THE NEXT MAYO / REMAKING A MEDICAL GIANT

CAUTIOUSLY, MAYO BUILDS AN EMPIRE

Affiliates in 18 states give Mayo national reach and new patients.

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EDGEWOOD, KY. – Jordan Hatfield’s case puzzled the doctors. A champion javelin thrower and top student at Northern Kentucky University, Hatfield developed stomach pains and insomnia during his sophomore year. Then came headaches, vision problems and nerve pain.

By the time Dr. Angela Rackley saw him at St. Elizabeth Healthcare here, a battery of tests had turned up vitamin deficiencies and a lot of unknowns. So the neurologist put through a call to Mayo Clinic in Minnesota, and soon the young athlete was on a fast track to Rochester, where a team of specialists quickly assembled to begin the search for answers.

Doctors still haven’t quite solved the mystery, but Mayo’s expertise has given Hatfield’s family and his Kentucky physicians new peace of mind.

“I feel better knowing that the specialists at Mayo have taken a look at him and done the appropriate testing,” Rackley said.

Hatfield is among dozens of patients in Kentucky to benefit from the Mayo Clinic Care Network, an ambitious effort by the Rochester-based health system to expand its reach and secure its place in an era of rapid changes in health care. In just four years, Mayo has signed up 31 affiliates in 18 states, Mexico and Puerto Rico.

For such patients as Hatfield, the arrangement means access to some of the finest medical specialists in the world. For Mayo, the network is an opportunity to expand its footprint without having to build or acquire new hospitals. It also gets to market its world renowned expertise to patients — many with the most complex cases — who might not otherwise travel to Mayo clinics in Minnesota, Florida or Arizona.

Mayo’s strategy is not unique among the nation’s top medical centers in an era of financial pressures and intensifying competition. The Cleveland Clinic and MD Anderson Cancer Center in Houston, two nationally renowned institutions, are also shopping their expertise and reputations to regional hospitals and health systems in exchange for access to patients.

These franchise-like agreements undergird Mayo’s unfolding, $5.6 billion plan to ensure that it emerges from health care’s continuing consolidation as one of the few flagship medical centers in the United States. Minnesota’s taxpayers are all in on that bet, having pledged $585 million toward the remaking of downtown Rochester as an international medical destination.

“In the markets where we have been present in the Care Network, brand awareness has gone up,” said Dr. John Noseworthy, Mayo’s CEO. “We’re seeing thousands of patients who need to come for high-end services to [Mayo’s campuses in] Jacksonville, Phoenix or Rochester … But the folks that don’t need to come, don’t need to come.”

A novel growth strategy

The Care Network has its roots in a Mayo board meeting in 2009, when clinic leaders began bracing for the passage of federal health reform legislation. When the Affordable Care Act of 2010 became
MAYO CLINIC AND ITS NETWORK AFFILIATES

Mayo Clinic, founded in Rochester, Minnesota, is expanding its reach through three regional centers and regional health systems, plus affiliates in what’s called the Mayo Clinic Care Network.

Mayo network  ♠ Mayo Clinic  ♣ Care Network  ♠ Health System

Through the network in 2013, and that new patient appointments in Rochester rose 15 percent. Since launching the network, Mayo's reach has grown threefold, with some 63 million people now connecting with Mayo for medical care, lab tests, products and services or through social media. The clinic said it aims to reach as many as 200 million people directly or indirectly by 2020.

The network is "a very smart move" to preserve the Mayo brand and its source for referrals, according to Dr. Joel Shalowitz, who teaches at Northwestern University’s Kellogg School of Management and Feinberg School of Medicine.

At the same time, he said, such partnerships are new and unpredictable. "I don’t know what the difference is between dating and going steady — but it’s not getting married," he said of the Care Network agreements.

To Noseworthy, the network is also a chance to export the Mayo model: A virtuous circle of skilled specialists and proprietary research, with the patient at the center. Simply acquiring another hospital doesn’t guarantee that it will embrace the same philosophy, Noseworthy argues.

“The reason we didn’t do the merger and acquisition strategy ... is that that’s really not scalable," he said. “But it also doesn't do anything for patient care.”

Careful courtship

At Altru Health System in Grand Forks, N.D., the first affiliate to join, the network has benefited both the organization and its patients, said Dr. Matthew Roller, a neurologist and a member of Altru’s board of directors.

