

**TESTIMONY OF DR. GEOFFREY SWANSON**

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In the United States Federal District Court for the District of Idaho  
*Saint Alphonsus Medical Center-Nampa, Inc., et. al. v. St. Luke's Health System Ltd., et. al.*  
Case No. 1:12-cv-00560-BLW

**Page Range: 7:13-7:22**

7:13 Q. Dr. Swanson, can you please state your  
7:14 full name for the record.  
7:15 A. Geoffrey Norman Swanson.  
7:16 Q. And your current business address?  
7:17 A. 1500 Shoreline, I believe, is the  
7:18 correct address.  
7:19 Q. Boise?  
7:20 A. In Boise.  
7:21 Q. And your current employer?  
7:22 A. The St. Luke's Health System.

**Page Range: 12:20-14:2**

12:20 Q. Can you describe your title and  
12:21 responsibilities for the record?  
12:22 A. My title at the St. Luke's Health  
12:23 System?  
12:24 Q. Correct.  
12:25 A. I am the system vice president of  
13: Page 13  
13: 1 clinical integration. The duties of that are  
13: 2 widespread and involve interrelations with the  
13: 3 Executive Medical Director, the Chief Quality  
13: 4 Officer, a number of physicians, a number of  
13: 5 administrative staff, a number of leadership in  
13: 6 the -- the function of that.  
13: 7 Q. Do you have any other titles aside from  
13: 8 clinical integration?  
13: 9 A. For the St. Luke's Health System, no.  
13:10 Q. Do you have titles other than for the  
13:11 St. Luke's Health System?  
13:12 A. I am a physician, and so there's that  
13:13 title as well. I am the president of Select  
13:14 Medical Network and the chair of the BrightPath  
13:15 organization, chair of the board of directors.  
13:16 Q. And we'll get into Select and  
13:17 BrightPath in a little bit. Just so the record is  
13:18 clear, is Select part of the St. Luke's Health  
13:19 System?

13:20 A. It is. At this time, it is a wholly  
13:21 owned entity of the St. Luke's Health System.

13:22 Q. And is BrightPath part of the St.  
13:23 Luke's Health System as well?

13:24 A. No.

13:25 Q. That is a separate legal entity?

14: Page 14

14: 1 A. Correct. I believe Select is also a

14: 2 separate legal entity as well.

**Page Range: 69:11-69:18**

69:11 Q. I'm going to jump ahead a little bit  
69:12 again. You have a series of bullets in the middle  
69:13 of this same page. I guess I -- I believe it is  
69:14 the fourth bullet, which reads "a critical mass of  
69:15 providers is necessary to deliver appropriately  
69:16 managed comprehensive care to a population."  
69:17 Do you see that?  
69:18 A. I do.

**Page Range: 69:19-71:9**

69:19 Q. Can you explain what you meant by  
69:20 "critical mass of providers"?  
69:21 A. You have to take it in context with  
69:22 the rest of the process, which this -- or the rest  
69:23 of the paragraph, which this was intended to talk  
69:24 about the driver of cost being the sponsoring  
69:25 event, rather than poor quality care.  
70: Page 70  
70: 1 We may indeed have poor quality care  
70: 2 issues that need to be managed, but particularly  
70: 3 from the public's perspective, the governmental  
70: 4 perspective, the continued escalation of cost is  
70: 5 the burning platform. It is the problem to be  
70: 6 solved.  
70: 7 And so as you move down that process,  
70: 8 the critical mass of providers is necessary to  
70: 9 deliver the managed comprehensive care. This  
70:10 comes back, I think, to your question about  
70:11 physician alignment.  
70:12 By critical mass of providers, you  
70:13 have to have enough providers put together in a  
70:14 workable way that starts the process, that acts as  
70:15 the nidus, if you will, for the transformative

70:16 process.  
70:17 And I speak again to my experience of  
70:18 trying to pull the process together without having  
70:19 that nidus, without having that -- that core  
70:20 critical mass of providers to start the process is  
70:21 not successful in the embodiment of the Triple  
70:22 Aim.  
70:23 Once again, there are other entities in  
70:24 the country that have achieved, perhaps, the  
70:25 protection of clinical integration, but have not  
71: Page 71  
71: 1 been as what I would think, from my own  
71: 2 perspective, would be material to achieve what the  
71: 3 outcome is. Which is really the Triple Aim, the  
71: 4 process of achieving something very different than  
71: 5 what we currently have.  
71: 6 And I think we need to think very  
71: 7 innovatively about how care delivery should be  
71: 8 rendered, how should you manage the population's  
71: 9 health.

**Page Range: 71:10-71:15**

71:10 Q. And has St. Luke's identified what that  
71:11 critical mass is?  
71:12 A. Not to my knowledge. I'm not sure if  
71:13 it is a definition or if it is amorphous concept  
71:14 that you have to have enough critical mass. But  
71:15 what that is I'm not sure is quantifiable.

