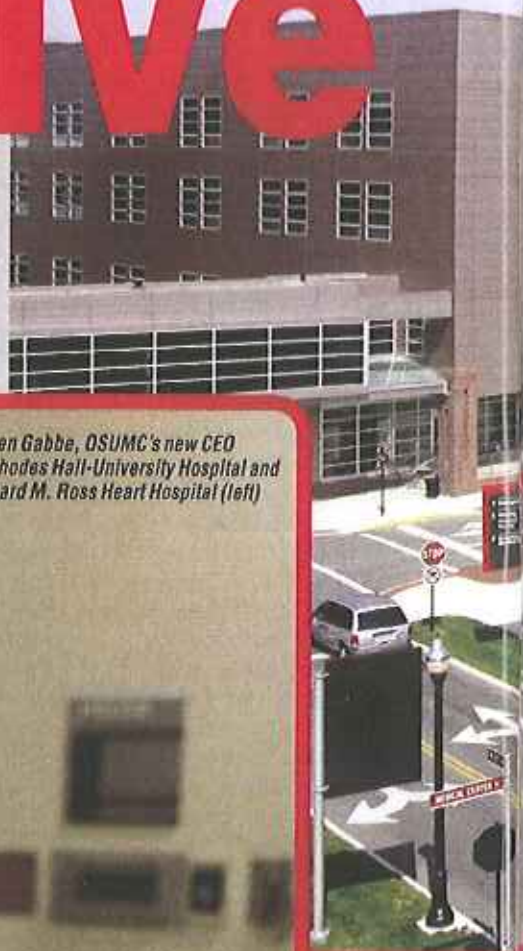


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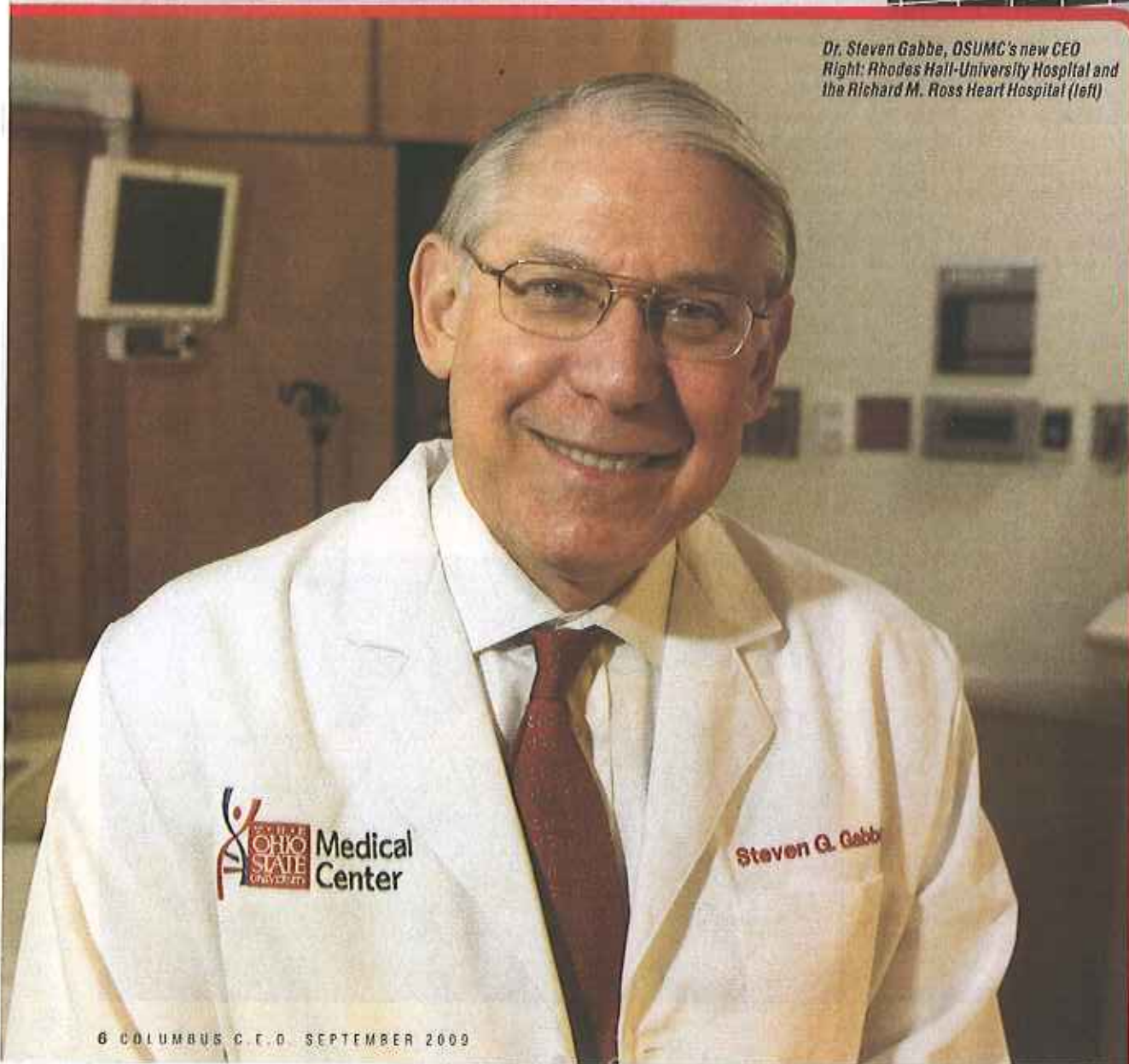
Effective

