

FORT BEND COUNTY HISTORICAL COMMISSION

ORAL HISTORY COMMITTEE

Interviewees: **Samuel Lake Steffee**

Interview Date: 06/26/2014

Interviewer: Robert Terrell

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Project / Group: Henderson-Wessendorff Foundation

9 Pages



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Transcript

TERRELL: Could you please tell me your full name and date of birth?

STEFFEE: My full name is Samuel Lake Steffee and my date of birth is July 1, 1941.

TERRELL: Would you please tell me how you came to Fort Bend County?

STEFFEE: I grew up in Rogers in Central Texas. I have an undergraduate degree in Business Administration from Abilene Christian University and a Master's Degree in Hospital Administration from the University of California at Berkeley. I began my health care career at Methodist Hospital in Houston, in 1965. My family consists of my wife since 1967, Joyce, three children, Sarah, Cathy and David Steffee. We moved to Richmond in 1979, primarily because of our dissatisfaction with the public schools in Houston. We had a very fine realtor who spent all of one Sunday helping us find a house and we DID find a house that fit our family perfectly. So we moved here in 1979. For ten years, I commuted back to Methodist--from 1979 to 1989.

I first met Joe Clyde Wessendorff because we were neighbors. I would be in my front yard doing yard work, and Mr. Wessendorff would drive by and stop and we would chat for a few minutes. I later saw Mr. Wessendorff at Methodist Hospital in one of the patient waiting rooms. He was there with his mother in law Mrs. Henderson. He approached me and asked me if I could get Mrs. Henderson a private room. And I said, 'Well, I certainly can do that for you.' And I DID get her a private room.

In the mid-1980s, Methodist had a management contract with Polly Ryon, where Methodist provided the hospital administration. The hospital administrator was an employee of Methodist Hospital, but was assigned to community hospitals, one of which was Polly Ryon. My predecessor decided to leave Polly Ryon and Mr. Wessendorff was given a choice of me and another qualified hospital administrator to replace the person leaving. And Mr. Wessendorff said, 'I want Sam.' So that's how I ended up at Polly Ryon in 1989 and I was grateful for Mr. Wessendorff's confidence in me.

Mr. Wessendorff was Chairman of the Board of Directors. The Board of Directors at that time consisted of community leaders in the Fort Bend County area, primarily in Richmond and Rosenberg. Mr. Wessendorff was the leader of the board. There was NO doubt about where the leadership lay.

He wanted a hospital in our community for those who could not go to Houston for care. Primarily he was focused on providing a hospital that had services for the poor people of our county, which I think indicated Mr. Wessendorff's concern about the charity aspects of providing care to patients that couldn't afford to go elsewhere. Without Mr. Wessendorff's commitment and leadership we would not have any independent community hospital today.

At that time the hospital was dominated by general practice and family practice physicians. Mr. Wessendorff had an unusual approach to this. He said he would oversee the hospital and the doctors would manage the medical staff. But there was a landmark malpractice case in another part of the country that changed his thinking. That landmark case made the Board of Directors responsible for ALL aspects of the hospital, not just the operation of the facility itself but for the physicians as well, because the Board of Directors had the legal authority to approve or disapprove hospital privileges for physicians. So Mr. Wessendorff started taking a different look at how the board governed the hospital. This was a difficult time because of some of the resistance we got from the medical staff. But changes had to be made from a liability and a quality of care standpoint.

TERRELL: And about what year was that?

STEFFEE: That would have been in the early 1990s. The landmark lawsuit in the northeast was much earlier than that--several years earlier than that. Mr. Wessendorff had not learned about it until we discussed it.

TERRELL: How long did it take you to make this transition, with the opposition?

STEFFEE: Well, it was a process. It took a long time. And there was a LOT of resistance and we understood that. People don't like to give up power and this was going to dilute the power of some very fine people, very fine doctors. But this liability issue changed the way hospitals throughout the country looked at the board of directors and its relationship to the medical staff.

We also began to see some growth in the community. It was slowly happening, but we had the land here and, in our opinion, it was just a matter of time before we saw an influx of new people. We had to have more doctors and we had to have more specialty doctors to compete with the Houston hospitals. We had a fine group of family practice and general practitioners but we needed specialty doctors to compliment them.

And one of the things that Mr. Wessendorff was able to do, through some connections that I had in the Medical Center, is attract Baylor College of Medicine physicians to our community. The organization at Baylor at that time was "Baylor MedCare" and they assigned specialty physicians here. One of the most important departments that Baylor took over was the Radiology Department, which is a VERY key diagnostic department in a hospital. They placed an EXCELLENT physician here, Dr. Thomas Dumler, who provided just excellent service to the patients in our community. And he developed a great relationship with some of our primary care physicians who had resisted change.

We also became more aggressive about recruiting new physicians, with Mr. Wessendorff's approval. Michael Bornstein, a Harvard Medical School educated physician, who we recruited joined the staff and provided excellent service for children in our community.

