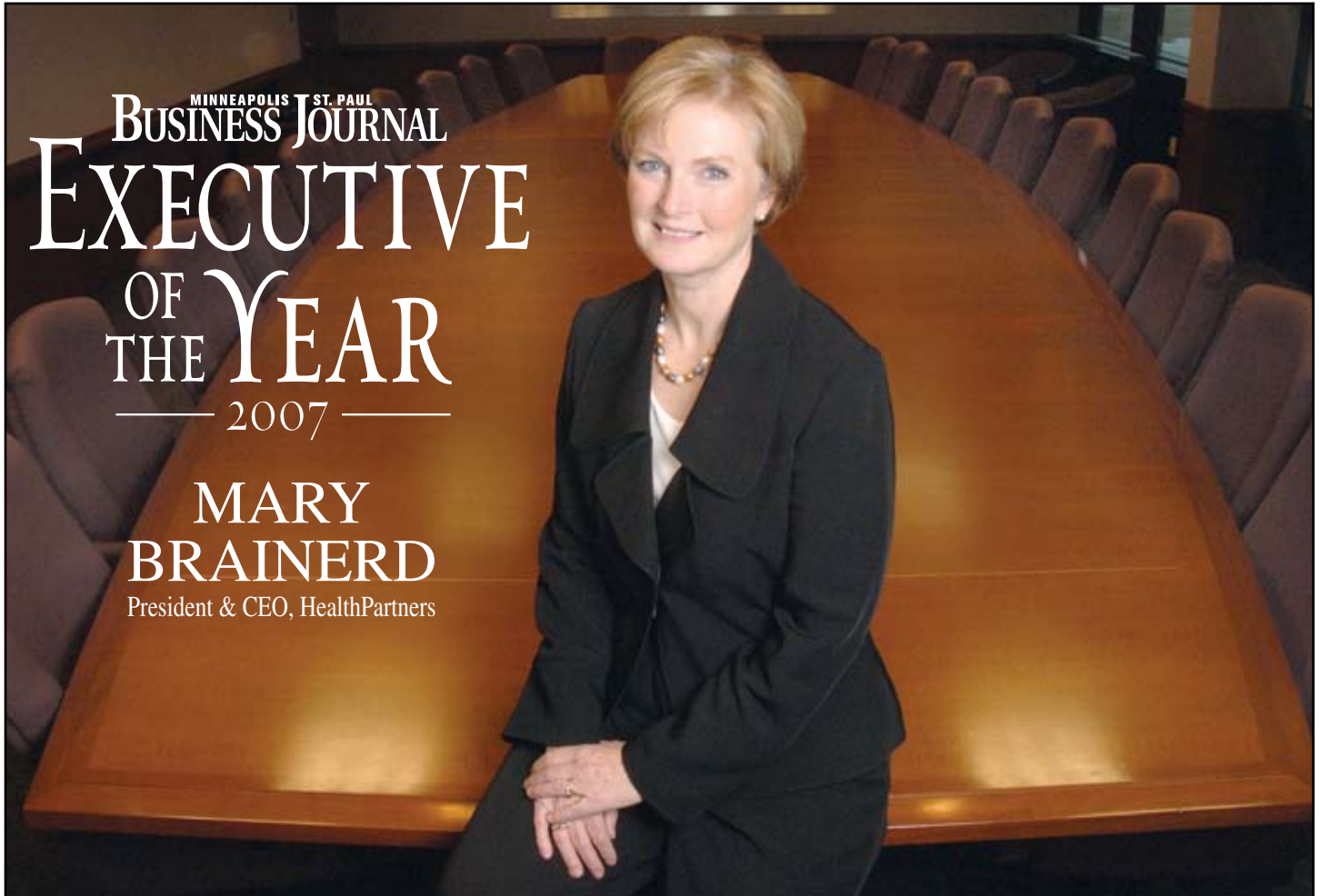


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**BY LAUREN WILBERT**  
STAFF WRITER

Mary Brainerd, president and CEO of HealthPartners, is a decisive woman.

One colleague claims she can settle almost any problem during a two-minute voice mail exchange.

She's sure Diet Coke tastes better from a fountain than in a can or plastic bottle, and she knew early on that health care was where she wanted to do her life's work.

Since taking over leadership of the non-profit May 1, 2002, its revenue has grown more than 60 percent, to \$2.6 billion in 2005. She's also created a culture where Bloomington-based HealthPartners is an employer of choice.

## HOOKED ON HEALTH CARE

Executive of the Year focuses commitment to improving industry into leadership of insurer, provider

In April, she struck a deal with national health plan Cigna Corp. of Philadelphia, which increased HealthPartners' membership by at least 70,000 when it went into effect. Six months later, she announced a

10-story, \$150 million inpatient expansion and renovation project for Regions Hospital in St. Paul.

