

## Shane M. Cerone

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### **PROFESSIONAL EXPERIENCE**

#### **KADA HEALTH, LLC (Omaha, NE)**

**Nov 2023 – Present**

##### **President and CEO**

Kada Health strives to ensure that exceptional healthcare is affordable and accessible by providing professional management and leadership services for health systems, hospitals, and ambulatory sites of care. Our expertise is focused on:

- (1) Health system and hospital efficiency, interim CEO leadership and long-term management solutions, and
- (2) Health system and physician group support for all aspects of ambulatory site development and management (ASCs, Imaging Centers and OBLs) as value-based providers of care.

Kada Health leverages the knowledge and experiences of industry leaders who have managed healthcare organizations at the highest levels of operating and financial performance. We utilize this expertise, and the Kada Health Operating System, to support our clients in achieving best-in-class performance.

#### **HEALTH MARKET SOLUTIONS, LLC (Detroit, MI)**

**Apr 2022 – Oct 2023**

##### **Founder and CEO**

Health Market Solutions (HMS) is a health care consulting practice that provides management, interim CEO and institutional performance improvement services for health systems and hospitals. Enhanced performance is achieved by implementing the HMS Operating Model as a system for focusing priorities, improving system efficiency and accelerating decision-making to enhance care quality and financial performance.

#### **ST. LUKE'S HOSPITAL & HEALTH NETWORK**

**Oct 2020 – Apr 2022**

##### **President & CEO**

St. Luke's Hospital is a comprehensive health system serving St. Louis, Missouri and surrounding regions. Since its founding in 1866, St. Luke's has grown from a single hospital to an advanced regional network of care providing personalized healthcare services in more than 60 specialty areas. The system offers care at its 493-bed hospital in Chesterfield, the 143-bed hospital in Des Peres and more than 30 other locations across the greater St. Louis region. St. Luke's is nationally recognized for quality care and consistently earns high patient satisfaction scores. It is the exclusive alliance provider for the nation's number one heart hospital, Cleveland Clinic's Heart & Vascular Institute. The system is the fourth largest (based on annual revenue of \$750+ million) in the St. Louis metropolitan area, with approximately 4,800 total employees, a medical staff of nearly 1,000 members, and an auxiliary staff and volunteer corps of more than 400 members. St. Luke's is served by a large private medical staff, and anchored by a growing network of employed physicians, both primary care and specialists, in the St. Luke's Medical Group.

- Led the health system through the COVID-19 pandemic. St. Luke's was the region's first health system to vaccinate all staff and operated the largest single vaccination site in the State of Missouri.
- Developed a strategic and capital plan for the institution to remain independent, focusing on key physician and capital investments to establish St. Luke's as the region's modern community hospital.
- Reallocated investment portfolio assets to prioritize capital preservation over income generation while implementing the operating improvement plan during the COVID-19 pandemic.
- Partnered with the region's coalition of self-funded employers (Midwest Health Initiative) and served on its board to support advances in value-based care with an emphasis on price transparency.
- Completed a comprehensive review of the Medical Staff Bylaws, recommending significant updates to position St. Luke's as most preferred health system by physicians and caregivers.
- Completed a comprehensive review of physician and staff compensation and benefits. Developed a new staff compensation model and annual review process. Designed a plan to transition the pension plan to a defined

contribution model as an initiative to enhance benefits and reduce balance sheet liabilities.

- Installed a physician leadership model responsible for setting the organization's strategic direction and overseeing deployment of all capital and operating resources.
- Formed a new operating division focused on providing patients with immediate access to care through the integration of emergency medicine, urgent care and telehealth strategies.
- Implemented a new Operating System focusing on quality of care and efficiency. Utilized the Toyota Production System as the quality and operations improvement model.
- Implemented IdeaScale@St. Luke's, a cloud-based solution allowing all staff to suggest and prioritize ideas for change. More than 50 initiatives were implemented in the first year of operation.
- Designed a new model to fill open staff shifts using Demand WorkForce, a cloud-based system that reduces vacancy by pushing open shifts to personnel through an app on their phone. This technology allowed St. Luke's to maintain full operations and virtually eliminate use of agency personnel.