TERRELL: Was your connection primarily with Joe Clyde Wessendorff or did Loise Henderson Wessendorff enter into any of your relationship?

STEFFEE: Primarily with Mr. Wessendorff. I had a standing weekly meeting with him, in his office. He would sometimes, not frequently but sometimes come to the hospital. He really was very good about letting me manage the Hospital. He did not interfere in any way. But I always knew who called the shots. I had met Mrs. Wessendorff. And there are some really nice stories I heard about her. When I would go down to Mr. Wessendorff's office for our weekly meeting, sometimes she would be there and I would get to chat with her. As you know, and as most people know, she had a great love for animals. One day a female pit bulldog showed up at my doorstep and had just had puppies. I called Mrs. Wessendorff because I knew she had an interest in this kind of situation and she said, 'Oh, I'll send one of my employees down to look at her.' And she did. The fellow came down and looked at the dog and went back and gave her a report. She called me back immediately and she said, 'I'll take them ALL.' And she did that. I had a LOT of respect for Mrs. Wessendorff.

TERRELL: They were your neighbors from the time you moved to Richmond?

STEFFEE: They were. They lived down the street from my family and me.

There were several significant events that occurred when Mr. Wessendorff was chairman of the Board of Directors. We were able to attract some specialty physicians from Baylor College of Medicine and we were able to recruit new physicians.

One of the most significant changes occurred in the organization of the hospital in the mid-1990s. With advice from attorneys at Vinson and Elkins we settled a bad emergency room malpractice suit for a million dollars. It was a lot of money now, and was a lot of money then. Mr. Wessendorff instructed me to see if there was not SOME way the hospital could limit its liability. With several opinions presented by Vinson & Elkins we developed a plan to convert the hospital from a private, not-for-profit hospital to a Municipal Hospital Authority, which, as a governmental entity, limited our liability. With the help of Mr. Hilmar Moore, the Mayor of Richmond at that time, Mr. Wessendorff and the Board of Directors were able to make this transition very easily. This organizational change greatly improved the long-term viability of our hospital. It didn't change the way we managed the hospital but it did limit the liability that the hospital had. (Coincidentally the physician involved in the lawsuit did not settle and was acquitted at the trial.)

Another thing that Mr. Wessendorff did was secure long-term financial support through The Polly Ryon Hospital Foundation. The McNeil Foundation made a commitment to Polly Ryon, to the Fort Bend Historical Society, and the First Baptist Church in Richmond, which helped further secure the financial viability of the hospital on a long-term basis. I believe The Henderson-Wessendorff Foundation may have made commitments as well.

TERRELL: Was the George Foundation involved in that at all?

STEEFEE: When I first came to Polly Ryon, The George Foundation had committed to guarantee the financial operation of the hospital when deficits from operations exceeded income. The Foundation made no exact monetary commitment amount but would guarantee that the hospital would always be able to pay its bills.

TERRELL: That's a nice commitment!

STEEFEE: It's a VERY nice commitment. And let me tell you, that was a struggle in the beginning. One of the things that I sought to do, and Mr. Wessendorff was very instrumental in this, was to maintain our own financial viability. We could not be dependent on others, including the George Foundation, to contribute to a loss that we may have had in the operation of the hospital. And to do this, we felt we had to have more patients and better-paying patients. In 1989 most of our patients were Medicare, Medicaid or non-paying Emergency Room patients, none of which reimbursed us for the cost of actually providing the service. To attract better-paying patients, insurance patients and patients who wanted to come to our hospital to see our new doctors we had to improve the service and quality of our hospital.

There were some amusing stories about names that my children heard about Polly Ryon when I took the job in 1989. One of which was 'Probably Dying'. They thought I was nuts to take this job! But it was a GREAT career move for me. I was able to be the CEO of my own hospital and I had a great boss, Joe Clyde Wessendorff. I didn't have to move and it was in a community that I loved. Methodist had already committed to others for advancement there, so I wasn't going to move up in the hierarchy at Methodist. It was a great privilege for me to come to Polly Ryon. I cut my commute from fifty-two miles a day, round trip to Methodist, to just a few blocks! It was a gratifying career change for me, and I was blessed to have been able to get this great new job.

We took an aggressive approach, not only in trying to bring new doctors to the community but to provide better service. We had a very aggressive service orientation for employees. As difficult as it is, some employees need to be let go because they can't buy in to the mission of the organization. Our mission was to provide outstanding service and to be the best community hospital anywhere. You've got to provide great service; you've got to have state of the art equipment and well-qualified physicians. You can't be second-rate and compete with the Houston hospitals. One of the positive things that we had at Polly Ryon was the new hospital building. Some of the equipment needed to be improved and we were able to do some of that. But the building itself was practically brand-new. It opened in 1986, about three years before I came. And that was a great asset. Mr. Wessendorff was the driving force in building the new hospital.

