

Street Smarts

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The article by Mr. Holtby resonates in timely fashion given our current economic environment. As hospitals and clinical practices struggle to maintain solid economic footing, we forget that the economic health of our businesses and practices, medical centers, hospitals and health systems is critical to the continued provision of the patient care, teaching and research missions of those respective institutions and clinical practices.

Psychology plays a major role in all facets of human behavior, not the least of which is the anxiety over maintenance of sound economic underpinnings in a shaky economy. The good news is that healthcare — cardiology in particular — is a good business to be in at this time, especially as the population ages and requires more healthcare services. The bad news is that as cost and expenditures rise, more regulations and interference by third parties becomes likely. But I do not think that this is a time to batten down the hatches. Astute practitioners, practices and institutions are positioning themselves to thrive in the current and future environment. As such, now may be the time to invest in activities, structures and services that will assure continued success. Finances will play a key role in your strategies and even small practices have access to financing sources that can allow continued growth.

However, a word of caution concerning financial metrics: This is no place for artful exaggeration or self-enhancement. The past decade has seen too many fast deals and involvement in untenable healthcare business ventures fueled by bravado and “get rich” schemes. Rather, look at your finances as a matter of setting the record straight and allowing a pragmatic way of tracking performance and linking to the overall mission of the organization. Finances are but one component of the many things one tracks in a business, but it is a critically important component. The beauty of financial reporting done correctly is that it allows a review of the business sans anecdote and extraneous cluttering facts. All too often, the

finances of the practice or the finances of a department remain a mystery or a set of undeciphered numbers known only to accountants or the CFO. The message is simple: finances fuel the growth and development of your practice or institution. Without such, there is no mission, patient care, teaching or research. Opportunities exist to address finances through sundry partnerships and financial instruments. Although as practitioners we have always viewed finances as a consequence of what we do, it is the finances that become an important enabler. Think of these guidelines when you think of finances:

- Be clear about your strategy and what you wish to accomplish.
- Expand your focus. Patient care, teaching and research are endpoints. Each practice and business have different endpoints. Realize what fuels your ability to do those things.
- Don't settle for a lack of understanding. Learn the basics of financial reporting, especially if you are in a leadership role.
- Partner and develop financial relationships — cognitive of the fact that all businesses need financial partners (banks, etc.), nurture those relationships and approach them on a long-term basis. Your success will be their success.
- Be open to creativity. You should avoid feeling you are incapable of providing a needed service or product (provided there is a true need or a valuable product) strictly due to finances. Granted, there are times when finances may absolutely prohibit pursuing a certain strategy, but before you reach that point, realize that there are often creative solutions to financing a venture.

In summary, it sounds almost trite to say that there is more than a casual connection between the economic, political, and healthcare world in which we live. Each sphere conditions and boundaries the others. An approach that minimizes or fails to understand the importance or magnitude of the opportunity sometimes will condemn one to irrelevance and unattained goals!

“Money is like a sixth sense without which you cannot make a complete use of the other five.”

Of Human Bondage (1915), Chapter 51

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