

Departing chief of HUMC had grand vision

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The street in front of Hackensack University Medical Center is called John P. Ferguson Drive. The only photo in the hospital's imposing lobby shows John P. Ferguson, with a framed message telling everyone who passes that "one person can make a world of difference."

John P. Ferguson's name has been synonymous with the medical center for 23 years — ever since he became its president and embarked on a mission to turn an ordinary community hospital into one of the top health care institutions in the United States. Today, Hackensack University Medical Center is a nationally ranked, \$1.2-billion-a-year business, one of the state's largest employers.

And Ferguson has been recognized as one of the country's top health care leaders — until Friday, when he stepped down after a federal corruption scandal tarnished both his and the hospital's reputation.

Former state Sen. Joseph Coniglio, a retired plumber from Paramus, was convicted last month on six counts for accepting a low-show job on the hospital payroll in return for steering millions of dollars in state grants its way. Ferguson did not testify and was not charged, but Assistant U.S. Attorney Thomas Calcagni said at the trial's closing: "Coniglio was hired by the hospital CEO without a job for him to fill."

J. Fletcher Creamer Jr., president of the hospital's board of governors, said he accepted Ferguson's decision to retire "with profound regret" and expressed praise for the man and his stewardship of the medical center. But speculation was rampant in health care and political circles that Ferguson could not have survived the fallout from the trial.

Ferguson did not comment Friday. Through his staff, he previously declined requests for interviews for a planned profile of him.

Others were more forthcoming.

Depending on who was doing the talking, the 60-year-old chief executive was either laser-focused or detached, brilliant or out of control, charming or ruthless, loyal or untrustworthy, unpretentious or arrogant. He could fire off hilarious one-liners and entertain celebrities at gala events, but also hold a grudge for more than a decade.

To some on his staff, he was "Mr. Ferguson" to his face and "Hubcap Johnny" behind his back — a reference to a reported encounter with a curb while driving back from lunch one day.

His determination was the stuff of legend. One day early in his tenure, he guided a reporter through the hospital corridors. Suddenly, he asked an audacious question: "What's to keep us from being the best?"

He repeated that question often over the years — to doctors, administrators and donors. This

year, as the trial approached, he even set a date to reach that goal: "He said he wants us to be the No. 1 hospital in the country by 2014," said Dr. Peter Gross, the chief medical officer, who believes that by many measures the hospital is already there.

But, as the stain of the trial lingered, it became clear that, for many, the answer to his question — "What's to keep us from being the best?" — was John P. Ferguson himself.

12th in power ranking

The hospital's public relations department has directed hospital officials and board members not to respond to media inquiries for months now.

But that didn't stop Ferguson's staff from waging another media campaign: Moving Ferguson's name up on Modern Healthcare's list of "100 Most Powerful People in Healthcare." He was so conscious of his image that his staff was asked last year, and again this year, to pack the ballot box.

Through "employee engagement campaigns" that included e-mail reminders, computer stations in the lobby and cafeterias, and help from IT staff to cast repeat votes, Ferguson rose from a ranking in the 50s to No. 12 last year — right behind House Speaker Nancy Pelosi and ahead of the secretary of the federal Department of Health and Human Services and the director of the federal Centers for Disease Control and Prevention. This year's goal was to move him into the Top 10.

When Ferguson took over Hackensack Medical Center in 1986 at age 37, the hospital had little to distinguish it from the others in North Jersey. It had 529 beds; today it has 781. It had two chairs for patients to receive chemotherapy; today it is the nation's fourth-largest provider of cancer care. It had one marquee program, in open-heart surgery; today, among many specialized services, it performs stem cell, kidney and pancreas transplants.

Ferguson previously served as senior vice president at St. Vincent's Hospital and Medical Center in New York City. He'd been at Hackensack for five years, first as vice president and then as chief operating officer, when he was named chief executive officer.

Where others saw a mishmash of buildings in a town mocked in comedy and song, Ferguson saw a chance to build a medical empire.

He attracted and promoted big-name doctors from across the country. He pioneered the hospital-as-hotel philosophy with Ritz-Carlton-style décor. He commissioned a line of hospital gowns designed by Nicole Miller and launched at a fashion show at New York's Rainbow Room.

