

# Modern Healthcare

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## TRUSTEES OF THE YEAR 2011

**Special Feature** » *Linda Wilson*

### Board members rise to challenges

**W**ith all due respect to Charles Dickens, it's the best of times—and the worst of times—to be sitting on the board of a hospital or health system.

It's the best of times because innovations in clinical practice, information technology and system integration will ensure top-quality, patient-centered care in a post-reform era. It's also the most difficult of times because trustees must grapple with seemingly overwhelming complexities inherent in financing, regulatory compliance and physician alignment, to name only a few.

We have all the confidence in the world that the nation's healthcare trustees are up to the times. Their determined work supports their organizations' mission to provide the highest level of patient care, even amid uncertainty. Board members have the vision and experience to play a pivotal role in developing strategy for challenges such as health reform, industry consolidation, physician partnerships and the development of accountable care organizations.

Witt/Kieffer is proud to partner with *Modern Healthcare* to support the Trustee of the Year program for the ninth consecutive year. The 2011 winners join trustees nationwide in representing a broad and deep resource of leadership. As you read about their contributions, I believe you will find their perspective and perseverance quite extraordinary in the face of so many challenges.

Lasting efforts on behalf of their hospitals and systems will support the transformation of healthcare delivery in this country. And in so doing, they continue to improve the health of the patients and communities they serve.

Changing times require leaders with a steadfast commitment to prepare for the future. This year's Trustee of the Year winners are among the very best.



*Jim Gauss,  
President and CEO  
Witt/Kieffer*

### How we selected the trustees

This year, 47 nominations were received for the Trustee of the Year awards program, co-sponsored by executive search firm Witt/Kieffer, based in Oak Brook, Ill. Nominations were accepted from Oct. 4-Dec. 17. This year, the categories were expanded, and some of the criteria changed compared with previous years.

This year's four categories are: large hospitals, those with 100 or more beds; small hospitals, those with fewer than 100 beds; not-for-

profit healthcare systems; and for-profit healthcare companies.

Honorees were chosen by *Modern Healthcare's* senior editors. Per editorial policy, award sponsors are not involved in the judging or determination of award recipients. All profiles were written by Linda Wilson, a former *Modern Healthcare* reporter and now a freelance writer based in McHenry, Ill. Contact her at [lindajwilson@comcast.net](mailto:lindajwilson@comcast.net).

## LARGE HOSPITAL

# A steady hand

*Voisin helped guide Louisiana public hospital through turbulent times*

When Michael Voisin joined the board of commissioners at Terrebonne General Medical Center in 1997, board meetings averaged seven hours.

That's because his tenure at the 305-bed public hospital in Houma, La., began amid turmoil, when the HMO the hospital co-owned with four other hospitals was losing money. When the hospitals sold the health plan, Terrebonne's CEO of 19 years, a vocal supporter of the HMO, resigned as a result.

Voisin stepped up, signing on for a four-year stint as vice chairman of the board in 1998. He also served as chairman from 2003 to 2004 and began another term as chairman in 2008.

For his accomplishments, Voisin, 57, has been chosen as the 2011 Trustee of the Year for a large hospital—those with 100 beds or more.

Voisin's first order of business in 1998: Restore order to the work of the commissioners.

How? "He has a very respectful way of communication. I have never seen him yell, scream or holler or be aggressive in any way," says Phyllis Peoples, Terrebonne's president and CEO.

In addition, Voisin already had a reputation as a successful businessman. He is a seventh-generation oyster farmer who is the CEO of his family's business, Motivati Seafoods.

At Terrebonne General, Voisin emphasizes the importance of following rules. He insists that fel-

low board members read their agenda packets and seek answers to detailed questions before the meetings. He also expects them to attend committee meetings.

During meetings of the full board, "People will get real excited sometimes in a debate or a conversation," Peoples says. "Mike will say, 'I appreciate your thought process. I respect it. Let's take that into consideration, but let's hear the other side.'"

As a result of his efforts, the board now meets monthly instead of twice a month, and the average length of each meeting is between one and half hours and two hours.

The structured approach paid dividends when the commissioners voted in 2004 to close 40-bed Bayou Oaks Hospital, an inpatient psychiatric facility in Houma that Terrebonne took over in 1999 after the company that had leased the space left. The decision to close the facility was made because Terrebonne General had lost between \$1.5 million and \$2 million annually on operations at Bayou Oaks since 1999. In addition, the facility required a \$5 million renovation to meet accreditation standards.

"That was the most challenging decision of all my time on the board. I don't think there was a dry eye in the place," Voisin says, recalling the meeting in which commissioners voted to close Bayou Oaks.



VOISIN

However, Voisin says their decision paved the way for expansions in other much-needed clinical areas, such as:

- A \$20 million, 85,000-square-foot, 50-bed women's center, which opened in May 2006. It houses obstetrical and gynecological services as well as a neonatal intensive-care unit.
- A \$10 million outpatient cardiovascular clinic.
- A 49,000-square-foot outpatient cancer center, slated to open in July. The facility is a joint venture among Terrebonne General; Mary Bird Perkins Cancer Center that operates multiple sites in Louisiana; and Cancer Care Specialists, a medical oncology group.

