Western Montana Region
Missoula, Montana

Position Specification

Regional Chief Financial Officer

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Prepared by
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This Position Specification is intended to provide information about Providence Health & Services, Western Montana Region and the position of Regional Chief Financial Officer. It is designed to assist qualified individuals in assessing their interest.
The Organization

Providence Health & Services

Founded by the Sisters of Providence in 1856, Providence Health & Services (PH&S) maintains a strong commitment to its Catholic mission of service, with an emphasis on clinical excellence and stewardship. PH&S is a not-for-profit Catholic healthcare ministry committed to providing for the needs of the communities it serves, especially for those who are poor and vulnerable. In 2012, PH&S affiliated with Swedish Health Services, expanding both organizations’ ability to carry out their individual missions. With this affiliation, the combined scope of service includes 32 hospitals, 350 physician clinics, senior services, supportive housing, and many other health and educational services. The health system employs more than 64,000 people across five states, Alaska, California, Montana, Oregon, and Washington. Its system office is located in Renton, Washington.

In 2011, PH&S provided more than $651 million dollars in community benefit, including nearly $204 million dollars in free and discounted care for those who could not afford to pay for care. Continuous efforts are underway to improve quality, increase access, and reduce the cost of care in all of the communities that PH&S serves.

Mission, Philosophy and Values

Mission

As People of Providence we reveal God’s love for all, especially the poor and vulnerable, through our compassionate service.

Core Values

- **Respect:** We welcome the uniqueness and honor the dignity of every person. We communicate openly and we act with integrity. We develop the talents and abilities of one another.

- **Compassion:** We reach out to people in need and give comfort as Jesus did. We nurture the spiritual, physical, and emotional well-being of one another and those we serve. We embrace those who are suffering.

- **Justice:** We believe everyone has a right to the basic goods of the earth. We strive to remove the causes of oppression. We join with others to work for the common good and to advocate for social justice.

- **Excellence:** We set the highest standards for ourselves and for our ministry. We strive to transform conditions for a better tomorrow while serving the needs of today. We celebrate and encourage the contributions of one another.

- **Stewardship:** We believe that everything entrusted to us is for the common good. We strive to care wisely for our people, our resources and our earth. We seek simplicity in our lives and in our work.
More information about Providence Health and Services can be found at www.providence.org.

Western Montana Region

Western Montana Region is headquartered in Missoula, Montana. The region includes three operating entities, Saint Patrick Hospital (253 licensed beds) in Missoula, St. Joseph Medical Center (25 licensed beds) in Polson, and the Providence Medical Group, a network of more than 130 employed physicians and mid-level providers.

<table>
<thead>
<tr>
<th>Financial Data</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
</tr>
<tr>
<td>Gross Service Revenues</td>
<td>567,597,277</td>
</tr>
<tr>
<td>Net Service Revenues</td>
<td>268,065,528</td>
</tr>
<tr>
<td>Total Net Operating Revenues</td>
<td>297,939,423</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>283,485,339</td>
</tr>
<tr>
<td>Net Income on Operations</td>
<td>14,454,084</td>
</tr>
<tr>
<td>Non-Operating Revenue/Expense</td>
<td>1,891,539</td>
</tr>
<tr>
<td>Total Income</td>
<td>16,345,623</td>
</tr>
</tbody>
</table>

Operating Data

|                                |                 |
|                                | 2011            |
| Average Daily Census           | 109             |
| Acute Adjusted Admissions      | 18,039          |
| Patient Days                   | 39,767          |
| Births                         | 118             |
| Outpatient Surgeries           | 3,493           |
| Inpatient Surgeries            | 3,873           |
| Outpatient Visits (Non-ER)/(Non-OP Surgery) | 364,677 |
| Emergency Room Visits          | 32,218          |
| Total FTEs                     | 1,545           |
| Case Mix Index                 | 1.76            |
| FTE/AOB                        | 6.67            |

Balance Sheet

|                                |                 |
|                                | 2011            |
| Long Term Debt                 | 63,256,717      |
| Days Cash on Hand              | 72              |
| Net Days in AR                 | 47              |

<table>
<thead>
<tr>
<th>Payer Mix</th>
<th>Saint Patrick Hospital</th>
<th>St. Joseph Medical Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare Traditional &amp; Managed</td>
<td>52%</td>
<td>40%</td>
</tr>
<tr>
<td>Medicaid Traditional &amp; Managed</td>
<td>7%</td>
<td>13%</td>
</tr>
<tr>
<td>Commercial/Managed Care</td>
<td>28%</td>
<td>26%</td>
</tr>
<tr>
<td>Self-Pay</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Work Comp &amp; Other</td>
<td>5%</td>
<td>13%</td>
</tr>
</tbody>
</table>
The Western Montana Region is financially successful with net patient revenues exceeding $268 million dollars and an operating income last year exceeded $14 million dollars. The region is currently running ahead of budget with steady volumes and a market share of 51 percent. The Western Montana Region is undergoing a rollout of the EPIC electronic medical record in both their inpatient and outpatient facilities. The EMR rollout in the clinics is already underway and the inpatient rollout is scheduled for January 2013.