By Angela Palmer

When OSU President Gordon Gee asked Steven Gabbe, a longtime friend and colleague, to replace Fred Sanfilippo at the OSU Medical Center, a new era began.



*Dr. Steven Gabbe, OSUMC's new CEO
Right: Rhodes Hall-University Hospital and
the Richard M. Ross Heart Hospital (left)*



GREG SARTMAN



COLUMBUS, OHIO STATE UNIVERSITY MEDICAL CENTER

Spend part of a sunny summer afternoon at the corner of West 10th and Park avenues, in the heart of the sprawling campus of the Ohio State University Medical Center. Watch the blur of scrubs and lab coats as doctors, nurses, researchers, technicians and students dash in and out of buildings—chatting, checking BlackBerry's, grabbing a bite at the campus food court. The only slow-moving folks in sight are patients and visitors checking maps and appointment slips, hoping they're headed for the right building.

The OSUMC campus is a happening place these days, combining multiple hospitals and clinics, vast research facilities, the OSU College of Medicine and several other health-related education programs. Patient admissions have doubled over the past 20 years, from 28,877 in fiscal 1988 to 57,550 in 2008. Mean-

while operating revenues have grown eightfold, to nearly \$1.5 billion in fiscal 2008. The medical center's research funding alone—\$191 million in 2008—now exceeds its entire operating budget in 1988. Operating margins have steadily improved as well, from a deficit of \$41 million in fiscal 2000 to a surplus of \$108 million in 2008.

With exponential growth in research funding, a cadre of world-class medical talent and a \$1.4 billion capital expansion plan under way, OSUMC seems poised to break into the top ranks of the nation's comprehensive medical centers. That's a high priority for OSU President Gordon Gee, just as it was for former OSUMC CEO Dr. Fred Sanfilippo, whose aggressive growth agenda set the course.

Sanfilippo broke eggs on the way to making his omelet, though, and his "enemies list" grew long and strong, both on

and off the OSUMC campus. On Oct. 1, 2007—the same day Gee began his second tour of duty as OSU president—Sanfilippo became CEO of the medical center at Emory University in Atlanta, Ga.

Dr. Wiley "Chip" Souba Jr., dean of the OSU College of Medicine, stepped in as interim CEO of OSUMC. "We had to get everybody on the same team again and we had to go through a process of healing," Souba says. "But another important thing was that we couldn't let the train slow down. We have a very clear and focused plan and didn't want our progress to stop. We had to keep our strategic vision alive."