**Page Range: 110:13-111:22**

110:13 Q. And I guess the same question then is  
110:14 how will St. Luke's know when it has achieved  
110:15 accountable care?  
110:16 A. I think that is a dynamic process. I  
110:17 think you have measures of success as you go  
110:18 through this, and I think that the stakeholder  
110:19 process that we envision is going to have to help  
110:20 define some of those things.  
110:21 I think as we looked at this initial  
110:22 strategy document, I think cost is an issue. That  
110:23 we need to address a population management cost  
110:24 that is not compartmentalized in some of the cost  
110:25 shift and these issues that we talk about, but it  
111: Page 111

111: 1 truly is what's the population cost.  
111: 2 And I think there are other metrics of  
111: 3 success that are not cost-oriented, that are not  
111: 4 also provider- or facility-centric: The  
111: 5 measurements of the health of the population,  
111: 6 things that we alluded to earlier about obesity  
111: 7 management, the prevalence of diabetes, can people  
111: 8 access care.  
111: 9 So I think there's a host of metrics,  
111:10 and those are probably going to continue to evolve  
111:11 as we go through stuff.  
111:12 I think we do have some metrics of  
111:13 success now, that we have improved access. We  
111:14 have a patient centeredness survey that looks, I  
111:15 think, fairly robustly at our ability to intervene  
111:16 in the way that we render care and to start to get  
111:17 at how do you measure something and put a process  
111:18 in place and then improve upon it.  
111:19 But, once again, this is an evolution  
111:20 that requires a Herculean amount of infrastructure  
111:21 and resource application and change management to  
111:22 be effective.

**Page Range: 111:23-112:1**

111:23 Q. So as you sit here today, you're not  
111:24 sure what metrics will ultimately be used to  
111:25 determine whether St. Luke's has achieved  
112: Page 112  
112: 1 accountable care; is that right?

**Page Range: 112:3-113:3**

112: 3 THE WITNESS: I'm not sure anybody can  
112: 4 predefine what the future is. I think we have  
112: 5 some pretty good ideas at least about interim  
112: 6 measures that start to hold ourselves accountable,  
112: 7 if you will, towards that transformation.  
112: 8 Q. BY MR. HERRICK: And as you sit here  
112: 9 today, there's no specific timeline for when  
112:10 St. Luke's will achieve accountable care; isn't  
112:11 that right?  
112:12 A. I think there are a number of robust  
112:13 timelines. Whether they are achievable or not is  
112:14 perhaps a more material question.  
112:15 So in this document that -- that we

112:16 looked at earlier, and it is a draft document  
112:17 that -- that -- we looked at 2014, I would submit  
112:18 to you that that's not going to be achievable,  
112:19 that there's more work involved as this process is  
112:20 unfolded.  
112:21 Would we be in a position of delivering  
112:22 more accountable care in 2014? I think so. Would  
112:23 we be even more able to deliver accountable care  
112:24 in 2015? I think so. Will we be done by 2020?  
112:25 I -- I don't know the answer to that. That window  
113: Page 113  
113: 1 is too far outside of my horizon from dealing with  
113: 2 the details of how you accomplish this  
113: 3 transformation.

**Page Range: 113:25-114:25**

113:25 Q. Does St. Luke's ability to be an  
114: Page 114  
114: 1 accountable care organization depend on a certain  
114: 2 threshold of employed physicians, in your mind?  
114: 3 A. I'm not sure the -- the -- the strategy  
114: 4 for accountable care does, but certainly I think  
114: 5 the operations does.  
114: 6 And, once again, I say this from my  
114: 7 historical experience of trying to execute on  
114: 8 pulling a wide variety of providers together  
114: 9 with the philosophical commonalities and the  
114:10 operational process to make it happen. And  
114:11 perhaps I'm just ineffective, but was unable to  
114:12 achieve that.  
114:13 So I come back to that discussion we  
114:14 had about the nidus, that the infrastructure, the  
114:15 application of resource has to occur in order to  
114:16 achieve what we're intending to achieve.  
114:17 And the achievement is more than  
114:18 clinical integrations and the raw, I think,  
114:19 delineation of the ability to say that you've  
114:20 met the metric for clinical integration to  
114:21 collectively negotiate. In my mind, that is only  
114:22 a part of the process.  
114:23 The true process, the true outcome that  
114:24 is the intent to achieve is that of delivering  
114:25 accountable care to your population.

**Page Range: 115:1-115:9**

115: 1 Q. So how many employed physicians does  
115: 2 St. Luke's -- Luke's need to have to achieve  
115: 3 accountable care?  
115: 4 A. I -- once again, I think this is part  
115: 5 of the process. I don't think that -- that --  
115: 6 that St. Luke's can achieve accountable care  
115: 7 purely in an employed model. But St. Luke's has  
115: 8 to have the nidus of providers in order to  
115: 9 precipitate the change.

**Page Range: 115:10-115:16**

115:10 Q. You've used the word "nidus" I think at  
115:11 least a dozen times. Why don't we define it on  
115:12 the record, just so it is clear.  
115:13 A. So a nidus -- and we've talked about  
115:14 this offline -- is -- is the start of the  
115:15 generation, and it is used meteorologically as a  
115:16 speck of dust that allows a snowflake to form.

