

## William Pierskalla Interview

William Pierskalla: Yes?

Male Voice: Say your name and your title and spell your name for us.

William Pierskalla: My name is William Pierskalla. Last name is spelled P-I-E-R-S-K-A-L-L-A. My title is retired, but I am a distinguished professor from the UCLA Anderson Graduate School of Management and from the Wharton School, University of Pennsylvania.

Jennifer Muldoon: So Doctor Pierskalla, why did you choose to work in the field of health services research?

William Pierskalla: Well, to some extent it was an accident. I had a good friend whom I'd worked for, but then we parted ways and he started a large consulting company and had a problem in healthcare delivery and had a problem he and his people couldn't solve, and he asked me to solve it. So I came in as a consultant and after studying the problem and thinking about it a bit, we solved it in about two or three months and we were done. And that was interesting and I enjoyed it.

Then I had another set of problems I was working on in logistics and inventory management for businesses and one of the things, we had were perishable inventories that if we didn't do something with them, they were useless after a certain period of time. And then the people in the blood banking world wanted to

talk to me about how could we use these ideas on the blood banking and getting the appropriate blood and, later, organs to people at the right time and the right place. So that's how I got into it.

Jennifer Muldoon: In your opinion, what are some of the most significant contributions of health services research?

William Pierskalla: Well, I think some really major contributions were the development of the DRGS - Diagnosis Related Groups - which made a fundamental change in how we pay for healthcare in the United States from a cost-based payment system to a perspective payment system, and that made a major change in how care is delivered.

Another one that we have that I think has been a significant one is the development of managed care. Now it's not a new idea, but the way we were able to develop it over the past thirty years has been new and that has made a significant change in how we deliver healthcare. And there are actually quite a few more, especially ones on quality and getting indicators for quality and starting to judge what we're paying for and whether we really are improving the health of people. So that among many. Those are probably three of the big ones.

Jennifer Muldoon: What are the biggest opportunities for the field?

William Pierskalla: Well, I think, I would say we really need to - I was looking at the wrong one, sorry - we need to find ways - and I think this is the big issue facing the field because of the high growth in cost and that's not going to decelerate in the near future - and we're going to have to make hard decisions about allocating our resources. Because of that, we're going to have to think hard about how we can rationally ration healthcare.

We've tried it with managed care and it didn't succeed very well because our system fought it hard - our legal system, our people and so on. But, at some point, all countries in the world who have lower costs and are more effective at controlling it, have a form of rationing of care. We also have to quit delivering care that's unneeded, and that, of course, will help in the whole problem. So those are two big issues facing us.

Jennifer Muldoon: Any advice for someone considering a career in health services research?

William Pierskalla: I think the main advice I give to all students considering a career is to develop a strong knowledge of methodologies. You need a very strong basis of how to look at data, how to manage data, how to understand the processes involved in delivery of whatever you're studying. So that you need - with those basis and methodology, and that would include statistics and some mathematics and economics and various types

of that, and then you could broaden out and understand some epidemiology and some behavioral sciences and probably sort of the things that would give you a deeper appreciation of the way people make decisions and how they make decisions and why they make decisions and how they're affected by changes in their system. So I would start with the methodology.

Jennifer Muldoon: Now thinking back to the early days of AHSR, why did you get involved in forming a new organization for health services researchers?

William Pierskalla: [Laughter] Well, the main reason was I was the executive director of the Leonard Davis Institute, which is a major - was and still is - a major health services research enterprise at the University of Pennsylvania, and we were facing severe reductions in some grants that we already had, but because the national center of health services research, which is now ARC, was losing a lot of money from the government funding. They were being cut severely and then they had to cut grantees. So we said - Cliff Gaus and a bunch of us - said we really have to join together to try to fight these cuts because if we don't do that, not only will our centers be hurt - we all had some centers - the whole field will be hurt and we were trying to put some cohesion to it. So that was the main reason that I got involved in the beginning of the association - at that time association.

We also really needed a forum for people to speak and talk. We knew that. We would get together. All the centers would get together. We'd bring our research together and talk, but we needed a broader forum where people outside of that little network could form a big network. And so we had some good reasons for doing it.

Jennifer Muldoon: What were the founders' original goals?

William Pierskalla: I think the original goal - well, they were multi. One original goal was we had to influence the way decisions were being made in Congress and in agencies of the government to improve the delivery of healthcare, and we had to do that through health services research. So that was one of the reasons. That was sort of the outreach to the political sector.

The other main reason was we needed a forum, as I said before, to get together, to build networks, to start to look at issues and get more ideas. So that's what we did. And we also needed a way to raise money for these purposes, and so we finally started the Association and we also started the Foundation.