While Souba was keeping the train on track, Gee was recruiting an old friend and longtime colleague, Dr. Steven Gabbe, then dean of Vanderbilt University School of Medicine, to head OSUMC. Gee, who'd also persuaded Gabbe to fol-



*Dr. Michael Callguri, CEO of
the James cancer hospital*

low him from OSU to Vanderbilt in the late 1990s, knew Gabbe's reputation for generating a culture of teamwork both in academia and in the community—a talent not much in evidence during the final years of Sanfilippo's OSUMC tenure. Gabbe took charge at the medical center in July 2008.

"There are always problems with turf battles in a medical center," says Dr. Clara Bloomfield, a cancer scholar at the OSU Comprehensive Cancer Center (CCC) and senior advisor to the OSU cancer program. "Gordon recruited Gabbe as someone who was the right person to deal with these problems. And I've been extremely impressed with his ability to resolve conflicts. He's done a terrific job and works extremely well with the cancer center."

Gabbe's popularity extends beyond the campus. "He hasn't been here that long, and already people have been very impressed with him," says Jack Kessler, a former OSU trustee and chairman of the New Albany Company. "The community likes him and believes he's the right guy at the right time."

"Steve Gabbe brings tremendous passion to his vision for OSUMC's role in the state and local community," writes Bruce Soll, senior vice president and counsel at Limited Brands, in an e-mail to *C.E.O.* "His interpersonal skills have enabled him to develop significant relationships in the business and general community. He is very approachable and knows how to build trust and confidence in his community partners."

OSUMC has set its sights on becoming a "top 20" academic medical center and a "top 10" cancer center. In late July, OSUMC was named for the first time to the *U.S. News & World Report* Honor Roll, which recognizes a hospital's excellence in at least six specialties; OSUMC was cited in 10 practice areas.

"What we're trying to do is demonstrate relevance in Franklin County, the state of Ohio, the country and the world," says Dr. David Schuller, vice president of medical center expansion and outreach and medical director of the OSU Medical Center Campaign. "Over the last 30 years, we've evolved from a strong community resource to an international re-

source impacting lives around the world."

Realizing "top 10" and "top 20" ambitions won't be easy or inexpensive, of course. But Gee seems confident that Gabbe and his OSUMC leadership team can make it happen.

A QUIET LEADER

When Gee returned to OSU after stints as president of Brown (1998-2000) and Vanderbilt (2000-07), he knew that unifying the medical center and the rest of the university would be critical. "The medical center represents one-half of our financial infrastructure and a great deal of our intellectual infrastructure," he says. "In order for our strength to be realized, we must be one university."

Gabbe, a graduate of Princeton University and Cornell University Medical College, had chaired the department of obstetrics and gynecology at OSU from 1987 to 1996, then headed the ob-gyn department at the University of Washington in Seattle. Dr. Carlos Pellegrini, chairman of the department of surgery at UW, says Gabbe "radically changed the de-

partment, the philosophy, the morale, everything. He did that through personal involvement. Whenever Steve talks to you, he devotes 100 percent of his attention to you; you feel that he has nothing else better to do. He's deeply involved and he leads by example; he's a role model. His departure was characterized by a lot of sadness."

At Vanderbilt, Gabbe increased National Institutes of Health grant funding by 77 percent and faculty size by 66 percent. "He's such an accomplished academician, but he still has a very warm personality," says Dr. Wright Pinson, CEO of Vanderbilt Hospitals and Clinics. "He's very interested in people, not aloof. ... And, as a result, he was well-liked by faculty."

Gee says Gabbe's worth every penny of his base salary of \$750,000 as CEO of the OSUMC and senior vice president for health sciences. "Steve has great intellectual ability and leadership ability," Gee says. "He brings a sense of calmness and a sense of firmness to the position, with which he clearly establishes his leadership."

Unifying the OSU Medical Center is no small task, with more than 13,000 faculty, staff and students across three separate entities: OSU Hospitals (East, Harding, James, Ross and University), the College of Medicine and the physician practice plan, known as OSU Physicians. "I had to learn a lot about what was happening," Gabbe says. "I had one-hour interviews with around 40 people, asking them what they liked most about working here, liked least, what would they do first if they were me, what would they stop doing, which is always a tough question. You start to see common themes. People wanted to be more involved; they wanted to be kept in the loop."

