge. The idea was to decentralize management and business expertise to the hospital units. The purpose of this innovation was to permit nursing management to focus its energies on clinical issues. The first coordinator was Joseph Lazorchak, who later followed Harding to the Wilmington Medical Center in Delaware. At its peak, this disseminated "coordinator department" included more than 20 people, covered day and evening shifts, and provided immediate hospital unit problem-solving capabilities, as well as supply and logistics management. Many members of this entry-level administrative department later moved to positions of greater management responsibility, both inside and outside the Clinic.

After a stint as administrator of the Department of Neurology, Robert Coulton became the first administrator for the Office of Professional Staff Affairs in 1988, and Dale Goodrich was appointed administrative director of Patient Services in 1984. William Lawrence, another "coordinator department" graduate, would later move to the administrator post at St. Alexis Hospital, later known as St. Michael Hospital, then to Richmond General Hospital, known at the time as PHS Mt. Sinai East, under Primary Health Systems, Inc., before joining the University Hospitals Health System. David Posch served as executive assistant to the chief operating officer prior to leaving to accept an assistant administrator position at Ochsner Clinic in New Orleans, Louisiana.

In 1969, five individuals emerged as the key non-physician leaders, responsible for most of the day-to-day administrative operations of The Cleveland Clinic. Two of these came from the trio of James Zucker, Edmond Notebaert, and Gilbert Cook. Zucker soon left the Clinic for a position at Christ Hospital in Cincinnati, leaving Cook and Notebaert, both in their 30s. Cook had served as Harding's assistant administrator during his tenure as hospital administrator. When Harding left, and Wasmuth assumed the chairmanship of the Board of Governors, the Board determined that the hospital administrator position would remain unfilled and that Notebaert and Cook would divide responsibilities for hospital and clinic departmental operations, including nursing. Four nurse managers were appointed to oversee specific areas or zones of the hospital, and there was no single director of nursing. They aggressively and eagerly took the reins, collaboratively managing operations. They knew that in 1972, a 300-bed hospital expansion was scheduled to double the capacity of the hospital. Cook focused on nursing and many of the hospital-related patient support departments, while Notebaert managed patient access, medical records, and many of the outpatient support functions.

Two other key leaders were Paul E. Widman and James Lees. Widman, a seasoned purchasing and materials management veteran, was responsible for supplies and logistics, including the soon-to-be expanded hospital. A pharmacist by training, he came to the Clinic in 1951 from Johns Hopkins University Hospital and established what, even by today's standards, would be considered a modern materials management program. He soon added the maintenance department to his scope of responsibilities. During his career,

Paul E. Widman,
Head of Materials Management,
1951-1983

Widman received many honors, both for his writings as well as his innovative materials management concepts. Some refer to him as the father of hospital group purchasing, as he foresaw the benefits of combining the acquisition of supplies for groups of hospitals to create maximum bargaining power. To this day the Center for Health Affairs, formerly known as the Greater Cleveland Hospital Association, which houses a regional group-purchasing organization, periodically bestows an award in his name.

In 1970, Lees, previously charged with administration of the Research Division, took over the outpatient clinic's routine operations. Today he would be viewed as administrator of both medicine and surgery. As noted previously, Fischer held the purse strings and managed the Clinic's financial matters. These five men, Notebaert, Cook, Widman, Lees, and Fischer, formed the nucleus of non-physician, professional Cleveland Clinic operations management, as the institution was poised to begin the next period of significant growth.

Notebaert moved on to the chief executive position at Huron Road Hospital in 1978 and later to the Children's Hospital of Philadelphia. Cook took the position of hospital administrator at Lahey Clinic in Boston in 1979. Widman succumbed to thyroid cancer in 1983. Fischer retired in 1985, and Lees, then chief administrative officer, retired in 1992.

During this period, with The Cleveland Clinic on the threshold of an era of growth and development, the organization's leaders recognized the need for computerization as a management tool, at first mainly for financial applications. In the Division of Finance, Tom Keaty led early data-processing efforts in 1965, followed by Edwin

Dillahay in 1971. Howard R. (Dick) Taylor directed the fund development and public affairs functions, while Auble was accountable for legal matters.

THE CLINIC SIDE

In the early 1970s, Lees managed the outpatient clinics. When he took over the position of executive secretary to the Board of Governors in 1972 with broader responsibilities, outpatient administration bifurcated along divisional lines to medicine and surgery. Penn Behrens became administrator of the Division of Medicine in 1976 and served until Terry Bonecutter succeeded him in 1981, moving from materials management, where he was an assistant to Paul Widman. Bonecutter held that position until 1991, when Tina Kaatz took it over. Joanne Zeroske, a nurse, who later assumed department administration responsibilities in several clinical departments, succeeded Kaatz in 2000, and moved on to Radiology in 2003.

In the Division of Surgery, Kristy Kreiger was appointed administrator in 1978 and served in that capacity until 1991. Kreiger had worked in the division in various capacities since 1971. Barbara McAfee took over the administrator role, although with a somewhat different title, director of surgical division operations. Cynthia Hundorfean, a veteran surgical clinic administrator, became the division administrator in 1992.

During the 1970s, in both medicine and surgery, it became customary for departmental administrators to work in tandem with physician department chairs. For small departments, one administrator covered two departments. The growing complexity of computer systems, scheduling systems, coding and reimbursement issues, as well as increasing numbers of employees, necessitated specialized management skills, with knowledge specific to each medical and surgical specialty and department. This trend has continued, and physician/administrator collaboration in clinical departments has become the model for practice management throughout The Cleveland Clinic. These administrators have developed capabilities and expertise that earned national recognition for many of them.

ALPHABET SOUP, THE 1970s AND 1980s

In 1977, Kiser succeeded Wasmuth as chief executive officer, ushering in an era highlighted by participative management, committee governance, and more refined administrative differentiation and specialization. So began the era of the BOG, MOG, FOG, SOG, and COG. At the administrative council meeting of September 29, 1980, Kiser presented a reorganization plan. The council approved it as did the Board of Governors, and it went into effect on October 1, 1980.

BOG was an acronym for the already existing Board of Governors. The MOG, or Medical Operations Group, was formed to deal with the practice of medicine in both the clinic and hospital, and to support research and education. The areas that came under the MOG were the Divisions of Surgery, Medicine, Anesthesiology, Laboratory Medicine, Radiology, Education, Research, Nursing, and Administrative Services. Committees reporting to the MOG were hospital accreditation, professional liaison, operating room liaison, primary care liaison, manpower, equipment, quality, accreditation, and space and remodeling committees. Later, most of these functions came under the aegis of the Medical Executive Committee.