Brainerd, 52, has become a pillar in the community, as well. She sits on 10 boards in varying industries; is chairwoman of the Capital City Partnership's board of directors; is active in the Itasca Project, which brings business leaders together to address the region's economic health; and commits thousands of dollars from HealthPartners to Twin Cities organizations.

The amount of personal interest she invests in many of her outside commitments surprises some peers, such as Jim Campbell, who Brainerd worked with to found the Itasca Project. When Itasca decided to take on the issue of economic disparities

# **BRAINERD:** Leadership skills were tested early on

in the region, particularly between whites and minorities, Brainerd took the lead on that initiative.

“In my very first conversations with Mary, I thought she was intrigued with it because of the impact to her business and the delivery of health care to differing levels of income,” Campbell said. “So to be honest, I thought that there was a business case for her. But as she became involved on the task force, this wasn’t really something Mary was doing to benefit HealthPartners. She had engaged her personal self into this huge issue.”

“Mary’s the real deal,” said Lynn Casey, CEO of Minneapolis public-relations firm Padilla Speer Beardsley and fellow member of the Itasca Project. “She’s a very open, honest, straightforward, practical and impassioned leader.”

Perhaps those qualities are why people look up to her, and why HealthPartners employees get behind her. Not only are they happy to work there, but they’re happy with Brainerd.

Regions Hospital CEO Brock Nelson attests that in all the health care companies he’s worked in, he’s never seen an organization where there is so much respect for the chief executive.

“I’ve never seen it where [the CEO] is so highly regarded by everyone,” he said. “That is very unusual.”

## **Clear path**

As a philosophy major at the University of Minnesota in the early 1970s, Brainerd needed something to fill her summer that would both pay money and earn college credit. What she didn’t know was that a temporary gig during her junior year at the Minnesota Department of Health would turn into a lifelong career in health care, and eventually a top-dog position at one of the largest health care organizations in the state.

She became “hooked on community health” after she spent the end of her summer job working closely with people at the Minnesota Public Health Association, which encourages communities in the state to discuss and focus on public health policy and issues. Brainerd then took her newfound interest to graduate school.

At the time, universities in the Twin Cities did not offer a master’s in health care administration. Brainerd said she got the

## **Mary Brainerd**

**Age: 52**

**Education: Bachelor of arts, philosophy from the University of Minnesota; MBA from the University of St. Thomas**

**Family: Husband, Dick; son, Andrew, 21; daughter, Mary, 19.**

**Hobbies: Biking with her husband and friends on local and international routes, Pilates, bird watching, cross-country skiing, hiking and reading.**

**About her name: It’s a tradition in her family to name the women on her mom’s side “Mary.” She, her grandmother, mother and daughter all share the name. To distinguish among them at family gatherings, Brainerd goes by her first middle name, Mary Keith. She’s the youngest of three, with two brothers who are older than her by 14 and 12 years.**

next best thing: an MBA in business administration from the University of St. Thomas in St. Paul. She put herself through school working at St. Mary’s Hospital (now Fairview Riverside) doing training for all non-nursing departments.

Her next move after graduate school would propel her into a number of management roles. First stop: Eagan-based Blue Cross and Blue Shield of Minnesota.

That’s where she honed her knowledge of the business side of health care, and also where she met George Halvorson, the person who would found HealthPartners and lure Brainerd away from Blue Cross.

“[Halvorson] called and asked if I’d like to join [HealthPartners], and I did, in large part because it was both health care financing and health care delivery,” she recalled.

Never mind that Brainerd “wasn’t a great science student,” or that she’s not the strongest person at the sight of blood. Her eyes light up, though, when she talks about the possibilities of improving health care through a company that provides both health insurance and medical care.

“The thing that really drew me to HealthPartners was the chance to be part of an organization that had all the resources essentially to change health care,” she said.

Brainerd started her new job in 1992. The

company promoted her to chief operating officer in 1994. Her time in that role was highlighted by the reinvention and renovation of what is now Regions Hospital, as well as account wins such as 14,000-member American Express Financial Advisors Inc. (now Ameriprise Financial Inc.). She also is credited with helping to assemble a strong team of business administrators and physicians for the company.

She had been in the No. 2 spot for a decade when, in 2002, Halvorson announced his decision to leave HealthPartners to become CEO of Kaiser Foundation Health Plan Inc. and Kaiser Foundation Hospitals in California.

“I was really faced with a decision that I hadn’t anticipated, which was, ‘What did I want to do then?’” she said.

Other executives at HealthPartners seemed to make the decision for her, sending numerous messages to the board of the directors that the company already had its next CEO.

