



LARRY L. MATHIS
In First Person: An Oral History

American Hospital Association
Center for Hospital and Healthcare Administration History
and
Health Research & Educational Trust

2019

HOSPITAL ADMINISTRATION ORAL HISTORY COLLECTION

LARRY L. MATHIS

In First Person: An Oral History

**Interviewed by Kim M. Garber
On March 5, 2019**

Edited by Kim M. Garber

**Sponsored by
American Hospital Association
Center for Hospital and Healthcare Administration History
and
Health Research & Educational Trust
Chicago, Illinois**

2019

©2019 by the American Hospital Association
All rights reserved.
Manufactured in the United States of America

Coordinated by
Center for Hospital and Healthcare Administration History
AHA Resource Center
American Hospital Association
155 North Wacker Drive
Chicago, Illinois 60606

The views and opinions expressed in this document are solely those of the participants and do not necessarily reflect or represent the views and opinions of the American Hospital Association.

Transcription by Chris D'Amico
Photograph courtesy Larry Mathis

EDITED TRANSCRIPT
Interviewed in Chicago, Illinois

KIM GARBER: Today is Tuesday, March 5, 2019. My name is Kim Garber. I will be interviewing Larry Mathis, who served for 26 years at the Methodist Health Care System in Houston. He started there as an administrative resident as part of his graduate training while at Washington University and retired as President and CEO of this world-class institution. He has also served as Board Chairman of the American Hospital Association and of the American College of Healthcare Executives. Larry, it is great to have the opportunity to speak with you today.

LARRY MATHIS: Thanks, Kim. I'm sure this is going to be a pleasure.

GARBER: Could you talk about your parents and grandparents and how their values influenced you?

MATHIS: My Mathis grandparents emigrated from Switzerland in the early 1900s. I am amazed that they and all immigrants were able to leave their homelands, leave their families, leave their histories and come to a new country in search of freedom and opportunity.

My grandfather believed that there was gold in the streets in the United States. He didn't find that but he and his wife did find a new life. It wasn't a particularly rich life but they had many children. The children did better than their parents did, and their children did even better, which is the history of the American way. That people will seek freedom and opportunity – that's what I learned from my grandparents.

GARBER: Your parents were married during the Depression. Your father was drafted and served in the South Pacific during World War II. How did those experiences shape your family's values?

MATHIS: I was born in 1943, which was in the middle of the war. My father was gone when I was born and didn't come home for another two or three years. I had my mother all to myself at that time so that was a positive for me.

GARBER: How did your mother make her way when her husband was overseas?

MATHIS: She lived with her older sister in Lincoln, Nebraska. She must have worked because her older sister's daughter took care of me most of the time. I don't remember what job she had but she was working, I'm sure. She worked all her life.

GARBER: You have a younger sister.

MATHIS: She ruined my life when she came along, six years after I was born. I mean, it had been really nice up until then!

GARBER: We have the advantage of having a book that you wrote – *The Mathis Maxims: Lessons in Leadership*¹ – which is a good source for biographical details as well as thoughtful insights that you gained from your career. In your book, you mention that you were not much of an athlete

¹ Mathis, L.L. (2001). *The Mathis maxims: Lessons in leadership*. Houston, Texas: Leadership Press.

in high school, although you gave it a shot, but that being part of the debate team was very important to your high school years.

MATHIS: And future years, too.

GARBER: Could you tell a about the debate team experience?

MATHIS: I didn't know about debate when I got to high school. My father expected me to be a football player. I went out for football and made the team as a second-stringer in my sophomore year. Then I heard about debate, and I thought that might be something to try out for, too. The debate coach gave me Patrick Henry's speech to memorize and come back the next day and present it to him. This was the one in which Patrick Henry said, "Give me liberty or give me death." I delivered that as forcefully as I could. He liked it and he told me that I could join the debate team but that I couldn't be in football at the same time.

I went home to talk to my father because I was choosing debate over football. I think it broke his heart that I didn't do what he hoped I would do in high school – which was play football and have a great time. Why was debate so important to me? First of all, my family didn't have a lot of money. We lived in Pittsburg, Kansas; there was not a lot going on there. We didn't go out to restaurants. We didn't do that sort of thing. I didn't dress up in suit and tie. In debate in high school, we would travel from town to town. We'd stay in hotels – I had never stayed in a hotel before – we'd wear suit and tie. It gave me a different context to view where I was going and what was going on in my life and why it was going on in my life. It set me on a different course, really.

I was a good debater. I was chosen to be with the best debater. We won a lot of tournaments and went on to be a successful team, winning state championships and that sort of thing. It was a game-changer. Plus, it really helped me become more articulate and more thoughtful about language and about how I presented myself. I had two things about my early life – one, my mother who loved me no matter what I did and loved me no matter what I was going to do. Then, debate set me on a course in terms of communication that served me well in the future.

GARBER: It broadened your world view.

MATHIS: Absolutely.

GARBER: What was a debate competition like?

MATHIS: You would be given a proposition and assigned either the affirmative side or the negative side with two members to a team. The affirmative side would go first. It would be ten minutes for the first affirmative speaker, ten minutes for the first negative speaker, five minutes for the second affirmative speaker to refute what was said, then a refutation from the negative team.

The judge would rate the debaters, one, two, three and four. One was the highest, four was the worst. You went through a series of those in tournaments. If you won enough of those individual debates, you'd win the tournament.

GARBER: Did the debaters prep beforehand, or was this off the cuff?

MATHIS: It was prepped weeks in advance. I was the first affirmative, and my part was

totally memorized – smooth and logical. I had the easiest job as a debater. We did win a lot. It was lots of preparation.

GARBER: I could see how the first speaker on each side would be prepped and ready, as you say, but then the second person has to refute, and that would be unknown, so that would be more extemporaneous, right?

MATHIS: There are only so many negative arguments that could be made, and everybody was prepared for the negatives and the affirmatives. We had little note cards organized by how you were going to refute this or refute that. You'd pull a card out, "But *U.S. News and World Report* said on April 22..." You had to be prepared to react to what was said, but you knew pretty much what was going to be said because we had been doing this all semester.

GARBER: I can see how that would be helpful to you as an executive.

MATHIS: It gave me the confidence to speak in front of people without fear, to do it well and to make an impression. There is nothing like speaking well in front of people that creates a very strong impression.

GARBER: I think that that's true and, just as an aside, I'm wondering if you prepared any little note cards for today's interview.

MATHIS: Not even close!

GARBER: Let's talk a little bit more about your education. You did your undergrad work at what was then known as Kansas State Teachers College in the town you were living in.

MATHIS: Pittsburg.

GARBER: Pittsburg, Kansas. It's now known as Pittsburg State University. What made you decide upon Kansas State Teachers College?

MATHIS: Only one person in my family had gone to college before. I had an uncle who played football for Nebraska. Of all my dad's brothers and sisters, none of them had gone to college and none of their children had gone to college. Subsequently, some have.

My father had had the idea that when I hit eighteen, I was on my own, but I had teachers in high school who encouraged me to go to college. That wasn't really on my agenda, but they encouraged me. I had a talk with my dad, and I said, "Dad, I would like to go to college." He said, "Well, let me think about it and we'll talk about it."

When we had the talk the next day, he said, "I want to help you. You can live at home while you go, and you can eat here, and we won't charge you for the food, and I'll even help you pay the bills. I'll pay a semester's tuition, then you pay a semester's tuition. You go first, Larry." He knew that if I didn't make it after the first semester, he wouldn't have to pay for one. That's the way it went in college. For four years, I lived at home and worked full time. He kept his side of the bargain. I appreciate my dad for what he did, letting me live at home and feeding me and paying every other tuition, which was \$110 at that time.

GARBER: That was a very clever approach.

MATHIS: My dad was a very wily man, yes.

GARBER: We are talking about the early '60s for your undergrad years. Then the Army came along. You describe your service in your book. You are a decorated Vietnam veteran. How did your combat experience affect your leadership skills?

MATHIS: The reason I was in the Army was because I perceived – and I was accurate in this – that I would have a military obligation. To qualify for that I took ROTC, which was going to lead to a commission as a second lieutenant in the Army. When I got halfway through, at the end of my sophomore year, I was given the opportunity to become a candidate for a Regular Army position, as opposed to a Reserve Officer position. As it was explained to me, a Regular Army officer would have a three-year obligation and a Reserve would have a two. Coming with the three-year obligation was the ability to choose your first duty station. I chose Germany and was assigned to the Berlin Brigade. I thought that I'd be in the Army for three years in Berlin and then come back to the United States and do what I planned to do, which was to become a lawyer. I had already been accepted to both law schools in Kansas and both had deferred me until my military obligation was over.

That was the plan. Two years in, I was curtailed – my tour of duty in Berlin was cut short – and I was ordered to Vietnam. That was when the big American buildup was going on in 1965 and '66 and early '67. I went back to the United States, went through some jungle training and was sent to Vietnam. I arrived in June of 1967. By choice, I was an infantry officer and a paratrooper. I say “by choice” because I had decided early on in my training that if I was going to go in the Army, if I was going to go bear, I ought to go grizzly. I went Infantry and Airborne. I was sent to a Vietnamese battalion, which is about 500 men, out in the boondocks. I spent seven months out there with them.

As part of U.S. policy, I was rotated back into a headquarters position for the last five months of my one-year tour. During that time, the Battle of Tet, the big historic battle, erupted all up and down the country of Vietnam and it was brutal. At the time, I was a liaison officer from my Vietnamese division to the First Infantry Division of the United States.

You asked me what I learned about leadership – I learned that leaders are more sensitive to the needs of their followers when their followers have guns. That is more than being cute linguistically. You need to respect your people and treat them as human beings – with dignity and worth. In the Army, it's easy if you're an officer – I was a captain at the time – to be full of yourself and full of your rank and treat enlisted people like servants. I learned to rely on the men who were working with me, rely on their judgement and their recommendations and to respect them.

GARBER: Where did you take your jungle training?

MATHIS: Fort Bragg, North Carolina. There's not much jungle in Fort Bragg, I might add, but it was oriented to let you know about the jungle.

GARBER: You mentioned that you went airborne. Did you have the opportunity to often jump out of a plane?

MATHIS: No, because for some reason, the U.S. Army only had one airborne operation in Vietnam and that was with the 173rd Airborne Brigade. None of the airborne divisions jumped, and

I wasn't in a jump unit. I only did five jumps and that was to get qualified back in my training at Fort Benning, Georgia.