#### **HEALTH MARKET SOLUTIONS, LLC (Detroit, MI)**

**July 2016 – Sept 2020**

Health Market Solutions (HMS) is a health care consulting practice that provides interim CEO management and institutional performance improvement services for health systems, hospitals and medical groups. Significant institutional projects included:

- **Interim CEO –VCU Hospitals & Clinics (Richmond, VA)**

**Jan 2019 – Oct 2019**

Virginia Commonwealth University (VCU) Health encompasses a network of hospitals, clinics, an academic physician practice plan, a Medicaid health plan and the Health Sciences Schools of VCU — Medicine, Dentistry, Nursing, Pharmacy and Allied Health Professions. The enterprise has total operating revenues of nearly \$4 billion with more than \$275 million in research. As CEO, oversight responsibilities included the operations of the VCU Medical Center, Children's Hospital of Richmond and Community Memorial Hospital (a state-of-the-art hospital serving the rural communities of southern Virginia). The clinical enterprise generates \$2.0 billion in annual revenue. VCU Medical Center is a 750+ bed major teaching hospital and referral center serving as the comprehensive provider of care for the citizens of Richmond and communities throughout Virginia. The medical center admits more than 40,000 patients each year and completes more than 25,000 surgical procedures with nearly 100,000 emergency center visits. It serves as the region's premiere quaternary center with centers of excellence in trauma, transplant, oncology, orthopaedic, cardiovascular and pediatric care.

Goals included: (1) implement a new operating model to enhance physician engagement and accelerate institutional performance improvement, (2) assess the quality and safety program to achieve high reliability and (3) improve operating margin performance. Completed a comprehensive safety program assessment, which included external reviews by Healthcare Performance Improvement (HPI) and the Institute for Safe Medication Practices (ISMP), along with results from the AHRQ Culture of Safety survey. Developed and launched enhancements to the organization's patient safety program. Implemented a new leadership operating model focusing on provider efficiency and patient flow to achieve desired results in patient safety, care quality, patient experience and efficiency. Modified the organization's patient flow system by enhancing the daily safety and patient flow huddle, established the hospital's inpatient hospice program, created a Complex Care Committee and expanded the Enhanced Recovery After Surgery (ERAS) program. These and other efforts eliminated the organization's long-standing 30% diversion rate and increased FYQ1 admissions by 2.5%, surgical volumes by 9% and helicopter flights by 20% over prior year. The annual financial impact of these changes was \$160 million.

- **Interim President – SSM Saint Louis University Hospital (St. Louis, MO)**

**June 2018 – Aug 2018**

SSM Health is a Catholic, not-for-profit integrated health care delivery system serving the comprehensive health needs of communities throughout the Midwest. Headquartered in St. Louis, the system includes 24 hospitals, more than 300 physician offices serving patients with more than 40,000 employees and nearly 10,000 providers in four states. SSM Health Saint Louis University Hospital, a 356-bed Level 1 Time Critical Diagnosis hospital in Stroke and Trauma, is the medical teaching hospital for Saint Louis University and is exclusively staffed by the SLUCare Physician Group. Interim President goals included assessing opportunities to address multi-year operating losses, stabilize the organization's workforce and support system leadership in updating the affiliation agreement between SSM Health and Saint Louis University.

• **Interim President & CEO – Mercy Iowa City (Iowa City, IA)** **June 2017 – Mar 2018**

Mercy Iowa City is a 234-bed hospital and regional referral center drawing patients from throughout southeast Iowa. The hospital, clinics and physician enterprise generate \$204 million in annual revenue. The hospital is a leader in quality and patient satisfaction, among the top 2% of hospitals achieving the top 5-star rating from the Centers for Medicare & Medicaid Services. As Interim CEO, reported to the Board of Directors for Mercy Iowa City. Led the executive team in implementing a large multi-dimensional financial improvement initiative for the organization, which had incurred a 20% operating loss in the prior fiscal year and was downgraded by Moody's to a B1 rating. The financial improvement plan included a comprehensive review of operations to right-size spending, improve performance of the 80+ physician medical group and implement strategies for growth.

Significant initiatives included: creating a new physician executive committee to manage the performance improvement plan, executing a 6% reduction in the hospital's workforce, implementing a revenue cycle program that improved net patient service revenue by 5%, launching an assessment of all physician contracts and compensation philosophy, designing a radio and print marketing campaign to increase market share, developing a new contingent staffing program to improve labor productivity and implementing a defined-benefit pension plan lump sum program to reduce pension liabilities. Mercy recorded positive operating income within six months.

The eight-month engagement yielded year-over-year improvements that included a 12.3% increase in net patient service revenue, a 7.3% reduction in salaries and wages, and a \$17 million improvement in operating income (reducing the prior year operating loss to break even performance). EBIDA margin increased to 7.3% (\$10 million), erasing the prior year EBIDA margin of -5.3% (-\$6.4 million). At fiscal year-end, Moody's Investors Services upgraded Mercy's revenue bonds and revised its outlook from negative to positive.

