

# A Vanguard of Innovation

An Interview with Kenneth L. Davis, M.D.,  
President and Chief Executive Officer, Mount Sinai Health System

**EDITORS' NOTE** Dr. Kenneth Davis attended the Icahn School of Medicine at Mount Sinai and completed a residency and fellowship in psychiatry and pharmacology, respectively, at Stanford University Medical Center. Upon returning to Mount Sinai, he became Chief of Psychiatry at the Mount Sinai-affiliated Bronx Veterans Administration Medical Center and launched Mount Sinai's research program in the biology of schizophrenia and Alzheimer's disease therapeutics. Davis was appointed CEO of Mount Sinai Medical Center in 2003 after spending 15 years as Chair of Mount Sinai's Department of Psychiatry. He was the first director for many of the institution's research entities and received one of the first and largest program project grants for Alzheimer's disease research from the National Institutes of Health. Davis also served as Dean of the Icahn School of Medicine at Mount Sinai from 2003 to 2007 and as President of the American College of Neuropsychopharmacology in 2006. In 2002, he was elected to the Institute of Medicine of the National Academy of Sciences, and in 2009 his undergraduate alma mater, Yale University, presented him with the George H. W. Bush '48 Lifetime of Leadership Award.



Dr. Kenneth L. Davis

**INSTITUTION BRIEF** Mount Sinai Health System ([mountsinai.org](http://mountsinai.org)) encompasses the Icahn School of Medicine at Mount Sinai and eight hospitals, as well as a large and expanding ambulatory care network. The eight hospitals – Mount Sinai Beth Israel, Mount Sinai Brooklyn, The Mount Sinai Hospital, Mount Sinai Queens, Mount Sinai St. Luke's, Mount Sinai South Nassau, Mount Sinai West, and New York Eye and Ear Infirmary of Mount Sinai – have a vast geographic footprint throughout the New York metropolitan region. In 2018, Mount Sinai Health System hospitals received roughly 4 million patient visits, including inpatients, outpatients and the emergency department.

The Icahn School of Medicine at Mount Sinai opened in 1968 and has more than 6,500 faculty members in 34 academic departments and 39 clinical and research institutes. A renowned medical school, it is ranked number four in the nation among medical schools for overall research funding per principal investigator. The Mount Sinai Hospital is ranked

number 14 in the nation by U.S. News & World Report and ranked in the top 20 nationally in eight medical specialties in the 2019-20 "Best Hospitals" guidebook. The New York Eye and Ear Infirmary of Mount Sinai is also ranked nationally in ophthalmology.

**What are the factors that have contributed to Mount Sinai Health System's consistent leadership in the industry?**

There are a number of factors that all converge to give us consistency and that have differentiated us for some time. One is that we are a hospital that gave birth to a medical school, which means our medical school and the hospital both report to the same board. We are an integrated system that recognizes that the hospital and the medical school don't compete – they work together. In fiscally challenging times, this becomes all the more important so we don't view each other as competing for the same dollars in a zero-sum game, but instead work synergistically to overcome these challenges.

Another advantage has been stability in our leadership ranks. The management team here has known each other for decades and has been leading this institution together for nearly 20 years. That breeds a certain confidence in each other and the ability to recognize how we will each react to certain proposals. There is a comfort level around decision making that comes from so much shared experience and history.

We have been able to stay together this long because we have shared common values, many of which stem back to the founding of the institution. This hospital, before we became the largest system, lived in the juxtaposition of some of the wealthiest and poorest communities in the country and there is still no greater socioeconomic differential across boundaries of zip codes as there is where Mount Sinai is located.

Our values still lead us to treat everyone as equally as we possibly can, despite those disparities. This is a core value that you have to buy into when you come to Mount Sinai and join this management team. Accepting that as a prerequisite brings together people who really view the world in a similar way with a similar set of values and priorities which makes a conflict less common, compromise easier, and coherence around programs possible.

**With Mount Sinai's continued growth, including your latest addition, Mount Sinai South Nassau, how critical is it to maintain Mount Sinai's culture as you integrate new hospitals into the health system?**

It's critical and it takes time. People first have to understand our priorities and then we have to demonstrate that these are not just words, but are backed by action. An example of this is when we came into a very demoralized situation at St. Luke's. They believed that they were on the brink of bankruptcy and that we would close the hospital. Instead, we told them that we were going to fully integrate them into our system. Now, I think even the greatest skeptics there believe that this is, in fact, our plan and the optimism there is palpable.

They now understand what we stand for, what our core values are and how important science, innovation, and quality care are to us. They see that we treat everyone as equally as we possibly can and that we upgrade facilities. While they understand that this is really the truth, it still takes time to earn that trust. You can't just say those things – you have to demonstrate them, and demonstration takes years.

South Nassau is a wonderful community with great doctors who are going to become part of an academic health system. We are going to expand the academic and scientific programs as well as the innovation at South Nassau as we transition them into a tertiary care hospital.

**Is Mount Sinai focused on continuing to expand its size and scale?**

With healthcare changing, ambulatory expansion is essential. More and more services are going to be delivered in the community. Ambulatory surgery centers, which were the exception rather than the rule over the past 25 years, are now becoming the rule. Soon, we are going to see even more activities like cardiac catheterization that were previously restricted to a hospital move out into the community.

