CASE STUDY:

**Interim Chief Financial Officer Case Study:
Trinity Mother Frances Health System: Tyler, Texas**

Warbird provides customized healthcare finance team, including an interim CFO, to help leading health system move forward with key financial initiatives

**The Opportunity**
Recognized as a leader in quality and rated as the number one hospital in the state of Texas for patient safety, Trinity Mother Frances Health System in Tyler was in need of financial leadership after the retirement of its long-time CFO. Trinity had embarked on the construction of a heart hospital and the installation of the EPIC electronic information system yet days of cash-on-hand was strained and the organization was not prepared to enter the bond market for financing.

**The Solution**
Lindsey Bradley, president and CEO of Trinity, turned to Warbird Consulting Partners. Working with Warbird, Trinity was able to engage a customized team of healthcare finance experts that included an interim chief financial officer through Warbird’s Healthcare CFO Consulting Network, as well as key financial staff through Warbird’s On-Demand Services. In addition to interim CFO Pamela Vukovich, a healthcare finance expert with more than 29 years’ professional experience, including 11 years as a chief financial officer, Warbird also provided seasoned interim professionals to serve as internal audit director, tax manager and director of physician services, as well as several financial analysts.
Working onsite with the Trinity executive leadership team three-to-four days a week, Pam and the Warbird team collaborated with the hospital’s finance department to devise a detailed plan of action to put the organization on financial track. With her expertise, Pam spearheaded the development of a long-range financial plan that included a return-on-investment analysis for the EPIC and heart hospital projects, and helped define the need for bond financing for expected capital outlays in the next three years.
After the long-range plan was approved by the Trinity finance committee and executive leadership team, Pam prepared the organization for review by Fitch and Moody’s. Trinity’s current ratings were confirmed and Pam led the combined finance team in working with investment bankers to execute a successful bond issue.
In addition to addressing the immediate financial challenges facing Trinity, Pam worked with CEO Lindsey Bradley to restructure the finance department and its functions for long-term improvement, including instituting a department of internal audit, and defining its responsibilities, staffing models and detailed audit programs. She also reviewed Trinity’s investment practices and policies and recommended key changes in cash management and investment allocations to Trinity’s finance committee. All of these changes were implemented and have resulted in a more robust finance function with greater returns and lower risk.
Finally, Pam worked with Lindsey and Trinity COO Ray Thompson to rewrite the CFO job description and provided expert input during the selection process for a permanent CFO. Trinity selected Joyce Hester, an internal candidate, and Pam has continued to consult with Trinity as a mentor for the new CFO with regular update calls to provide counsel in the areas of bond financing, investments and more.

**Results**
Warbird’s expertise in healthcare finance management and its ability to build a customized On-Demand team to meet the hospital’s specific needs provided the following results for Trinity Mother Frances Health System:
• New Chief Financial Officer
• New bond financing at attractive rates
• Established department of internal audit
• Robust investment policies, including new asset allocations for corporate and retirement funds, and an improved cash management system
• Completed reviews of ratings, which were confirmed
• Restructured bond portfolio with reduced interest expense and lower risk
• Process to review and standardize physician incentive compensation programs
• New record keeping and investment management firm for the system’s 403(b) pension plan, which resulted in significant annual savings to participants
• Long-range financial plan and model, which could be updated by Trinity staff in the future
• Standardized financial analysis and capital analysis