GARBER: You had an interesting ending to your ROTC service that got you nicely poised for your graduate training.

MATHIS: When my first daughter was born, I left home when she was twelve days old. We took a picture of me in my uniform holding my newborn baby. Neither my wife nor I knew if there would ever be another picture taken, if I'd ever come home. Fortuitously – thank you, God – I was not wounded and I came home okay. I didn't have PTSD or any of that stuff, although to this day, don't come up behind me and make a loud noise. I get pretty jumpy with stuff like that.

When I came back in the summer of 1968, it was the height of the Students for Democratic Society and all the demonstrations across the country. It was the time of the Democratic Convention in Chicago, where all that conflict went on. My introduction to Washington University, where I was assigned, was when I walked across the campus on my initial visit with a major. Both of us were in uniform, and we walked into the quadrangle and looked up in the tree, and there were three naked students sitting up in that tree smoking pot. I thought, "This is going to be different," and it was.

Students demonstrated against the ROTC Department all the time, calling ROTC, "baby-killers." That was the tragedy of that war. The public turned on the warriors, who don't do anything but follow orders. I think if you had asked any of us if we wanted to go to Vietnam, the answer would be no. Did we want to kill babies? No, we don't want to kill babies. We don't kill babies. The public turned against the people who fought. It was a terrible war, lost by the politicians. Never was a unit of the United States Army defeated in battle over there, but politically we were defeated.

At any rate, I was picked for our unit to address the issues of these demonstrators. They wanted us off campus. We had several hearings and I presented for our unit. In the process of that, one night I got a call, "Come in to the office. It's burning." Seven times, the SDS had tried to burn our building. On the seventh time, it burned to the ground, and we stood out there and watched it go.

GARBER: It's shocking to hear about the seven attempts to burn down the building.

MATHIS: Yes.

GARBER: How did you deal with the stress?

MATHIS: The stress was nothing compared to the war! I was so glad to be back home uninjured. I mean, a little burning and rock throwing on campus was nothing. I didn't have much stress.

GARBER: The students were also throwing rocks at you.

MATHIS: Yes, and spitting on us and pounding on the windows of our classrooms. It was little stuff but it was irritating. I was out there one time in the midst of them and gathered them around and told them, "If you want to change the process, shave, take a bath, go down and participate in the process and see if you can change it." While I was lecturing them, a reporter for the local newspaper was there snapping pictures of me. They did a whole inside section of Captain Mathis

lecturing these hippies. I was looking forward to getting out of that and getting out of the Army and going on to graduate school.

GARBER: Wonderful segue. You did do those things, including grad school at Washington University. What was your grad school experience like?

MATHIS: I was a good student in high school and college, but I was never an outstanding student. I worked nearly full time through high school and full time through college. I didn't get serious about life and opportunities until graduate school. Then, I took it very seriously. It was only three semesters – fall semester, spring semester and summer semester – and then you went for your last year in a paid residency. The emphasis was on “paid.” That fit my needs at the time because I was married and had a child. I could swing three semesters and then start getting paid, which was what I did.

I organized myself for full-time work with my graduate studies. I owned a home at the time in St. Louis. Here's an aside. I was 25 years old. I'd led men in combat. I owned a home. I owned two cars. I was married. I had a child. Think about 25 year olds today. I had an early introduction to the responsibilities of life.

I was getting serious about doing something with my life and my career. In the basement of my home, I built a little office. I set up a schedule, a 55-hour a week schedule, blocked in when I would work, when I was in class, and followed that schedule rigorously through graduate school. I got straight A's in graduate school. I proved to myself that I could be a good student. That got me in line to become the resident in the prize residency of the program at Methodist in Houston. That's where I went for the next phase.

GARBER: Would you like to comment on the program director, Dr. James Hepner,² or other professors?

MATHIS: I remember them all. I suppose this is like graduate schools everywhere – but first semester they try to really load you up so bad that you can't see straight, and then it slacks off over the next semester or two. Dr. Hepner was a fine man, and he certainly liked me. Along the way, I've had lots of guys help me like that. He was the one who wanted me to go to Houston Methodist. I'll be forever grateful to him for that.

GARBER: Do you think the philosophy of loading students up during the first semester is to wash out those who are not serious?

MATHIS: That's one of them – and to stress out the others.

GARBER: And perhaps to give students the sense of –

² James O. Hepner, Ph.D. (1933-2013), served as the first full-time director of Washington University's Graduate Program in Health Administration for 33 years beginning in 1967. He was a professor and prolific author. [Washington University Health Administration Program Alumni Association. <https://olinwustl.campusgroups.com/hapaa/history/>]

MATHIS: This is going to be hard work.

GARBER: Most of the leaders we've interviewed for this series have participated in some sort of an administrative residency and have valued that experience. Oftentimes, the residency leads on – as it did in your case – to a job offer.

MATHIS: A 26-year career in the same place, which is fairly unusual.

GARBER: It is, and I'd like to discuss that in a minute, too, but I think that model is not so much used today.

MATHIS: It's not as prevalent.

GARBER: What happened?

MATHIS: I think there has been more emphasis on academic performance. An MBA is two years of academics. An MHA – Master of Healthcare Administration – in three semesters was not academically comparable. I think many of the programs decided to go to a full two years of academics, and then if the student wants a residency, the student can seek one. It wouldn't be like it was in the old days, where the program and the residency sites agreed that they would offer a residency site, and they placed the students. I personally think that's a weakness now. The residency was very good preparation.

GARBER: Somebody did mention to me that it wouldn't be such a saleable program if it was in fact three years. If you had two years of academics and then you had another year of residency, that it would be harder to attract students.

MATHIS: That's right. If it were a required residency, three years would have been out of the question. But for me – first of all, Washington University's reputation was wonderful in those years. For me, too, it was the bait of having a paid residency within nine months of entering the program. That's what got me there. I couldn't have done it if it had to go other ways. Back then, people weren't borrowing money in student loans and all that. It always seemed to me that it was my responsibility to come up with the scratch and get through these things. My dad, once again, toward the end, said he'd loan me some money. He loaned me \$1,000, which got me through the end of it. Then he wrote it off. He said, "Oh, you don't need to pay me back."

GARBER: A wily but kind person.

MATHIS: He did have my best interest at heart. A post-script on that – I was Executive Vice President/Chief Operating Officer of the Methodist Hospital when my dad had open-heart surgery there. I mean, think of the irony of that.

GARBER: Before leaving your graduate school years, I wonder if you might talk about the value of networking, which oftentimes starts with your classmates.

MATHIS: I never had one of my peers that I thought was going to hire me so we were mostly friends instead of networking for business purposes. What happened to me was that some man in authority took a special interest in me and my career. That was Jim Hepner in graduate school,

and then Ted Bowen,³ the President of Methodist Hospital in Houston. From five days into my residency, he sort of took me over and assigned me for the whole period to him. When I went to work, he was still the President and I became the Assistant to the President. Later, it was the Chairman of the Board, A. Frank Smith⁴.

Horace Cardwell,⁵ who was an administrator of another hospital in Texas, also took an interest in me. He was the one who helped me become Chairman of the Texas Hospital Association, Chairman of the American Hospital Association, Chairman of the American College of Healthcare Executives. He was a former Chairman of the American Hospital Association. I didn't have to network to find a job. I never applied for another job other than at Methodist, and I retired from there. I wasn't particularly good at networking.

GARBER: You mentioned that these gentleman “took an interest in me.” Is that the same as having them as your mentors or is that a little different?

MATHIS: No, it's the same. Obviously, I looked up to them, and I think they took an interest in me because they saw something in me that they thought was excellent. But I learned whatever I could from all those people, because they were successful.

I will give you an example. A. Frank Smith, Jr., Chairman of our Board at Methodist, was the managing partner of one of the largest law firms in the United States, Vinson Elkins. He wore dark blue or black suits, Gucci loafers, white shirts and conservative ties. I'd come out of school with a polyester suit, and I said, “I want to look like he does.” I modeled my dress after him. My wife jokes that when I retired, I had 40 suits or sport coats in my closet, and almost every one was some version of navy.

Ted Bowen – I watched him carefully. He had been the CEO there at Methodist for 30 years. I was working closely with him. He was extraordinarily good to me. He promoted me several times. I got lots of raises. From the time I joined Methodist in 1972, I've never had to worry about money. I had to worry about money a whole lot before that because I didn't have any. When I was in the Army, I made captain. At the end of my time, I made \$850 a month, which was pretty good. We managed to find ourselves out of cash by the middle of every month.

I learned a lot from them. They expected a lot from me, too. If they were going to promote me, they wanted me to be an outstanding performer. I was at those times, and I was an extraordinarily hard worker. During my residency, I went in to the office every day for a year – every weekend day, every holiday – every day, and many nights, too, because this business is a 24-hour-a-day business. They noticed that.

GARBER: Moreover, it was a trial period.

³ Ted Bowen (1921-1999) served at the Methodist Hospital (Houston) for 35 years, working his way up from assistant administrator in 1948 to president/CEO and then consultant to the board. [American College of Healthcare Executives. (1998). *1998/99 member directory*. Chicago: ACHE.]

⁴ Angie Frank Smith, Jr. (1915-1994) was an attorney with Vinson and Elkins (Houston), serving as managing partner from 1972-1981. He served as chairman of the board of the Methodist Hospital (Houston) from 1977 until 1994). [Bell, P.G. *Handbook of Texas*. <https://tshaonline.org/handbook/online/articles/fsmyf>]

⁵ Horace M. Cardwell (1919-1996) served as administrator of Memorial Medical Center of East Texas (Lufkin) from 1948 to 1985. [Horace Milton Cardwell. *Prabook*. https://prabook.com/web/horace_milton_cardwell/614337]

MATHIS: Absolutely, I wanted a job at the end of it, too.

GARBER: Which reminds me that you mentioned in your book that when you first went to the Methodist Hospital, perhaps for your interview, that you had an epiphany.

MATHIS: I did.

GARBER: What was the epiphany?

