

# Thoughts ON LEADERSHIP

## Healthcare is in Critical Condition

BY DON SNELL

There are a number of issues that keep hospital CEOs awake at night. Those issues include financial challenges, not the least of which are upwardly spiraling costs, shrinking third-party reimbursements and the growing number of uninsured patients. In Georgia, there is the added challenge of funding trauma care, which grows more costly each year.

Employer-sponsored insurance is the bedrock of our current system. According to a study conducted by the Kaiser Commission on Medicaid and the Uninsured, the number of employer-sponsored insurance programs declined over the first five years of this decade. That's because rising health-care costs have increased insurance premiums for the average employer by nearly 90 percent since 2000, forcing employers to either eliminate their sponsored insurance programs or pass on much of those costs to their employees. The Robert Wood Johnson Foundation pegs the rate of decline in employer-sponsored insurance at 3.4 percent between 2001 and 2005, while during the same period, the average family insurance premium increased by nearly 30 percent.

Fewer employer-sponsored plans and increasing numbers of families being priced out of the health insurance market contribute to the alarming growth of the number of uninsured, which has risen to an estimated 47 million Americans, or 16 percent of the population. In Georgia, between 12.5 and 15 percent are uninsured. Sadly, the Institute of Medicine says that more than 18,000 American adult deaths each year are linked to being uninsured.

Couple the rising cost of care with private insurers refusing to provide equitable and adequate reimbursements all because they and their investors will not accept lower prof-



Don Snell

it margins. Add the government programs that are looking for ways to reduce their reimbursement rates and what you have is a situation that cripples hospitals and forces us to make the unenviable choice between advanced care and the bare essentials.

There are many hospitals like MCGHealth that maintain a low cost structure and reasonable charges, placing us as the second lowest cost academic medical center in the University HealthSystem Consortium and among the top 100 hospitals in the Cleverley and Associates Community Value Index.

But with trauma care siphoning resources, how much longer can we remain financially viable?

MCGHealth is one of four Level I trauma centers in Georgia and one of only 15 in the state. Georgia's 15 trauma centers (down from 19 in 2002, when some either dropped or lost their designations due to the financial burden) are stretched to their limits, making it necessary to frequently divert patients to other hospitals at the worse possible time, when time and proximity count. The reimbursements received from private health insurance, patient payments, and Medicare and Medicaid do not come close to reimbursing an estimated \$250 million a year in uncompensated trauma care by hospitals, physicians and EMS providers. Versus our total costs, MCG Health System's Level I trauma center lost \$8 million in revenue in fiscal year 2007, not including losses incurred by the MCG Physicians Practice Group.

The state recently provided a one-time infusion of \$58 million, to be divided among the four Level I trauma centers in Georgia. This funding helps, but it is a stop gap measure. Only a fully funded, comprehensive state trauma network will help save the 721 lives lost each year because our state lacks timely access to trauma care.

The fifth annual poll of the American College of Healthcare Executives revealed that 72 percent of chief executives named finances among their three greatest concerns, up from 67 percent the previous year.

You can count me among that group.

*Don Snell is President and Chief Executive Officer of MCGHealth, the academic medical center supporting the Medical College of Georgia. He can be reached at (706) 721-6569 or visit [mcghealth.org](http://mcghealth.org).*

## Successful Executive On-boarding – A Leadership Retention Tool

BY ETHELINE DESIR AND  
DOMINIC UBAMADU, FACHE

During a recent conference, we ran into one of those young, up and coming military officers and he was all charged up as usual - but this time about his upcoming transfer to a new hospital position at a new location. We asked him if he had ever been there before, he said no and he had not even met his new boss. Rather, the "Sponsorship Program," overseen by each commander and leader of the various units and agencies, was in gear, taking care of him and his family's needs. "...Yes, the military is always mission first, but the family comes a close second..." he added. "Months before I get there, my sponsor has helped me identify potential schools, churches and housing arrangements". On the work side, he had already been matched up with a peer or counterpart. This is the system that has been in place for generations of professional soldiers that allows each one to be the best they can be. The effectiveness of this program stems from the supervision of each leader at every level of the organization, and thus a leadership accountability.

In the civilian sector, we have no such program, but as leaders we are still expected to step forward and guide the new executives toward a similar end - well prepared to hit the ground running so as to achieve maximum organizational effectiveness. We call it Executive on-boarding, the deliberate process of preparing and integrating a new hire or a newly transferred executive to the current working environment. It begins during the candidate evaluation and selection process and has built in flexibility to respond to the unique needs of the new hire, incorporating both the internal and external environments. Studies continue to demonstrate that the better the on-boarding process, the higher the level of employee engagement and retention. Other sources say that direct and indirect costs associated with a poor hire, or ineffective on-boarding, can reach \$600,000 per hire.

As Executive Search Consultants, we partner with our clients, as part of our recruitment and selection process, to help drive the on-boarding process. But no matter what organization we are working with, or how defined their policies might be, the key to an effective on-boarding still rests with the leadership - usually led by the immediate supervisor in conjunction with Human Resources. The most significant time investment is ensuring proper alignment of expectations among the board, CEO, peers and subordinates of the new executive - as applicable.

We also found that it is equally important that the new executive feels welcomed into the community as they are at new job. For example, if an executive is relocating from a city to a rural area, or a diverse candidate going into a majority organization, the Search Consultant, in collaboration with human resources should get a clear understanding of the internal, external, cultural and social factors that could impact the new executive's



Etheline Desir



Dominic Ubadu

assimilation into the organization and the community. Questions that might be addressed include:

- How far will the new hire have to travel to find a hair stylist, church, restaurant that satisfies their needs?
- Prior to accepting the position, did they get a sense for the norms of the community?
- How will their lifestyle and/or that of their family change?
- What's the impact of the move on the job of the spouse and school for the children?
- Can they sell their home or will they be responsible for two mortgage payments once the temporary housing allowance has expired?

These are real life situations, if not properly addressed during the on-boarding process, can place undue stress on the new hire. At the Desir Group, we begin to discuss the on-boarding process at the early stages of the search process to uncover anything that could impair performance and tenure.

In a recent search, the hiring manager demonstrated his commitment to the success of the new VP hire, and took the following additional steps.

- Attained buy-in from the organization's leadership
- Ensured a memorable candidate experience
- Provided the selectee honest feedback and career advice
- Assigned outside coach, internal mentor and established clearly defined goals and expectations
- Connected the finalist with a like-minded board member
- Extended monthly housing allowance in consideration of today's housing market;
- Assisted the spouse in securing a position
- Was sensitive to selectee's start date to facilitate open enrollment benefits

With the escalating cost of hires today, the proper on-boarding of new executive hires is critical and should be viewed as a business imperative. It provides a roadmap upon which the foundation for success is built. The selection of the executive is just one step in the talent acquisition process, but it is critical to develop and implement a plan for the new executive to be able to lead with confidence. Studies have shown that performance tends to improve when a deliberate process with sound transitional strategies is employed to help integrate the new executive into the organization. Adequate support systems and clearly defined goals, as a leadership imperative from the onset, will accelerate the assimilation, and improve the performance and learning curves of the new executive.

*Etheline Desir is President/CEO of the Desir Group and Dominic Ubadu, FACHE, is Executive Vice President of the Desir Group. For more information, visit [www.desirgroup.com](http://www.desirgroup.com) or call (770) 431-4664.*