“I was expecting we would conduct a national search for George’s successor,” said Gerry Stenson, executive vice president of Wells Fargo Bank and a HealthPartners board member since 1998. “I and a bunch of other directors were blown away at the number of senior managers who told us we already had George’s successor at HealthPartners.”

Brainerd interviewed for the job, and the rest is history. She still has as much internal support as when she started, if not more, Stenson said. The transition went smoothly, mostly because she’d already had the chance to leave her own imprint on the company as chief operating officer.

She didn’t know that less than a year into her new post, she would have to defend the company and salvage employee morale during an investigation by then-Attorney General Mike Hatch, who was scrutinizing board-approved perks to her previous boss, Halvorson.

Brainerd described it as a huge challenge, but Stenson said it was one of her best moments as the leader of HealthPartners.

## **Her own style**

As her leadership skills were tested, Brainerd stood by a simple formula: Be open, honest and firm.

That philosophy won her support from peers, colleagues and employees.

# **BRAINERD:** CEO champions common mission

The investigation was a blow to HealthPartners' reputation in the community and with stakeholders in the organization, she said. "But the thing I worried about the most was making sure we had really effective communications inside HealthPartners."

Brainerd offered to discuss with employees in groups of four or five such taboo topics as her salary, benefits and how the board established her compensation.

"It was personally very difficult to do," she said. "It's a different thing than talking about executive compensation in the abstract."

Still, she added, "I always want to be in the position of me feeling comfortable that we're doing something that I can be honest about."

HealthPartners already had made or was in the process of making changes that Hatch's office suggested. The board remained HealthPartners-elected, and Hatch did not appoint any members.

Regardless of what happened then, Brainerd said Halvorson left a solid foundation for her to build upon. There was no reason to change the direction HealthPartners was taking at the time, but she acknowledges she has a different management style than her predecessor.

For starters, colleagues and employees describe her as an open book, and someone who makes a point of visiting every department and clinic at some point during the year.

She leads by example, making family and her health a priority. Her parents influenced those values by the way they lived.

Her mom, a part-time librarian, and dad were avid walkers and swimmers, and her father always encouraged Brainerd to stay physically active.

Brainerd's father rarely took vacations because his job as a stockbroker was on production-based income. That impacted her commitment to find a balance between work and family.

HealthPartners once had to reschedule an annual meeting because Brainerd's daughter had an event that Brainerd wanted to attend. And yes, she does go to the gym a minimum of 12 times a month, the required amount to get the HealthPartners fitness discount.

"I've gotten really hooked on Pilates," she said. She and her husband, Dick, share

a passion for biking, as well, taking their hobby internationally.

"Last summer, we went biking in Italy. Two years ago, we went biking in France. And then two summers before that, we biked in Scotland," she recounted. "It's a good way to see the area, and people are friendlier and always happy to engage with somebody on a bike because it's a topic of conversation."

## **Diet Cokes and a trashed car**

The role model has her vices, however.

She's a self-proclaimed Diet Coke addict. In a single day, Brainerd will venture to the nearest fountain-drink dispenser at least three times for a large cup of the carbonated drink. She swears that her gym has the best fountain Diet Coke around.

Then there's the stark contrast between her corporate office and her car.

Her 10th-floor, corner office in Bloomington is dust-free, lined with clean windows that overlook small lakes and passenger jets landing at the Minneapolis/St. Paul International Airport just across Interstate 494.

She has two desks clear of clutter, and each one has a neatly stacked pile of papers.

Her red, four-door Audi is another story.

"Yeah, my car is trashed," she said.

It's essentially a mobile office during her 45-minute commute to and from work.

"One morning, I was halfway to work and [the radio] had a news piece about things you shouldn't do in the car. 'You shouldn't be on the phone. You shouldn't do your makeup. You shouldn't eat. You shouldn't drink. And you definitely shouldn't be reading or doing your e-mail,'" she said. "I'd already done all five."

While she might be chaotic during her commutes, her days on the clock are structured.

Brainerd spends her time meeting one-on-one with members of her management team and attending meetings with CEOs of other major hospitals in Minnesota for a group called Safest in America.

The group's mission is to eliminate errors within Minnesota hospitals, and one way of doing that is to share their mistakes with one another, to discuss solutions and to reduce medical errors. The idea stemmed from a 1999 study from the Institute of Medicine that medical errors cause

as many as 98,000 patient deaths each year in U.S. hospitals.

Employees also have always been an emphasis in Brainerd's management style, and it shows. People at the headquarters of HealthPartners, which was named one of the Business Journal's Best Places to Work in 2006, walk the halls smiling. The company holds an annual President's Awards event, honoring employees for exceptional leadership.