Roller frequently consults Mayo’s subspecialists on such complicated...
problems as neuromuscular diseases. He uses “e-consults” to send images, lab work and notes to Mayo, and gets what he called a “well thought-out, examined, discussed opinion” back, usually within two days.

“It has allowed a number of patients to stay at home and get an opinion, and allowed us to manage patients with some of these subspecialty needs closer to home in an effective way,” Roller said. That spares patients a six-and-a-half hour drive to Rochester and the related travel expenses.

To protect its reputation, Mayo is choosy in expanding the network. Potential affiliates must complete a 1,400-page application. In addition, they must share Mayo’s primary value: The needs of the patient come first.

“We’re looking for chemistry,” said Dr. David Hayes, Mayo’s affiliated practice network’s medical director. “We’re looking for organizations that are culturally and philosophically similar.”

In addition to contributing revenue and a pool of patients, the concept could position Mayo to create its own mini-networks of hospitals around specific specialties. That’s attractive to large employers and health insurers, and it’s a powerful selling point in the competition with elite hospitals such as Johns Hopkins and the Cleveland Clinic.

Wal-Mart, for example, announced in 2012 that employees could get heart, spine and transplant surgeries at no cost if they went to Mayo or one of several other prestigious hospitals. In October, the retailer expanded the coverage to breast, lung and colorectal cancers for employees treated at one of Mayo’s three primary campuses.

“We could go to an employer or an insurance company and say, ‘We would be your preferred portion of the network,’” said Mary Jo Williamson, chairwoman of Mayo’s Department of Practice Administration.

Even when Mayo physicians can’t cure a patient, the partnership can be instructive. Two years ago, a retired accountant named Tony Luebbers went to his doctors in Kentucky complaining of stomach pain. When multiple screenings and biopsies left them baffled, they sent lab results to Minnesota and asked for a consultation. Mayo specialists pinpointed Luebbers’ ailment as Ewing’s sarcoma, an extremely rare cancer. After surgery at Rochester and 17 rounds of chemotherapy at St. Elizabeth, Luebbers got a clean bill of health last May and began working on his tennis game again.

Within months the cancer returned, and Luebbers died on Aug. 3. Yet because Mayo’s specialists are likely to see similar cases in the future, they say Luebbers’ case will help them treat other patients. That thought consoles his widow, Mary.

“Tony wondered whether his case might help their understanding of the disease,” she said. “He would have liked to be of service in this way.”

Members of the Care Network aren’t allowed to use Mayo’s logo — three shields signifying excellence in patient care, research and education. That’s reserved for entities that Mayo owns.

Even so, St. Elizabeth highlights its association with Mayo at every chance on brochures, its website and in television ads. At the Cincinnati-Northern Kentucky International Airport, for example, a massive wall is dominated by photos and messages touting the link between St. Elizabeth and the Mayo Clinic.

Mayo does its part in return. When St. Elizabeth’s heart center hosted a meeting in suburban Cincinnati earlier this year, Mayo sent cardiac specialist Christopher McLeod as the keynote speaker. Some 250 people dropped by. “It’s a key point of differentiation in the market,” said St. Elizabeth spokesman Guy Karrick.

**Peace of mind**

John Dubis, CEO of St. Elizabeth, said he wanted a world-class partner with broad specialization.
“And secondly, I thought: Why would we do a national partner with just heart? Why not look at something broader because of where health care is going?” he said.

Rackley, the St. Elizabeth neurologist, worried at first that the Mayo network would simply be a marketing ploy. But she says the e-mail consultations with Rochester have proved simple and effective, and that she appreciates having a sounding board of top specialists at her fingertips.

“It’s nice to have someone who has a lot more knowledge in the field that you’re treating,” Rackley said.

That was the case with Hatfield, 23, whose cascading health issues forced him to quit the track team at Northern Kentucky and drop out of school in his sophomore year.

Mayo had more sophisticated diagnostic facilities than St. Elizabeth and was able to assemble a team that included a gastroenterologist, neurologist, pulmonologist and headache specialists. Hatfield and his mother went to Mayo in March and were back again in May.

Even after genetic testing and some startling procedures — Hatfield’s body was dusted with blue powder to assess how his body sweated — it’s still unclear what’s wrong with him. But Mayo doctors ruled out a number of rare and devastating diagnoses, which offered some reassurance.

“Mayo Clinic helped me stop wasting time looking for things that aren’t wrong with me,” Hatfield said. “There’s definitely some lasting comfort from the visit.”

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