



Paul N. Valenstein, MD, FCAP

The Art of the Possible

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Paul N. Valenstein, MD, FCAP, has an abiding intellectual curiosity about what makes people and businesses work. He is outspoken but not judgmental. He generates creative solutions and knows how to sell them. You might say that Paul Valenstein is transformational because he can't leave well enough alone.

For example, when Dr. Valenstein became chief operating officer of Warde Medical Laboratory in Ann Arbor, Michigan, his predecessor had already combined esoteric testing for four hospitals that were part of a local health system. Building on that just seemed logical.

“We decided to reorganize our esoteric reference laboratory as a co-tenancy, where any hospital could participate as an equal co-owner of a shared cost center,” he says. “We went around and shared our story with laboratory directors and CEOs, and slowly hospital labs started joining the cooperative.” Over the next 10 years the laboratory grew to three times its size and testing costs allocated to owners dropped by a third.

The Michigan Co-Tenancy Laboratory is owned by not-for-profit member hospitals that use the shared facility for testing they don't perform in house. Each sends samples for esoteric testing at cost and representatives to the governing board. Several of the member hospitals are in direct competition with each other, but that doesn't interfere with their using the same esoteric testing solution. “It's like two competing hotels sharing a laundry service to reduce their costs,” he says. “It works so long as it's not a differentiating part of their business.”

In addition to managing the co-tenancy, Dr. Valenstein acts as president for his own 13-member pathology group and chairman of the board for the multispecialty physician organization into which they merged. He also directs a large microbiology laboratory and serves as president for a consortium of 60 hospital-based laboratories, negotiating \$80 million in managed care contracts annually.

Dr. Valenstein's microbiology laboratory was on the line when the CDC declared a swine influenza A (H1N1) alert last year. To create a record of the intense ramp-up in what he described as "the fog of war," Dr. Valenstein wrote an internal blog to track the first 24 hours of the outbreak. The laboratory he directed ended up seeing the first confirmed case of swine flu in Michigan, and he recorded his thinking behind tough decisions about how to allocate scarce resources and adjust quickly to new information when so much is uncertain. Intense as it was, events are related in the context of teamwork; the narrative highlights staff initiative.

A member of the CAP Board of Governors, Dr. Valenstein currently chairs the CAP Council on Scientific Affairs and serves on the Council on Accreditation. A former chair of the CAP Quality Practices Committee, he is interested in how systems promote quality improvement. He co-chaired National Quality Forum efforts to develop best practices for clinical laboratories, worked with the Clinical Laboratory Standards Institute, and edited a book on laboratory quality management published by the CAP.

Dr. Valenstein recognizes that practice guidelines remain controversial for some physicians. His thinking about physicians' reluctance to accept guidelines is typically blunt: "Physicians and other people who do complex work love the exceptions," he says. "We identify with them. They give meaning to our work. Our success handling exceptions is part of the autobiographical narrative we tell ourselves. But we need to be honest. Do we have any evidence that that 'winging it' is any better than following a good guideline, even rigidly? Will our personal judgment about when a guideline is applicable be sound, given all the thinking about risks and benefits that goes into writing a good guideline? There will always be circumstances in medicine when we don't know enough to write a good guideline. But when we have a good one, I question our reluctance to use it."

Dr. Valenstein may best have summarized his particular brand of transformational pathology in a talk about job searches for the CAP Virtual Management College some years ago. "The biggest hurdle in many job searches," he said then, "is not finding what you want, but knowing what you want."

And if the path to what you want involves making a few changes in yourself or the rest of the world, don't hesitate. It's important to know when—and when not—to leave well enough alone.

To learn more about the Michigan Co-Tenancy Laboratory, see "Owning, rather than buying, reference lab services" in the March 2006 edition of CAP TODAY.