

Look for Added Value in Today's Finance-Focused Healthcare Environment

By Steve Geyer

Despite consistent community need for all types of services, Healthcare is not immune to the financial concerns that plague other industries. Indeed, Healthcare is a *business*, though a unique one, and as such, must be subject to standards of profitability and viability amid continual changes to the economy. But what happens when a hospital or healthcare system—or even a service line within a hospital—sees a decline in revenues, an increase in expenses, a rise in competition, or a decrease in reimbursement? Such scenarios can lead to significant long-term financial problems...especially if prompt attention is not given to reverse potential negative effects. So how does an organization avoid this pitfall?

After recognizing a need, some organizations may be hesitant to look beyond their own walls for assistance. From the onset, the organization must first admit that they do not have the expertise or time “in-house” to get the job done. But, to sacrifice current momentum, ignore growing competition, or fail to plan ahead for the future are mistakes that in the long run could cost far more than the investment of engaging an experienced, qualified consulting firm.

Corazon believes that when strategic, financial, or operational needs require the expertise of outside help, it is important to act fast in order to maintain the goals and vision of the organization, capitalize on a market opportunity, and/or to overcome institutional inertia. But not all stakeholders may buy-in to the decision to engage an external consultant, especially when spending already limited resources will be necessary.

Skepticism about the credibility, reputation, track record, and experience of a firm could dissuade an organization from taking the step of hiring a third party consultant. Corazon has recognized the way to alleviate these and other concerns by bringing *proven* solutions and *measurable* added value to an organization.

We acknowledge that it is important to engage *all* key stakeholders—both administrative and physician—in the process. In our experience working with heart and vascular service lines across the country, we have earned our reputation with hundreds of successful engagements and satisfied clients. The decision to hire outside help when necessary to make a difference in the cost and quality of patient care should be easy—if you focus on the benefits of hiring the RIGHT firm for your specific needs.

We recommend you consider these and other factors when choosing a consulting firm:

- **Long-term experience with “like” facilities.** A truly qualified firm will offer references prior to contract authorization and also provide the resumes of the anticipated project team as evidence of credibility and past success. An understanding of the consulting team’s expertise and their ability to deliver within the culture of the organization is an important consideration.

- **Skills and expertise that go far beyond the current reach of the organization.** The value of the chosen firm should include access to information based on national and industry-wide trends. A firm’s ability to translate industry benchmarks, understand the impact of new technology and practice, and unite stakeholders to support new evidence-based practice can be important to building programs poised for the future.
- **A proven track record in dealing with the regulatory environment.** Expenditures for legal advice during an engagement can become costly. Although no consulting firm should be considered legal council, the consulting firm should bring a solid working knowledge of current state and federal regulations related to such things as fair market valuations, joint ventures, management service agreements, and other new service delivery models.
- **A full continuum of services.** Hiring a generalist consulting firm versus a niche firm can be a defining moment for any project. A broad scope of services may result in high-level recommendations that require additional work (and fees) to bring in others that have the expertise necessary to complete the project. On the other hand, knowing that a firm has experience in multiple facets of their niched area of expertise can mean a more detailed and relevant plan that can readily move to execution.
- **Strong business alliances and professional relationships.** These established ties can result in preferred service (and pricing) for other industry vendors. Furthermore, the ability to tap into additional resources raises the level of the deliverable considerably. Corazon’s Medical Advisors are frequently brought on-site during an engagement to leverage their current experience in the field. These leaders in their specialties have the clinical knowledge and peer prestige, which allows them to bring respected insight to the physicians who may have key influence on the success of the project.

Fiscal responsibility is never far from the minds of healthcare leaders and administrators, but the ability to recognize when the help of an outside consulting firm is appropriate must go hand in hand with the ability to choose a firm that not only meets the organization’s needs, but also has the ability to exceed them.



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