Although the James used to have its own directors, all five OSU hospitals now report to the same board. "The new medical center board is great because it provides a forum to present and discuss issues that affect all of our hospitals," says Peter Geier, chief operating officer, vice president for health services and CEO of OSU Health System. "The way I describe it is that we're all on the same team, and Gordon's the coach."

Gabbe's affable nature has made it easier to implement such changes. He distributes weekly video blogs to staff and has hosted roundtables for everyone from janitors to professors. "I'm just really excited to have him here," says OSU medical student Mary Fleming,

who is president of the medical honor society Alpha Omega Alpha. "He's a very visible figure and is great at making the goals of the medical center clear to everyone."

Many say Gabbe's collegial style is a departure from the closed-door leadership of Sanfilippo, who declined through an Emory spokeswoman to be interviewed. "Both had great vision; their differences are in the way they implement it," says Dr. Michael Caligiuri, director of the CCC and CEO of the James. "The way Dr. Gabbe implements is very clear, very transparent. Everybody understands what is happening. I think Dr. Sanfilippo's style is less transparent. I feel very integrated and know exactly what is going on and involved in all the decisions. I don't feel that there are any decisions being made around me."



"THE MEDICAL CENTER REPRESENTS ONE-HALF OF OUR FINANCIAL INFRASTRUCTURE AND A GREAT DEAL OF OUR INTELLECTUAL INFRASTRUCTURE," SAYS OSU PRESIDENT GORDON GEE. "IN ORDER FOR OUR STRENGTH TO BE REALIZED, WE MUST BE ONE UNIVERSITY."

Gabbe's contract calls for him to remain in his current positions until 2012, then become counselor to the president for health affairs—a new post created for him. Gabbe is grooming Souba to succeed him as CEO of OSUMC. "He's a quiet leader in a sense," says Souba. "He leads by example. He's very thoughtful and data-driven. ... He gets as much info as he can. He gets lots of info from me and then asks, 'What's the best approach?' He's good because he makes people feel valued."

ONE CANCER PROGRAM

When Gee promoted Caligiuri to CEO of the James in January 2008, Caligiuri had already been the director of the CCC—the cancer research arm of OSUMC—for six years. "Right now what I'm doing is merging these two cultures," says Caligiuri. He says the James, which admitted 8,200 patients in 2008, "has a culture of high-quality compassionate care," while the CCC, staffed by some 300 researchers from OSU, Nationwide Children's Hospital and Cincinnati Children's Hospital Medical Center, has "a culture of discovery, knowledge creation and breakthroughs. We're trying to make one big cancer program, where we all understand each other from the molecules to the survivorship."

OSU is one of 40 comprehensive cancer centers in the United States. The designation, first conferred in 1979, comes with core grant money from the National Cancer Institute (NCI), a division of the National Institutes of Health (NIH). Currently, core funding is around \$22 million, spread over five years.