The unfortunate acronym FOG referred to the Foundation Operations Group, whose purpose was to integrate The Cleveland Clinic Foundation's resources: financial, manpower, space, and equipment. The FOG was also responsible for planning and construction, as well as certain areas of policy development. Areas reporting to the FOG were fiscal services, legal services, administrative services (also reporting to the BOG), human resources, public affairs, planning, medical staff affairs (also reporting to the BOG), fund development, and internal audit. Kiser chaired the BOG, MOG, and FOG.

The SOG, or Specialty Operations Group, was responsible for institutional advancement, communications and marketing, external affairs, legislative affairs, and international issues. Institutional advancement literally meant advancing the position and reputation of the institution and is not to be confused with the later Department of Institutional Advancement, which was responsible for fund raising. James S. Krieger, M.D., chaired the SOG.

The COG, or Combined Operations Group, which Kiser also

chaired, brought the MOG, FOG, and SOG together. The MOG became simply the Management Group in 1982, and it was chaired by chief operating officer John Eversman until it finally metamorphosed into the Medical Executive Committee (see above). The FOG and the SOG were relatively short-lived, the last meeting of the FOG having been September 27, 1984. The SOG had an even shorter duration; it very quickly became the responsibility of Frank Weaver, a portly, brash, mustachioed Texan, who arrived on the scene in 1980 (see also chapter 8). Weaver brought modern concepts of marketing, fundraising, and community affairs to the Clinic, which had not previously sought public attention, focusing rather on its clinical, educational, and research missions. He brought The Cleveland Clinic out of its shell, never again to return. Since his tenure, the Clinic has not been reluctant to put its best foot forward for the world to see. Weaver gets the credit (or the blame) for this significant change in institutional philosophy. Weaver left The Cleveland Clinic in 1989.

Widman became director of administrative services in 1977, adding human resources to his portfolio, which already included purchasing, maintenance and supplies, and logistics. In 1979, Widman became director of operations, and in 1980 he was named executive assistant to the administrative council and senior administrator of operations. At this time Lees took over as director of operations and later, chief administrative officer, a position he held until his retirement in 1993. Lees joined the Clinic in 1963 as research administrator and later became administrative assistant to the Board of Governors. His colleagues respected his wide range of knowledge and expertise in business and health care. Lees made early developmental contributions to both legislative affairs and the International Center (described later in this chapter). William Yeagley, William Lawrence, William Malensek, Dale Goodrich, and Tom Seals assisted him. Malensek, who was responsible for materials management, died in 1987, ending a 20-year battle with Hodgkin's disease. His wit, humor, fortitude, and courage inspired everyone who knew him.

This team of physician and non-physician managers shepherded the organization through a great growth spurt, adding the 300-bed G wing of the hospital and the Crile Building, designed by architect Cesar Pelli.

THE BEAN COUNTERS

The Clinic hired Remington Peck as credit and collections manager in 1934. Seven years later, Crile and Lower promoted him to assistant superintendent with a salary of $416.00 per month. He became treasurer in 1942, a position he held until his retirement in 1952. Peck gets the credit for skillfully guiding the Clinic's finances through the latter years of the Great Depression.

Milton Reinker became controller in 1952, and James Nichols became secretary of The Cleveland Clinic Foundation in 1956. Reinker turned the controller job over to Robert Fischer in 1970. Fischer, a Cleveland Clinic employee since 1953, had served as a credit interviewer, assistant credit manager, credit manager, assistant treasurer, and treasurer. Later, Gerald Wolf, who had worked at Ernst and Ernst as an auditor, joined The Cleveland Clinic as controller. Wolf subsequently moved to the position of treasurer and assistant director of finance. Daniel Harrington, another graduate of Ernst and Ernst, then became controller and later succeeded Fischer as head of finance, and eventually Chief Financial Officer. These men served The Cleveland Clinic and its financial interests with dedication, distinction, and skill for many years.

The 1970s and 1980s were times of rapid expansion. Led by the outgoing and energetic Fischer as director of the Division of Finance, the Clinic floated a $228 million bond issue in 1982 to capitalize future expansion. Savvy investors snatched the issue up in a matter of hours. The bonds received an AA rating, clearly indicating the investors' confidence in the stability of The Cleveland Clinic. During this period of high inflation, these bonds paid, on average, 12.9% per annum. It was not long until interest rates began to decline, and only one year later, the issue was replaced with a $263 million sale, refinancing the original $228 million issue. Fischer again led the effort, which saved the Clinic $99 million in interest payments over the next 30 years. These bonds paid an average interest rate of 8.9%. Again, Moody's Investor Service and Standard & Poor's Corporation rated the issue AA. From these bonds, the institution financed the Century Project (see chapter 8).

Under Fischer's leadership, with Wolf as treasurer, the financial management of The Cleveland Clinic had taken a step upward in professionalism and sophistication. Fischer was fond of calling

attention, in his own inimitable way, to the fact that he was responsible for more of the institution's financial well-being than any physician! Upon his retirement in 1985, Harrington, who had succeeded Wolf as Controller, went on to follow Fischer as head of finance. Harrington eventually became the institution's first Chief Financial Officer, the position he held with distinction until his retirement in 1999. He was succeeded briefly by Dean Turner, formerly of the Meridia Hospital System, and later in 2001 by Michael O'Boyle. Wolf served as controller and later treasurer and assistant director of finance, reporting to Harrington, until his retirement in 1992. Kevin Roberts followed him as treasurer until he left the institution in 2000.

Kiser started the internal audit department, and James Cutherbertson joined the organization as its first director. Eugene Pawlowski succeeded him when Cutherbertson moved to Fort Lauderdale as Cleveland Clinic Florida's first chief administrative officer. Jon Englander, who previously had been The Cleveland Clinic's first compliance officer, succeeded Pawlowski in 1995. Donald Sinko became director of internal audit in 2000.

A NATIONAL HEALTH RESOURCE

Other administrative specialty areas emerged as the result of the need for specific administrative and management expertise. Recognition of this need accompanied The Cleveland Clinic's maturation as a large, sophisticated health system, indeed, the largest nongovernmental employer in Cleveland. With the arrival of Frank Weaver in 1980, the refinement of marketing and public affairs functions accelerated, as did the new area of fund development.

