

MINNEAPOLIS ST. PAUL BUSINESS JOURNAL

January 5, 2007

Vol. 24, No. 31

EXECUTIVE OF THE YEAR



NANCY KUEHN / MINNEAPOLIS/ST. PAUL BUSINESS JOURNAL

Mary Brainerd's 10th-floor office at HealthPartners' Bloomington headquarters overlooks the Minneapolis/St. Paul International Airport.

BY LYNNE KOZAREK
CONTRIBUTING WRITER

When Mary Brainerd became CEO of Bloomington-based HealthPartners in 2002, she knew what she was getting into. Still, she charged in with a smile and a Diet Coke in hand.

When Brainerd took the reins at HealthPartners, the organization was under fire from Attorney General Mike Hatch after an audit, spanning 1997 to 2001, showed what he said was extravagant spending on travel and executive perks. Brainerd immediately began addressing the issue publicly. In January 2003, she told Minnesota Public Radio, "Making the

CEO brings growth, kudos to HealthPartners

changes really starts at the top. It will have my full attention to make the changes and make them effectively."

Brainerd took the lead in making the changes recommended by the attorney general, said Gerry Stenson, HealthPartners board chair and executive vice president at Wells Fargo Bank.

"She has a high degree of openness for learning and making sure we are in alignment as the best in class and as leaders in the industry," Stenson said. "We had a board adviser who came in largely at the request of the attorney general. Some might say he had a degree of skepticism about the culture at HealthPartners, how we governed ourselves and fulfilled our mission. By the end of his year advising us, he ended up writing a very complimentary letter to the attorney general describing the organization and our approach to governance."

Stenson said the positive outcome was due largely to Brainerd's open communication with the adviser.

HEALTHPARTNERS: Brainerd confers with patients, members, employees to seek ways to improve firm

Stenson also said a testament to Brainerd's leadership was HealthPartners' receipt of a four-year, \$1.9 million Pursuing Perfection grant from the Robert Wood Johnson Foundation. The first phase of the Pursuing Perfection program is focused on making fundamental changes to the traditional model of providing health care by improving processes and outcomes of care for patients with diabetes.

"One of [Brainerd's] major impacts has been her willingness to transparently examine what and how HealthPartners is doing in the insurance arena and in care delivery," Stenson said. "She has an openness and willingness to discuss and analyze what we're doing and how we could be better. She holds the organization to a national standard, not just a local or regional standard."

That expectation appears to be paying off. In September 2006, Buyers Health Care Action Group ranked HealthPartners — Minnesota's second-largest health insurer — as one of the state's top performers. Also this year, the National Cooperative Bank ranked the company No. 15 in its top 100 co-ops in America list. And Cigna Corp. chose HealthPartners to manage health care for its 70,000 members.

Previously, HealthPartners had added national dental coverage in 2004, and in 2005 the company expanded its "65+ Medicare" plan to include all Minnesota counties.

The organization employs 9,850 people and covers more than 640,000 members across Minnesota and Western Wisconsin. One of the largest nonprofits in the state, HealthPartners ended fiscal year 2005 with \$2.6 billion in revenue.

For her part, Brainerd has been awarded the Medal of Distinction by the College of St. Catherine, has been named one of Minnesota's Most Influential Women in Business by the Business Journal, has been awarded an Ethical Leadership Award by the University of St. Thomas and was named one of the Top 25 Women in Healthcare by Modern Healthcare magazine.

Brainerd emphasizes that the success of HealthPartners has been a collaborative effort.

"I am proud of the teamwork and very high levels of commitment to our mission on the part

of our staff," she said. "Most of all, I am motivated by our results."

Brainerd said the result of initiatives put in place over the past four years demonstrate important steps forward in the health of their customers, as well as business results.

"We work hard to be stewards of the health care dollar — and we are doing a good job," Brainerd said. "Our results in improving health are simply remarkable and recent awards we've received are very reinforcing. They give us all energy to take the next transformational steps."

Bob Dutcher, chairman, president and CEO of Possis Medical Inc., where Brainerd serves on the board of directors, has high praise for her abilities as a CEO.

"It's a very complex business that involves a lot of parties — government, community, insurance, doctors and patients. It takes a real special person to understand and figure out how to make all those things work together," Dutcher said.

Another initiative implemented at HealthPartners under Brainerd's leadership is Health Goals 2010. Stenson characterizes the program as an example of Brainerd's openness and willingness to transparently examine HealthPartners and make improvements. In fact, Stenson said, Health Goals 2010 — strategic health care goals created through public forums and staff input — is one of the highlights of Brainerd's tenure.

"She wants to discuss and analyze what we're doing and how we could be better," Stenson said. "She has a recognition that, at the end of the day, delivery means individual patient care on a one-on-one basis."

In fact, Brainerd has said publicly that her experience as an oncology patient (she was treated for cancer seven years ago) has helped her see the health care system through the eyes of a patient. "My experience ... made me even more determined to find ways to use the best science in treatments."

Brainerd's focus has helped HealthPartners Research Foundation become one of the largest research foundations in the country, funding approximately 250 projects annually. The organization funds clinical, health services and basic science research.

HealthPartners

City: **Bloomington**

Founded: **In 1957 as a cooperative**

2005 revenue: **\$2.6 billion**

Employees: **9,850**

Web site: **www.HealthPartners.com**



HealthPartners®
Institute for Medical Education

During Brainerd's time at HealthPartners there also has been a renewed focus on the Institute for Medical Education, whose programs train more than 500 resident physicians at Regions Hospital each year. The institute provides more than 240 continuing-medical-education programs and created the first simulation center for patient safety in the nation.

Brainerd's work to transform HealthPartners may have begun with a very public prodding by the attorney general, but it has evolved into her mission for the organization.

"She's very proactive in talking to patients, members and employees at all levels to find out how things are going and where they could be improved. Then she integrates that into strategic thinking," said Stenson.

It is thinking like that, he added, that has earned HealthPartners "Excellent" ratings from the National Committee for Quality Assurance — a private, nonprofit organization that accredits and certifies health care organizations in the United States.

In the end, said Dutcher, it's not just Brainerd's savvy business sense that makes her such an asset to HealthPartners.

"She has a business side, a caring side and she's able to meld those together," Dutcher said. "I've seen her in action and I view her as a special person."

Lynne Kozarek is based in Richfield.

HealthPartners' highlights during Mary Brainerd's tenure as CEO (2002-2006)