MATHIS: I was across the street and looked at the Methodist Hospital for the first time. On the front, it has a mosaic mural with the outstretched arms of Christ and other scenes from Christ's life. I looked at the building and the mural and was getting ready to walk across the street to have an interview to see if I could become an administrative resident. All of a sudden, I had an overwhelming sensation that this was not just an interview for a residency. It was for my whole career and life and I knew that I would run this organization. I have no idea where that came from, how it came, but it was incredibly powerful. It was true – that's the funny part of it. Twelve years later, it was true.

GARBER: That is stunning. I've never had an experience like that.

MATHIS: A lot of people do. It's surprising when you bring things up like that, people say, "Well, you know, something like that happened to me." Nothing like that had ever happened to me before. It happened to me again, though. When Ted Bowen retired, they formed a search committee and went on a national search for the next president and CEO. I woke up one night with the term "interregnum" in my head, which means between kings, or reign between kings. I pretty much knew then I was going to be selected as the next president and CEO.

GARBER: The Methodist Hospital will comprise pretty much rest of the interview.

MATHIS: Sure – as it should.

GARBER: As it should, of course.

MATHIS: Well, wait – I've had 22 years of retirement since then. I've done other things, too, but that's all right.

GARBER: True. Before we go, I want to back up just a little bit, because you weren't immediately enthused about the idea of Houston. You were thinking maybe that you wanted to stay in St. Louis for your residency.

MATHIS: Right. I had already bought a home. I had refinished the basement. We had built a patio off the back. I was established there. There were a couple or three big hospitals that were interested in me for a residency – Barnes Hospital, Jewish Hospital and St. John's Hospital – all excellent hospitals. Why would I want to move?

Dr. Hepner and his wife invited my then wife Betty and me to their home for dinner, and they put the hard sell on us explaining that the relationship between the program at Washington University and Methodist Hospital in Houston was a very important one. Methodist was where the famous Dr.

DeBakey⁶ did all of his transplants and he worked there all of his life. They needed somebody who would go down there and be a home run for the Washington University program – in other words, do a very good job and represent the program very well. I thanked them very much. Of course in the back of my mind was – “Well, I don’t want to leave St. Louis.” I told them we’d think about it.

We decided, no, we couldn’t go to Houston. First of all, Methodist had this rule that they wanted to interview the wife of the candidate as well, and they would not pay expenses. Well, I didn’t have the money to fly down to Houston, much less fly with my wife down to Houston and arrange child care.

Betty’s father, the Presbyterian minister in Pittsburg, Kansas, sent plane tickets for us to go down. Now, she must have said something about us not going to go because we couldn’t afford it. That’s another thing out of the blue that said, you’re meant to go there. We were very grateful, and we did accept. You read the book. You know what else is coming.

GARBER: That is stunning that your father-in-law made that gift.

MATHIS: Wonderful.

GARBER: You might have stayed in St. Louis and ended up running BJC.

MATHIS: Yeah, maybe. That is all hypothetical. Many old line cities – Dallas, St. Louis, Chicago and others – are kind of closed societies. It’s difficult to get ahead in some of these places. Houston, which is about to become the third largest city in the United States because it’s passing Chicago in population, is a true meritocracy. If you can do something in Houston, you’re prized for it and you’re promoted for it. I cannot imagine in Dallas or St. Louis that a kid out of Kansas would come down and work his way up and become the CEO of a large complex organization. They did it for me because I could do something and I did it well. I’m not sure that that works in other places. It’s nice to think that that might have happened.

GARBER: Those are insightful comments about Houston. It’s interesting to have an insider’s look at that. It sounds very much like the American Way.

MATHIS: Well, it is. Galveston is 40 miles south of Houston on the Gulf of Mexico. In the 1800s, Galveston was the largest, most active seaport on the Gulf of Mexico. The people of Houston came into Galveston Bay and built a channel and a turning basin up near Houston, on the east of Houston, and made it around Galveston, because Houston was the bigger place. But all those tankers and everything were coming right up into that turning basin, and now by some measures, the Port of Houston is the largest, most active export terminal in the United States. That’s the kind of spirit Houston has. Let’s just dig a ditch around them and let ‘em go.

GARBER: Houston also is remarkable because of the Texas Medical Center, and that’s where Methodist is currently located. Methodist started somewhere else, and then was relocated in the ‘50s to the Texas Medical Center as TMC was being developed. I recommend to students to dig into the

⁶ Michael E. DeBakey, M.D. (1908-2008), a world-renowned cardiovascular surgeon, was a pioneer in cardiopulmonary bypass surgery and chancellor emeritus of the Baylor College of Medicine. [Altman, L.K. (2008, July 13). Dr. Michael E. DeBakey, rebuilder of hearts, dies at 99. *New York Times*. <https://www.nytimes.com/2008/07/13/health/12cnd-debakey.html>]

history of Texas Medical Center, particularly because of the incredible philanthropy of the people.

MATHIS: And the vision of the philanthropists – that’s what makes the Texas Medical Center the most interesting and largest and most successful medical center in the world. They gave the land, set it aside and invited all of these institutions that were scattered around Houston to come in and locate here and practice and develop.

That highly competitive, highly cooperative mix – look at Cooley⁷ and DeBakey – I mean, it’s really amazing. You ought to see it. It’s bigger probably than many downtowns in terms of high buildings and all that stuff – it beats anything but New York and Chicago, I’d guess. I mean, it’s amazing.

GARBER: Are there any other cities with a collection of health care resources like TMC?

MATHIS: Barnes and Jewish are side-by-side in St. Louis. There are 21 hospitals in the Texas Medical Center, four medical schools, seven nursing schools, two pharmacy schools, one dental school, 100,000 employees and 20,000 physicians. It’s right across the street from Rice University. The research and all the residents, the teaching – it’s astounding. You ought to go visit it. It’s worth seeing.

GARBER: You mentioned a moment ago that the institutions at Texas Medical Center are highly competitive and highly cooperative. Could you elaborate on that?

MATHIS: The hospitals are aligned in one way or another with one of those medical schools, so that creates not only a cooperation opportunity, but also competition. Every one of those hospitals and other institutions is governed by its own board, has its own management and owns the land that was deeded by the Texas Medical Center. They have covenants that they have to follow. They’re set up to be independent but it’s also envisioned that they need to be cooperative. The cooperation comes at the department level. The department of urology here may have a research protocol or something that they want to get involved with the patients over here.

At the broader level, there are the DeBakeys and the Cooleys and the Mickey LeMaistres⁸ and others at the top that are highly competitive. Institutions themselves compete for grants, for federal funds and for patients. I would say the cooperation is generally at the lower levels, and the competition is generally at the higher levels. That’s over-simplification but I think that’s probably true.

GARBER: I read some early articles describing the Texas Medical Center as it was being developed and built that there was going to be specialization.

⁷ Denton A. Cooley, M.D. (1920-2016) was a renowned cardiovascular surgeon who pioneered artificial heart implant procedures and founded the Texas Heart Institute in Houston. [Altman, L.K. (2016, November 18). Dr. Denton Cooley, whose pioneering heart surgery set off a 40-year medical feud, dies at 96. *The New York Times*. <https://www.nytimes.com/2016/11/19/science/dr-denton-cooley-whose-pioneering-heart-surgery-set-off-a-40-year-medical-feud-dies-at-96.html>]

⁸ Charles A. “Mickey” LeMaistre, M.D. (1924-2017) served for 18 years as president of M.D. Anderson Cancer Center and was widely known for his work in cancer prevention. [UT Southwestern Medical Center. (2017, February 23). Dr. ‘Mickey’ LeMaistre: Cancer investigator, UT System leader. *Newsroom*. <https://www.utsouthwestern.edu/newsroom/articles/year-2017/charles-lemaistre-obit.html>]

MATHIS: That's right.

GARBER: This meant that the hospital over here might specialize in heart, and somebody else in obstetrics. Did that actually happen?

MATHIS: It started that way. But no. That comes into competition again. I mean, if you're going to be a general hospital and be a big teaching hospital, you can't let the next-door institution handle urology. You have to have a urology department, a psychiatry department, an OB/GYN department. Over time, those things were never codified. I think it was expressed as a hope, and early on St. Luke's Hospital, next door to Methodist, started with neurosurgery and urology and Methodist had cardiology and on and on. Over time, both picked up the other's responsibilities.

GARBER: I'd like to talk about the long-tenured leaders at the Methodist Hospital, starting with Josie Roberts.⁹

MATHIS: This year is the 100th anniversary of the founding of the Methodist Hospital in Houston. Josie Roberts was the third administrator. The first two were Methodist ministers, and they each lasted about two years. The hospital was failing, and they didn't have the money to keep it going. Two board members started picking up the deficit of the hospital on alternate months, as they were closing it. Then they turned to Josie Roberts, who was the secretary of the second administrator, to run it. She saved the hospital. She served for thirty-some years, I guess. I don't remember quite how long it was – but it was at a time when men ran businesses. Even then, Houston was a meritocracy.

Then a young administrator who had just graduated from Washington University's program in Health Care Administration came down and interviewed and became her assistant. That was Ted Bowen, and he worked for her for about five years. Then she retired and he took over, and served, what, 35 years. Those were the first four. I was the fifth administrator, and I was the third-longest serving.

Josie Roberts was a secretary. She was very competent. She was hard-working. She motivated the employees, she cut costs, and she saved the hospital.

GARBER: You mentioned that there were two board members who picked up the deficits on alternate months.

MATHIS: Wealthy board members, I might add.

GARBER: Out of their own pockets.

MATHIS: Yes. One of them was Walter Fondren,¹⁰ who was one of the founders of what

⁹ Josie M. Roberts served nearly 30 years with the Methodist Hospital (Houston), retiring in 1953. She was in leadership during the building of the new hospital in its new location on the Texas Medical Center site. [Hospital administration authority nominated for radio show honors. (1953, March 10). *Albuquerque Journal*. https://www.newspapers.com/clip/17931689/josie_mooring_roberts/]

¹⁰ Walter W. Fondren, Sr. (1877-1939) was an orphan who parlayed his skill at oil drilling into leadership of the Humble Oil Company in Houston. The family became significant philanthropists in Houston through establishment of the Fondren Foundation. [Rice University. *Guide to the Walter W. and Ella F. Fondren papers, 1838-1973 MS 390*. <https://legacy.lib.utexas.edu/taro/ricewrc/00024/rice-00024.html#a0>]

is now Exxon. I don't remember who the other one was. Methodist through the years has gotten some significant philanthropic gifts. Until recently, we've not asked for gifts. I mean, when I was there, we did not have a huge fund-raising program.

