

# California Healthcare News

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Articles, Interviews and Statistics for the Healthcare Executive

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## Where to Find the Perfect Finance Director

By David Peel

Publisher and Editor  
California Healthcare News



The Finance Director is one of the most critical positions in any healthcare business. In small and medium size organizations it could be the top finance leader. In large organizations it could be several levels down from the top finance leader. This article summarizes the methods currently used to find Finance Director candidates and evaluates each method's overall effectiveness.

### Methods available

There are several ways to find the perfect Finance Director. I recommend an incremental approach that uses low cost, low risk options first and then moves to higher cost options as needed. Here are the

most commonly used methods:

- Online job posting on your company web site
- Networking
- Search and contact through social networking web sites
- Craigslist
- Online job postings on association oriented web sites
- Online job postings on national, general public web sites
- Print advertising
- Search firms

### Online job posting on your company web site

In a few very large organizations, this method alone will bring a good pool of qualified applicants. However, for most organizations a critical position like a Finance Director requires a review of more applicants than can be generated through just a company web site posting.

*Cost:* Free or minimal.

### Networking

Networking can be described many different ways. In this article it means calling or emailing people you know and asking them whether they know anyone who might be interested in your Finance Director position. Before the internet and online job boards,

this was the most effective way to find the perfect Finance Director. However, it's not very efficient and most potential applicants won't be reached this way given there are thousands of potential candidates in healthcare organizations. You need to cover a lot of ground at minimal cost and this method won't do that.

*Cost:* The hourly cost of the networker's time.

### Search and contact through social networking web sites

Finding candidates through social networking sites is popular right now. However, there are risks as-  
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**LETTERS TO THE EDITOR**

If you have questions or suggestions regarding the News and its contents, please reply to [dpeel@cahnews.com](mailto:dpeel@cahnews.com).

## Letter from the Publisher and Editor



Dear Reader,

We recently finalized our 2010 Editorial Calendar. An Editorial Calendar helps our writers know the theme of each edition, lets our advertisers know the last day to reserve advertising space and tells everyone the date each edition will be distributed. Our 2010 Editorial Calendar is shown in the table below.

One of the changes made in 2010 was to make our themes more general. Instead of using themes like “Rural Hospitals” or “Urban Hospitals” we will just use “Hospitals.” This allows writers the leeway to focus on hot topics within a broad category and should improve our content.

We also focused on themes most interesting to our readers. We have three months devoted to Clinics, three months to Human Resources, three months to Hospitals, two months to Insurance and one month to Facilities. These popular themes are also better for our writers given many either work or consult in these areas.

We hope these changes are helpful. Contact me if you have questions.

*David Peel, Publisher and Editor*

## California Healthcare News 2010 Editorial Calendar

Month and Year	Theme of Edition	Space Reservation	Distribution Date
January 2010	Clinics	December 1, 2009	December 21, 2009
February 2010	Human Resources	January 2, 2010	January 19, 2010
March 2010	Hospitals	February 1, 2010	February 23, 2010
April 2010	Insurance	March 1, 2010	March 23, 2010
May 2010	Clinics	April 1, 2010	April 20, 2010
June 2010	Human Resources	May 3, 2010	May 25, 2010
July 2010	Hospitals	June 1, 2010	June 22, 2010
August 2010	Insurance	July 6, 2010	July 20, 2010
September 2010	Clinics	August 2, 2010	August 24, 2010
October 2010	Human Resources	September 1, 2010	September 22, 2010
November 2010	Hospitals	October 1, 2010	October 19, 2010
December 2010	Facilities	November 1, 2010	November 23, 2010

**<Perfect, from P1**

sociated with this method. Not all social networking site participants welcome your job related contact.

There is another reason to tread carefully through social networking sites. Let's say you're on LinkedIn® and looking for a Finance Director. You use the search feature and find many people to contact. You encourage several to apply and receive a few qualified applications.

After receipt of the applications you decide to look more closely at each candidate's LinkedIn profile. One of the candidates is a member of the "Cigars and Professionals Network." This networking group is for business executives who help each other find the best places to meet and smoke cigars.

In a desire to avoid increasing your company's healthcare costs, you decide to eliminate this candidate because of their "Cigars and Professionals Network" membership. Does the candidate now have grounds for a discrimination claim?

It is important to let social networking participants know about your open job. However, you will reduce litigation risk by posting the job on the site rather than approaching participants directly. Use a source like the California Healthcare News (cahnews.com) where posting on social networking sites is free with every paid job posting.

