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Leader of the Year

Partners in Health Care: Joseph Steier embraces new concepts, promotes 'intrapreneurship' in aging-care industry



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The idea of Louisville becoming a national hub for the aging-care industry has dwelled in the hearts and minds of local economic leaders for the past few years.

With more than 18,000 aging-care professionals, who work for companies that have a combined revenue of more than \$48 billion, the sector has quickly become a key part of the city's brand — at least economically speaking.

It would be difficult to talk about that brand and how it developed without mentioning the impact of Louisville native [E. Joseph Steier III](#), president and CEO of Louisville-based Signature Healthcare LLC.

For his important role in the industry locally, Steier has been named Business First's 2013 Partners in Health Care Leader of the Year.

Steier brought Signature — a company of more than 12,000 employees that operates 72 nursing facilities in six states — to Louisville from its previous headquarters in Palm Beach Gardens, Fla., in October 2010.

The relocation was a natural choice, according to Steier.

"The engagement, the interest, the passion toward aging wellness was here" at the time, he said. "It wasn't branded as well yet."

Bringing innovation to the forefront

Since making the move, Steier has changed the health care industry in Louisville in a number of ways.

Immediately upon bringing Signature to Louisville, Steier took steps toward reshaping the industry by helping to establish the **International Center for Long Term Care Innovation**, or InnovateLTC.

The center, an investment of about \$1 million for the company so far, aims to incubate and invest in startup companies that offer technologies that might be used in the aging-care industry. Though it was a bold step at the time, Steier said he is thus far happy with the direction of the incubator.

Two years in, others in the industry have started to figure out what role the innovation center can play, he said.

“We wanted to do about two years of research, branding, meeting startup companies that understand the market really well,” he said. That way, as a related investment fund is established early this year, some of the startups can be grown into larger companies in the Louisville area.

“We think there’s some good traction. And we think that the innovation center and the city (are) going to be kind of a leader for the international community.”

Steier, who hopes that enthusiasm for the center continues to spread among business leaders, said innovation is going to be increasingly important as cost pressures loom for the health care industry as a whole as a result of health care reform and other factors.

“We’ve got to find ways to collaborate and find really major innovations. Hopefully that’s going to be something that brings life to the city as we get deeper into it.”

Vision and leadership

[John Reinhart](#), co-founder, president and CEO at InnovateLTC, said such leadership makes Steier an asset to the Louisville health care industry.

He embraces opportunities to change the industry and look at the issues that are affecting it, said Reinhart, calling Steier a collaborative visionary.

Further, Reinhart said, a key to his success has been his willingness to take risks to grow Signature.

Steier’s intrapreneurial approach to running Signature Healthcare is an example of that, Reinhart said.

Educational focus

Steier’s focus on education is another characteristic that sets him apart, according to [Vickie Yates Brown](#), president and CEO of Nucleus: Kentucky’s Life Sciences and Innovation Center LLC, which is a partner in InnovateLTC.

She said Steier not only encourages his own employees to pursue further education, but he also encourages it by others across the industry. That's evidenced by a long-term care conference he hopes to see take place for the first time in Louisville later this year, she said.

A perfect example of Steier's educational focus made headlines last year when Signature announced plans to invest more than \$5 million to have all employees, including executives, train to become certified nursing assistants, qualified to care for residents in its nursing homes.

That program continues today, he said, as most of the company's senior leadership has taken the course.

"I went through the classes. It's intense," he said.

Twice a year, executives are required to work service days, during which they work on the floor of nursing centers "and just see what it's like to work for the organization," Steier said.

"The senior team now is more focused on the bedside. We have all these workflow improvements we can do for our staff."

Watching an industry in flux

The service days may have given Steier an up close look at the industry. But, he said, there still are broader trends that have to be addressed.

A major focus going forward will be monitoring the trends in revenue for long-term care companies, which he said may be facing major changes as a result of health care reform and reimbursement cuts.

Furthermore, he said, the industry faces a threat from medical malpractice lawsuits.

He advocates legislation that would create medical review panels, which aim to provide an expert medical opinion on malpractice lawsuits, as a way to solidify the state's place as a home for long-term care companies.

Under legislation proposed in the Kentucky General Assembly this year, malpractice suits could still go to trial, but the medical review panel's opinion would be admissible as evidence.

The bill had been approved by the Kentucky Senate and was awaiting consideration in the state House of Representatives as of the press deadline for Partners in Health Care.

"I think we're an industry in flux right now on the long-term care side. At the same time our hospitals are getting hit pretty hard. I think health care is in a huge state of transition right now," he said.

Despite the challenges, Steier remains optimistic about the future of Signature.

Eventually, there is going to be another breakthrough company coming out of Louisville, on par with **Humana Inc.**, he said.

"Why can't it be Signature?" he asked. "Our mission and vision is to change long-term care

forever.”

Embracing ‘intrapreneurship’

Signature Healthcare LLC is built on three pillars: spirituality, learning and “intrapreneurship,” explained [E. Joseph Steier III](#), president and CEO of the Louisville-based company. The company’s embrace of intrapreneurship, in which it helps employees spin off other companies, is based on a philosophy that the best will leave a company if they lose interest in what it is doing, said Steier.

“We think intrapreneurship is probably, hopefully, going to be one of our competitive advantages in attracting a different type of executive,” he said. “It keeps the brightest, I think. It also brings some people to the table you wouldn’t have before.”

Silver Angels, a non-medical home care firm that launched about five years ago, is an example of how the strategy can be successful, according to Steier. Since it started, the firm has grown to about 800 employees. “We may try to even franchise it, potentially, because it’s growing so fast,” he said.

Other spinoffs include Integritas, a medical consulting company; SCH furniture, maker of furniture for health care facilities, offices, and universities; and a newly formed hospital business within Signature that was not named as of press deadlines for Partners in Health Care.

In the near future, Steier said, he hopes to create another spinoff, which would deliver meals from a centralized commissary to homes throughout the company’s service territory.

The spinoffs, which are funded by Signature, are all at different stages of growth. “But there’s not one we’re not bullish on.”

David A. Mann covers these beats: Health care, health insurance, distribution/logistics (UPS), manufacturing (GE, Ford), environment, travel, minority/women’s affairs and Southern Indiana.