GARBER: I see. I think it's interesting what you mentioned about Ted Bowen coming in and noting that he was a Washington University graduate.

MATHIS: In the first class.

GARBER: That was the strong tie between Methodist and Washington University. You mention that he was one of your mentors. How large a hospital was Methodist at the time?

MATHIS: A thousand beds. I don't think it's that now. I mean, maybe 925 or something like that.

GARBER: After a while, Ted Bowen decided to retire, or did he have a health issue?

MATHIS: Both. He retired, and there was a nine-month period before I was elected when the Chairman of the Board, Frank Smith, was the acting President and CEO. I started in August 1983.

GARBER: Did you find it difficult to change the culture so that it would be more comfortable for the way that you wanted to manage?

MATHIS: I knew what I wanted to do and how I wanted to do it. It wasn't easy, but I was sure of it, and it worked. First of all, I called a meeting of all executives, and we went in the board room. I had a one-page piece of paper, and on it I had laid out my thoughts. The primary thought was that this was going to be a different kind of organization. If you are looking to me for all of the answers, we're all in trouble. We're going to follow the organization chart, we're going to delegate. If you have people working for you, those are people who work for you and you have responsibility and accountability for them.

I went through things like that. With the executives, it wasn't that much of a problem because I had come out of being Chief Operating Officer, and the Executive Vice-President/Chief Operating Officer for three years. I knew the executives well, and they knew me. I had by that time quite a group of people who were in my camp and supporting me.

I had a team that was with me all of my career. Never lost one, never had one retire or resign or anything, until I retired. Those people I knew. Many of them had been reporting directly to me as Chief Operating Officer. We just moved up into the higher ranks. Those who had been my Senior Vice Presidents became my Executive Vice Presidents when I was President/Chief Executive Officer. We had other corporations; I'd become the Chairman of the Board and they'd become president and chief executive officers of those corporations.

The three principal senior executives reported to me throughout my entire fourteen years as CEO. Every one of their people fell in line, too. What was more difficult and time consuming was the employee culture. The medical staff and the medical results were outstanding. The service results were not. We had to set up and tackle it on all fronts. It had to be programmatic. We set up training programs for everybody, including the CEO, to go through about basic human service.

First, I set up quarterly meetings of all employees on all shifts. I would go and talk to them about the need for service and how I as president couldn't interact with patients every day and cause a change in the environment. They could because they are face-to-face with our patients. I don't care if you're a nurse, nurse aide, physician's assistant, housekeeper – when you're face-to-face with our patients, it is a moment of truth for our organization. Anything you do that makes them happy or helps them helps the organization and it changes the culture. We set up the compensation system to reward good service performance.

After doing that for several years – the compensation system and the education program, the orientation when new people were hired and emphasizing the service element – we were named one of the 100 best companies in the United States to work for, which was high praise. Our satisfaction ratings from our patients went through the ceiling. It worked well. It took a while, and it took somebody at the top who believed it and wanted it to happen and was going to stick with it. Therefore, the staff and the senior executives stuck with it, and all of those programmatic elements were coming into place, and it worked. It still works to this day. That's what's amazing. I can go over there and employees from 40 years ago will come up and hug me and tell me they miss me, and how it's still going the way I liked it going.

I'm 75 now. When I was nominated by the search committee to become president, I was 39 years old, and when I retired, I was 54. What I did was a young man's game. You have to have that much fire in your belly and that much drive to change things and make things better. It takes a lot of energy. There are a lot of six o'clock breakfast meetings with surgeons who have to get into the operating room and late nights and black tie stuff. It was 24 hours of a go-go-go-go. I don't think I could do that starting at age 55 or 65, and certainly not 70 or 75.

GARBER: A lot of individuals are able to summon up that kind of energy.

MATHIS: I don't think that kind of energy. I'm talking about fired up to really change the culture of an organization and go almost 24 hours a day.

GARBER: We usually talk about work/life balance at the end of the interview!

MATHIS: Work the first half of your life, and then live, the second half of your life. That's the way I always did it but it has its costs. I got a divorce in there. I have two daughters – one of them says she never saw me, and the other says "Dad was always there for me."

GARBER: You mentioned three senior executives. Would you like to name them?

MATHIS: Sure. Ron Giroto.¹¹

GARBER: He later became –

MATHIS: President and CEO. When he was with me, he was both Chief Financial Officer and Chief Operating Officer. There was genius in that, I might point out, because in most

¹¹ Ronald Giroto served at the Methodist Hospital System for 31 years, including the last 10 as President and CEO until his retirement in 2011. [Methodist Hospital president Ron Giroto is stepping down. (2011, March 23). *Houston Chronicle*. <https://www.chron.com/news/houston-texas/article/Methodist-Hospital-president-Ron-Giroto-is-1597617.php>]

organizations, operations and finance are at each other's throats all the time because operations needs more money and finance says no, we gotta hold back. You put them both under one man, and he works that out.

The second one was Mike Williamson.¹² He had our outlying hospitals and our foreign hospitals. Jim Henderson¹³ had most of our staff functions. I made it a point never to make a decision about one of their areas without all of them present. We had routine breakfast meetings. They would come with whatever they needed to be decided, and I would decide in the presence of all of them. I didn't want people to say, "Larry likes Jim a lot and he's always getting everything." It was a good technique. Everybody knew that it was going to be all of us hearing this. You couldn't just come in and snow Larry and get some funds. We were all going to have our way, and we were all going to contribute. We were going to have our input.

GARBER: It was just the four of you for these regular breakfast meetings? You didn't bring in nursing, for example?

MATHIS: Jim also had nursing. All of the organization was represented, and this wasn't the only forum we had. We also had meetings of the leadership of the board, the leadership of the medical staff and the leadership of the management in a weekly breakfast meeting, so that they're the same concept. If the medical staff was doing something, we wanted to know what they were doing so that the directors could hear it and give input, and the management could hear it and give input. Those balances kept everybody in synch and in their place. We had meetings of all employees every quarter. Then we had monthly meetings of all executives and managers and supervisors – so all of those were different meetings and different managers. Basically, the message was always the same to all of those groups. There were a lot of meetings.

GARBER: What percentage of a CEO's time is spent in meetings?

MATHIS: Almost all of it. There's not a lot of time spent in contemplation. You start the morning with a breakfast meeting. You go to your office, and it's all laid out for you on little 3x5 cards, and the first thing is, somebody is coming in for this meeting, and this meeting and this meeting. Then you've got lunch – a quarterly meeting of the employees luncheon, and then you go into the afternoon. There is very little time spent to yourself thinking. Most of that comes at night, when you're churning through what the day was like and what tomorrow is going to be, and how are you going to approach it.

GARBER: Who prepped you for all this?

MATHIS: My secretary, Sue, scheduled appointments. She would ask me if I wanted to take the appointment, and the answer was generally yes. If it was something that required input from one of the senior executives, I'd ask them to look into it and let me know what they thought or what was

¹² Michael V. Williamson started his career at the Methodist Hospital (Houston) in 1962 and retired as Executive Vice President of the Methodist Hospital System in 1997. [American College of Healthcare Executives. (2000). *2000 directory*. Chicago: ACHE.]

¹³ M. James Henderson served 30 years in executive positions with the Methodist Hospital System, including President and CEO of MethodistCare, Inc. [Episcopal Health Foundation. *Board*. <http://www.episcopalhealth.org/en/about/board/>]

coming.

The other thing I learned is if there was a dispute, and you heard one side of it, you've heard one side of it. You need to hear the other side before you decide anything. People would come in and present their side. Then you'd get the other party in. Then you'd get them together sometimes, and it was fireworks.

GARBER: You mentioned how important it was early on for you to change customer service and the importance of having somebody who cared about that – I presume that was you.

MATHIS: Absolutely.

GARBER: Did you have other champions who were particularly helpful in this effort?

MATHIS: Yes, generally the three top executives were on board, and their senior vice-presidents were on board, too. When I said before that nobody from my team left, I meant my senior team. A lot of the senior vice-presidents left because we at the top were so young that they couldn't see how they were going to have the opportunity to move up soon.

Mark Wallace¹⁴ was a real champion, and he became President/CEO of Texas Children's Hospital next door, which I believe now is the largest children's hospital maybe in the world, but for sure in the United States. Mark and his staff developed the training program. Jay Grinney¹⁵ was a senior vice-president. He became President/CEO of HealthSouth, a public company. Jon Foster¹⁶ became Executive Vice-President in charge of the western half of the United States for Hospital Corporation of America. All these were outstanding young executives. We hated to lose them, but you had to let them go. They were outstanding, and they went out and did wonderful things. Mark has a building named for him at Children's.

GARBER: What do you consider to be the most powerful drivers of culture in an academic medical center?

MATHIS: Leadership. Without question.

GARBER: Fire in the belly, that you mentioned before.

MATHIS: Yes. I've worked for good bosses and I've worked for bad bosses. You can get as much fired-up leadership for bad as you can get for good. It's important that the person at the top be ethical, have integrity and is leading not out of self-interest, but for the good of the organization

¹⁴ Mark A. Wallace has served as President and CEO of Texas Children's Hospital since his appointment in 1989, after having been a senior vice president at the Methodist Hospital (Houston). [Texas Children's Hospital. *Mark A. Wallace*. <https://www.texaschildrens.org/about-us/leadership/mark-wallace>]

¹⁵ Jay F. Grinney served as President and CEO of HealthSouth Corporation for 12 years prior to his retirement in 2016. [HealthSouth Corporation. (2016, October 27). HealthSouth chief executive officer Jay Grinney to retire at year-end 2016. *News release*. <https://www.prnewswire.com/news-releases/healthsouth-chief-executive-officer-jay-grinney-to-retire-at-year-end-2016-300352925.html>]

¹⁶ Jon Mark Foster served as an executive at the Methodist Hospital System, Baptist Health System, and the Hospital Corporation of America, among others. [Reuters. *HCA Healthcare, Inc. (HCA)*. <https://www.reuters.com/finance/stocks/company-officers/HCA>]

and takes a fiduciary interest in the organization and does not let anybody abuse the organization.

GARBER: You also mentioned some of the CEOs who followed you. Those included Ron Giroto, who you mentioned earlier. You were followed immediately by Peter Butler,¹⁷ who then went on to Rush University Medical Center in Chicago.