TERRELL: Himself or through the Foundation?

STEFFEE: I'm not sure, but Mr. Wessendorff was the driving force to get it done. He may have been on the George Foundation at that time.

TERRELL: How would you describe Joe Clyde?

STEFFEE: I would describe Mr. Wessendorff as a person with very high standards, a very principled person who would never compromise his integrity. He wanted things done, and he wanted things done right. You always knew where he stood on an issue. He was very forthright. We didn't always agree, obviously, but he was the boss and I knew that. I had great respect for his opinion. He was a well-known community leader--everybody knew who Joe Clyde Wessendorff was. And that made MY job a lot easier because people in our community knew that I worked for Mr. Wessendorff. It was again a gratifying experience.

TERRELL: Did you know anything about his leisure activities?

STEFFEE: Well, I knew he liked to hunt and he and Mayor Moore had a great affection for bird dogs. And I knew he liked to go to his ranch in south Texas. I didn't know a lot about his other leisure activities. Our relationship focused almost entirely on the hospital.

TERRELL: What were any major changes that Mr. Wessendorff was involved in, within Fort Bend/Richmond?

STEFFEE: At the hospital I've mentioned several things. The converting of the hospital to a municipal hospital authority and securing of financial support from foundations are very important to the future of the hospital. One of the things that I told employees when we were trying to improve service was that we all lived in this community and we wanted a hospital that we would feel comfortable coming to. Mr. Wessendorff shared that feeling and he was a patient in our hospital several times. If he needed to be referred to a specialist not on the Polly Ryon medical staff, we were able to arrange for that through Baylor and physicians contacts at Methodist Hospital in Houston.

TERRELL: What is the relationship today between OakBend and Baylor in Houston? Is there still a program?

STEFFEE: No that relationship ended about the time I retired. Polly Ryon, or OakBend as it is named now, is still an independent community hospital. And the competition has really ratcheted up. Methodist Hospital, Saint Luke's Hospital and Memorial Hermann Hospital are all competing in our market for patients. It's a competitive situation. Each of these hospitals, including OakBend, seeks patients and the keys here are the physicians, the payers (insurance/managed care) and the patients Hospitals have managed care contracts for reimbursement that require patients to use their services.

TERRELL: When you were trying to move into a higher degree of patients, where you could get insurance patients, how did you do that?

STEFFEE: We had to be competitive on all fronts with physicians, service and facilities. You have to have excellent equipment or the doctors are going to send patients elsewhere to get those services. The physicians remain a key component because when a patient comes to the office the doctor will decide which hospital to use.

TERRELL: Did Polly Ryon change to OakBend while you were there or was that after you?

STEFFEE: It changed after I retired. I was not in favor of the name change when I learned about it. I don't know the reason The Board changed the name and I was not consulted about the change. When I was told about it I did not think it was necessary. The name Polly Ryon has a historical value to our community, and I wanted to maintain that.

Interestingly, after I had left Polly Ryon, I got a call from Mrs. Wessendorff. She thought I had supported the name change. She wanted to know WHY this had happened. She was opposed to it. I told her I agreed with her 100%.

TERRELL: What else do you have in your notes? You're doing great!

STEFFEE: Billie Wendt was on our Board and she was the first woman on our Board, a GREAT board member as a matter of fact. She always came to board meetings prepared. We distributed board packets the weekend before each board meeting, to give members the opportunity to review the agenda and items we were going to be discussing. You could tell those who had reviewed the material prior to the meeting and those that hadn't. Billie was ALWAYS prepared.

TERRELL: She's a great lady.

STEFFEE: She IS a great lady.

TERRELL: Did Mr. Wessendorff ever mention his Word War II experiences to you? Did y'all ever discuss that?

STEFFEE: No. He never mentioned that. He was a real war hero and much too modest. Truly one of our "greatest generation". I think not discussing war-time experiences was common for veterans of that period. He never talked about it. In fact, I knew very little about his war experiences until I read the Tim Cumings article about Mr. Wessendorff's heroic actions, his battlefield promotions and the Silver Star award.

TERRELL: Did you know anyone in Loise Wessendorff's family, her father or her mother?

STEFFEE: No. I knew WHO her father was but I didn't personally know any of her family.

TERRELL: Could you describe how she affect you or describe her, other than her love of animals?

STEFFEE: I mean this in a positive way; she was a very opinionated person and had definite and strong feelings about most things. She was not afraid to express those feelings. And those are qualities I admire. I think she was a VERY strong personality. It was interesting. When I would visit Mr. Wessendorff at our weekly meetings, and she would occasionally be there, he deferred to her almost entirely while she was there. I respected him for that.

TERRELL: Have I forgotten to ask you something that you would like to include?

STEFFEE: No, Roberta, you've been very thorough. Thank you for leading my discussion and helping me.

Interview ends.