Not content to succeed merely in New Jersey, Ferguson re-branded Hackensack as a New York metro and national institution. He added the "university" tag in 1995. The hospital's television ads have appeared on the Super Bowl; its "Mr. Rounder" computer robot on the cover of Business Week; and its robotic operating room in Vogue.

"He's taken Hackensack from a relatively small institution to the highly visible, world-class institution that exists today," said Ken Raske, president of the Greater New York Hospital

Association, on whose board Ferguson sits.

The hospital attracted wealthy donors to keep the nearly constant expansion moving.

As Ferguson built the hospital, he also built his board. He recruited some of the most powerful business leaders in Bergen County and beyond, including public works contractors Joseph M. Sanzari and Creamer, and Joseph Simunovich, former chairman of the New Jersey Turnpike Authority and ex-president of United Water. Board members have donated millions to the hospital.

The accolades rolled in. The hospital received the largest payout from Medicare's "pay for performance" program for three years running, meaning that the government considered the care provided to Medicare patients to be better there than anywhere else. Hackensack was the second hospital in the nation to receive a national magnet award for nursing excellence. And the nation's largest health care philanthropy gave Hackensack a multimillion-dollar grant to develop models of health care "perfection." By state measures of hospital performance, Hackensack's scores are consistently high.

Hackensack's reputation for quality care became so imbedded in the public's mind that its occupancy rates — more than 90 percent — are the highest in the state.

"Those are unheard-of rates in the rest of the country," said Dan Moen, former executive of for-profit hospital chains and now CEO of the company that wants to invest with Hackensack in a plan to expand into Westwood. "It means you're effectively full during the week, and probably have patients waiting to get in."

Star-studded galas

As the hospital's reputation rose, so did Ferguson's pay.

Ferguson's salary surpassed that of every other hospital CEO in New Jersey and all but one in New York in 2007, when he earned \$2,846,494 in cash and an additional \$630,000 in deferred benefits. He may have earned more from his role in for-profit companies related to the hospital, including Progenitor Cell Therapy, which was paid more than \$2 million by Hackensack in 2007, according to the hospital's federal tax filings. But those companies are private and their records are not available.

Ferguson celebrated the hospital's success at annual galas in Manhattan studded over the years with such guests as Natalie Portman, Brooke Shields, Roberta Flack and Jorge Posada.

As the years passed, his name and the hospital's became completely intertwined. "People associate quality care with Hackensack. It's a brand, a reputation. It's Coca-Cola. That's what John represents," said Westwood Mayor John Birkner, who hitched his star to Ferguson's plan to reopen Pascack Valley Hospital.

But big business also requires hard choices. To fund the growth and deal with the escalating debt from the construction projects, Ferguson tightened fiscal policies: Lawyers file suit against people who fall in arrears on their bills, patients are required to pay their share for high-priced

procedures in advance, and the hospital's charity-care clinics have been shed.

In a non-profit world where the ostensible goal is the health of the region's residents, Ferguson was cutthroat, not cooperative, leaders of other hospitals said. His aim, they said, was domination.

The prosecutor argued at trial that Hackensack's hiring of Coniglio was part of an overall scheme to influence many political decisions in the hospital's favor. "The hospital was building a political machine at this time," Calcagni, the assistant U.S. attorney, said.

The hospital's "very politically sophisticated" board members "could pick up the phone and call the governor and say, 'I need help on this,'" testified Peter Cammarano, former chief of staff to state Senate president and former Gov. Richard Codey. They had access to all the levers of power — from Hackensack's City Council, which granted approval for its pedestrian sky bridges, to the New Jersey State House, which doled out state charity-care payments.

During the trial, Calcagni described Ferguson and Coniglio meeting behind closed doors, apparently to set up Coniglio's job. He said Ferguson participated in a conference call to craft a misleading statement about that job with Robert Torre, the head of the medical center's foundation; Simunovich, then chairman of the hospital's board of governors; and Anne Marie Campbell, vice president of public relations.