Voisin sums up the hospital's recent history simply: "One of my favorite philosophies has always been: You are either growing or dying. If you are growing that means you are expanding and supporting the community. If you are not growing, you are headed the other way. We have been a growing institution." <<

## SMALL HOSPITAL

# Building consensus

*Mossman rallied Iowa community to renovate, expand critical-access hospital*

As the economy spiraled downward in 2007, the board of directors at Virginia Gay Hospital debated whether to go ahead with a multimillion-dollar fundraising campaign to renovate the 25-bed critical-access facility.

It wasn't an easy decision. Board Chairman Mark Mossman relied on his skills as a negotiator and consensus builder, which he had honed as a local attorney, to bring the nine-member board to a decision.

"I think there was a legitimate question about whether in a down economy when people were losing jobs and losing money in their retirement accounts and being much more conservative in their giving and their spending—whether that was a good time to raise money and try to expand the hospital," Mossman, 60, recalls. "We had some legitimate differences of opinion."

"We are not a wealthy area by any means. We are an agricultural community and are not supported by a lot of industry or a large commercial

base," Mossman says, referring to Vinton, Iowa, population of about 5,100 and a total service area of about 25,000.

In the end, the board launched the campaign as originally conceived, raising nearly \$2.2 million



MOSSMAN

toward the \$8.4 million renovation, which was completed in September. To cover the remaining costs, the hospital used savings and operating surpluses as well as partial reimbursement from the federal program for critical-access hospitals. The project added 20,000 square feet to the hospital and included a new inpatient wing and expanded and upgraded areas for therapy services, the emergency department and imaging.

“We felt like we got a brand-new hospital,” says Michael Riege, Virginia Gay’s administrator.

For his accomplishments, Mossman has been selected as the 2011 Trustee of the Year for a small hospital—those with fewer than 100 beds.

The fact that residents of Vinton and surrounding communities supported the large project, despite the economy, illustrates how far the hospital has come since Mossman joined the board in 1994.

In 1992, before Mossman’s tenure, Virginia Gay opted out of a management contract with St.

Luke’s Hospital in Cedar Rapids, Iowa, choosing to hire its own administrator, Riege.

The next big change came in 1996, while Mossman was vice chairman. The hospital’s board decided to take over management of its primary-care clinic, which had been leased to a for-profit subsidiary of St. Luke’s, Riege says.

As part of the plan, three physicians and two physician assistants became employees of Virginia Gay. After regaining control of the hospital and clinic, the board pursued a course of modernization and expansion.

Virginia Gay bought two more physicians practices in 1999, and in 2002 built a clinic in nearby Urbana, bringing the total number of employed providers to five physicians and six physician assistants.

In addition, the hospital added two surgical suites and a new lobby in 1999 at a cost of \$3 million.

The hospital’s financial performance has

improved during this period, as well. The hospital posted a profit of \$10,421 on net revenue of just under \$4.2 million in fiscal 1993—the first profitable year in a decade. In 2009, it posted a profit just over \$700,000 on about \$16.5 million, which dropped to \$183,170 on revenue of nearly \$18.2 million in fiscal 2010 as a result of construction expenses.

Throughout all of the changes, Mossman has worked to keep the administration, medical staff and board aligned—not only for big decisions but small ones, as well.

For example, Mossman has arbitrated minor disputes between Riege and the hospital’s employed physicians on occasion, according to Riege. In each situation, Mossman invited everyone to his law office. He would then put “me on one side of the table and the providers on the other side, and work through a solution that makes everybody feel good,” Riege says. <<

## NOT-FOR-PROFIT HEALTHCARE SYSTEM

# Of mission and values

*Barker helped guide merger creating Indiana system, backed focus on ethics*

Judge Sarah Evans Barker’s life is about faith and fairness.

She has worked steadfastly to infuse those values into her roles as a hospital trustee and a judge for the U.S. District Court in Indianapolis, a position she has held since 1984.

Barker, 67, joined the board of Methodist Hospital, Indianapolis, in 1988. She then served on a task force that negotiated a merger between Methodist and Indiana University Hospital System in 1997. Since then, she has been a board member of the merged system, which was called Clarian Health until January when the Indianapolis-based system changed its name to Indiana University Health.

Why healthcare? “I just thought it would give me a broader sense of how the world works,” Barker says, aiding her judicial decisionmaking. In addition, Barker says she also believed it was “incumbent” on her as a faithful Methodist to accept the church’s request that she serve on the hospital board.

For her accomplishments, Barker has been

selected as the 2011 Trustee of the Year representing not-for-profit healthcare systems.

During the merger negotiations that led to what is now Indiana University Health, Barker insisted that the new system’s board of directors not only include a Values, Ethics, Social Responsibility and Pastoral Services Committee, but that it be on “equal footing” with other board committees.

“I was frequent spokesperson for the view that we have to be doing this (a merger) for good reasons—not just economic reasons. It has to be broader than that; deeper than that,” Barker recalls. The committee, which Barker has chaired since its inception, oversees human resources, community outreach, ethical issues in clinical practice and pastoral services.