MATHIS: Right, he was there for four years.

GARBER: You were also were followed by Dr. Marc Boom¹⁸ – who is still there?

MATHIS: Yes, Boom and Giroto were part of my team.

GARBER: What was Dr. Boom's position early on?

MATHIS: He ran one of our outlying hospitals for a while.

GARBER: What is your thinking as far as the advantages and disadvantages of having a physician as President/CEO of a hospital?

MATHIS: I think that being a physician is a tremendous advantage if you are also trained as an executive. I am a huge admirer of physicians. How could I not be, working in an academic medical center for 26 years? Physician education is very person-centric. You've got to be an outstanding student in high school and college, get good grades so you can get into medical school. In medical school you've got to jump through all kinds of hoops academically. Then you get into your internship and residency. That is all about diagnosis and treatment. What's diagnosis? It's me trying to figure out what you've got. It's very personal. On the other hand, what is the executive process? It's a group process. It's an inclusive process. The training of a physician is not helpful for the group process.

Dr. Marc Boom also has a Master's in Health Care Administration. He's well-qualified and trained in that, and he's got the wonderful clinical background of being a physician. I think it's great if you can have both, but that's a big investment in time and education.

GARBER: You've talked a lot about relationships, how being an executive is a group process. In an academic medical center, are there relationships that you have to cultivate yourself as a CEO, versus those you can delegate to others?

MATHIS: In my case, it was important for me to have a good relationship with the President and CEO of Baylor College of Medicine, Bill Butler,¹⁹ because we were the major adult teaching

¹⁷ Peter W. Butler, a professor in the Department of Health Systems Management at Rush University, also serves as department chair. He was president of Rush University Medical Center and president and CEO of the Methodist Hospital System in Houston among other leadership positions. [Rush University. *Peter Butler*. <https://www.rushu.rush.edu/faculty/peter-butler-mhsa>]

¹⁸ Mark L. Boom, M.D., has served as President and CEO of The Methodist Hospital System since 2012. [Kever, J. (2012, January 7). Methodist Hospital chief will still see patients. *Houston Chronicle*. <https://www.chron.com/news/houston-texas/article/Methodist-Hospital-chief-will-still-se-patients-2448370.php>]

¹⁹ William T. Butler, M.D. (1932-2017), an immunologist, served as president & CEO of Baylor College of Medicine for 18 years beginning in 1979. [Greenberg, S.B., and Rich, R.R. (2018). William T. Butler, M.D.

hospital for Baylor College of Medicine. Another important one was with the President of the Texas Medical Center, Dr. Richard Wainerdi.²⁰ Of course, you want good relationships with your own team, your own executives and your own employees. But those two were fairly important, and your board, or you get fired.

GARBER: I'd like you to talk about faith-based hospitals. You mentioned that your father was religious. I think you grew up as a Baptist.

MATHIS: Yes – Southern Baptist.

GARBER: Was there any difficulty in getting hired as a Southern Baptist to serve in a Methodist hospital?

MATHIS: The by-laws of the Methodist Hospital said that the administrator of the hospital will preferably be a Methodist. I read that, and I joined a prominent Methodist church in town, and worked my way up to become chairman of the board of the church. I'm fond of saying that I was a Baptist before I became an opportunist. I met the qualifications of the by-laws when I was ready to be a president.

GARBER: What makes a Methodist hospital a Methodist hospital?

MATHIS: First of all, its founding; secondly, its bylaws. It's a Methodist hospital because the governance of the hospital is controlled by an element of the church called a conference. The Methodist conference in our case is called the "Texas Conference," which is a little odd because it's only a portion of Texas. The conference elects the directors for the hospital. They approve them, but they can't remove them, and they approve them from a list that's provided by the nominating committee of the hospital. It's not direct control, but it's highly influential, and if it becomes a conflict, the church is going to win that. If the conference, which is an administrative body that meets and takes positions for the church, has a problem with the hospital, they can fail to appoint directors in order to apply pressure. Plus there are several prominent members of the church, including the presiding bishop and a couple of the local superintendents of units who are on the board of the hospital. Those are strong points of control and influence. Those are the kinds of things that make it a Methodist hospital – plus its name and its charter. We were chartered as The Methodist Hospital.

St. Luke's Hospital, next door, is an Episcopal hospital, and the bishop is chairman of the board and all nine members of the board are Episcopalian. That's more direct control than this. Catholic hospitals, of course, are much different because you've got nuns in charge. I would say our religious structure is probably one of the weaker ones.

GARBER: Does the church own the property?

Transactions of the American Clinical and Climatological Association, 129, lxxxviii-xci.

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6116588/>]

²⁰ Richard E. Wainerdi, Ph.D., served as president and CEO of the Texas Medical Center (Houston) for nearly 30 years until his retirement in 2012. [Ackerman, T. (2011, November 9). Medical Center chief to retire at end of 2012. *Houston Chronicle*. <https://www.chron.com/news/houston-texas/article/Medical-Center-chief-to-retire-at-end-of-2012-2261074.php>]

MATHIS: No. The hospital owns the property.

GARBER: If a patient were in the Methodist Hospital and for some reason didn't notice the name, would the patient know that this is a faith-based hospital?

MATHIS: There's a huge chaplaincy program, but there are chaplains of all faiths. How about the statue of Jesus Christ in the lobby? That might tip them off. Or the open arms in the mosaic mural. In the logo, there is a cross on fire, which is a Methodist symbol. At the time that you were there, was that the largest Methodist hospital in the United States?

MATHIS: Yes. And I'm pretty sure it's still the largest Methodist hospital in the United States.

GARBER: Has the number of Methodist hospitals been growing? Decreasing? Staying the same?

MATHIS: As far as I know, I think some of them have been merged out of business. I don't know of any prominent ones that have closed. I would guess it's stable.

GARBER: Where are the other prominent ones?

MATHIS: Memphis. Used to have one in Wichita, but that one I think got acquired by HCA. One I'm missing – Pensacola, maybe?

GARBER: Do faith-based hospitals have a role today?

MATHIS: Yes. It seems to me that the principles of religion, particularly the Christian religion, fit very nicely with the care of people who are sick and injured. It's one thing to do it just because you have a feeling for other human beings. But it's another thing to do it if you think you have a Christian mission to do it. While I don't think that's as prominent in Methodist hospitals – it sure is in Catholic hospitals. I think that's a very important component. It's not the only component, but it's important. They're not only necessary today, but they've got a great history with many of these hospitals.

GARBER: You mentioned in your book that when your daughter was born at the Methodist Hospital in 1973, that you and other fathers were not allowed in the delivery room. Does anything else come to mind as far as other significant changes in patient care?

MATHIS: Are you familiar with the history of heart transplantation there? In 1968, when Christiaan Barnard²¹ in South Africa did the first heart transplant, and then Cooley and DeBakey got into it right away, and it was a media circus. Patients died because of rejection. In '69 or '70, they shut down the transplant program at Methodist.

In '83, we had some talks with medical staff leaders and said, "Shouldn't we consider starting

²¹ Christiaan N. Barnard (1922-2001) was a cardiothoracic surgeon who pioneered the first heart transplant in 1967. [Altman, L.K. (2001, September 3). Christiaan Barnard, 78, surgeon for first heart transplant, dies. *The New York Times*. <https://www.nytimes.com/2001/09/03/world/christiaan-barnard-78-surgeon-for-first-heart-transplant-dies.html>]

up the transplant program again?” By that time, they had the medication that helps with rejection. We formed a committee and I purposely put some of the biggest critics of the transplant program on that committee. They recommended that we start it again. That would have been about '86 or '87. I believe it's the largest multi-organ transplant program in the country. So that was one big change.

GARBER: I was reading in an old issue of *Hospitals* magazine and this was about the then newly-built Methodist Hospital, which I think was 300 beds.

MATHIS: Back in the '50s?

GARBER: Yes. I was startled to read that at that time all patients who were being admitted had chest x-rays.

MATHIS: That's back when shoe stores had those things that you put your feet in and you see bones in your feet. Everybody thought that was so cool. Kids were – “I want to do it again, Dad!” That was before they discovered that radiation could be harmful.

GARBER: The chest x-ray unit was there in the Admitting Department, and the admissions clerk was doing the x-rays.

MATHIS: Probably without a lead apron. This is not so much a medical change but we had huge changes in processes that made the whole institution much more customer- and patient-friendly. In the old days, they would tell the people who were to be admitted on that day, “Come at six o'clock in the morning and wait in the lobby.” Then they would call them out when their beds were ready, while they were sitting there waiting, and then maybe they'd go until ten o'clock at night, people still sitting there until, “Okay, your bed's ready.”

Now, you are assigned a bed and admitted before you come to the hospital. We redesigned the rooms so that when you're not all hooked up to tubes, you don't have all that bubbling around your head. It's in cabinets behind you, trying to make it look home like.

GARBER: Switching gears a little bit to value and managed care. In 1987, you wrote an article about the Methodist Hospital, this was during the Reagan years, and you made a statement about value. You had decided not to contract with managed care organization.

MATHIS: That's right.

GARBER: Did the hospital continue that policy?

MATHIS: No. We were the largest hospital in the state, and we were the most desirable hospital from a patient's standpoint. We were the most desirable place to get your hospital care. It did not make a lot of sense to us to discount our prices until we absolutely had to.

One thing we knew about the future was that we didn't know anything about the future, and we didn't pretend to. We didn't want to be called visionaries because visionaries are often just diametrically wrong. We did know we'd need a lot of money, no matter what.

We didn't go into managed care and, as a result, we provided a pricing umbrella for all the other hospitals. They could contract underneath us – “We're 5 percent under Methodist,” or

whatever. It finally came down to the point where our admitting physicians were losing business to managed care, so we did switch then. I think we switched and went completely in the opposite direction within 30 days, because all the companies wanted to sign contracts with Methodist. We had maybe 70 contracts within 30 days. Now I don't think they've got any – some maybe, but, managed care kind of died as hospitals moved toward owning physician practices.

GARBER: You were talking about serving as an umbrella for the local hospitals, which made me think about competition. How much does a big academic medical center compete locally? Or does it compete with other major centers nationally?