Another spin-off of the new public relations effort was the area of government affairs. In 1984, following early forays by Lees, Kiser and Weaver hired Daniel Nickelson, formerly of the Health Care Financing Administration, to serve as director of government affairs. Nickelson represented the interests of The Cleveland Clinic, and indeed, the broader field of health care in the halls of government. Thanks to Nickelson, The Cleveland Clinic had an early advantage in navigating the troubled waters of Ohio's "certificate of need" legislation. Additionally, he was able to guide the institution

through the maze of interpreting and dealing with the Medicare DRG system, which today continues to be one of the modes of Medicare payment. Diagnosis-Related Groups (DRGs) were the basis of the earliest Medicare prospective payment system for hospitals. Perhaps his most visible achievement was obtaining formal recognition of the institution by Congress as a "National Health Resource." Nickelson's advocacy on the regulatory front was extremely valuable to the organization.

FURTHER EDUCATION OF THOSE WHO SERVE

Education is a prominent part of The Cleveland Clinic's mission (see chapter 19). While the initial and continued focus has been physician education, it has broadened over the years to include virtually all areas of allied health education and even management and administration. The first administrator of the Division of Education was Howard Walding. He assumed the role in 1970 under Zeiter's chairmanship. As noted previously, Walding had been director of human resources prior to his move to the Division of Education. Upon Walding's retirement in 1985, Phillip Gard was appointed as the administrator of the division. Gard began his career at the Clinic in 1974 as assistant admissions manager, transferring to the Division of Education in 1976 as manager of continuing education. He first worked with Michener and, later, with Fishleder.

The White Coats and Gray Coats came together more closely in 1990 when Dr. Philip Bailin, then chairman of the Department of Dermatology, inaugurated a practice management course. This course, taught by Clinic administrators of both the white- and gray-coat variety, and with the help of the faculty of the Weatherhead School of Management and guest speakers, was designed to improve the business acumen and performance of the Clinic's managers. Assisting Bailin with curriculum development were Terry Bonecutter and Dale Goodrich. Since the course's inception, 500 physician and non-physician managers have come together to learn and share perspectives.

The Cleveland Clinic has one of the oldest hospital-based administrative fellowship programs in the nation. Harding, hospital administrator in 1952, supervised a number of administrative fel-

lows from his alma mater, Washington University in St. Louis. Lees continued the Clinic's commitment to the development of future healthcare managers, serving as preceptor for many graduates from the University of Pittsburgh, University of Michigan, and Ohio State University. In 1981, he passed the fellowship program to Bonecutter, who was the main preceptor until 1984. Beginning in 1984, Goodrich directed and mentored the program. It grew from one fellow to three per year, one of whom was supported by the International Center, with the intent to train a foreign-born individual who wished to return home to apply the newly learned skills. Over the years, it grew in stature and received recognition as one of the finest such programs in the country. The program trained nearly 50 individuals from 21 university programs, who completed it following receipt of their master's degrees in health administration. By 2003, The Cleveland Clinic Health System employed 14 graduates of the program.

MARKETING THE BRAND

Until Weaver's arrival, The Cleveland Clinic did not advertise or aggressively market its capabilities and services. Up to then, Howard (Dick) Taylor was responsible for nurturing what public awareness of the Foundation there was. After Weaver, the next significant head of marketing was Peter Brumleve, the first to hold the title of Chief Marketing Officer. Brumleve's tenure extended from 1994 to 1999. He advanced the Clinic's sophistication in the use of marketing techniques, increasing advertising designed to take advantage of the high regard of the medical community for The Cleveland Clinic. During this period, the Clinic's prestige and national recognition increased. In 1999, Chief Marketing Officer James Blazar took over the Clinic's marketing operation. Without these efforts to "tell the story," The Cleveland Clinic would not be as widely known as it now is.

Along with Weaver's marketing efforts came a more organized approach to public relations. After Weaver's departure, Clinic leadership sought the services of a public relations professional to guide the further development of this function, and in 1991 Holli Birrer was hired to fill the position. Birrer and her colleagues managed the

relationship of the institution with both the print and electronic media and improved the public image of the organization locally, regionally, and nationally. They inaugurated a program of video news releases that helped gain national exposure for the Clinic's prominent physicians and scientists. In 2001, the organization took public awareness a step further by identifying a youthful but brilliant media executive, Angela Calman, who became the institution's first Chief Communications Officer. Calman shifted the focus of public relations from the local and regional emphasis of her predecessors to a broader national audience. Soon after her arrival she attracted a two-hour CNBC Special, which showcased The Cleveland Clinic's capabilities to the entire world. She has developed the Cleveland Clinic News Service, which provides video, audio, and print releases on a daily basis.

HUMAN RESOURCES

In the Clinic's early years, individuals who wore many hats managed the "personnel" function. Beginning shortly after the 1929 disaster, Marion Warmington and Myrtle Finnell dealt with personnel issues. In 1931, H. K. Whipple was responsible for the personnel department and some others areas as well.

The first clearly identified director of personnel was Irene Lewis, who served from 1948 until her retirement in 1958. James T. Hudson, who came to the Clinic in 1956 from General Electric, became director of personnel in May 1958 following Lewis's retirement. His tenure was short-lived, as he left the Clinic in August of that year. Robert W. Vorwerk, an Ohio State University graduate, left North American Aviation in Columbus and assumed the position of director of personnel in 1960. Vorwerk held that position until 1963, when he was promoted to director of professional ancillary services under Zeiter. Earl Prossie, who had come to the Clinic in 1961 as Vorwerk's assistant, became director of personnel in June 1963 and occupied the position until 1969, when Walding replaced him.

Relatively short tenures in this position continued with the appointment of Douglas Saarel as the director in 1975. His time at The Cleveland Clinic, though short in duration, was highly significant. He modernized human resources, yielding benefits to the

organization that lasted long after his departure. The next director was Fred Buck, who held the position from 1977 to 1988.

Soon after Buck's departure, following a number of short-term and interim appointments, Robert Ivancic, who had previously been human resources director at both MetroHealth Medical Center and Hillcrest Hospital, assumed responsibility for the division and its direction. Ivancic, also an attorney, brought significant additional legal, financial, and strategic skills, which enabled him to contribute more significantly to The Cleveland Clinic than anyone previously in that position.