**Page Range: 116:3-116:24**

116: 3 So you don't have a specific number in  
116: 4 mind for how many employed physicians St. Luke's  
116: 5 needs to have to achieve accountable care; is that  
116: 6 correct?  
116: 7 A. It takes enough physicians in a -- in  
116: 8 an environment that is conducive to put the  
116: 9 infrastructure in place, that is conducive to show  
116:10 the change management, that is conducive to act as  
116:11 the pilot process, if you will, for how the change  
116:12 occurs. How would an independent provider look at  
116:13 going cold turkey from fee-for-service,  
116:14 volume-based reimbursement to one of value-based  
116:15 reimbursement?  
116:16 That magnitude of change, in my  
116:17 opinion -- my professional opinion as well as my  
116:18 administrative position -- that amount of change  
116:19 is not achievable without the ability to  
116:20 demonstrate how it works to bring like-minded  
116:21 philosophies together, to have the ability to fail  
116:22 in a way that -- that in the independent,  
116:23 fragmented world that health care has historically  
116:24 been in is simply not achievable to do.

**Page Range: 116:25-117:6**

116:25 Q. Does St. Luke's currently have enough  
117: Page 117  
117: 1 employed physicians to do what you just described?  
117: 2 A. I don't know the answer to that. We  
117: 3 are not there yet. We have not yet been able to  
117: 4 completely accomplish this engagement process. It  
117: 5 is a process of evolution. It is moving in a  
117: 6 direction at this point in time.

**Page Range: 194:24-195:6**

194:24 Q. BY MR. HERRICK: All right. Why  
194:25 don't we just turn to a document. We'll mark as  
195: Page 195  
195: 1 Plaintiffs' Exhibit 127 an E-mail from  
195: 2 Dr. Swanson, dated December 5th, 2012, to  
195: 3 Dr. Souza, Dr. Fortuin, Dr. Steven Kohtz, and  
195: 4 Dr. Kurt Seppi. It has been Bates-marked  
195: 5 SLHS1093741 and also previously marked PX289.

**Page Range: 216:18-217:7**

216:18 Q. If you could look at the next  
216:19 paragraph, about halfway through that paragraph  
216:20 the sentence beginning "my pushback." Do you see  
216:21 that?  
216:22 A. Okay.  
216:23 Q. "My pushback on just organizing the  
216:24 SLC is that the problem of engaging physicians in  
216:25 the SLC is very similar to that of engaging  
217: Page 217  
217: 1 independents."  
217: 2 The "SLC" refers to St. Luke's Clinic?  
217: 3 A. It does.

**Page Range: 217:4-217:14**

217: 3 A. It does.  
217: 4 Q. And you still agree with that  
217: 5 statement, correct?  
217: 6 A. I still agree with that in the care

217: 7 transformation process. That's a very similar  
217: 8 problem for employed physicians or for other  
217: 9 physicians.  
217:10 I would submit to you it is easier to  
217:11 do in the St. Luke's Clinic model simply because  
217:12 you have the infrastructure, the organizational  
217:13 support to start the momentum and the process  
217:14 moving forward.

**Page Range: 251:19-252:22**

251:19 Q. Okay. I'm going to mark as Plaintiffs'  
251:20 Exhibit 130 a two-page document, an E-mail from  
251:21 Dr. Swanson to Randy Billings, dated April 4th,  
251:22 2011. It's been Bates-stamped SLHS581968,  
251:23 previously marked PX0235.  
251:24 (Plaintiffs' Exhibit 130 marked.)  
251:25 THE WITNESS: This came from me to Randy?

252: Page 252

252: 1 Q. BY MR. HERRICK: Have you had a chance  
252: 2 to review the document, Dr. Swanson?  
252: 3 A. Um-hum.  
252: 4 Q. Do you recognize this document?  
252: 5 A. I don't.  
252: 6 Q. This is how it was produced to us and  
252: 7 an E-mail from you to Mr. Billings from April  
252: 8 2011. Do you have any reason to doubt its  
252: 9 authenticity?  
252:10 A. I -- I -- I don't know. I don't  
252:11 recognize it. But, no, I don't.  
252:12 Q. I'm going to ask you a few questions  
252:13 about it and we'll see how it goes.  
252:14 At the top of the page 2, second page  
252:15 of the document, it reads "End Game." Do you  
252:16 have an understanding of what that is in reference  
252:17 to?  
252:18 A. I don't remember.  
252:19 Q. Does this look like a document,  
252:20 perhaps, that Mr. Billings sent to you and you  
252:21 edited and sent back?  
252:22 A. I don't know.

**Page Range: 254:18-255:3**

254:18 Q. Further down, "No. 3. Scenario  
254:19 Planning," reads, "A monopoly model." What is

254:20 that in reference to?

254:21 A. I don't know.

254:22 Q. And below that, romanette number 4,

254:23 "FTC risk"? Do you have an understanding of what

254:24 that means?

254:25 A. I'm not sure if this has enough context

255: Page 255

255: 1 for me to understand what that might mean or what

255: 2 we were talking about at that particular point in

255: 3 time.