MATHIS: Both. Methodist had double the foreign patient admissions than Cleveland Clinic, for instance. So it's that kind of thing, not head-to-head so much. It's more like, "Let's check out who's doing what, programmatically." It's also hugely local. Sure, if you can get your broken leg set and you can get it done cheaper and quicker and closer to home, you can go to the little hospital. But if you have some complication you want to be at a big hospital. That's the kind of thing you get into. Who's savvy enough to come to Methodist for a broken leg? People who know are because they want a full range of services, and the little hospitals out there don't have the full range of services. It's competitive with them.

GARBER: Could you talk a little about the hub-and-spokes concept of regionalization and then talk about the Methodist Hospital system?

MATHIS: Hub-and-spoke is that you have a central hub, which is presumably an academic medical center or a large referral center, and the spokes are smaller institutions out in a reasonable geographic area for communication and programmatic elements. This is an interesting story. We decided that within a 300-mile area we'd identify every hospital that was between 100 and 300 beds, put them on the map and say, okay, those are our targets. Those are the ones we want to relate to. We will then have feeders into us. Ours was 100 to 300 beds.

Right next door, Hermann Hospital developed the same kind of system, but they wanted hospitals under 50 beds because they had a helicopter service. So did we, but they wanted it because they'd go out and pick these patients up and bring them in because they knew that those 50-bed hospitals didn't have the capability of doing anything highly complex.

We developed this hub-and-spoke network into the largest medical center-affiliated hospital referral system in the country. Then we had one of those outlying hospitals have a complication with a birth and the baby, and that raised malpractice suits. Not only did they sue the outlying hospital, they sued Methodist, and they sued Methodist because in our hub-and-spoke, the executive out there was a Methodist employee, and so there was a direct connection.

We had that evaluated. We talked to attorneys about it, and within a year, we shut down the whole thing. It didn't much change the referral patterns because most of those referral patterns are doctor-to-doctor, and the reputation of Methodist was better than Hermann or any other place. So we still got plenty of referrals, but we ditched the liability of the outlying hospitals. We were proud of it. We were proud we built that system – but the helicopter and all that – shut it down.

GARBER: That is interesting. Isn't there still, a Methodist Hospital system?

MATHIS: Houston Methodist now is the name. When we had it, it was The Methodist

Hospital System Network. The system is the corporate entity, which owns medical office buildings, hospitals, clinics, outlying ERs and doctors' practices. What I'm talking about was the network of area hospitals and it was called a network. The system is the overall corporate entity.

GARBER: The system has some hospitals overseas.

MATHIS: When you say "has," it implies ownership, and I'm not sure of that now.

GARBER: In your time, was there?

MATHIS: No.

GARBER: There was no ownership.

MATHIS: No, purposely not ownership. The laws in those countries are different, for instance, laws of how you handle personnel. We had management contracts with them. We had relationship agreements. We would take doctors down to these hospitals, and the doctors would put on symposia. Now there is a division at Methodist called "Methodist Global." Cathy Easter²² was one of our early trainees and a very special person to us. She is the president and CEO of Methodist Global. She has a big staff and manages all of these relationships and consulting contracts. They're still into the business big time.

GARBER: Changing gears – you described in your book the times you've had to deal with flooding in Houston.

MATHIS: Yes.

GARBER: Could you comment on how this repeated flooding affected the facilities planning aspects of the Methodist Hospital?

MATHIS: Hugely. Let's see, it was 1976, I believe. I was in my office at six o'clock at night, and somebody yelled, "There's water coming up out of the elevator shafts in the Fondren-Brown Building. I and another vice-president ran over there and, sure enough, our Chief Operating Officer was trying to push the water back into the elevator shafts with a squeegee, and it was still coming up. The communications department, where the telephone operators were located, was right across the hall and the water was rising. They were all in there and they had barricaded themselves in. Ted Gilbreath,²³ who was another vice-president, and I went over, pulled the door open and the water came crashing in. It knocked over chairs, knocked over the operators, and then we helped them come out.

Right next to the Fondren-Brown Building we were building the Neurosensory Center of Houston. There was a hole dug for the foundation and the chases, which opened into it for services like electricity and water, were wide open into this building. As the rain filled up that hole, it flooded

²² Cathy Easter has served with Houston Methodist since 1991 and is currently president and CEO of Houston Methodist Global Health Care Services. [Houston Methodist. (2019). *The Team*. <https://www.houstonmethodist.org/about-us/community-involvement/the-team/>]

²³ Ted C. Gilbreath (1936-2012) served for over 30 years at the Methodist Hospital (Houston) until his retirement in 2000. [Ted Gilbreath. (2012). *Houston Chronicle*. <https://www.legacy.com/obituaries/houstonchronicle/obituary.aspx?n=ted-gilbreath&pid=159570358&fhid=6290>]

these hallways underneath this building and clear over to the main hospital. It was terrifying to watch a 1,000-bed teaching hospital go dark – our generators were underground, too. It took a week before we were back in operation, and it was miraculous that we could get it done that fast. The community pitched in.

The next time that there was a big flood in Houston was 1979. I was trying to get there by car, but I knew the car wouldn't make it. I waded for a while, and then I got a canoe and paddled down the flooded streets of Houston and came on in. Fortunately, the hospital didn't flood then.

You asked about the facilities aspect of it. We decided that we couldn't have that happen again. We had a system designed – flood logs with an I-beam shape made of heavy aluminum with neoprene on both sides. Those could be put in front of garage entrances and such, so that the hospital couldn't get flooded from the street.

Houston is Flood City. It is flat as a pancake. It has bayous, which are really big drainage ditches, that flow out into Galveston Bay. When the wind and storm are pushing waves in to Galveston Bay and up into Houston, nothing can drain out. It just comes up in Houston. It's a terrible problem for hospitals in a medical center. The medical center was built in kind of a drainage bowl. The water goes down toward the medical center and then drains out into one of the bayous.

Now I believe the facilities have got, instead of having to manually put those I-beams in, I think they've got electric closers or something like that, which takes care of it. I hope it takes care of it.

GARBER: Let's talk about governance. You've talked about the influence of the Methodist Church. Could you be more specific about the structure and composition of the Board during the years you were there? How many were on the board?

MATHIS: There were fifty people on the board – which is unmanageable from a governance standpoint. Now I think if they wanted good community relationships, that might have been nice because you've got a lot of people involved with the operation of the hospital. From a governance standpoint, it's impossible.

GARBER: I've heard that before, but why?

MATHIS: It's so many people! If you and I sit down, we can agree on some approach to a problem. Fifty people can't even fit at a table and there was no executive committee. That was one of the big things we had to do when I came. It was delicate. There were some people who had been on the board a long time. We created life memberships for some people and voted them life members, which meant that they could come to meetings and participate but they were not active members.

We got the board down to 25. After I left, somehow they got it down to twelve or fifteen. I've been on three public company boards as an independent director. The most I've ever seen on any of these boards was nine and that's a little unwieldy. It had to be addressed at Methodist and it was addressed carefully. I don't know how you govern anything with that many people.

GARBER: You said that those who were voted as life members of the board could continue to attend meetings and participate, which means talking. You still had to take time listening to folks.

MATHIS: When you have a board with fifteen people, not many people talk. They listen. These are all community leaders, and maybe will have one question or something like that. Nobody makes speeches. They listen to the presentations of management – “Things are good. Admissions are up. Bottom line is good.” If there are nine or eight or seven members, then you get some real discussion, some real probing.

We did have a powerful, influential planning committee. It was small. It was made up of leaders of the medical staff and the board and the management. We were planning for the future of the institution. All of that came back in recommendations to the whole board. Everybody voted for that because they had faith in the people who were doing the planning and the process, too.

Life memberships worked – after a while, they didn’t come.

GARBER: You gave a gesture a moment ago as far as how voting happens. How does voting happen?

MATHIS: “All in favor?”

GARBER: Literally, you put up your hand?

MATHIS: Not in my corporate boards, but – “Anybody object? Hearing none...” And I objected a little bit to that. I like, “All in favor?” “Aye!” I like that, you vote. “All opposed? No? It’s unanimous.”

GARBER: What do you consider to be the characteristics of a good board chair?

MATHIS: I think he or she should be prominent and respected in the community. I think he or she should have experience in governance and understand fundamental relationships of boards to managements. What is the role of the board? What is the role of management?

I was lucky in my two board chairmen at Methodist. The first one was A. Frank Smith, Jr., who I described to you before, and the second, when Frank retired, was John Bookout,²⁴ who was president of Shell Oil USA – a prominent citizen and executive in Houston. They understood that they were supposed to be leading and communicating with the board and having a relationship with the CEO and his management. What you do not want is a board chair who will go down and talk to Janie three levels down and ask her how it’s going and what’s happening. I did not have any kind of problems with either one of my chairman with that. They understood that. They were prominent and active leaders in the community and in their lives. John Bookout had chaired every kind of meeting ever; so had Frank Smith.

GARBER: Do you have any learnings as far as the best way for the board chair and the CEO to interact?

MATHIS: Frequently and confidentially – confidentially until they are ready to announce

²⁴ John F. Bookout, Jr., was an oil executive, beginning his career as a geologist at Shell Oil, where he spent 38 years. He served as board chair of the Methodist Hospital (Houston) from 1991 to 2007. [DeBakey, M.E. (2002, June 5). *Letter from Michael E. DeBakey to John F. Bookout*. <https://profiles.nlm.nih.gov/ps/retrieve/ResourceMetadata/FJBBPC>]

something. They need to talk. They need to talk so that the CEO is keeping the board chairman informed of the activities of the institution, the problems of the institution, the strengths of the institution, the weaknesses, the program, so that there aren't any surprises coming. You owe it to the chair. If you want to keep him out of your business, you don't let him get surprised by operational things.

It's a very important relationship. My first relationship with Frank Smith was almost like a father and a son. I traveled with him frequently, and we had mutual respect and admiration, I think.

GARBER: You mentioned that you recommend that the CEO and the board chair have frequent meetings. Is this a once-a-week kind of thing – yet another breakfast meeting, or a phone call?

MATHIS: I had a once-a-week meeting, but it was also the chairman and my three senior executives, because I wanted them informed, too. I'm tempted to say "as needed," but I think regular is pretty good – once a week. I mean, that forces you to have a conversation about things.

GARBER: How would you describe your leadership style?

MATHIS: I've not given a lot of thought to my leadership style. I've been a combat leader. I've been a junior officer. I've been junior executive, middle level executive. I've been in the C-suite.