We have to be prepared for future growth on an ambulatory platform. This will result in hospitals increasingly becoming places only for the very sickest patients and many standard in-patient units will have to be converted into intensive care units. This means that our expansion won't be so much to take over other hospitals; it will be to modify the hospitals that we have to accommodate the increased complexity that will be addressed in hospitals. At the same time, we must expand our ambulatory footprint

so that it reflects the increasing amount of care that is being delivered outside the hospital, creating what we call hospitals without beds.

**How important has it been for leadership to communicate this change internally and has this message been well-received?**

People who have entered medicine over the last two decades understand that they are entering a field on the cutting edge of science and technology that is undergoing enormous change. Whether this is new therapeutics, laparoscopic robotic surgeries, electronic medical records, or artificial intelligence, they have become comfortable with the notion that taking care of people with the most serious diseases necessitates a comfort with the most cutting-edge technologies.

Those cutting-edge technologies usher in change. Our workforce hears about the breakthroughs that are happening in medicine every day and expects that this will transform how they do their work. So I don't get a lot of push-back when we talk about how we're going to have to expand the ICUs or move many procedures into an ambulatory environment.

I see people taking this change as a natural state of affairs.

**How is Mount Sinai expanding its ambulatory network?**

We inherited a 350,000 square foot facility at Union Square, which is an ambulatory platform. We have already invested hundreds of millions of dollars in upgrading that facility, both physically and technologically. Today, it is truly a state-of-the-art facility. We also have 80,000 square feet in the Google building in Chelsea. We have made the same investment there and we are doing more and more complex procedures in those facilities. These truly are hospitals without beds.

Additionally, we just built out a big practice space in Huntington that consolidates the number of practices we had in the Northern part of Long Island into this one location on Cuba Hill Road. It's a state of the art, huge ambulatory platform.

Finally, we have upgraded a number of the other 300 sites that we have. We look forward to their consolidation and modernization, and to the creation of additional sites. We would rather grow a new multi-specialty practice with primary care at its front end than we would taking on another hospital.

**How important is it for Mount Sinai to continue to lead the discussion around prevention and wellness?**

It's critical. We have changed the kind of contracting we are doing with insurance companies and managed care companies such as managed Medicaid and Medicare Advantage companies. The contracts put us at risk because instead of being paid a fee for service, we were increasingly being paid for a capitated rate for a population of patients. That means that the incentive was no longer there to do as much as we could do.

The incentive is to keep people well. By changing our contracting, we align the patients, the providers, and the payers all to the same goal, which is to keep people well. This, in turn,

means that we have to have an entirely new group of case managers and community workers who are engaged with patients who have the highest risk and use the most resources so that we can keep them in the lowest level of care possible by helping them remain well. We need to prevent disease.

We need to make sure people take their medications, that they are in healthy environments, that they eat healthy foods, and that they exercise. All these things are critical to wellness, which is now critical to our business model. So it's the highest priority and is an imperative.

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**You mentioned the medical school. What can be done in regard to the high cost of medical school in order to make sure that the industry continues to attract the best talent?**

An initiative by a number of our farsighted board members was to do something to support those students who were encumbered by huge debt. We have now put a ceiling on how much debt any student will leave Mount Sinai with. No student will leave with a debt greater than \$75,000. We will pick up the rest of their entire costs. For many students in need, this makes a huge difference because the cost of medical school, including room and board and tuition in New York, is between \$70,000 and \$75,000 a year.

By capping their indebtedness for the entire four years at \$75,000, I think we are going to increase the pool of those who can consider a career in medicine. Obviously, everybody would like to do more. But there is a financial reality to living in New York, to what it costs

to sustain a medical school and to how much money we can raise around this. But we're going to continue to try to work on this.

That said, I still believe most students enter medicine for all the right reasons and a good number of them will still take on some substantial student debt. It ends up being as if they have another mortgage that they are going to be paying off as they become adults. However, it is still worth it for them because they are doing what they want to do and they are helping people to stay well by using the cutting edge of innovation and the next generation of therapeutics and diagnostics for patients.

**With the increasing focus on technology, is the doctor/patient relationship still at the forefront and how important is that relationship to fostering wellness?**

It is very important. I think this really has to do with the problems that have been imposed by the electronic medical record. It is not atypical for those physicians in largely cognitive disciplines of medicine to have to come home at night, have their dinner, see their children, interact with their family, and then to have two to three hours more of working with the electronic medical record to close out the charts on the patients that they have seen earlier in the day. We have to address this and have to find out how to make the EMR more efficient or we are going to have to add scribes to the practices of medicine, adding yet another cost in order to keep up with the demands that the EMR requires.

**With the increasing focus on building its ambulatory network in communities, how does Mount Sinai view its commitment to those communities?**

We are often the primary employer within the community as well as the primary provider of healthcare. For us to not accept that we must be a leader in keeping people well would be to abdicate our responsibilities as both the prime employer and the primary healthcare provider, so we have to do this as best we can. This is something that is on our minds all the time. To give you an example of how committed we are, we are soon going to be launching a program involving the utilization of computer technology and enhanced CT imaging for the early detection of lung cancer in people with a history of smoking. We will be doing that using mobile scanners in less advantaged communities because we think that we can prevent the horrible outcome that comes from lung cancer being identified too late.

**After many years leading Mount Sinai, are you still amazed at the type of innovation and breakthroughs that take place at the institution?**

It never gets old. I take tremendous pride in what we do. I am at the age where I have to start thinking about how will I look back on my life. One of the things that will make me most proud is to say that I was a part of a vanguard of innovation that became so routine that our expectation was that, in any given year, our medical center would file close to 100 patents and be at the leading edge of the future of medicine. ●