The Cleveland Clinic’s model is based on our group practice. Our physicians are employed and salaried with no financial incentives. Every one of them has a one-year contract and an annual professional review. We’re physician-led, and patient-centered.

As a group practice, physicians make the rules and elect our leadership. We decide what buildings we’re going to build and how we’re going to finance it. It’s a group practice that runs hospitals rather than a hospital that employs physicians.

Where do you see healthcare today and what needs to be done to make sure we’re meeting the challenges of the future?

The impetus for reform was based around the economic concept that healthcare had gotten to be such a large portion of GDP. We saw that the demographics were changing in the U.S. and that the 10,000 people turning 65 every day would only drive up healthcare costs. Healthcare was starting to drive out funding for other portions of society, such as education.

Given this, we had to change the healthcare delivery system so that costs were contained and we knew we needed to begin to care for people in a different way. There are only two ways you can reduce the costs of healthcare: by making a more efficient delivery system, and by decreasing the burden of disease (putting a focus on wellness and decreasing the incidence of smoking and obesity).

How critical is technology to how Cleveland Clinic operates?

We continue to invest in technology as medicine moves from an art to a science. We’re now eight years into building our electronic medical record, and have invested a billion dollars over the past decade. The IT infrastructure portion of technology is critical and the data helps us take better care of patients.

The other investments are in patient care. For example, we are able to evolve orthopedic and endoscopic surgeries in new ways. A kidney operation used to require a huge incision in someone’s side. Now, you can remove a kidney endoscopically through the belly-button. This shortens the hospital stay and drives patient satisfaction.

We can now offer outpatient knee replacements, thyroid operations, breast operations, and more. Technology allows us to deliver more efficient high-quality care.

At the same time, as people live longer, we have to manage a sicker population. Hospitals are becoming much more intensive-care centered. A quarter of our hospital beds are intensive care beds.

Is technology distracting from the doctor/patient relationship?

You will probably find out more about patients by drawing their blood than by talking with them. So as care gets better and technology increases, you will find people who are technocrats. Certainly as a cardiac surgeon, I was like that. From an important and memorable experience with a student, I realized that as an institution, we weren’t being empathetic enough. We brought in a chief experience officer that drove up our patient satisfaction scores. This is hard to do in a hospital with 1,400 beds, but we did it, and it continues to be a major focus today.

What approach have you taken to Cleveland Clinic’s community outreach?

One of the first things I did when I became CEO was donate $10 million to the local schools. We developed a lot of initiatives to assist and strengthen them. We have reached out into the community to help with anti-smoking campaigns, and encourage to exercise. We have met with the city about making Cleveland a healthy place. We try to lead by example in terms of our efforts around smoking cessation with our employees and by not hiring smokers. This has impacted the community by reducing the smoking rate from 27 to 15 percent.

We’ve created a science internship for high school students to foster their academic interest in healthcare and education. We currently have 150 students here every summer for an organized program introducing them to science and medicine. Some have gone on to medical school and our goal is to keep them interested in working right here in Cleveland.

How broad is your market?

Eighty percent of our patients come from a six-county area around Cleveland; 19 percent from the rest of the U.S.; and one percent from about 30 different countries around the world.

Our global reach is increasing as we now have education referral offices in Riyadh, Istanbul, London, and soon in China and India, and we will soon run a 360-bed facility in Abu Dhabi. We’re running a 700-bed hospital there now and we’re about to open the Cleveland Clinic of Abu Dhabi, which is a 22-story facility.

How do you avoid becoming complacent when you’re number one?

Cleveland Clinic is located in the second poorest city in the U.S. so we work hard always to be better. We are always striving to do our best to benefit our patients, employees, and the community.