I would describe it as effective, inclusive, not dictatorial, process-oriented. If you want to be effective, there is more in having good processes than in individual leadership. How can I illustrate that? If you set up programmatic things, like all of these meetings I'm talking about, that's programmatic. That's process. It puts the right people together, you have that process set up, and it's regular. I am the one who is doing that, and I am sitting at the head of the table always. So what's my style? I set the process in motion, I orchestrate the discussion, I bring it to conclusion.

The other thing is charisma. When I talk, people listen. The employees listened. I had a good inspirational message, and they responded to it. I haven't thought a lot about my style. It's been effective. I suppose you're going to get to the point where you ask me if I have regrets or any misgivings. But no, not really. You can probe me more on that style, but I just never have thought much how to describe what my leadership style would be.

GARBER: It's telling that you mentioned the process orientation.

MATHIS: This is billions of dollars and thousands of employees, and life and death every day. You can't do that alone. There are things that the leader can do that impact that. One of them is set up those processes so that everybody is involved, nobody gets surprised, everybody is participating in the decision making and there are routine, process-oriented meetings to do that.

GARBER: Do you have any learnings as far as effective hiring practices for executives – the key members of your team.

MATHIS: I've probably got some observations about it, but I didn't ever do it. It's in my book – "Deal with the hand that you're dealt." That was my essence of leadership. You didn't get better people. You just get different people. Take them, motivate them, put them in the process, hold them accountable and make things work. Then you don't need to go get somebody else.

There are times when you do need somebody else. If somebody quits and there's nobody lined up behind him to come up, then you've got to go get somebody. I'm all for using search firms. Whoever you're hiring into high-level places should be properly vetted. You should know all about them. You don't want to be surprised when hiring a new executive.

Good leadership is that for key positions, you've got people coming up behind them that in the right circumstances can step right into openings when they leave. We had that pretty much nailed, but nobody left until some of those senior vice-presidents left late in my tenure.

GARBER: You're a proponent of developing people and promoting from within where you can, or at least looking there first? Whereas sometimes people will say you want to bring in new blood from the outside so you get new ideas.

MATHIS: That's a good point but we had an excellent executive development program. We recruited for that, but that was way down the organization. We were not recruiting for top-level people. We were recruiting for future top-level people. There, we were looking for outstanding performance in school, outstanding recommendations, and we really did well. All of those people I named earlier – Marc Wallace, Jay Grinney – came up through that program. It was a two-year program. You came to work as an executive resident, and if you did well, you wound up with a job. You were plugged in at the bottom level of the executive ranks, and then you're advanced during the years. In truth, I've never had to recruit a high-level executive.

GARBER: That executive development program that you were just describing, is there a credential granted?

MATHIS: Yes, I think we had some sort of certificate or something like that.

GARBER: It wasn't a master's degree.

MATHIS: No, this is just Methodist training and recruiting future executives who already hold a master's degree.

GARBER: What a good idea. It's sort of like having a hospital school of nursing.

MATHIS: You get them into the culture – that's exactly right.

GARBER: I understand that nurses needed to become more academically prepared. But it seems to me that something was lost when the field moved away from hospital schools of nursing.

MATHIS: Yes, I agree with that. We gained something, too, with higher educated nurses. An interesting phenomenon at our place when I was there was that the head nurses wanted to get MBAs. Many of them did.

GARBER: The nurses that were trained there at the hospital schools, they would have such love for the institution, such loyalty.

MATHIS: Absolutely! I agree with that completely.

GARBER: Let's go on to AHA and ACHE. Your first service was as chairman of the Board

of Trustees of the American Hospital Association. That was in 1993.

MATHIS: Right.

GARBER: What led you to this position at AHA?

MATHIS: First, I was chairman of the board of the Greater Houston Hospital Council, then a board member of the Texas Hospital Association, then chairman of the board of the Texas Hospital Association, then regent for the American College of Healthcare Executives. The next step is to have somebody nominate you for the board of the American Hospital Association or the ACHE.

I think terms at that time were three years, maybe four. I got put on a little executive committee – two officers and two independent directors. Then I got nominated to be chairman of the board and got elected. It is a time-consuming, step-like process to get there. When you get elected, you're chairman-elect, and then you're chairman, and then you're immediate-past chairman. Then you're chairman of the nominating committee. This goes on and on and on. My service with the two overlapped a little, so as I was retiring in '97, I was chairman of the board of the American College of Health Care Executives, and all of this was preparation for that, too.

In the modern era, there have been only two chairmen of both organizations – Kirk Oglesby²⁵ from South Carolina and I. Kirk was the first who did it in the modern era. Way back – in the '20s and '30s – there were lots of times when there was the same person in both chairman positions. Since World War II or so, it's just been Kirk and I. If I hadn't had an incredibly competent, loyal, high-performance staff, I couldn't have spent that much time away from the office.

GARBER: As you had mentioned, with AHA, anyway, it is really a three-year commitment.

MATHIS: After all the commitments before.

GARBER: Involving a lot of travel.

MATHIS: Yes, it did, yes.

GARBER: Particularly in your chair year.

MATHIS: Right.

GARBER: Yes, you had to have somebody keeping the lights on in Houston.

MATHIS: I'll make another point. It's also a time when some people get into trouble for their finances, for expense reports, double-dipping, things like that. You don't want to do that. I had a policy for every year I was CEO that once a month Internal Audit would prepare an expense report. They would bring it to me to review. I would sign off on it. They would then take it to the Chief Financial Officer, who would sign off on it, and then send it to the chairman of the board. I never

²⁵ D. Kirk Oglesby, Jr., served from 1967 to 1997 as administrator (later president) of Anderson Memorial Hospital (later Anderson Area Medical Center) in Anderson, S.C. His oral history: Walker, L. (Ed.), (2011). *D. Kirk Oglesby, Jr. in first person: An oral history*. Chicago: American Hospital Association, can be retrieved from <https://www.aha.org/system/files/2018-03/Oglesby-FINAL-011112.pdf>

prepared an expense report.

We also had a rule that if you got any money, unless it was for a direct reimbursement for expenses, if you were paid an honorarium for speeches or whatever, it went to the company. Methodist got it, not the person. The theory there was that these men and women were very well paid. They were leaders in the organization and in the community. We didn't want any outside influences tempting them with a hot consulting deal. They knew if they did that, they'd have to turn it in.

GARBER: Your AHA chair year was 1993, which was also when Bill Clinton was sworn in. I presume that the big issue for AHA that year was health care reform.

MATHIS: Guess why – HillaryCare.

GARBER: Would you like to share any memories of what must have been a remarkable year?

MATHIS: It's been a long time ago. I remember I introduced Hillary to speak to one of the big meetings of AHA. She did it very well and she brought Bill with her. He's the only president I've met personally and shaken hands with when he was president. That was interesting.

I did not approve of HillaryCare. I didn't want it. I thought it was detrimental. I'm glad it didn't go through. I was sad to see that the AHA under other leadership supported the Accountable Care Act, because I think that has some flaws, too. Now we're getting ready to do something even crazier, and that's Medicare for All.

I believe that there are only two ways that this cost, quality and access equation for the United States health care service can be fixed. One is total government control, just like every other socialist country. They hand out the pills, they do the operations, and if they run out of money, they run out of pills and operations. That handles the problem.

The other is to go to a much more customer-related charge and responsibility system. People will say, "Well, that's too expensive." I remember when eye lasering first came out, it was \$2,000 an eye when insurance didn't cover it, then the price went down to \$200 an eye. If somebody needs an MRI and you can get one at a big academic medical center for \$3,000, and there is one down the street for \$300 bucks, you're going to have a whole new kind of system.

I don't think there is anything in between, and everything else has been in between. Cost control – I was on the Council of Teaching Hospitals – a small group – years ago, to predict what would happen to the cost of health care in the future. We modeled it, talked about it, said it was going to be 18 percent of GDP. It's there now, I believe, or something close to it.

It's a fascinating industry, and I wouldn't trade it for anything. I'm so glad I didn't become a lawyer. I met more interesting people, encountered more interesting problems, had incredible travel opportunities, which I've continued now in retirement – 140 countries now we've been to.

GARBER: As we've mentioned, a few years later you became Chair at ACHE, and I think

that perhaps you are unique in that your wife, Diane Peterson,²⁶ also became ACHE Chair after you did.

MATHIS: Yes, as far as I know, there is nobody else who's done that in ACHE, but there was a couple in AHA – Carolyn Roberts²⁷ and Ed Connors.²⁸

GARBER: Would you like to comment about what ACHE has meant to you?

MATHIS: It was my first professional organization that I joined, all the way back when I was a junior executive. It was the recognized stamp of approval for your profession. Back then, it was difficult to become an ACHE fellow (FACHE). We had to write papers. I became a FACHE in the fastest route you could do. I come to this meeting every year during for my career and afterward – for the education, for the networking, for seeing old friends. It's the organization I'm most loyal to and most connected to.

GARBER: You're referring to the fact that we're taping this oral history interview on one of the days of the 2019 ACHE Congress, and that you've been kind enough to come over to the AHA offices during the Congress. Let's wrap up by talking about your retirement. You retired early.

MATHIS: My mother had died at age 54 from heart disease. My father died at age 67 from heart disease and after surgery at Methodist. I had had my first heart attack when I was 44. I saw no real value in working another two or three years and keeling over dead at my desk. I had long promised myself and talked about to others that I'd retire before 55.

I spent an inordinate amount of time in my early career planning for what I was going to do, how I was going to do it, where I wanted to be, how I was going to move and everything. When I came to my retirement, I couldn't just play golf.

Fortunately, I was contacted by a headhunter representing a Swiss company that needed a U.S. director because that's a requirement to list on the New York Stock Exchange. Would I be interested? I said, "Well, sure." I interviewed for that, and was accepted. My grandparents came from Switzerland. For the next seven years I traveled to a town near Zurich – Winterthur – for board meetings and committee meetings.

It turned out to be a Ph.D. for me in corporate problems. We were a subsidiary of an old-line Swiss manufacturing company. They made locomotive engines and jet engines, and they decided to diversify into this U.S. arm for medicine. They created a company, Sulzer Medica – the old company

²⁶ Diane Peterson served in executive positions at several hospitals before founding the firm D. Peterson and Associates in 1987. She served as chair of the American College of Healthcare Executives 2001 to 2002. [American College of Healthcare Executives. (2000). *2000 directory*. Chicago: ACHE.]