Jennifer Muldoon: How has your involvement with AHSR influenced your career?

William Pierskalla: Well, that, probably not nearly as much as many others because after we formed the AHSR, I started

to get into business school management and became the deputy dean and Wharton, and then later the dean at UCLA in business. And then I was the president of several international organizations, so I sort of dropped off the scene for quite a long time.

Jennifer Muldoon: Well, we're glad to have you back.

William Pierskalla: Okay.

Jennifer Muldoon: The early days of the annual meeting, what was the original purpose of the AHSR annual research meeting?

William Pierskalla: Well, that I can't speak to as well as some of the others because that was about the time I was dropping out. I know one of the main reasons was to bring researchers together and do that.

Jennifer Muldoon: What were some of the important health services research and policy issues in the early days?

William Pierskalla: Well, many of them hinged around the cost issues. I mean, we were really putting in the perspective payment [sounds like] system at that time. We were starting to look at how HMOs affected care delivery, not just the cost, but also the need - could we improve the quality and the delivery of care that people got through a more organized effort and a more integrated effort of delivery of care. That was probably the biggest, I would say, the biggest two drivers at that time,

although there were many other issues that were important. Quality was just starting to be talked about and a lot of us had real concerns about how we could get the physician establishment to buy into the need to really start to look at quality.

Jennifer Muldoon: The first meeting had three hundred attendees. What do you think attracted the original attendees to the first meeting?

William Pierskalla: Oh, I think there was a hunger for finding where a network was and where they could talk to people and talk about what they were doing and hear what other people were doing and really communicate and learn and discuss ideas and work together. I think it was just that hunger was out there and everybody was interested and they wanted to do it. And we didn't have that forum before. All we had was the American Public Health Association and a couple others which were basically off on a different tangent. So this was a very welcome thing, I think, to many people.

Jennifer Muldoon: Do you have a favorite memory of the annual meeting?

William Pierskalla: No, I don't, I'm afraid.

Jennifer Muldoon: Thinking to the next twenty-five years, where do you see the annual meeting twenty-five years from now?

William Pierskalla: Well, let me put this question a little differently. I see significant major change happening in

the world - very significant major change happening in the world. In the United States alone, our demographics are going to be very, very different. Our pressures from the aging and the lack of young workers to support Social Security and Medicare and Medicaid is going to change rapidly.

I also see major changes in our international stature. Right now we're the most powerful nation in the world economically, as well as militarily, and probably some other dimensions too. That's going to keep shifting and changing. In twenty-five years, we may not be the economically powerful. The Asian countries are going to grow rapidly. The demand for all kinds of resources are going to increase in the world. We're still going to see greater, greater demand and increasing costs of energy, water, a lot of other resources. This is going to impact us in all kinds of ways that we haven't really thought about.

I think health services research has to think about those issues and how that's going to impact our ability to deliver the kind of healthcare that we all really would like to have and want because we're not going to have the golden age we've had. It's going to be a very different world in twenty-five years, and I think health services researchers really need to start to think more broadly than, what I would say, myopic vision we have today of what we're going to be facing.



The second part, I think, is I don't think health services research will be much different in twenty-five years than it is now. The Academy Health will be very much different or the annual meeting will be very much different unless we make some major changes. I think Academy Health has to make some very fundamental changes to really attack these bigger problems, these bigger issues that are going to be coming to bear on us.

I think we're going to need to bring in other disciplines. We have a very narrow set of disciplines in the Academy right now compared to what's out there. Very few people from the major quantitative areas come here - people from engineering, people from mathematics, people from all the sciences. There aren't that many here. I think we have to reach out to these kinds of people because they have a lot to offer on some of these problems. I think the same is true for the public health sector and so on. We don't get many of those, and they, I think, have to be brought in. We have to be much more, what I would say, is inclusive. And I'm not talking ethically or racially. I'm talking intellectually inclusive that we don't have today.

I also think we need to bring in groups of people that are users - the politicians, the agencies, the hospitals and long-term care people - people who have real problems that they're facing on either at least a weekly or monthly or day-to-day

basis. And I don't see many of those around here. Those actual users, if we converse with them, we'll find a whole host of new things we should be working on and could be working on.

And, finally, I think we have to be more inclusive of ideologies. Right now we're fairly - if I had to describe it - this is my first meeting for a long time, and I've been observing it - I'd have to describe it - I'd say we're fairly liberal, mostly Democrats - and I think Bob Brook hit that - and are not really open to the debate across ideas and ideologies, and I think that's essential for real growth and a real contribution. So that's what I believe.

Jennifer Muldoon: Anything else you'd like to add?

William Pierskalla: No, I think I've just said about every opinion I've had on this issue [laughter].

Jennifer Muldoon: That's great!