*Cost:* \$20 and up per month for premium search capabilities.

**Craigslist**

This will generate applications but few, if any, will be qualified. Although the price is nominal, this isn't the place a Finance Director

will look for a job given the stigma associated with the site and the extensive amount of time it takes to search for a position.

*Cost:* One 30 day posting is \$25 to \$75.

**Online job postings on association oriented web sites**

Association web sites are the best place to post a Finance Director position. Even better are sites that combine regional associations and also send feeds to populate "free" job posting sites like Indeed® and SimplyHired®. The California Healthcare News uses this business model as does at least one other national healthcare oriented online job board.

*Cost:* One 30 day posting ranges from \$225 to \$375.

**Online job postings on national, general public web sites**

National web sites include sites like Monster® and CareerBuilder.com.® Placing a job on these sites also populates the various "free" job posting sites. These sites are large and non-specific to healthcare, but have many features for job seekers. Since they tend to be more expensive, often without the best results, use them only when a Finance Director is in a hard to recruit area and then use them in conjunction with an association oriented web site posting.

*Cost:* One 30 day posting ranges from \$375 to \$568.

**Print advertising**

This could be in newspapers, business journals or magazines. Print advertising can be effective but can also be expensive. Like national, general public web sites, use print advertising in a hard to recruit area and only in conjunc-

tion with an association oriented web site posting.

*Cost:* One full color print ad measuring 2.5" by 5" inches ranges from \$250 to \$1,000 or more.

**Search firms**

This method costs the most and should be used only if all other options fail. You will probably receive multiple viable candidates.

*Cost:* 20% to 50% of job's salary.

**Summary**

Finding the perfect Finance Director is best done incrementally using lower cost options first and then moving to more expensive options as necessary. Most healthcare organizations can get several viable candidates by posting the job on their own web site and on one or more association oriented sites. Network sparingly as it is time consuming and doesn't cover a lot of territory. Tread lightly through social networks. Don't use Craigslist as it is not the right resource for this applicant demographic. Use national sites, print advertising and search firms only in conjunction with or after exhausting other methods.

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*David Peel is the Publisher and Editor of the California Healthcare News and the Washington Healthcare News. The News' job boards have helped hundreds of different healthcare organizations find candidates ranging from the professional level to the "C" level. Prior to founding the California Healthcare News and Washington Healthcare News, he was the Chief Financial Officer of three separate west coast healthcare organizations. He can be reached at 425-577-1334 or [dpeel@cahnews.com](mailto:dpeel@cahnews.com).*

## Current Topics & Trends in Retirement Plan Management: Five Things to Avoid

**By Ward M. Harris**  
*Managing Director*  
*McHenry Partners*



### Review

Last month, we discussed key issues related to challenges in defined benefit retirement plan management. The skills, perspectives and business agendas of consultants, advisors and service providers were suggested as potential conflict fulcrums, along with the distraction of the markets and the challenges of running the core business of the plan sponsor.

We also addressed the challenges of a traditional DB decision model which may fail to align business, liability and asset issues into a combined and integrated strategic plan. The result? Lost opportunities to better manage the employer/sponsor's risks while pursuing the objectives of the plan.

### Top 5 Pension Mistakes

With the help of many contributors

from the “buy-side” (plan sponsors and professional staff) and from the “sell-side” (consultants, advisors, vendors and related professionals), here is our list of most often seen risks to plan and sponsor health:

- 1. Sponsor Inertia:** Many DB programs predate the current management, staff and business realities of healthcare plan sponsors and their participants. How do you keep your plan aligned with your organization's current business objectives?
- 2. Poor Strategic Planning:** Inertia can lead to complacency and failure to “keep it fresh.” How can you efficiently and effectively stay focused on the long game?
- 3. Overreliance on Trusted Advisors:** No one is good at everything. Are you asking your professional advisors or vendors to perform in roles outside of their core competencies or business models?
- 4. Resource Misallocation:** We believe that 80% of the expense, effort and time invested

by plan sponsors and their staff produce (at best) only 20% of the risk adjusted return available to the plan. How can you get the “best” risk-adjusted return on your investment of time, money and effort?

- 5. Failure to Execute:** Example: Two years ago, many plans were over funded. Today the reverse is true. How do you walk the line between strategic and operational decisions to take advantage of opportunities and circumstances?