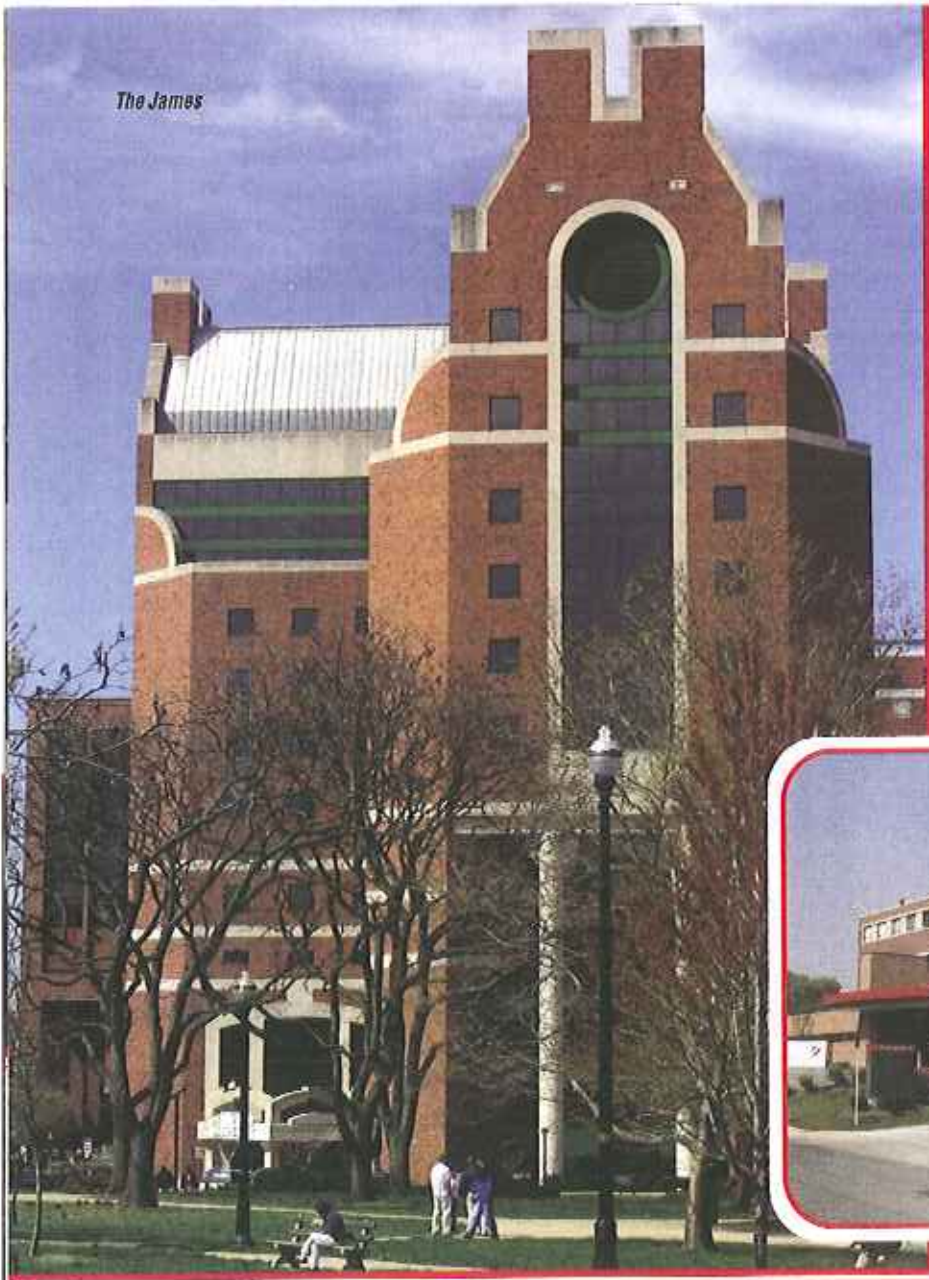
The CCC limped through the 1980s with few research breakthroughs and little national visibility. Even after the James opened in 1990 as the only free-standing cancer hospital in the Midwest, the CCC didn't gain traction. "Years ago, the cancer center was 'not at its best' would be a nice way to say it," says Caligiuri. "The NCI judged it to need more help. Not enough research and not enough focus in cancer were the two biggest concerns."

In 1997, Bloomfield, then the CCC director, recruited Caligiuri, whom she calls "a rising star in cancer," from the Roswell Park Cancer Institute and State University of New York at Buffalo School of Medicine. Caligiuri became the CCC's associate director for clinical research and co-director of the division of hematology and oncology.

Caligiuri, who will become president of the Association of American Cancer Institutes in October, says the CCC's previous problems didn't deter him: "If you really want a chance to lead, to create something new, to really grow a program, then go somewhere that has sufficient infrastructure but is not really there yet."

During Caligiuri's tenure, cancer research at OSU has broadened. Two-thirds of OSU's cancer researchers are from the College of Medicine, while the rest are spread across the university.