²⁷ Carolyn C. Roberts served as president/CEO of Copley Health System (Morrisville, Vt.). She served as chairman of the Board of Trustees of the American Hospital Association in 1994. [American College of Healthcare Executives. (2000). *2000 directory*. Chicago: ACHE.]

²⁸ Edward J. Connors (1929-2018), served as superintendent of the University of Wisconsin Hospital & Clinics from 1960 to 1968, later becoming president of Mercy Health Services. He served as chairman of the Board of Trustees of the American Hospital Association in 1989. His oral history: Weeks, L.E. (Ed.). (1983). *Edward J. Connors in first person: An oral history*. Chicago: American Hospital Association, can be found in the collection of the American Hospital Association Resource Center.

was Sulzer AG – and they sent four of the holding company board members down to be the core group of the board for Sulzer Medica and then they hired me as a U.S. director and Max Link²⁹ from Zurich. There were six directors.

We were going along fine. It was a great company. Then we had a product recall. They made hips and shoulders and knees. One of their hip implants was not doing too well. It was loosening, so they had to recall the products. When you recall an implant, you've got serious problems. The trial lawyers came out of the woodwork, and we had class action lawsuits.

When the old company that held us saw all that trouble, they decided to spin us off to the shareholders. That meant that the four holding company directors went back to the holding company, leaving Max and me as the only two directors of Sulzer Medica, with class-action lawsuits, the need to finance settlements. We went through four CEOs, in three years. With great effort, we were able to wrap up the class action lawsuits into a single entity, finance paying it off, and then sell the company to Zimmer, which is a major U.S. company. That was my introduction to corporate boards.

Then about a year later, I got a call from Max, who said, "Hey, Larry, you want to work together again?" I said, "Well, sure, what have you got, Max?" He said, "I've got a company that I think is getting ready to really hit. Alexion Pharmaceuticals." He said, "Send me a copy of your book, and I'll set up telephone interviews with the other directors." He did, and I joined that board. I served on that board for ten years, and retired in 2014. The first board was seven years.

When I joined, they had no approved product and no profit because they had no revenue. They compensated me with stock options, which was a very good thing in the end. When they got the product approved, within three years of it being approved, it was being sold in 57 countries.

That was a big hit. Then the chairman and CEO of Health Care Trust of America contacted me and said they were getting ready to start a real estate investment trust concentrating on medical properties. Would I be interested? I said yes. I joined that board, and I've now been on that board for ten years. It is the largest owner and operator of medical office buildings in the country.

Those were unplanned. They happened because of my career, because of AHA, ACHE, Texas Hospital Association. People found out about that and they knew I had a high profile in the industry, and that's why I got on those boards. They are all obviously health care related. They did keep me interested in the field, and in areas that I wasn't proficient in. I hope it kept me not only interested, but interesting, too. It's been a wonderful second career.

It's been a fascinating career. I've met a lot of great people, traveled a lot. We've been to all seven continents. We've sailed, all the major seas, been to 140 countries, and we're still going. I'm not going to stop. My son asked me the other day, he said, "When are you going to stop traveling?" And I said, "Son, I'm going to live until I die." Maybe today. Who knows? But I've lived far longer than I ever expected to now, truly.

GARBER: Doesn't seem like you have much in the way of regrets.

MATHIS: I don't want this to sound arrogant. It's part of my operating philosophy – do

²⁹ Max Link became head of Sulzer Medica in 2001. [Roost steps down as head of Sulzer Medica. (2001, March 27). <https://www.swissinfo.ch/eng/roost-steps-down-as-head-of-sulzer-medica/1955734>]

the best I can, get as much information as I can, make the best decision I can, and move on. If it doesn't work out, it doesn't work out. Some things don't work out. Decisions probably were easy for me, and not all of them worked out, but at least I didn't have to twist and turn all night about them, because I just said, okay, that's done.

We did have a divorce. That's not fun for anybody in the family, although it was done civilly, and I think, well. Years later, it led to Diane, and it led to my conclusion that you really can find your soulmate, and that's a wonderful, wonderful thing to know and to experience. We've been married 24 years now, and it's been incredible.

My children are fully independent. They are off the payroll and they're doing very well. Fortunately, we are financially secure, we are in a wonderful new home and we've got great trips planned for this year.

After being in combat in Vietnam, I wanted to do something "good" with my life. In health care and at The Methodist Hospital, I found a great career. It was intrinsically good. It was fulfilling and rewarding. I'm thrilled that I dedicated my life to it.

GARBER: Thank you very much for your time this morning.

MATHIS: It's been a pleasure to meet both of you.

CHRONOLOGY

| | |
|-----------|--|
| 1943 | Born May 29 in Lincoln, Nebraska |
| 1964 | Married to Betty Keith |
| 1965 | Pittsburgh State University (Pittsburgh, Kansas) Bachelor's degree - Liberal Arts |
| 1965-1970 | U.S. Army |
| 1972 | Washington University in St. Louis Master's degree – Health Services Administration |
| 1971-1997 | Methodist Hospital / Methodist Health Care System (Houston, Texas) 1971-1972 Administrative Resident 1972 Administrative Assistant 1972-1974 Assistant to President 1974-1978 Vice President 1978-1980 Senior Vice President 1980-1983 Executive Vice President / Chief Operating Officer 1983-1997 President/CEO |
| 1995 | Married to Diane Peterson |

1997-2005 D. Peterson & Associates
Executive Consultant

SELECTED MEMBERSHIPS AND AFFILIATIONS

American College of Healthcare Executives
Chairman
Committee service
Governor, District 6
Life Fellow (LFACHE)
Regent, Texas

American Hospital Association
Chairman
Trustee

Association of American Medical Colleges, Council on Teaching Hospitals and Health Systems
Member, board

Greater Houston Hospital Council
Chairman

Medicare Prospective Payment Assessment Commission
Member

National Advisory Council on Health Care Technology Assessment
Chairman

Texas Hospital Association
Chairman

AWARDS AND HONORS

Bronze Star

Combat Infantryman's Badge

Vietnamese Cross of Gallantry

1989 25 Top Multi, Alliance, and Buying Group Executives in the Nation, *Health Week*

1990 Earl M. Collier Award for Distinguished Hospital Administration, Texas Hospital Association

1990 5 Best Managers in Non-Profit Health Services in the U.S., *Business Week*

2004 Gold Medal Award, American College of Healthcare Executives

2016 Health Care Hall of Fame, *Modern Healthcare*

2017 THA Legends Award, Texas Hospital Association

SELECTED PUBLICATIONS

Mathis, L.L. (1983, September). Perspectives on multis: On the not-for-profit side. *Texas Hospitals*, 39(4), 23-24.

Mathis, L.L. (1985, February). Strategic planning: The Methodist Hospital plans for the future. *Texas Hospitals*, 40(9), 30-33.

Mathis, L.L. (1987, October). Health care marketing: A strategy that works. *Texas Hospitals*, 43(5), 8-11.

Building the 'best service organization anywhere.' (1989, May). *Health Care Strategic Management*, 7(5), 10-12.

Grayson, M.A. (1991, August 20). Mathis: A commitment to leadership in a time of change. *Hospitals*, 65(16), 22-24, 26.

Mathis, L.L. (1992, December). Tough choices. *Healthcare Financial Management*, 46(12), 73.

Mathis, L.L. (1993, March 20). Three principles make the case for reform. *Hospitals*, 67(6), 72.

Mathis, L.L. (1994, August 20). The Methodist Hospital responds. *Hospitals & Health Networks*, 68(16), 6.

Interview with ACHE's new chairman. (1997, March/April). *Healthcare Executive*, 12(2), 6-11.

Mathis, L.L. (2001). *The Mathis maxims: Lessons in leadership*. Houston: Leadership Press.

Interview with Larry L. Mathis, FACHE, consultant, D. Peterson & Associates. (2004, May-June). *Journal of Healthcare Management*, 49(3), 143-146.

INDEX

Alexion Pharmaceuticals, 30
American College of Healthcare Executives,
8, 27, 29, 30
American Hospital Association, 8, 27, 29, 30
Bookout, John E., Jr., 24
Boom, Mark L., M.D., 17
Bowen, Ted, 8, 9, 12, 13, 17
Butler, William T., M.D., 17

Cardwell, Horace M., 8
Clinton, Hillary Rodham, 28
Connors, Edward J., 29
Cooley, Denton A., M.D., 11, 19
Council of Teaching Hospitals, 28
DeBakey, Michael E., M.D., 10, 11, 19, 24
Economic competition, 21
Floods, 22

Fondren, Walter W., Sr., 12
 Foster, Jon Mark, 16
 Giroto, Ronald, 14, 17
 Governing board, 23, 24, 25
 Greater Houston Hospital Council, 27
 Grinney, Jay F., 16, 26
 Health care
 managed care, 20, 21
 Health care reform, 28
 Health Care Trust of America, 30
 Henderson, M. James, 15
 Hepner, James O., Ph.D., 6, 7, 9
 Hermann Hospital (Houston), 21
Hospital administration
 physician administrator, 17
 residencies, 6, 7
 Hospital, foreign, 22
 Hospitals
 church, 18
 LeMaistre, Charles A., "Mickey," M.D., 11
 Link, Max, 30
 Methodist Hospital (Houston), 7, 8, 9, 12,
 13, 14, 15, 18, 19, 20, 21, 22, 24, 31
 Oglesby, D. Kirk, Jr., 27
 Organizational culture, 13, 14, 26
 Peterson, Diane, 8, 29
 Referrals, 21
 Regionalization of health care, 21
 Reserve Officers' Training Corps, 4, 5
 Roberts, Carolyn C., 29
 Roberts, Josie M., 12, 29
 Smith, Angie Frank, Jr., 8, 13, 24, 25
 St. Luke's Hospital (Houston), 12, 18
 Sulzer Medica, 29, 30
 Texas Hospital Association, 8, 27, 30, 32
 Texas Medical Center (Houston), 10, 11, 12,
 18
 The Methodist Hospital System Network, 21
 Training institutes, 26
 U.S. Army, 4
 Wainerdi, Richard E., Ph.D., 18
 Wallace, Mark A., 16, 26
 Washington University (St. Louis), 6, 9
 Williamson, Michael V., 15