"From the beginning when she was CEO, she made a big emphasis on the people dimension," said Kathy Cooney, HealthPartners' chief financial officer. "How do we develop supervisors? How do we manage other leaders so that people who work here have a better experience? And [the company] has seen the value of personally spending time there."

Brainerd's management style is inspired by one of her favorite books, *Leadership is an Art*, by Max Dupree. She re-reads it at least once a year and often gives copies of it to people she knows who are moving into leadership roles.

She's clear in her expectations of HealthPartners employees, too. The company has a color grid outlining its mission — people, experience, health and stewardship are the main themes — and its Health Goals 2010, which detail the company's strategy for becoming one of the best health care insurers and providers in the nation.

Those tools are for everyone at the company, from management to receptionists, and Brainerd expects everyone to act accordingly.

"I hope that I would take the same action as the receptionist at the Bloomington clinic when faced with a tough challenge, and he would take the same action as I would," she said. "It's that level of consistency and understanding of what the priorities of the organization are [that are important], and that we build it together."

## **Evolving leadership**

With nearly five years as CEO under her belt, Brainerd is just getting started.

The Cigna deal brings a surge in membership and opens the door for HealthPartners locally. Cigna expands HealthPartners' membership by 70,000 people, and now the company can assure local members and employers with work forces across the country that they can use

# BRAINERD: She's in it for the long haul, exec says

Cigna's network nationwide.

Health care brokers already are responding favorably to the partnership and broader national scope, Brainerd said.

She should know — she does some of the sales pitches herself.

"I want us to grow," she said. "I want us to take advantage of that Cigna relationship and have that be viewed as an extremely successful example of a partnership."

She's focused on "breaking out of that HMO box," to expand HealthPartners' services and capabilities both as an insurer and a provider.

Brainerd also has put the company on an aggressive plan to be the best health care firm in the nation by 2010.

The aim of Health Goals 2010, according to the document, is for HealthPartners to "innovate and simply be ... the best and most trusted provider of health care, health promotion, health care financing and health care administration in the country."

Brainerd has implemented a variety of plans to achieve those standards. For example, HealthPartners clinics have scoreboards that track patient service or report whether departments are getting performance reviews in on time. ("Because they know I'm obsessive about that," Brainerd quipped.)

HealthPartners also has a council of operational leaders and human-resources managers to work on strategic planning.

In the midst of planning for HealthPartners' future, Brainerd also considers what she calls a "health plan backlash" and how that might stall progress for the business and the communities. While the general public isn't attacking any one health plan or provider, there is a general attitude against government reforms involving health plans in forming solutions to rising health care costs and uninsured populations.

"That worries me because I see [health care] as an asset in helping to solve the health care issues in our community, and I want to be engaged as an asset," she said.

## Blue Cross and Blue Shield of Minnesota

1984 Vice president, Health Services

1985 Senior vice president and chief operating officer of Blue Plus

1992 Senior vice president and chief marketing officer

## HealthPartners

1992 Executive director and chief operating officer of MedCenters and Contracted Care Systems

1994 Executive vice president of Care Delivery

2000 Executive vice president and chief operating officer of HealthPartners

2002 President and CEO

For her company's part, HealthPartners' chief medical officer, George Isham, participated in creating Gov. Tim Pawlenty's QCare health initiative, which uses quality standards borrowed from the Institute for Clinical Systems Improvement in Bloomington and MN Community Measurement in St. Paul.

Brainerd herself is involved in legislative debates for health care. She believes HealthPartners is in a unique position to work on solutions because she and everyone else there work on both sides: insurance and providing health care.

"There's nowhere to hide," she said. "I tell people this inside [the company] all the time: 'You're not in the position to demonize the health [insurance] part because you're part of that organization, and you also can't demonize the hospitals for being greedy.'"

### No exit plan

Brainerd has some time to reach those goals. She plans to be with HealthPartners for the long haul and hasn't thought about retiring.

When she finally does retire, she imag-

ines she'd do Pilates more than once a month, and spend more time taking bike trips with Dick and their friends.

She likes academic challenges, so she could see herself doing something in that arena as a student or professor. She's interested in the environment, too.

"I'd probably be a good old-lady bird watcher," she joked.

For now, HealthPartners is, 100 percent, the right organization for her, and she can't envision anything luring her away.

But she'll only stay as long as it's worthwhile to everyone involved.

"I actually feel pretty strongly that you need to reassess every couple of years what you're doing, and how long you should be doing it," she said. "There's a point at which you've given your best stuff and an organization might need something different than what you have."

"I could say, 'Yeah, I'll be here for seven [more] years, 10 years,' but I'd rather just try to continue [asking], 'Am I getting the job done?'"

Many people would likely answer with a resounding, "Yes."

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