



Perspectives



THE EXECUTIVE WHO'S OUT TO CHANGE YOUR HEALTH

Aetna's Karen S. Lynch oversees a \$60 billion portion of the nation's healthcare system.



The company:

Aetna, a division of CVS Health. Aetna and CVS merged in late 2018.

The leader:

Karen S. Lynch, executive vice president of CVS Health and president of Aetna.

The challenge:

Power Aetna through the multiple disruptions that are facing the industry.

In the world of healthcare, industry-wide disruptions seem so constant they can appear routine, ranging from artificial-intelligence-assisted medical procedures to a shortage of key practitioners to ongoing government regulatory reviews. But one corporate merger may have turned the most heads: a \$70 billion deal between CVS and Aetna. The deal, which was completed in November 2018, united one of the United States' largest pharmacy retailers and benefits managers with one of the nation's largest health insurers, creating a single company with touchpoints across every part of a patient's healthcare journey.

So it isn't surprising that Karen S. Lynch, the executive vice president of CVS Health and president of Aetna, is a prominent voice in healthcare and the business world as a whole. Lynch runs an organization with 51,000 employees and more than \$60 billion in revenue, and she's one of *Fortune* magazine's "50 Most Powerful Women in Business."

She's also still a rarity in healthcare. When Lynch first became Aetna's president in 2015, she was the first female one in the company's 166-year history. Indeed, she is one of the few women who holds the top job at any US healthcare organization. Though nearly 80% of healthcare industry workers are female, only 19% of hospitals are run by women, and only 4% of all healthcare organizations have a female CEO.

Recently, Lynch sat down with Katie Bell, Korn Ferry's global account leader for the healthcare sector, for a wide-ranging interview about her journey to the C-suite, the challenges and opportunities for advancement women in healthcare face, and the healthcare industry's most talked-about merger.

What most excites you about the combination of Aetna and CVS?

I'm most excited about the opportunity to be in local communities where we can provide people with access to healthcare solutions that are in the cities and towns where they live and work. This localized approach has the power to change the way individuals navigate the healthcare system. We can use CVS Health retail stores to drive access and affordability, and move from episodic care to virtual, holistic care. We can interact with our members in ways that we couldn't as a standalone company. We can really engage with individuals where they want to engage and have conversations about where they are in their healthcare journey. That's what's really exciting.

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Personalized, local access is the idea behind the Aetna Community Center in Florida, which you were instrumental in launching. Do you see rolling out that model in other areas?

We want to engage patients with the care they need—in the community, in the home, and virtually. This program brings nurses into the home, engaging with our members and patients around their healthcare needs. This allows us to understand and address not only their healthcare issues, but also the social determinants that might be impacting their healthcare. As you may know, 60% of healthcare costs are driven by social determinants such as nutrition and transportation. If all goes well, we will be rolling it out on a national scale.

Career at a Glance: Karen S. Lynch



Received a bachelor's degree in accounting from Boston College and an MBA from Boston University



Began her career as a Certified Public Accountant



Has been in healthcare management since 1991



Joined Aetna in 2012 as an executive vice president; became president in 2015



Listed on *Fortune's* "50 Most Powerful Women in Business" since 2016



How have customer expectations around healthcare changed?

The consumer is really at the forefront of healthcare. They are demanding change, more choices, and enhanced transparency. Consumers want simplicity, improved access, and affordable healthcare. In bringing CVS Health and Aetna together, we can use our retail footprint to create health hubs that address the needs and desires of consumers when, where, and how they need it. In our retail stores today, for example, we engage with one in three Americans. We have become part of their normal, everyday routines. This is important because we don't have to build new routines—we simply have to build our programs and services into their existing routines in order to address their needs.

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What are healthcare organizations getting right and what are they still missing when it comes to advancing women?

What we are getting right is that advancement of women is finally on the industry's agenda. People are talking about diversity in the C-suite and they are talking about the importance of moving women into key roles. However, we are still having issues developing the pipeline. We aren't making sure that people are ready for the C-suite. We are missing opportunities to sponsor and take risks on individuals so that they are ready when C-suite opportunities become available.

The female CEOs Korn Ferry has worked with often cite the critical role mentors or sponsors had helping them carve a leadership path. Was there a mentor or sponsor who helped guide you?

Early in my career, the CFO of a company I worked with became a pivotal sponsor. I was a finance person running healthcare accounting at the time. The CFO spent a lot of time developing financial talent, and periodically he would take the team to dinner. At one of these dinners, he went around the table asking everyone what we would be doing that evening if we weren't having dinner with him. Most of the people said they would be studying or working, but I said I'd be doing aerobics, so this dinner better be worth it! Although I could have easily followed the crowd, I was authentic and gave him an honest answer.

In the years that followed, he provided guidance and sponsorship and took an incredible interest in my career. He moved me into critical jobs and steered me away from jobs that were not on the right career path. I think it all stemmed from my being real and authentic.

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What is your approach to talent development? How do you ensure you're getting the right people into the right positions for the company?

Every month, my entire leadership team has a talent meeting. We talk about who we're going to move into what roles. We have goals and responsibilities around mobility and diversity, and we spend an incredible amount of time on our talent strategy, which includes discussions around how we're moving people into different assignments and getting them ready for the next position. One of our goals is to have two levels of succession for each leadership role so that when we have job openings we can look internally first.

Our research shows that women CEOs are more driven by purpose and mission than their male counterparts. What made you want to go into healthcare?

When I was 12, my mom died by suicide, and when I was 23, my aunt, who raised me and my siblings, died from lung and breast cancer. It was those experiences very young in life—not knowing how to navigate the healthcare system or what my choices were, and not knowing how to talk to doctors—that led me to pursue healthcare as a career.

What advice would you give to a young woman with ambitions to be a healthcare leader?

Be courageous—seek experiences outside of your comfort zone. Take risks and try unique and different roles, because it can really propel your career.

For more information, contact Katie Bell at katie.bell@kornferry.com.