AUTOMATED INFORMATION

After the early days under Keaty and Dillahay, in 1983 responsibility for information technology fell to Frank R. Cope, and the Division of Foundation Information Systems was created in 1985. Cope was a seasoned information-systems professional with 15 years of experience at TRW. TRW was an aerospace company, headquartered in Cleveland at that time. His first goal was ". . . to link the many types of computer systems and devices used at the Foundation." Cope's successor was Michael Jones. Jones guided the evolution of information systems at the Clinic until his departure in 1996. At that time Dr. C. Martin Harris, recruited from the University of Pennsylvania, became the Clinic's first Chief Information Officer and chairman of the Division of Information Technology. Harris provided a unique blend of expertise in both medicine and information systems (see chapter 10).

VISITORS FROM OTHER LANDS

During the later part of the 1970s and early 1980s, The Cleveland Clinic attracted increasing numbers of international patients, particularly from the Middle East. Because of the growing importance of international patients from all parts of the world in the Clinic's patient population and their special needs, both linguistic and otherwise, Clinic leadership established an International Center in 1972 to accommodate them. Eventually, international marketing became a

part of this operation as well. The International Center, located in the Clinic Plaza Hotel (later known as the Omni International) maintained a hospitality center, a staff of translators, and a concierge service for this purpose. It was part of the Division of Operations under Lees, and was ably led by the Clinic's former director of security and ex-federal marshal, Ben Hossler. All who remember "Big Ben" recall a tall, likable, fatherly man, who easily engendered trust. This persona made him a natural to win the confidence of wary foreign patients and their families. After a distinguished career as director of security at The Cleveland Clinic from 1969 to 1983, he led the International Center until 1986, when he retired. During his tenure, Hossler managed the difficult arrangements required for visits by King Khalid of Saudi Arabia and the Royal Family, Prince Charles of England, King Hussein of Jordan, the President of Brazil, and the King of Bhutan, as well as many other dignitaries. John Hutchins succeeded Hossler as director of the International Center and held the position until 1994. Cheryl Moodie, an experienced, hospitality-oriented executive, who had performed in a number of significant management roles at the Ritz-Carlton Hotels, then took the reins of the International Center. Upon Moodie's departure in 2002, Lisa Ramage returned to the Clinic from California to take over the Center, which moved physically into the Clinic's Intercontinental Hotel and administratively into the Division of Institutional Relations and Development, under Bruce Loessin.

A COMMITMENT TO CLEVELAND

The Cleveland Clinic saw the years after its founding in an affluent area known as "Millionaires' Row" slowly bring urban blight, decline, and poverty to the borders of its campus. The Hough riots of 1968 were literally at the Clinic's doorstep, and some still remember armed security guards occupying positions on rooftops, protecting the hospital and clinic. In the midst of all this, Hossler arrived at The Cleveland Clinic as security director in 1969. He introduced sophisticated, professional protection and security systems, previously not considered necessary. Some suggested that it might be best for the Clinic to move to a safer suburban location, but the Clinic's leaders made the commitment to remain within the "heart of the city." By

the turn of the century, The Cleveland Clinic had become the visible and vital link between University Circle and the Midtown Corridor, as well as a key economic factor in Cleveland, employing more than 13,000 people, many from the City of Cleveland.

Hossler and his department made the Clinic's main campus safe and secure. Upon his move to the International Center, Thomas Seals arrived from the University of Alabama, Birmingham, and continued to refine and improve security systems, which are today recognized as among the best in Ohio. During Seals's tenure, which ended in 2004, there was great expansion of the use of electronic detection and surveillance systems. Seals also upgraded the qualifications of officers to the point that the Clinic's security department became a licensed "Police Force," with personnel having the requisite training and credentials of peace officers, able to carry out all responses that would be expected of any police officer.

LEGAL CONTRIBUTIONS

In 1968 the Office of General Counsel was established under the leadership of John A. Auble, Esq., as Nichols moved to the position of business manager, succeeding Gottron. Perhaps Auble's greatest and most lasting contributions were his property acquisitions adjacent to the Clinic's main campus. The purpose of this was not only to improve security, but also to provide future space for expansion. Some, during those times, questioned the value of purchasing distressed properties that seemed to be somewhat remote from the needs and the interests of The Cleveland Clinic. Were it not for Auble's efforts, the Clinic might today be facing the prospect of a landlocked campus, the plight of many urban healthcare centers. While much of the Clinic's legal work was outsourced following Aubles' retirement and the arrival of David W. Rowan (see chapter 9), Michael Meehan continues to lead the defense of Clinic physicians when needed, and to provide other needed counsel to the Clinic.

Kiser's retirement in 1989 turned the page on a period of great expansion in the history of The Cleveland Clinic while, at the same time, opening the book on a period of even greater expansion. With difficult financial times and changing reimbursement mechanisms in healthcare looming on the horizon, Dr. Floyd D. Loop assumed

the position of Chief Executive Officer and chairman of the Board of Governors during a period that would truly test the mettle of the organization as well as its leadership team.

A CITY WITHIN A CITY

On approaching The Cleveland Clinic's main campus today, one is struck not only with the vastness of the property, but also with the beauty of its buildings. From a small structure on the corner of East 93rd Street and Euclid Avenue in 1921, today's campus has grown to 155 acres of land extending between Chester Avenue and Cedar Avenue from East 88th to E. 105th Street.

The Clinic's first director of planning or facilities development was Neil Carruthers. Carruthers had previously been president of the University Circle Development Foundation, vice president of the Albert M. Higley Company (General Contractor), and deputy director of production for the Atomic Energy Commission in Washington, D.C. He was involved in the beginnings of the project which led to the construction of a portion of the hospital that became known as the H Building. In 1972, during the construction of the H Building, Malcolm Cutting was recruited from Dalton, Van Dijk, and Johnson, a local architectural firm, as the first "architect-in-residence" at The Cleveland Clinic. Over the years, Cutting had been a design consultant for much of the Clinic's construction. As construction projects and planning requirements exponentially increased during the 1970s, Cutting developed a staff of architects and engineers to provide those services in-house. Initially chaired by Dr. William Hawk and later by Glen Hess, director of facilities engineering, and Dale Goodrich, administrative director in the Division of Operations, this was a multi-disciplinary team, initially known as the construction management team. Later it became the construction management committee, which was charged with fiscal oversight of all Cleveland Clinic construction projects.

Following the retirement of Malcolm Cutting, the architect's office was renamed The Office of Construction Management, and Brian J. Smith became its administrative director. Smith incorporated the function of health facility planning into the department, and documented campus facilities by using computer-assisted programs.