The James



COURTESY OSU/MC

"WHAT WE'RE TRYING TO DO IS DEMONSTRATE RELEVANCE IN FRANKLIN COUNTY, THE STATE OF OHIO, THE COUNTRY AND THE WORLD," SAYS DR. DAVID SCHULLER, VICE PRESIDENT OF MEDICAL CENTER EXPANSION AND OUTREACH AND MEDICAL DIRECTOR OF THE OSU MEDICAL CENTER CAMPAIGN.



"We've quadrupled funding from the NCI and we've more than quadrupled funding from the NIH," says Caligiuri. "We took almost siloed researchers, and through investment from the university, from the medical center, from the James

into the cancer program, we got people clicking." In 2007, CCC's total NCI funding ranked 20th among all NCI-funded institutions at nearly \$37 million; total external grant money for cancer research is more than \$110 million.

Caligiuri says the CCC and the medical center now cooperate, rather than compete. He calls Gabbe "a wonderful man. Steve is someone who celebrates the success of the cancer center, and I feel like someone who celebrates the

Ohio State University Health System

| Fiscal Year (Ended June 30) | 1988 | 1998 | 2000 | 2001 | 2002 |
|-----------------------------|---------------|---------------|----------------|----------------|---------------|
| Total Operating Revenue | \$189,249,000 | \$434,814,000 | \$548,042,000 | \$595,193,000 | \$702,616,000 |
| Total Operating Expense | \$195,913,000 | \$438,714,000 | \$589,465,000 | \$613,740,000 | \$687,117,000 |
| Operating Margin | \$(6,664,000) | \$(3,900,000) | \$(41,423,000) | \$(18,547,000) | \$15,499,000 |

Note: Prior year amounts may not match previously reported year-end financial statements. Values have been restated to be consistent with FY08 financial statement formats and consolidating entities.
Source: Ohio State University

success of the medical center. We both have a lot to gain. When NCI funding goes up, the NCI is part of the NIH, so the university's NIH funding goes up. There are people who see that like a huge win, like Dr. Gabbe."

SANFILIPPO'S LEGACY

Bruised feelings and animosity seemed to follow Sanfilippo like a wake behind a speedboat, particularly in the latter years of his OSUMC tenure. His ambitious expansion plans and aggressive recruiting excited some, but left others feeling ignored or injured. When five Riverside Methodist Hospital cardiologists abruptly announced their departure for OSU in 2006, the defection prompted accusations from Riverside that OSUMC wasn't playing fair.

And Sanfilippo's hubris in suggesting that OSU have more control of Columbus Children's Hospital—now Nationwide Children's Hospital—alienated such key Children's supporters as Abigail Wexner (wife of Limited Brands founder and OSU trustee Les Wexner) and Ann Wolfe (wife of *Columbus Dispatch* publisher John F. Wolfe). According to *Columbus Monthly*, it was Sanfilippo's fights with Children's that led to the 2005 departure of CEO Dr. Tom Hansen. By 2007, when some of the James' largest donors wrote a letter to then-President Karen Holbrook expressing concerns about Sanfilippo, it was clear that he had lost much of his leverage, both at OSU and in the community.

"Dr. Sanfilippo had a different style," says Dr. John Barnard, president of the research institute at Nationwide Children's Hospital. After Sanfilippo's departure, Barnard says, Souba and Dr. Steve Allen, CEO of Nationwide Children's, quickly embraced each other's efforts. "The climate and the tenor between the two campuses improved immediately, and the addition of Dr. Gabbe was criti-

cally important to continue that momentum. ... Our 90-year relationship has never been more collegial and more powerful than it is today."

Yet even those who weren't sorry to see Sanfilippo leave for Emory give him credit for much of OSUMC's recent growth. Since 2000, research funding has more than tripled, NIH funding has nearly tripled, and patient admissions have increased 38.5 percent. "Fred was very good for us," says Souba. "Fred helped the medical center and the people here recognize that we were really good. He increasingly stressed the importance of teamwork, that we can't have silos, and that's really important."

