

Describe nominee's role in organization. Highlight leadership/impact and how their contribution has led to greater success.

Imagine working in the Finance Department of an organization that is deeply in debt, has no credit rating, no access to public financing, customers who can't pay, and consistency in only one area – negative operating margins.

That's the situation Bob Lux walked into 27 years ago when he took the assistant comptroller job at Temple University Hospital. Today he is CFO of the Temple Health System, a position he has held since 1998 (he was previously Associate VP for Hospital Finance for the stand-alone Temple Hospital for 10 years).

Over the years, Bob has been a crucial contributor to every major decision that Temple has made – both financial *and* strategic.

On his watch, Temple has grown from a single hospital with zero cash and a \$30 million debt to Temple University into a full health system with \$450 million in the bank; built several clinical programs into nationally known centers of excellence; reorganized Temple's five North Philadelphia hospitals; financed and built a \$77 million ambulatory care center; and moved from an organization with no credit rating and no access to private capital to an investment-grade rating and consistent access to cost-effective capital. All of this while maintaining fidelity to its community mission and medical school commitments.

Describe nominee's contribution to the community. Highlight skills and creativity that have positively impacted the community.

Born and raised in working-class Fishtown and the first in his family to go to college, Bob understands and is committed to the many underprivileged patients Temple serves. He has been instrumental in helping maintain Temple hospitals as anchors in their communities. A saying you often hear around Temple is "no money, no mission." Without Bob's financial skill, these hospitals might not be open today.

One telling story: In the 1980s, Temple was buffeted financially as federal, state and private insurers changed their reimbursement models. Temple was soon drowning in red ink and threatening to close its busy trauma center to stem operating losses. After a long battle in federal court, Temple reached a landmark settlement with Pennsylvania regarding the state's underfunding for medical assistance services. Bob's tireless, behind-the-scenes involvement on this issue ensured the survival of the hospital.

Personally, Bob is very involved with the Boy Scouts. He founded Troop 563 in Lawndale 15 years ago and still runs the troop's Eagle Scout Program. Bob also sits on the Executive Committee for the Cradle of Liberty Council and is actively involved in the annual Health Services/Good Scout Award dinner, an annual fundraiser that brings in approximately \$130,000 each year.

Describe nominee's strategic initiatives. Details of how strategic market position has been strengthened by nominee's initiatives.

Bob long ago ceased being a one-dimensional, numbers-focused CFO. He truly understands and is immersed in the Health System's clinical operations, policies and legal issues. It's this encyclopedic knowledge that has led him to be intimately involved in every strategic initiative Temple has launched over the past 20 years. That includes the decision to make a large investment in key specialty programs such as organ transplantation, the result of which has been national recognition and increased patient volume.

In the mid-1990s, Temple took steps to form a larger health system in order to expand its reach and market share. Bob was an instrumental part of the team that put together the affiliations that eventually grew the System into what it is today, a nearly \$1 billion a year organization with 7,800 employees and four hospitals.

One of Bob's greatest but least publicized contributions to the Health System is probably the rapport he has built with investors and credit analysts. His openness and honesty with these individuals has garnered him universal respect and the Health System favorable credit ratings. Said one credit analyst about the System, "Temple does more with what God gave them than any other health system in the country."

Describe integrity and ethics in management and business practices. Include formally adopted policy/mission statement. Demonstrate excellence and accountability.

"He would never cross the line of integrity." "Above reproach." "He does the right thing every time." Those are just some of the phrases Bob's colleagues use to describe him.

While he has never laid down a formal set of guidelines or a mission statement, it's universally understood where Bob stands when it comes to ethics, honesty and integrity. As one colleague put it, "Because of the culture Bob has created, nobody would *ever* think about fudging the numbers."

Bob strongly believes in Temple's mission and that the good of the organization is everyone's top priority. He will argue vigorously against things he doesn't believe in or things that he feels are not in the best interests of the Health System or its patients.

Universally described as thoughtful, intelligent, supportive and approachable, Bob is a man of abiding values – family, service, community and friendship. If asked, numerous Finance employees will name Bob as their mentor. His loyalty to his team members has in turn spurred their loyalty to him. In fact, the longevity of his key team members is easier to measure in decades rather than years.

Additional pertinent information. Anything else that is noteworthy about nominee?

It's relatively easy to be CFO of an organization with resources, a flush staff, favorable markets and a healthy industry. That's not the situation Bob Lux has ever had the luxury of finding himself in at Temple.

Instead, Bob has had to deal with an extremely challenging healthcare market dominated by one private insurer (Independence Blue Cross) and fierce competition (Penn, Jefferson, etc.); a health system that runs lean and thinly staffed; an industry where you can't set your prices and where reimbursements are always eroding; a situation where 10 percent of your revenue goes to care for un- or underinsured patients every year; an area of the city that is among the poorest in the nation and is increasingly non-English speaking; an unwavering and unbreakable commitment to a medical school.

Through all of this, Bob brings discipline, focus, professionalism, commitment, devotion, steadfastness and poise every single day. He has been instrumental in helping guide Temple not only to survival, but to success. It's truly an "against all odds" story.