Kiser recruited William Frazier as the director of planning in 1974. He previously had held the director of corporate planning position at ITT Service Industries Inc. Frazier became administrator of the newly created Division of Health Affairs in 1991. One of Frazier's many contributions was the deployment and organization of the computer system serving the Department of Institutional Advancement's research efforts during the late 1990s and the early 21st Century. He served the institution for 27 years and retired in 2001. He was succeed by Rosalind Strickland, a seasoned Clinic administrator, who was also the director of community relations.

The construction of the Clinic's striking facilities, while significant and noteworthy, should not be mentioned without identifying those who, in relative anonymity and obscurity, kept the facilities operating, the facilities engineering group. Vern Blessing was the first incumbent in the position of director of facilities. Next came Bill Breyer who served from 1971 to 1976. Succeeding Breyer was Glen Hess, who had previously been in charge of campus facilities at the Ohio State University in Columbus. Hess served the organization until 1996 when he retired and was succeeded by Thomas Shepard. Shepard, starting as a painter in 1980, became the supervisor of carpentry in 1990 and in 2001 was appointed director of facilities engineering. Roland Newman, an experienced, professional construction and facilities management executive, arrived on the scene from University Hospitals of Cleveland in 1997 and brought together construction management and facilities engineering, for the first time, as a unified and coordinated entity.

EAST 93RD STREET AND BEYOND

In Cleveland, beginning in the late 1980s, approximately 30 individual freestanding, self-managed hospitals began to evolve over the next few years into four separate and distinct hospital systems. The Cleveland Clinic and University Hospitals of Cleveland were well-established, not-for-profit entities, while Columbia-HCA and Primary Health Systems, Inc. (PHS), moved in to introduce "for-profit" medicine to the greater Cleveland marketplace. Columbia-HCA was a nationally known company that had expanded rapidly throughout the country. PHS was a small, Pennsylvania-based hospital company,

whose medical director was the Clinic's retired chief executive officer, William S. Kiser. Each of the four organizations aggressively pursued those community hospitals which it felt were key to insuring its future success in the greater Cleveland marketplace. Most observers assumed that the system able to attract and acquire the most highly-regarded and efficient hospitals would command market share critical to its future viability and success. Up to this time, the Clinic's practice had been largely based on referrals from independent practitioners. That was about to change dramatically.

The early 1990s might best be characterized as a period of competition, acquisition, and consolidation. In 1991, Lees retired as chief administrative officer, and Loop recruited Frank Lordeman from Meridia Hillcrest Hospital to serve as the Clinic's chief operating officer. The success of the Economic Improvement Program (see chapter 9) was instrumental in placing the Clinic on a strong financial footing, enabling what would become the greatest period of growth and expansion in its history. We have recounted much of this in chapters 9 and 10. During this period, the Intercontinental Suites Hotel was constructed on Euclid Avenue at East 89th Street, to be shortly followed by the demolition of the Omni International Hotel on Carnegie Avenue between East 96th and 100th Streets. At that location, there emerged an exquisite, 300-room, five-star Intercontinental Hotel and Conference Center, which opened in April 2003. On the drawing board and slated to be completed in the first decade of the 21st century is a one-million square-foot Heart Institute, to be located at the corner of Clinic Drive (formerly Oakdale Street, later East 93rd Street) and Euclid Avenue.

During this period, the administrative group negotiated the acquisition of Marymount, Lakewood, Fairview, Lutheran Hospitals, and the Meridia System, which included Hillcrest, Euclid, South Pointe, and Huron Road Hospitals, leading to formation of the Cleveland Clinic Health System, as we have described in chapter 10. The acquisition of these hospitals meshed nicely with the Clinic's strategy to "ring" the city with suburban outpatient clinics and surgery centers to complement the specialty medicine capabilities at the main campus. The Cleveland Clinic Health System was built without creating a new corporate entity. Within limits, member hospitals continued to manage themselves. System consolidation evolved as it made business and financial sense. Thus, the

member hospitals maintained their individual community identities while achieving business integration and benefiting from Cleveland Clinic brand recognition.

After 1995, when the first family health center was established in Independence, new centers, some with ambulatory surgery, were added, as we have seen in chapter 10. Cleveland Clinic Florida, established in 1988, received renewed commitment, support, and visibility with the construction of two unified clinic and hospital campuses in Broward (Weston) and Collier (Naples) Counties. The year 2002 saw their completion and opening (see chapter 21).

The end of the twentieth century and the dawning of the twenty-first witnessed the birth of a dynamic, new Cleveland Clinic Foundation, perhaps exceeding the wildest dreams of its four founders. The Cleveland Clinic had become truly regional, national, and international in scope. The growth of the main campus, establishment of family health centers, linkages with organizations such as Kaiser Permanente, and development of the Cleveland Clinic Health System resulted in more than doubling outpatient visits and admissions, effectively blanketing northeast Ohio with The Cleveland Clinic's identity. These accomplishments came to fruition only through collaboration of The Cleveland Clinic's administrative and clinical specialists, the Gray Coats and White Coats, "acting as a unit."

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[1] Researching and developing this chapter was difficult, primarily because of the great number of administrators who made significant contributions to The Cleveland Clinic in relative obscurity and with minimal fanfare. In this arena, there are few headlines, citations, or external recognitions of a job well done. Instead, their labors ensured that the organization gradually improved, remained solvent, expanded, and was increasingly able to serve more and more of its constituents. We fear that this characteristic of "administrative obscurity" has resulted in the omission of individuals who have made significant contributions. To those who fall in that category, we sincerely apologize. Yet we salute you and your contributions, whatever they may now be or might have been. You are, and will always be, a part of the greatness of The Cleveland Clinic.

23. TRUSTEES, GOVERNORS, AND STAFF

BY JOHN CLOUGH AND SHATTUCK HARTWELL

History never looks like history when you are living through it. It always looks confusing and messy, and it always feels uncomfortable.
—John W. Gardner, 1968

TRUSTEES AND GOVERNORS

THE BOARD OF GOVERNORS WAS ESTABLISHED IN 1955 AND SUBSEQUENTLY assumed increasing responsibility for the direction of the Foundation. We have recounted the stories of the four chairmen of the Board of Governors, each of whom made lasting contributions to the institution during these five decades. Dr. Fay A. LeFevre served from the beginning of the Board of Governors era through 1968, and then Dr. Carl E. Wasmuth succeeded him, serving through most of 1976. The third chairman was Dr. William S. Kiser, who served until 1989. He was followed by the present chairman, Dr. Floyd D. Loop. The challenges, issues, and opportunities of each administration characterize these periods of leadership as do the personalities of the leaders themselves.