Sanfilippo also recognized that OSUMC can't be excellent at everything. To



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concentrate resources, six focus programs have been created: cancer, heart, transplant, critical care, imaging and neuroscience. In June, OSU announced that Dr. Ali Rezai, an internationally known neurosurgeon from Cleveland Clinic, will serve as vice chair of the neurological surgery department for \$600,000 a year. OSU is also recruiting a full-time director for its lung transplant program, which was temporarily closed in July because of low demand.

Two facilities conceived and built during the Sanfilippo years have made OSUMC more appealing to recruits. The Richard M. Ross Heart Hospital opened in 2004, and the 10-floor, \$120 million Biomedical Research Tower (BRT) opened in 2006. "Now, we're really seeing a culture of research and education and discovery that's moving on its own," says Dr. Clay Marsh, the recently appointed senior associate vice president for research in the Office of Health Sciences and vice dean for research in the College of Medicine. "The BRT has an open lab design and everybody on each floor is logistically close. It creates community environments and it leads to bringing different capabilities and innovative solutions."

It's the current \$1.4 billion expansion plan, though, that may help OSUMC reach the next level of national recognition. The largest capital plan in the university's history, dubbed Project One, is scheduled to be completed by 2016.

"If you look across the country, most medical centers in the top tier have new, wonderful facilities," says Bloomfield. "That's certainly not been true for OSU. Our medical infrastructure is old. Even the James is 20 years old and was planned many years before that. We need more space for research, and we barely have conference room space for doctors and students. Every bit of space we have, we need for patients. Both of those are

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|---------------|---------------|-----------------|-----------------|-----------------|-----------------|
| | \$819,015,000 | \$926,689,000 | \$1,081,170,000 | \$1,225,305,000 | \$1,358,978,000 | \$1,462,215,000 |
| | \$801,811,000 | \$896,084,000 | \$1,025,486,000 | \$1,146,595,000 | \$1,258,638,000 | \$1,353,880,000 |
| | \$17,204,000 | \$30,605,000 | \$55,684,000 | \$78,710,000 | \$100,340,000 | \$108,335,000 |

Medical Research Funding Snapshot (In Millions)

| Year | 1988 | 1998 | 2002 | 2006 | 2008 |
|---------------|---------|---------|----------|----------|----------|
| Total Awards* | \$27.86 | \$62.60 | \$122.96 | \$187.94 | \$191.23 |
| NIH Awards* | \$21.44 | \$36.72 | \$72.75 | \$111.40 | \$133.30 |

* Includes College of Medicine and Public Health (through FY05), the Office of Health Sciences and Pediatrics Department awards for researchers working at Columbus/Nationwide Children's Hospital

Source: OSU Office of Research Annual Reports and OSURF eActivity Reporting System

absolutely essential for patient care and essential for recruiting."

The plan had been in the works for years, but was tied up in a turf battle between the medical center and the cancer hospital—a battle blamed in part on Sanfilippo. Consensus was eventually reached during Gabbe's first board of trustees meeting in July 2008. "I'm very impatient," Gabbe says with a laugh. "President Gee likes us to keep moving. One of our goals is to continue to advance."

Projects valued at about \$150 million have already been completed: the addition of 60 beds to Ross Heart Hospital; construction of a new MRI facility; and a new faculty office building on 12th Avenue. Another \$135 million will be spent to upgrade the infrastructure at the medical center. The final phase includes two curved towers: a new cancer hospital tower and a critical care tower which will add a combined 420 beds and be linked through a center atrium with "trees and a water feature," says Gabbe. The eight-story towers will sit on top of a five-story rectangular base connected to Rhodes Hall. "This whole thing is about making this a great care experience for patients," Gabbe says. "The evidence clearly shows that a supportive environment helps people get better faster."

Originally, the plan envisioned two campuses separated by Cannon Drive. To save money, all construction now will be east of Cannon. "It will bring all of the physicians under one roof. You get a synergy when that happens, minds coming together and thinking differently," says Caligiuri. "It will be inspirational for our staff and our faculty. It will be a shining star for recruitment as well. It will keep moving Ohio State University higher and higher toward achieving its various goals, which is very important because excellence breeds excellence." ♦

Angela Palmer is a freelance writer.

GREG BERTHOZ

The Biomedical Research Tower opened in 2006.