**MICHIGAN HEALTH MARKET (Detroit, MI)** **June 2016 – Dec 2017**

In partnership with a prominent Michigan business leader, led an effort to establish a consortium of self-funded businesses in SE Michigan for purchasing health care services, driving price reductions through a competitive bid process. Created a business model designed to reduce overall market negotiated rates and decrease the variability in prices among the region's health system providers.

**BEAUMONT HEALTH (Southfield, MI)** **Aug 2008 – Mar 2016**

Beaumont Health is Michigan's largest health care system with eight hospitals (3,337 beds), 168 health centers, nearly 5,000 physicians, 35,000 employees and 3,500 volunteers. Serving the needs of metro Detroit and all southeast Michigan, the system was formed in 2014 with the merger of Beaumont Health System, Oakwood Healthcare and Botsford Healthcare. In 2015, the system generated \$4.1 billion in net revenue through care provided for 177,819 discharges, 545,825 emergency visits and 17,151 births.

The flagship of the health system, Beaumont Hospital – Royal Oak, is a 1,100-bed major academic and referral center with Level I adult and Level II pediatric trauma status. A major teaching facility, Beaumont has 40 accredited residency and fellowship programs and serves as the exclusive teaching partner for the Oakland University William Beaumont School of Medicine. It is the largest division in the health system (\$1.3 billion net revenue) with 7,500 staff FTEs and 450 employed physician FTEs. The hospital cares for more than 60,000 admissions, 51,000 surgical procedures, 6,000 births, 128,000 emergency visits and 1.3 million outpatient visits each year. Ninety-one medical and surgical specialties are represented on the medical staff of more than 2,100 physicians. Beaumont Children's Hospital (105 beds) is a member of the Children's Hospital Association and is the southeast Michigan designate for the Children's Miracle Network. The Beaumont Research Institute serves as the base for more than 300 active clinical trials and 500 principal investigators.

• **President, Beaumont Hospital – Royal Oak** **Oct 2009 – Mar 2016**

Reported to the CEO of Beaumont Health. Provided leadership and direction for the Beaumont Hospital – Royal Oak division (hospital, physician enterprise and ambulatory network) to ensure the organization met its strategic, operational, financial and quality performance goals. Ensured the delivery of high-quality, patient-centered, cost-effective healthcare. Served as Executive Leader to enhance programs and improve quality throughout the health system for several Centers of Excellence (Heart & Vascular, Children's, Women's and Neurosciences) and Integration Councils (Imaging, Rehabilitation and Pharmaceutical Care).

US News & World Report consistently honors Beaumont as one of the nation's top hospitals, with national rankings achieved in nine medical specialties. The hospital's brand has been recognized by the National Research Corporation as southeast Michigan's "Most Preferred" hospital for 20 consecutive years. For seven consecutive years, Beaumont achieved a 5-star rating in the University HealthSystem Consortium's (UHC) Quality Leadership Award as one of the nation's leading academic medical centers for superior performance in delivering high-quality, safe, efficient, patient-centered and equitable care. Beaumont was also recognized by UHC as the #1 performer in the national consortium for overall supply chain excellence. In 2017, Truven Health Analytics / IBM Watson Health identified Beaumont as a top 100 hospital and one of only 10 hospitals to receive the Everest Award honoring high performing hospitals that have shown the most improvement over a 5-year period (2011-2015). The award is based on 11 priority metrics including risk-adjusted inpatient mortality, risk-adjusted complications index, 30-day mortality and readmission rates, severity-adjusted LOS, case mix and wage-adjusted inpatient expense per discharge and HCAHPS rating of overall hospital performance. Beaumont was the 100<sup>th</sup> hospital in the nation to achieve AANC Magnet Designation and the first in Michigan. It has continuously held this status with redesignation achieved in 2014. The Joint Commission recognized Beaumont as a Top Performer for care quality in 2015 and has awarded the hospital disease-specific certifications in comprehensive stroke, total knee & hip, spine and palliative care. Beaumont is one of 50 centers achieving exemplar status from Nurses Improving Care for Healthsystem Elders (NICHE) and received the Top 25 Circle of Excellence Award for Environmental Stewardship by Practice Greenhealth. Notable accomplishments include:

- Strategy & Innovation: Formulated Beaumont Health System's service line structure to integrate clinical activities, drive quality improvement and prioritize capital needs across the system. Served as the system-wide executive lead for the Cardiovascular, Neurosciences, and Women's & Children's teams. Chaired health system strategy committees on (1) Commercial Payer Relationships and (2) Federal Payment Innovations. Experience with both successful (Oakwood & Botsford) and proposed (Henry Ford Health System) mergers. Created and expanded clinical programs as a quaternary care and major teaching center, positioning the hospital as a national leader in high-quality, high-value care. Increased the hospital's employed physician complement by 110 (a 32% increase). Developed the health system's cardiology PSA alignment model (43 medical staff).
- Growth: Reversed a trend of declining volumes resulting from the opening of competing hospitals in 2009. Proposed and implemented numerous capital investments involving hundreds of millions of dollars, including the replacement of the Emergency Center (\$140 million) and development of the Beaumont Proton Center (\$45 million). Established BeaumontOne (Beaumont's helicopter flight program), the hospital's ECMO service, the Neurosciences Center and the Tyner Center for Cardiovascular Interventions (a hybrid operating suite & training center). Created the Beaumont Children's Hospital growth strategy, including the addition of employed pediatric specialist physicians and opening 24/7 pediatric emergency medicine coverage. These investments resulted in 20%+ growth in pediatric admissions over a 4-year period and led to the development of key programs (pediatric surgery, neurology, rehabilitation, etc.) at other hospitals in the system. Achieved 11% growth in year-over-year delivery volume and opened the Karmanos Center for Natural Birth.
- Quality: Implemented the Toyota Production System as the health system's quality improvement program, with significant improvements resulting in more caregiver time at the bedside (RN time > 60%), reduced mortality (severity-adjusted mortality decreased from 1.0 in 2009 to 0.7 in 2014), reduced length of stay (5.4 days in 2012 to 5.15 days in 2015) and improved inpatient core measure compliance (55% improved to 96%).
- Finance: Increased operating income from 1% in 2011 to 5% in 2015 (EBIDA of 13%) for the medical center. Improved hospital efficiency to the top 10<sup>th</sup> percentile. Reduced observed-to- expected length of stay from 1.16 to 0.96. Developed a vendor/procurement pricing strategy that yielded \$5 million annual savings. Implemented a new kanban supply system that increased RN time at the bedside from 35% to 60%. Partnered with medical leadership and the Beaumont Foundation to secure more than \$35M in donor gifts.

- Leadership Development: Established Beaumont's Administrative Fellowship, the Summer Enrichment Program (partnership with the University of Michigan) and the Leadership Development Institute.

- **Chief Operating Officer, Beaumont Hospital – Royal Oak** **Aug 2008 – Sept 2009**  
Reported to the President. Responsible for the operations of Beaumont Hospital – Royal Oak. Provided leadership and strategic direction to the enterprise, overseeing all aspects of clinical operations including, but not limited to, patient care and nursing services, clinical services, quality assurance, accreditation compliance, business development and capital planning. Stabilized financial losses stemming from the 2008/09 recession.

**UNIVERSITY OF IOWA HEALTH CARE (Iowa City, IA)** **June 1995 – June 2008**  
University of Iowa Health Care is an integrated health system representing the University of Iowa Hospitals and Clinics (UIHC) and the multi-specialty group practice of the University of Iowa Physicians in the Carver College of Medicine (CCOM). UIHC is a 763-bed Magnet-designated hospital that serves as a comprehensive provider offering the highest quality medical care to patients throughout Iowa, the Midwest and nationally. Ranked as one of "America's Best Hospitals" by U.S. News & World Report, UIHC serves as a regional referral center for patients who receive care in the NCI-designated Comprehensive Cancer Center, the Organ Transplantation Service, the Level I Trauma Center, the nationally ranked University of Iowa Children's Hospital, the Burn Treatment Center and many other specialty programs. UIHC serves as the teaching site for the Carver College of Medicine, one of the nation's top public institutions with more than \$200 million in external funding.