If the establishment of the Board of Governors has generated an evolving theme, it is the role of increasing managerial responsibility assumed by the Board, which represents the professional staff. The trustees have necessarily maintained legal accountability, but they have delegated many responsibilities to the Board of

A. Malachi Mixon, III, Chairman, Board of Trustees, 1997-

Governors. Nevertheless, the ultimate responsibilities of defining institutional purpose, acquiring and selling property, staff compensation, and budgetary approval still rest with the trustees.

After nearly five decades of operation, one can look back with some amazement at the success of the plan of organization as developed by the Planning Committee in 1955. During the early years of this period only minor changes were made. The original plan stated that the chairman must be a voting member of the Board of Governors. With the recommendation of the staff, this was amended so that any member of the staff could become chairman. From its inception the Board of Governors was able to unite a group of bright, highly trained professionals so that they could work together unselfishly. This achievement can be attributed largely to a democratic system of selecting governors. The following tables list all who have served on the Board of Governors up to the time of this writing (June 2003). Table 1 lists elected members, and Table 2 includes those serving on the Board by virtue of their office.

Table 1: Elected Members of the Board of Governors

NAME	TERM(S)	NAME	TERM(S)
Fay A. LeFevre	1956-1960	Roscoe J. Kennedy	1960-1964
W. James Gardner	1956-1959	John B. Hazard	1960-1964
George Crile, Jr.	1956-1958	Guy H. Williams, Jr.	1961-1965
	1962-1966	Robert D. Mercer	1963-1967
E. Perry McCullagh	1956-1958	Charles H. Brown	1964-1968
A. Carlton Ernstene	1956-1957	Donald B. Effler	1964-1968
	1959-1963	Leonard L. Lovshin	1966-1970
Irvine H. Page	1956-1961	Ralph A. Straffon	1967-1971
Howard S. Van Ordstrand	1958-1962		1973-1976
	1965-1969	Thomas F. Meaney	1968-1972
Stanley O. Hoerr	1959-1963	James S. Krieger	1969-1973
	1965-1969	William L. Proudfit	1969-1973

NAME	TERM(S)	NAME	TERM(S)
Ray A. Van Ommen	1970-1974	John D. Clough	1988-1992
Donald F. Dohn	1970-1974	Gregory P. Borkowski	1988-1992
William A. Hawk	1971-1975	Floyd D. Loop	1988-1989
William S. Kiser	1972-1973	Muzaffar Ahmad	1989-1993
Ray W. Gifford, Jr.	1973-1977	Robert Kay	1989-1993
Richard G. Farmer	1974-1978	Melinda L. Estes	1990-1994
Shattuck W. Hartwell	1974-1975	Victor W. Fazio	1990-1994
William C. Sheldon	1975-1979		1999
F. Merlin Bumpus	1975-1979	Paul E. DiCorleto	1991-1995
Alan H. Wilde	1975-1980	Wilma F. Bergfeld	1992-1996
Bruce H. Stewart	1977-1981	Bruce W. Lytle	1992-1996
John J. Eversman	1978-1981	Edgar Achkar	1993-1997
Antonio R. Antunez	1978-1982	Zeyd Ebrahim	1993-1997
George C. Hoffman	1978-1982	Susan J. Rehm	1994-1998
Jess R. Young	1979-1983	Alan R. Gurd	1994-1998
Caldwell B. Esselstyn, Jr.	1979-1983	Sebastian A. Cook	1995-1998
Eugene I. Winkelman	1980-1984	Ian Lavery	1995-1999
Froncie A. Gutman	1980-1984	Andrew Fishleder	1996-2000
Donald G. Vidt	1981-1985	Phillip M. Hall	1997-2001
William M. Michener	1982-1986	Roger Langston	1997-2001
William J. Engel	1956-1959	Guy Chisolm	1998-2002
Lester S. Borden	1982-1986	Lilian Gonsalves	1998-2002
Maurice R. Hanson	1983-1987	Gordon Bell	1999-2003
Thomas L. Gavan	1983-1987	Martin J. Schreiber	1999-2003
Mehdi Razavi	1984-1988	Gene H. Barnett	2000-2004
Joseph F. Hahn	1984-1988	Michael T. Modic	2000-2004
Fawzy G. Estafanous	1985-1989	Walter G. Maurer	2001-2005
Carl C. Gill	1985-1988	Eric Klein	2002-2006
Carlos M. Ferrario	1986-1990	Herbert P. Wiedemann	2002-2006
D. Roy Ferguson	1987-1991	David L. Bronson	2003-2007
Jack T. Andrish	1987-1991	Linda M. Graham	2003-2007

Table 2: Non-elected Members of the Board of Gover nors

NAME	TERM(S)
Fay A. LeFevre (Chairman)	1955-1968[1]
Walter J. Zeiter (Executive Secretary)	1955-1963
Janet W. Getz (Recording Secretary)	1955-1971
Carl E. Wasmuth (Chairman)	1969-1976
William S. Kiser (Vice Chairman)	1974-1976
(Chairman)	1976-1989
James Lees (Executive Secretary)	1973-1980
(Chief Administrative Officer)	1989-1991
Gretchen Z. Belt (Recording Secretary)	1973-1979
Shattuck W. Hartwell, Jr. (Head, OPSA[2])	1977-1987
Elaine Clayton (Recording Secretary)	1979-2001
John J. Eversman (Chief Operating Officer)	1982-1989
James Cuthbertson	1982-1987
Ralph A. Straffon (Chief of Staff)	1987-1999
Thomas Bruckman (Executive Secretary)	1987-1990
Carl C. Gill (Cleveland Clinic Florida)	1988-1997
Floyd D. Loop (Chairman)	1989-present[3]
Daniel J. Harrington (Chief Financial Officer)	1989-1999
Gene D. Altus (Administrator[4])	1990-present
Frank L. Lordeman (Chief Operating Officer)	1992-present
Harry K. Moon (Cleveland Clinic Florida)	1997-2001
Robert Kay (Chief of Staff)	1999-present

NAME	TERM(S)
Dean Turner (Chief Financial Officer)	1999-2002
Melinda Estes (Cleveland Clinic Florida)	2001-2003
Eric Topol (Chief Academic Officer[5])	2001-present
Michael O'Boyle (Chief Financial Officer)	2002-present
Karen Shobert (Recording Secretary)	2002-present

Table 3 lists chairmen of the Board of Trustees and Table 4 lists presidents of the Foundation (the president serves as chairman of the Executive Committee of the Board of Trustees) from the time the organization was founded.

