

Interviews with the CEO of the Cleveland Clinic

The Affordable Care Act, more colloquially known as Obamacare, is set to dramatically alter the healthcare industry's status quo. The [Wall Street Journal](#) recently conducted an [interview with Dr. Toby Cosgrove](#), the CEO of the [Cleveland Clinic](#), the well-renowned healthcare system with facilities in Ohio, Florida, Las Vegas, Toronto, and soon, Abu Dhabi.

Here are some of Dr. Cosgrove's more intriguing answers:

WSJ: How does the health overhaul affect you?

Dr. Cosgrove: We knew that we had to reduce costs and we had to drive a more efficient health-care delivery system. [The law] just gave additional impetus to get that done.

WSJ: You are consolidated in the Cleveland area. Do you use that leverage in negotiating prices with health insurers?

Dr. Cosgrove: Yes, we do. We also consolidate services and drive efficiency of services across this organization. We've consolidated our hospitals. We've consolidated cardiac surgery, pediatrics, rehab, psychiatric care, obstetrics, to bring them together and have higher quality and lower cost, more efficiency.

WSJ: You've started posting the prices of various health-care supplies in operating rooms. Should doctors consider costs? Some argue they should weigh only clinical factors.

Dr. Cosgrove: You can't do that. What is the most expensive instrument in the hospital? The doctor's pen. We have to make them cost-conscious. Otherwise, how are we going to reduce the cost?

Dr. Cosgrove also spoke to [Business Insider](#), about consolidation, cost-cutting, and the disruption of the healthcare system, and gave these interesting answers regarding a move towards more patient-centric care:

What was the particular change that your doctors and organization were most resistant to?

Most hospitals are organized around the department of surgery, the department of medicine, the department of pediatrics — there was essentially a guild system for whatever your profession was. And what we said is, wouldn't it be nice to organize a hospital around what a patient needs? Novel idea, have a hospital organized around patients. If you've got a headache you don't know whether you need to see a psychologist, a neurologist, or a neurosurgeon. So let's put everybody who deals with a neurology system in a neurological institute, and we'll have one head. So if you go in for your headache, you can see whomever, right in that one location. Everybody whom you could potentially need to see is right there in one location and they talk to each other, they're physically proximate to each other.

As opposed to bouncing around from department to department?

Right. So what happened out of this is, I went to the Head of Surgery and the Head of Medicine, and I said that I think we need to change the system so we're organized around organ systems, so we've got somebody in cardiovascular, head and neck, neurologic, we put dermatology and plastic surgery together because they deal with the skin, urologists and neurologists together in the urological institute. So you guys are out of a job. There's going to be no Chief Of Medicine and no Chief of Surgery anymore. They said ok, we agree. I told them that they were great guys and that there was going to be a place in the organization for them and that they'd have an important leadership job, but that we were going to do away with those jobs.

So the whole organization was anxious, and we started one by one to move people to various locations, and finally everybody was so nervous that we said we're just going to do the whole thing. In one year we changed the whole organization, so there's no more department of surgery, no more department of medicine, it's all by institutes.

And I think that's an example not of beating guys over the head, this was an example of, nobody came to me and said that's a terrible idea not one person but everybody was anxious. And nobody not one person has come to me and said we have to go back. So everybody could see the value of doing it, but it created tremendous anxiety.

Do you agree with him? How do you see the ACA affecting the future of our healthcare system? Are his ideas about reorganizing the hospital on the right track?

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