- **Associate Hospital Director, University Hospitals** **July 2007 – June 2008**  
Reported to the Chief Executive Officer. Oversaw hospital operations (\$205 million operating expense and ~1,300 FTE) and business development for the Oncology Service Line, Behavioral Health Services, the Neurosciences Service Line, the Organ Failure and Transplant Center, the Digestive Disease Center and Professional Services (Pharmacy, Rehabilitation, Imaging and Laboratory Services). Member of the CEO's team responsible for evaluating funds flow between the hospital and the physician practice plan.
- **Senior Assistant Director, University Hospitals** **May 2003 – June 2007**  
Reported to the Chief Operating Officer. Oversaw hospital operations and capital budget planning for Pathology, Radiation Oncology, Radiology, Rehabilitation Therapies, the NCI-designated Holden Comprehensive Cancer Center, the Clinical Research Center, the UI Behavioral Health Initiative (\$80 million operating expense budgets and 750 FTE) and the associated hospital-based training programs.
- **Practice Administrator, Department of Otolaryngology** **Feb 2000 – June 2005**  
Directed the activities of the Institute of Otolaryngology – Head and Neck Surgery (U.S. News and World Report #2 ranking) including the physician practice and clinic. Oversaw the department's state funds, private practice earnings, research funds, gifts and hospital budgets. Ensured effective use of operating room, clinic and inpatient resources. Tripled the department's reserves (\$844,000 to \$3.0 million) with operating margins exceeding 13 percent. Increased the number of medical staff (faculty) by 30% and doubled NIH funding (\$2.5 to \$5.6 million).
- **Assistant Director, University Hospitals** **Feb 2000 – May 2003**  
Oversaw Rehabilitation Therapies, Respiratory Care, Neurology, Psychiatry, the Clinical Research Center, the Trauma Service and Volunteer Services. Led hospital compliance activities for JCAHO, federal and state accrediting agencies. Coordinated privileging for licensed independent practitioners.
- **Assistant to The Director, University Hospitals** **July 1999 – Feb 2000**  
Oversaw Neurology, Psychiatry, Rehabilitation Therapies, Respiratory Care, Volunteer Services and the Clinical Research Center. Managed the new clinical program grant initiative (funded at ~1% of total expense).
- **Administrative Associate, University Hospitals (Iowa City, IA)** **July 1997 – June 1999**  
Oversaw Neurology, Psychiatry, Rehabilitation Therapies, Respiratory Care, Volunteer Services and the Clinical Research Center.

## **SERVICE AND AWARDS**

- Midwest Health Initiative Board of Directors (2021-2022)
- Young Presidents Organization (2010 – 2021)
- Shrine Basilica Strategic Planning Committee (2016 – 2020)
- Member, American Society of Health-System Pharmacists Commission on Goals (2014 - 2018)
- University of Iowa Health Management and Policy Alumni Board (2010 – 2016)
- South Oakland County Boys and Girls Club Board of Directors (2011 – 2016)
- Member, Legislative Advisory Committee, Michigan Hospital & Health Association (2014 – 2016)
- Member, Board of Directors, University HealthSystem Consortium (2009 – 2015)
- Member, University HealthSystem Consortium Operations Committee (2012 – 2015)
- National Shrine of the Little Flower Catholic Church, Unified School Board (2009 – 2012)
- “40 Under 40” Crain’s Detroit Business (2009)

## **TEACHING RESPONSIBILITIES**

**University of Iowa Graduate Program in Health Management & Policy**  
**Adjunct Assistant Professor**

**Jan 1998 – Present**

## **PUBLICATIONS & PRESENTATIONS**

Cerone S. Let’s Make Bold Decisions Now to Secure Affordable Health Care. Crain’s Detroit Business. Dec 11, 2016.

Cerone S. Accountable Care: Outcomes and Updates on Payment Reform Impacting Pharmacy Practice. 18<sup>th</sup> Annual American Society of Health System Pharmacists (ASHP) Conference for Leaders in Health-System Pharmacy, Oct 21, 2013.

Flanders S, Cerone S, Pawlicki K. (Presentation) Toyota Production System: A Single Approach to Improving Quality, Safety, Service, Employee Engagement, Efficiency and Cost. UHC Annual Meeting, Sept 2011.

Dexter F, Macario A, Cerone SM. Hospital profitability for a surgeon's common procedures predicts the surgeon's overall profitability for the hospital. *Journal of Clinical Anesthesia* 1998;10:457-463.

Howell RE - Burgener A, Cerone SM. Teaching Hospital Vitality in the 1990s - Does the Answer Lie in Corporate Management Principles? *COTH Report: Council of Teaching Hospitals*; Ingrid Philibert, editor; Fall 1995;29:4.

## **PROFESSIONAL AFFILIATIONS**

American College of Healthcare Executives (ACHE)  
Health Care Financial Management Association (HFMA)

Young Presidents Organization (YPO)  
American Hospital Association (AHA)

## **TRAINING**

**Administrative Fellow**, University of Iowa Hospitals & Clinics (Iowa City, IA)  
**Administrative Intern**, Kameda Medical Center (Kamogawa City, Japan)  
**White House Intern**, Office of Management & Budget (Washington, DC)

**June – July 1997**  
**May 1994 – Aug 1994**  
**Jan 1993 – May 1993**

## **EDUCATION**

**Master of Arts, Hospital and Health Administration** – The University of Iowa  
**Bachelor of Arts, Biology** – Nebraska Wesleyan University

**May 1995**  
**May 1993**