Given the rural nature of Missoula and the surrounding counties, over half of the Western Montana Region admissions come from outside the Missoula market. The Western Montana Region is implementing a new function, Hospital Management Services. This organization will provide an array of healthcare management services including electronic medical record provisioning, financial services, operations improvement consultation, and management services to rural hospitals in the region.

Summary of Position

The Regional Chief Financial Officer (CFO) Western Montana Region serves as the primary strategic partner to the Regional Chief Executive and the senior executive team. He/she works closely with the Chief Executive and the senior leadership team, providing expert counsel regarding the financial performance of the organization and strategies for its growth and development. The Regional CFO also participates in and supports the development and implementation of the strategic goals and objectives of the region, guiding the executive team to accomplishment of strategic objectives and protects and enhances the financial performance of the region. Functional responsibilities include leadership of financial strategy, decision support, operational support, planning, proformas, budgets, accounting, financial reporting and payor contracting. Direct reports to the position include the Regional Director of Finance and a staff of six finance managers/analysts for Saint Patrick Hospital. Additionally, one financial analyst from St. Joseph Medical Center has a dotted line relationship to the Regional CFO. Additionally, there is a staff of one financial analyst supporting Providence Medical group. Revenue cycle management, treasury and supply chain management are Shared Services supplied by PH&S centrally.

The Regional CFO serves as the financial advisor to the Executive Committee for the Board of Directors for Saint Patrick Hospital and St. Joseph Medical Center. Development of a Regional Board of Directors is underway and the Regional CFO will serve as the financial advisor to the new Board.

The Regional CFO will establish and maintain effective working relationships with senior executives of the region as well as with other Regional CFO’s in the system. He/she will also establish and maintain effective working relationships with executives of other health systems, payor and provider groups, brokers, and regulatory agencies.

Responsibilities

- Serve as the key financial advisor to the regional senior leadership team on strategic business issues, new business opportunities, and protecting and enhancing the region’s financial performance.
- Participate in the creation, assessment, and negotiation of new business relationships, ventures, and new lines of business by conducting feasibility studies, research, projections, and other analysis to assist the organization’s leadership team in decision making.

- Model the financial implications of key business decisions, including new payment models and pilot projects.

- Work with the regional senior management team to develop and implement strategies for cost containment, cost effectiveness, and operational efficiency.

- Provide complete and accurate records of assets, liabilities, and financial transactions. Analyze and report on the monthly financial statement including monthly reporting to the system office and the Board of Directors.

- Provide advice and assistance to the financial staff and operating leaders in analyzing and interpreting financial data and reports.

- Develop and refine financial policies including developing and monitoring the annual operating and capital budgets and effectively controlling business costs.

- Establish controls and ensure adequate cash liquidity to meet operational needs.

- Analyze the financial implications of proposed capital expenditures and recommend appropriate measures to respond to economic trends and/or regulatory changes.

- Provide records for independent audits and for external disclosures of financial results including annual financial report, Medicare and Medicaid cost reports, and other documents.

- Effectively oversee the revenue cycle on a local level, ensuring maximum payment from third party carriers and other payors.

- Ensure that generally accepted accounting principles as well as specific state and financial record keeping requirements and regulations are met.

- Lead regional third party insurance contracting strategies and negotiations.

- Collaborate with the Regional Information Officer and the regional executive team to develop, implement, and maintain information management and decision support systems critical to the accomplishment of regional strategies and objectives.

- Supervise, mentor, develop, and motivate key personnel within the finance function, ensuring that the finance functions are organized effectively and staffed to provide maximum benefit to the region.

- Represent the organization in national, regional, and local community organizations. Attend necessary educational sessions to keep abreast of industry and healthcare trends.
Goals and Objectives

It is expected that the new Regional CFO will achieve the following in the first 18 months:

- Develop an excellent working relationship with Chief Executive, senior leadership team, corporate finance team, medical staff leaders, and advisory board representatives based on trust, collaboration, and mutual support.

- Develop a credible, high performing financial team. Assess the current finance team, mentor and develop where possible, or make changes necessary to ensure the continued financial health of the organization. Evaluate the structure of the finance team and deploy resources appropriately for maximum effectiveness.

- Establish a reputation as a key financial and strategic advisor capable of guiding the organization through a variety of complex financial issues including changing reimbursement models, acquisition and merger opportunities, assessment of opportunities for new lines of business, and readiness of the organization to participate in alternative healthcare payment systems including bundled payments.

- Collaborate with senior leadership and key operations leaders to develop metrics and user friendly dashboards to enhance accountability and financial performance of operations including inpatient and ambulatory.

- Create a regional budget for the Western Montana Region.

- Partner with the senior leadership team and operating leaders to enhance efficiencies and productivity through regular monitoring of performance against benchmarks making adjustments on a regular basis to meet growth and cost control targets.