Table 3: Chairmen of the Board of Trustees of The Cleveland Clinic Foundation

CHAIRMAN	TERM(S)
Henry S. Sherman	1942-1944[6]
John Sherwin, Sr.	1956-1961
George F. Karch	1966-1968
James A. Hughes	1969-1972
	1975-1984
Arthur S. Holden, Jr.	1973-1974
William E. MacDonald	1985-1990
E. Bradley Jones	1991-1992
Ralph E. Schey	1993-1997
A. Malachi Mixon, III	1997-present

Table 4: Presidents of The Cleveland Clinic Foundation

PRESIDENT	TERM(S)	PRESIDENT	TERM(S)
George Crile, Sr.	1921-1940	James A. Hughes	1974
Henry S. Sherman	1941-1942	Harry T. Marks	1975-1980
Edward C. Daoust	1943-1946	E. Bradley Jones	1981-1982
John Sherwin, Sr.	1948-1957		1990
George F. Karch	1958-1965	William E. MacDonald	1983-1984
George E. Enos	1966-1968	E. Mandell DeWindt	1985-1989
E. Tom Meyer	1969-1972	Arthur B. Modell	1991-1996
Elton Hoyt, III	1973	Alfred Lerner[7]	1996-2002

THE PROFESSIONAL STAFF

Despite the many fine physical facilities the Clinic has assembled over the years, the main asset of the Foundation is the people who work here. At the core of these is the professional staff. These physicians and scientists have been carefully chosen by their peers, and over the years have come to represent one of the finest collections of professionals in the world. The Clinic attracts them by offering the opportunity to practice their profession in an academic setting

which, unlike many other academic settings, maintains a collegial, collaborative atmosphere stemming from the spirit of group practice.

Table 5: Presidents of the Staff

PRESIDENT	TERM	PRESIDENT	TERM
Robert D. Taylor	1949-1950	Caldwell B. Esselstyn, Jr.	1977-1978
Leonard L. Lovshin	1950-1951	Jess R. Young	1978-1979
Donald B. Effler	1951-1952	Froncie A. Gutman	1979-1980
John R. Haserick	1952-1953	Royston C. Lewis	1980-1981
George S. Phalen	1953-1954	William M. Michener	1981-1982
Robin Anderson	1954-1956[8]	Thomas E. Gretter	1982-1983
Richard N. Westcott	1956-1957	Russell W. Hardy	1983-1984
James S. Krieger	1957-1958	Howard Levin	1984-1985
Robert D. Mercer	1958-1959	Phillip M. Hall	1985-1986
Roscoe J. Kennedy	1959-1960	John D. Clough	1986-1987
Charles C. Higgins	1959-1960[9]	Ronald L. Price	1987-1988
Charles H. Brown	1960-1961[9]	Wilma F. Bergfeld	1988-1989
William J. Engel	1960-1962	William R. Hart	1989-1990
E. Perry McCullagh	1962-1963	George B. Rankin	1990-1991
Ray A. Van Ommen	1963-1964	Kenneth E. Marks	1991-1992
James I. Kendrick	1964-1965	Gita P. Gidwani	1992-1993
David C. Humphrey	1965-1966	Sebastian A. Cook	1993-1994
Donald E. Hale	1966-1967	George H. Belhobek	1994-1995
Arthur L. Scherbel	1967-1968	Herbert P. Wiedemann	1995-1996
Robert E. Hermann	1968-1969	Gene H. Barnett	1996-1997
Harriet P. Dustan	1969-1970	Anthony J. Thomas	1997-1998
Lawrence K. Groves	1970-1971	Martin J. Schreiber	1998-1999
Victor G. deWolfe	1971-1972	Ezra Steiger	1999-2000
Alfred M. Taylor	1972-1973	Walter G. Maurer	2000-2001
Charles B. Hewitt	1973-1974	Robert J. Cunningham	2001-2002
Thomas L. Gavan	1974-1975	Ruth K. Imrie	2002-2003
Ralph J. Alfidi	1975-1976	James F. Guttierrez	2003-2004
Eugene I. Winkelman	1976-1977		

The present members of the professional staff are a culturally and ethnically diverse group representing the best physicians who could be recruited from the United States and 26 other countries. The staff is governed under a set of by-laws, which are administered by the chief of staff (an officer of the Foundation, who sits on the Board of Governors, Medical Executive Committee, and Administrative Council), and a set of elected officers (see table 5 for a historical listing of staff presidents). Since 1989 the Board of Governors has required that each new staff member be board certified in his or her specialty, either by a recognized American board or the international equivalent. Most of the physicians who joined the staff prior to 1989 are board certified as well. All staff members are periodically recredentialed by the Office of Professional Staff Affairs for the services and procedures they perform, and each staff

member undergoes a detailed annual professional review of performance in the areas of patient care, research, education, administrative service, national prominence, leadership, and collegiality.

The details of the staff's activities in their various areas of expertise are outlined elsewhere in this book, but the lay media have increasingly recognized the group for its excellence. The *U.S. News and World Report* has cited several specialties for excellence, and *Good Housekeeping*, *The Best Doctors in America*, *Town and Country*, and other publications have recognized numerous individual staff members as among the best physicians in the country. Furthermore, many staff members have served as officers of their specialties' national organizations. At one time in 1993, The Cleveland Clinic staff included 13 presidents of national subspecialty societies! No other institution in the state has achieved anything approaching this, and it is a powerful endorsement of the Clinic's approach to group practice.

The Clinic's orientation to subspecialty medicine began in earnest in the 1950s with the formation of a number of subspecialty departments in internal medicine, continued in the 1960s, and accelerated in the 1970s when many of the medical subspecialty boards were organized. In one of his "State of the Clinic" addresses, then chief executive officer William S. Kiser told the staff that it was of great importance that they become "technocrats." The staff had already embraced this concept with wild abandon, and by then the only pocket of primary care remaining in the organization was the Primary Care Department, which was responsible for delivering care to Clinic employees under the Cleveland Clinic Health Plan.