In addition to the committee, Indiana University Health also has a senior vice president for values, ethics, social responsibility and pastoral services. That person, Steven Ivy, reports directly to Barker’s committee and Daniel Evans Jr., Indiana University Health’s president and CEO.

Ivy “has quasi independence from management.



**BARKER**

That is a fail-safe mechanism to ensure that the values maintain a high profile within the organization,” Evans says.

With assistance from Ivy, Barker’s committee also is responsible for allocating \$1.5 million annually for what the system calls “values grants.”

The grants are typically awarded for projects in peer-reviewed research as well as internal projects designed to support the values and culture of Indiana University Health. The system’s values include an emphasis on charity, equality and justice in the delivery of healthcare services; excellence in education and research; and respect and trust in relationships among employees.

One example of a funded project was a two-year \$130,000 research initiative to find out if the system’s values had trickled down to employees.

The researchers used a method known as appreciative inquiry—a process in which researchers solicit stories from employees about actions that occurred in their daily work. The idea is to find out if the stories employees tell illustrate one of the system’s core values.

After two years and hundreds of stories, researchers concluded that the employees were, in fact, acting in accordance with the

system’s values.

But Barker is particularly proud of another way values and ethics infuse the health system’s work: Indiana University Health’s board begins each meeting with a story and a prayer by one of its 35 full-time chaplains.

The stories are often about employees who go out of their way to help patients and their families. Evans recalled one story in particular:

Nurses and maintenance staff at Riley Children’s Hospital once moved a terminally ill boy from his assigned room to another room with a window facing out on nearby construction because the boy loved construction.

“It is one of the ways that board members are reminded that what we do here matters and affects people in significant ways,” Barker says. <<

**FOR-PROFIT HEALTHCARE COMPANY**

# A different vision

*Costante launched New Jersey insurance company that plays other roles*

**P**atricia Costante is not one to shy away from difficult jobs. In fact, she’s made a career out of it.

She founded MDAdvantage Insurance Company of New Jersey in 2002 even as other malpractice insurers serving the state failed, including the one where she worked. Costante was given the job of CEO of MIIX Group in 2001, specifically to wind down the company’s medical malpractice business, which insured 37% of New Jersey’s physicians. At the company’s height, it sold insurance in 26 states.

Costante believed that the root of MIIX Group’s problems was her predecessors’ decision to expand into states outside of New Jersey. Her vision for MDAdvantage—where she is board chair and CEO—is different, and includes three key tenets:

- Insure only physicians and only in New Jersey.
- Be 100% physician-owned with each insured physician owning one share. Costante and other executives don’t own shares in the company.
- Provide educational programs, a peer-reviewed journal, group discounts on products and other means to help physicians practice high-quality medicine and, thus, avoid lawsuits.

“I feel very strongly that we are a healthcare company, which is different than being just an insurance company,” Costante says. “So we provide a lot of resources to physicians, our insureds, as well as the general healthcare community.”

For her accomplishments, Costante, 53, has been chosen as the 2011 Trustee of the Year rep-

resenting a for-profit healthcare company.

Launching MDAdvantage, based in Lawrenceville, N.J., wasn’t easy. New Jersey’s Department of Banking and Insurance granted Costante permission to open MDAdvantage in May 2002. But the department’s blessing came with a large caveat: To qualify for a license to write insurance policies, Costante had to raise \$30 million by July 31 of that year.

To meet that deadline, Costante worked from early morning until late at night presenting her vision for MDAdvantage to small groups of physicians at hospital medical staff and department meetings, county medical societies and other gatherings.

Costante described the process as “a little hair-raising.”

“I must confess I was a skeptic,” says Dr. Paul Hirsch, vice chairman of MD-Advantage and an orthopedic surgeon.

Despite his reservations, Hirsch became one of about 3,000 founding physicians—who all made capital contributions equal to one year’s premiums in exchange for one share of stock. The average contribution was \$15,000.

With the fundraising behind it, MD-Advantage wrote its first policy on Sept. 1, 2002, and has become financially stronger ever since. In 2009, MDAdvantage had \$70.1 million in direct written premiums and \$286.9 million in total assets, compared with \$71.7 million in premiums and \$106 million in assets in 2003.

MDAdvantage also has added new services. For example, the company last year began

including coverage for business risks in its policies. The policies include coverage for costs arising from noncriminal personnel issues, billing irregularities and compliance with the Health Insurance Portability and Accountability Act of 1996.

“It is difficult to start an insurance company and build up the funds to keep it going, and she has been able to help the company to do that,” Hirsch says.

Costante’s roles at MDAdvantage and MIIX Group aren’t the only tough jobs she has held.

As a hospital-based social worker early in her career, Costante worked with patients who suffered from a traumatic injury to their brains or spinal cords.

After earning a master’s in business administration at New York University in 1991, she took a job with a consulting firm based in California, even though she had to frequently commute from her home in New Jersey to meet with clients based on the West Coast.

Costante has always had a “great deal of enthusiasm, a great deal of energy, and behind everything, a strong sense not only of purposefulness but also a high level of integrity,” Hirsch says. <<



**COSTANTE**