- Develop tools for financial forecasting and modeling of opportunities in physician alignment strategy. Develop financial metrics to support the operations of the Providence Medical Group.

- Assist the leadership team with EPIC implementation throughout the region. Ensure that the finance function has appropriate information technology and decision support tools to support their operation.

- Provide financial support for the emerging Management Services business function, providing financial tools to assist Management Services affiliates in their operations.

- Participate in the annual and long term strategic plan, modeling various scenarios and forecasting the impact of healthcare reform, bundled payment plans, and growth strategy for the region.

- Establish a strong relationship with payors including developing payment related to quality and outcomes improvement.

- Provide teamwork with other regional financial officers throughout the system and represent the Western Montana Region within the Providence system.
• Work effectively with the Providence system on rollout of new initiatives.

Candidate Qualifications

The ideal Regional CFO candidate will have the following qualifications.

Education

• A Bachelor’s degree in business administration, finance or accounting is required.

• An advanced degree at the Master’s level in finance, business administration, healthcare administration or related discipline is strongly preferred.

• CPA qualification is preferred but not required.

Experience and Skills

• A minimum of ten years of progressively responsible experience in the financial management of a complex healthcare environment with at least five years in a financial leadership role.

• Experience in an integrated health delivery system including acute care, physician group practices, and managed care health plans is ideal.

• Must have experience including and beyond hospital finance. Must understand ambulatory healthcare and physician medical groups as well as acute care. Must understand rural healthcare including the finances of critical access hospitals.

• Previous experience working in a multi-site healthcare system is preferred.

• Must have experience working in a cost-conscious organization that manages by metrics and benchmarks.

• Strong technical and analytical skills in accounting and finance including but not limited to general ledger, patient accounting, health information management, revenue cycle management, capital budgets, reporting, financial strategy, cost/benefit analysis, proforma modeling, and forecasting.

• Broad knowledge and understanding of the trends and changes taking place in healthcare and their implications for regional operations. Able to lead complex organizations through a transition process.

• Adept in advanced healthcare information technology. Previous experience with EPIC is helpful.

• Experience in Performance Improvement methodology, including LEAN principles is helpful.
• Executive demeanor and professionalism with strong core values of integrity, trust, sincerity, and honesty. Must be diplomatic, even keeled, have a positive approach, and a sense of humor.

• A collaborative style; one who partners with others to achieve the best results. The successful candidate should be forceful and performance driven but not abrasive. He/she should be able to balance effectively between the mission orientation of the organization and the need for bottom line results.

• Visible and accessible in the organization. A good mentor to the management team; comfortable serving as a coach and advisor for managers within operations who may need assistance in better understanding finance, budgeting, and managing toward benchmarks.

• Superior management skills with the ability to lead, coach, and develop others.

• Demonstrated skills in problem solving, decision making, innovation, and effective management of change.

• Strong ethics and integrity; able to understand and promote the mission of PH&S.

The Community

Missoula

Missoula is a thriving community of 100,000, nestled in the Rocky Mountains of western Montana between Glacier and Yellowstone National Parks. Missoula is the region’s major corporate, medical and retail center, with a cultural diversity unique to a city of its size, as well as unlimited outdoor recreation offerings for every season. It is home to the University of Montana, with over 12,000 undergraduate and nearly 2000 graduate students. Public schools are very strong and there are private school options, including a K-12 Catholic School. There are four public high schools: Hellgate High School, Sentinel High School, Big Sky High School, and Willard Alternative High School. There are also several private high schools: Missoula International School, Sussex School, Valley Christian School, and Loyola Sacred Heart High School. Missoula is the focal point of five valleys, and major north-south and east-west highways pass through. Missoula International Airport is served by daily flights on several national airlines. The housing market is strong, with the average cost of a four bedroom home in the $300,000 - $800,000 range. In sum, Missoula, Montana is a premier location offering a combination of family-centered, outdoorsy lifestyle, high caliber intellectual context with the University of Montana, and activity-friendly weather patterns year-round. To find out more, visit web sites for Missoula and Montana, below.

Polson

An hour north of Missoula, an hour south of Kalispell, Polson is located at the south end of Flathead Lake, the largest natural freshwater lake west of the Mississippi. There’s plenty to see and do in Polson year-round. In the summer there’s water sports, golf, hiking, horseback riding, and theatre. In the winter, snowmobiling, ice fishing, cross-country skiing, or downhill skiing at Blacktail Mountain, just 45 miles north. Polson is an attractive resort community and is popular with families and retirees as well.
The area boasts of several museums including The Miracle of America Museum and the Historic Polson Flathead Museum in Polson and The People’s Center Salish & Kootenai Museum in Pablo. Million-dollar scenery coupled with a small-town atmosphere makes Polson a great place to visit, winter or summer.

http://www.polsonchamber.com/visitor_information.asp

Procedure for Candidacy

Please direct all nominations and expressions of personal interest to the executive search firm retained by Providence Health & Services for this assignment.

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