In the mid-1980s, however, the health care scene began to change. Cost-based reimbursement of hospitals received a knockout blow from the Health Care Financing Administration, now known as the Center for Medicare and Medicaid Services (CMS), in the form of Diagnosis Related Groups (DRGs) reimbursement for Medicare patients. Managed care had emerged on the west coast in the 1920s, but it did not reach Cleveland until almost four decades later in the form of the Community Health Foundation, later acquired by Kaiser Permanente. Business was footing most of the bill for health care of their employees (and increasingly of their retirees as well) and was beginning to get uncomfortable with its escalating cost. Managed care, with its primary-care orientation and

gatekeeping methodology, seemed to offer a reasonable possibility of controlling these costs by keeping patients away from specialists and technology, and this movement was gaining momentum. As health care costs continued to rise, it became apparent that this approach, driven by the marketplace and accelerated by potentially disastrous but ultimately abortive federal attempts at health care reform, would change the delivery system. One of the most important results of these changes would be the emergence of the primary care physician as the central player in the new order; specialists would be relegated to a supportive role. Chapters 9 and 10 describe the Clinic's responses to these forces.

The modest beginnings of the organization have been described earlier in this book, but since then the (full) staff has grown at a constant, more or less inexorable rate to the present. The Cleveland Clinic has several categories of professional staff: full, associate, and assistant, as well as clinical associate. Any combination of these gives much the same curve as in figure 1, but these numbers are for full staff. Figure 1 shows the exponential nature of the growth of the staff. Like a huge bacterial culture or a myeloma, it has followed predictable kinetics, with a doubling time of 15.6 years. Both *in vitro* and *in vivo*, constraints of space and nutrients normally cause such exponential growth curves eventually to plateau; the Clinic, however, has simply built more space each time things became tight. Though slight deflections have occurred (e.g., downward with the Great Depression and the Clinic disaster in 1929, upward with the end of World War II and the introduction of antibiotics in 1945), the

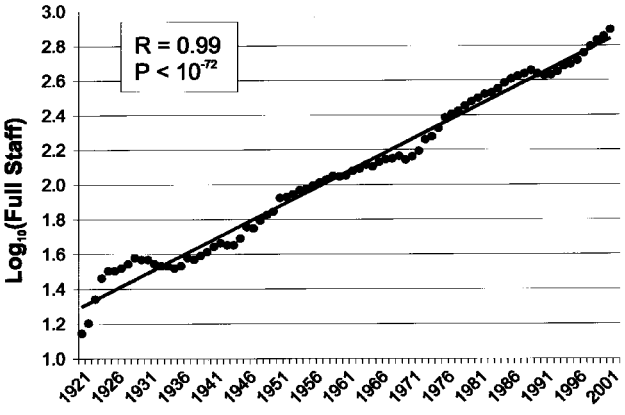

Figure 1. Exponential growth of The Cleveland Clinic's staff since the grand opening in February 1921. The ordinate shows the logarithm to the base 10 of the number of full staff on the roster at the end of each year from 1921 through 2001, as indicated on the abscissa.

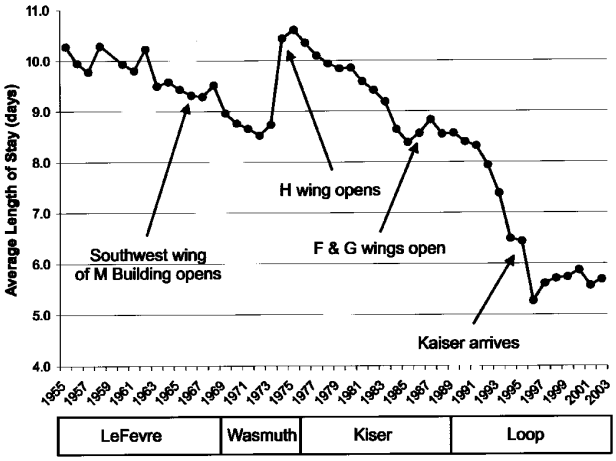

Figure 2. Average length of stay in The Cleveland Clinic Hospital shows a downward trend with upward deflections each time a new wing was opened. A final downward trend occurred in the early 1990s due to a length-of-stay reduction project to make room in the hospital for Kaiser Permanente's patients, who began arriving in 1994.

closeness of the adherence to the regression line has been remarkable over the past 82 years. For those who enjoy mathematics, the estimated staff size at any point in time can be expressed by the equation:

$$\log_{10} y = .0193x + 1.28$$

where y is the number of full staff and x is the number of years after 1921, the year the Clinic opened. This equation predicts that the number of full staff will reach 1,000 members ($\log_{10} y = 3.0$) in the year 2010, 89 years after the doors first opened. According to the Office of Professional Staff Affairs, the number was 779 at the end of 2001.

Another important trend during this tumultuous period has been the pressure to deliver increasingly complex services in the outpatient setting and to restrict hospital length of stay for those services that still require hospitalization. If we look at the Clinic's average length of stay over the years (figure 2) an interesting sawtoothed pattern appears, each "tooth" appearing at the time of hospital expansion.

Length of stay has declined still further with the addition of the Kaiser Permanente patients in 1994 and obstetrics in mid-1995. Until the marketplace applied pressure to reduce length of stay, the

Clinic's own space restrictions did it fairly effectively, and that was never more true than today.

The Clinic's staff has repeatedly shown its adaptability to adverse conditions over the years. Since the Board of Governors era began in 1955, this adaptability has continued. It will be tested mightily as reform of the health care delivery system, whether market- or government-driven, occurs over the next decade. So far the group has met the challenge and has every right to look to the future with confidence. As Loop has said, "Those who think our best years are behind us are looking the wrong direction!"

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[1] LeFevre was elected to a 5-year term in 1955.

[2] OPSA = Office of Professional Staff Affairs. Hartwell's predecessor in this office was Leonard Lovshin (1959-1976), but he did not sit with the Board of Governors except during his elected term (1966-1970).

[3] "Present" = as of this writing, March 2004.

[4] Title of this position changed from Executive Secretary to Administrator in 1990.

[5] As a part of the preparation for the new medical school, the Board of Governors established the position of Chief Academic Officer on February 28, 2001, just 80 years after the Cleveland Clinic opened its doors.

[6] The office of Chairman of the Board was unfilled from 1945 to 1956 and from 1961 to 1966. The Trustees' Executive Committee, chaired by the president, functioned in place of the chairman during those periods.

[7] Following Lerner's death in 2002, the office of the President remained unfilled as of the present writing (March 2004). Chairman Mixon has performed the functions of president as well as chairman.

[8] Anderson served as staff president for two years during work on the Plan of Reorganization.

[9] Both Kennedy (staff president) and Hazard (staff vice president) were elected to the Board of Governors during their terms as staff officers (see Table 1). They were replaced by Higgins and Brown.

INDEX

Seek, and ye shall find...
—Matthew 7:7

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