Last December, after Ferguson met with The Record's editorial board, he was asked if he was in the hot seat. "I'm not doing anything," he said.

A man of vision

The hospital's medical leaders said Ferguson's management style was more visionary, less hands-on.

"John has the ability to pick out people who can actually get the job done, and then get out of their way," said Dr. Andrew Pecora, a stem cell transplant physician and head of the cancer center, whom Ferguson recruited from Memorial Sloan-Kettering Cancer Center in 1989. "He's somebody who recognizes people's abilities, gives them the resources and tools they need, and — as long as you perform — he doesn't get in your way."

He's "not a physician, not a scientist — he's a business guy," Pecora said.

Gross added: "He functions at 30,000 feet" — articulating a vision and setting priorities. "Then he wants me or [Chief Operating Officer Robert C.] Garrett or [Chief Financial Officer Robert] Glenning to help implement things. He's not going to get intimately involved in the day-to-day operations."

But executives at other hospitals complain about Ferguson's take-no-prisoners approach, most recently in his campaign to expand into Westwood by reopening Pascack Valley Hospital.

"Make no mistake about it," said Douglas Duchak, president of Englewood Hospital and Medical Center, at a meeting with The Record's editorial board in January. "They want to weaken the rest

of the hospitals in the area."

The other executives felt double-crossed when Ferguson refused to participate in a discussion about possible collective action by the hospitals to save Pascack Valley before it went bankrupt. Ferguson did not appear at the meeting. In fact, he announced exclusive negotiations with Pascack Valley's leadership a month later — essentially blocking the other hospitals from making a move. Those negotiations were extended again and again until the hospital sank into bankruptcy and closed.

Ferguson dismissed his competitors' criticism of his plans for "Hackensack North."

"If I had a candy store on a block," he once said, "I wouldn't want another one to open up either. But welcome to America. Here we are asking for no money, total risk — what's the problem?"

And he wasn't above a threat that would galvanize residents in the area, who desperately want the hospital to reopen: Last December, Ferguson said that if his plan didn't go through, he'd have to get rid of the property.

"Maybe they'll build a mall there," he said.

Tiny hospital's savior

Ferguson has a second home on Martha's Vineyard, where — even on vacation — he doesn't leave the business of hospitals behind.

As board chairman of Martha's Vineyard Hospital since 2002, he is credited with saving the 15-bed institution. With customary ambition, Ferguson undertook the largest capital campaign in the island's history to build a new home for the hospital. Last year, he received the "trustee leadership award" from the New England Healthcare Assembly.

Martha's Vineyard Hospital President Timothy J. Walsh declined to take a reporter's calls, on instructions from Ferguson's staff in Hackensack.

But radio personality Don Imus — who raised more than \$30 million for Hackensack and gave Ferguson priceless coast-to-coast name recognition — speaks almost reverentially of the departing hospital president. Though he declines interviews, Imus is voluble on the air.

Ferguson transformed Hackensack "from a triage unit into one of the greatest hospitals in this country," Imus said. Imus once suggested to a visiting lawmaker that Ferguson — "a great health care leader" — be named to remake the Veterans Administration.

In recognition of Imus' support, Hackensack in 1994 dedicated the Don Imus/WFAN Pediatric Center for Tomorrows Children.

And when Imus returned to the air following months of silence after his firing for racist remarks about the Rutgers women's basketball team, the very first voice heard in advertisements on his new program was Ferguson's.

Recently, the I-man has commented sympathetically on another side of Ferguson's character.

Imus described Ferguson on the air on May 6 as "a little shaky in some areas. ... but we all have our dark side." When a sideman asked Imus what he meant, he said, "He'll put a lampshade on his head."

"He has his demons," Imus said on the air on May 14. "He leads a complicated life."

Ferguson's \$1.1 million condo in the Bear's Nest of Park Ridge has been on the market since the Coniglio trial.

Married, Ferguson has two grown children, and his second grandchild was born last week.

As Ferguson gave up the reins Friday to the institution that has been his life, Robert Garrett, his successor, wished him well. "He certainly deserves to spend time with his family and enjoy a great retirement," he said.

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