### Next Month: “Retirement Plan Management: Part 3 – “How Do You Measure Success?”

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*Ward Harris is Managing Director with McHenry Partners, a national investment consulting firm. He has over 30 years experience in investments for corporate and not-for-profit organizations, Ward has served clients in consulting and management roles at Union Bank of California, Schwab Institutional and Rogerscasey, Inc. He can be reached at 1-800-638-8121 or ward.harris@mchenrypayers.com.*



## Errors & Omissions Insurance: What Managed Care Organizations Must Know

By Steve Couch  
Principal  
MedRisk, LLC



For the most fortunate of managed care organizations (MCOs), professional errors & omissions (E&O) liability insurance receives little attention except at annual policy renewal time. For the less fortunate - for those at the wrong end of a lawsuit - their E&O insurance policy will play a key role in minimizing the financial loss incurred as a result of a claim.

The purpose of this article is to help MCOs better understand:

1. Their exposure to professional E&O liability
2. How to minimize exposure to E&O claims
3. Simple insurance buying tips

### The Managed Care Liability Exposure

Traditional areas of managed care risk include:

- **Medical negligence:** If a man-

aged care organization (MCO) employs medical providers, the organization can be held liable for injury arising out of direct medical care.

- **Peer review:** An employed physician is terminated from the plan's panel without the organization following its own peer review procedures.
- **Credentialing or provider selection:** A subscriber is injured by a panel physician with a documented history of incompetence.
- **Antitrust:** A provider owned health plan controls a significant portion of the services available in a geographic area, then charges competing plans unreasonable fees for those services.
- **Vicarious liability:** If a patient/subscriber reasonably believes that a negligent provider is employed by or is acting on behalf of an MCO, then the plan may be held liable for the negligent actions of that provider.
- **Utilization review:** A physician recommends a certain course of treatment and the plan wrongly denies the recommendation, resulting in complications or injury to the subscriber.
- **Conflict of interest:** For economic reasons, a health plan refuses to authorize a reasonable, but costly course of treatment.

### Recent Developments – Class Actions

In addition to the traditional risks listed above, class action suits are also on the rise. In a recent newsletter, Kristin McMahon, Esq. of IronHealth, a leading underwriter of managed care E&O, cites the ongoing class action relating to Usual and Customary Rates (UCR) for out of area benefits. She states, "the extraordinary amounts paid by health insurers,... the sizable plaintiff attorney fee awards and the Attorney General's adverse findings ... will undoubtedly embolden the plaintiff's bar in their pursuit of other UCR class action defendants."

In a 2006 study, another leading underwriter, OneBeacon Professional Partners also suggests there is a trend away from bodily injury related claims toward business practices related claims. This shift has resulted in a dramatic rise in defense costs due to the complexity of these cases.

### Minimizing Exposure to E&O Claims

There is no sure method of avoiding E&O claims, but Alice Johanson of IronHealth offers a few helpful hints.

- MCOs should be as transparent as possible in their dealings with both members and providers. Both should know what to expect from the organization and there should be as little am-

Please see> E & O, P6

<E & O, from P5

- ambiguity in contracts as possible.
- MCOs should have up-to-date, well communicated policies and procedures and be as consistent as possible in carrying these out. Exceptions can create litigation issues down the road.
- Strive to build positive and pro-active relationships with the regulatory agencies.

**Tips on Buying Insurance**

A good insurance broker will direct you to the strongest underwriting companies and guide you through the minutiae of renewal applications and forms, but there are some overriding principles that can help make your organization a more attractive applicant. It is important to shop for competi-

tive insurance bids at reasonable intervals. Ms. Johansson recommends, "It is appropriate to survey the market every 2-3 years ... to assure that coverage is as up-to-date as possible and is at a market competitive price. However, marketing every year can lead underwriters to not take the opportunity seriously."

John Riordan of OneBeacon Professional Partners makes another suggestion. "Probably the biggest missed opportunity is not sharing enough information. Be forward and generous with any information in order to receive the most appropriate risk management plan, coverage and pricing."

**Summary**

As with any business relationship, a key to a successful insurance


program is good communication. When there are material changes to your organization or operations, let your broker know. There may be coverage enhancements available to cover a new service or entity.

If incidents arise that could possibly develop into a claim or lawsuit, speak up! Your managed care professional E&O insurer has the same goals as you – to manage your exposure and to resolve potential claims as quickly and efficiently as possible.

