

CLIENT CHALLENGE



One of the largest single specialty physician-owned and led medical groups operating across multiple states experienced successive leadership changes resulting in the deterioration of several functional areas including its finance function inclusive of physician compensation. As a result, the practice found itself in a perilous position lacking the necessary operational leadership to implement improvements to maintain the integrity of its financial systems and effectively and accurately communicate across organizational stakeholders regarding financial matters.

TRUSTWORKS COLLECTIVE APPROACH

1

Already engaged with the physician group, TrustWorks' Executive Sponsor facilitated a conversation with the physician group's Chief Executive Officer to discuss the challenges related to the financial operations, opportunities, and needs for improvement.

2

To address the challenges, TrustWorks deployed an Interim Senior Finance Executive to work in collaboration with the physician group's finance and accounting team, as well as its physician leadership to provide dedicated, on-site leadership and support to address the compounding finance/accounting issues.

3

Upon deployment, the Interim Senior Finance Executive conducted a forensic review of the prior two years' accounting and financial records, including compensation reconciliations, workflows and internal controls, and policies and procedures to secure an accurate understanding of current state.

4

With this understanding, TrustWorks' Interim Executive worked collaboratively with leadership to develop a work plan to guide the numerous improvement efforts and address past errors. The Interim Executive served the physician group for approximately five months and achieved critical improvements, including general financial operational integrity through policy and procedure development and implementation; corporate overhead quantification and annual budget development; physician compensation reconciliation; and management of financial staff.

RESULTS

During his tenure, the Interim Senior Finance Executive was able to:

- ✓ Close out the physician group's year-end financials with a positive, reconciled net income despite prior period impacts, while maintaining positive cash flow, facilitating tax planning, and developing a go-forward budget;
- ✓ Stabilize, optimize and reestablish integrity to the accounting processes and institute a consistent financial close and financial reporting schedule;
- ✓ Refine the revenue and expense allocation process and address various issues regarding the day-to-day accounting and finance needs of several physician cost centers that arose due to inefficient processes;
- ✓ Fulfill the data needs of an independent valuation firm with preparation of three-year projections and other supporting documentation related to future planned ownership changes;
- ✓ Conduct an assessment of the financial support staff and create a future state plan inclusive of role and responsibility modification, as well as facilitate the retention of a controller and CFO, managing the transition of same into his position.