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*Steve Couch is a Principal with MedRisk, LLC. The firm specializes in healthcare related insurance risk such as reinsurance, stop-loss, E & O and D & O. Steve can be reached at 503-657-7475 or [scouch@medriskllc.com](mailto:scouch@medriskllc.com).*

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**Health & Regulatory Counsel III**  
(Job Number: 003815)

No matter what your job title, the work you do at Kaiser Permanente supports the health and well being of our members. All 8.7 million of them. That's because each of us—from our financial professionals and IT team members to our RNs and physicians on the front line of care—shares a commitment to providing the best possible care experience. With locations across the United States, we offer the opportunity to build a rewarding career in an environment that supports your success. Join us and put your beliefs into practice.

**Description**  
This position will work with a team focused on Medicare and Medicaid managed care matters, with Programwide scope.

**Basic Qualifications:**  
At least 7 years of practice in the health law field (excluding medical malpractice or workers compensation), including broad experience representing managed care and insurance organizations, hospitals, and integrated delivery systems in California. JD required. An excellent academic and professional background. Demonstrated Medicare or managed care experience and expertise. Desire to develop a versatile and diverse health care practice. Professional maturity, judgment, and interpersonal skills to work independently and in team settings. Client focus and results orientation. Excellent written and verbal communication skills. Excellent references.

We offer a competitive salary and exceptional benefits package. Please visit <http://jobs.kp.org> for complete qualifications and job submission details (job # 003815).

**Principals only, EOE/AA Employer.**



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TO APPLY: Send cover letter & resume to:  
Vibra Specialty Hospital, Recruitment Coordinator, 10300 Hancock, Portland, OR 97220  
or Fax: 503-257-5880, Email: [jhanthorn@vshportland.com](mailto:jhanthorn@vshportland.com)



**Healthcare Transaction Attorney**  
(Job Number: 000865)

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**Description**  
Healthcare transaction lawyer in Oakland, California. Complex transaction work for Kaiser Permanente, including drafting and negotiating contracts with institutional providers such as hospital systems, development of commercial health insurance products, affiliations, merger/acquisition and new ventures.

**Essential Functions**  
Negotiate provider agreements. Assist in healthcare transaction legal process.

**Basic Qualifications**  
Minimum five years relevant experience required. Knowledge of health care insurance regulation, Knox-Keene Act, and ERISA helpful. Must be an excellent communicator able to work with little supervision. Must have strong analytical and writing skills. Must have strong interpersonal skills and work well in team settings.

We offer a competitive salary and exceptional benefits package. Please visit <http://jobs.kp.org> for complete qualifications and job submission details (job #000865).

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Qualified candidates must have a master's degree or equivalent experience in business, finance, economics, health administration, or a related field. Also required is 10-years of management level experience in healthcare with a background in business planning, finance or consulting. A proven history of working successfully with diverse groups is important.

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To apply please send your CV and cover letter to Julie Weisenburg, HR Director at [jweisenburg@mlchc.org](mailto:jweisenburg@mlchc.org). Visit our website at [www.mlchc.org](http://www.mlchc.org) for additional information.

DIRECTOR OF WOMENS AND CHILDRENS SERVICES



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### PeaceHealth Lower Columbia Region Director of Women's and Children's Services Longview, Washington

PeaceHealth's Lower Columbia Region, in Longview, Washington, includes St. John Medical Center, a 200-bed acute care and Level III trauma center community hospital, and PeaceHealth Medical Group, a multi-specialty physician practice. Our location is an easy 45 minute drive from Portland, Oregon and is ideally situated on the Columbia River, where mountains and beaches are just over an hour away. The family friendly, traffic-free area also offers the opportunity to work in a small town community while enjoying quick access to all that Portland, Oregon and Seattle, Washington have to offer. To those who share PeaceHealth's commitment to Exceptional Medicine and Compassionate Care, we have the following opportunity available:

Seeking candidates for the Director of Women's & Children's Services. Position will be responsible for providing strategic and operational planning and management of the Women's & Children's Service line. Requirements include Bachelor's Degree in Nursing, Masters preferred, WA State RN license, and a minimum of five years progressive management experience in Maternal/Pediatric Care Services.

We offer a competitive salary, comprehensive benefits package, and a generous relocation allowance. To learn more about this position, please contact Lisa Wishard at [Lwishard@peacehealth.org](mailto:Lwishard@peacehealth.org) or apply online at [www.peacehealth.org](http://www.peacehealth.org).

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