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Position Description – Chief Financial Officer

Our highly prestigious client, Children’s Hospital & Research Center at Oakland (CHRCO), located in Oakland, California, is the oldest, largest, busiest and most comprehensive children’s hospital between Los Angeles and Seattle. The Hospital is a separately governed, “free-standing” facility.

Founded in 1912, Children’s Hospital & Research Center at Oakland (CHRCO) meets the medical, developmental, and psychological needs of all children, from premature infants to teenagers. CHRCO is renowned by their expertise in 30 pediatric subspecialties from adolescent medicine to urology. With a staff of 2,300+ employees specially trained to care for children, CHRCO serves as both a regional referral center and a medical safety net for East Bay children, with more than 176,000 visits each year from patients from throughout California as well as other states and countries.

CHRCO, a 205-bed facility, has the largest pediatric intensive care unit in Northern California, the only pediatric emergency department and the only designated Level I pediatric trauma center between Los Angeles and Seattle. The 47-bed intensive care nursery is the state-designated regional referral center for high-risk newborns in Alameda and Contra Costa counties.

Children’s Hospital Oakland Research Institute (CHORI) is among the nation’s top pediatric facilities in the US in terms of Federal funding. It is ranked first in the US for a non-academic affiliated Research Institute. Close collaboration between clinical and research services at Children’s has resulted in advances in the treatment of cancers, sickle cell disease, thalassemia, AIDS/HIV and many other life-threatening diseases. CHORI researchers have contributed significantly to the understanding of the human response to vaccines and to the impact of nutritional deficiencies, drug use and environmental toxins on birth defects. Ongoing studies into the molecular mechanisms of atherosclerosis, obesity, asthma and diabetes benefit children worldwide.

The Outpatient Center is the only free-standing pediatric outpatient center in Northern California. The Hospital works closely with community physicians to bring pediatric expertise to outlying areas through satellite offices. The Hospital has a Foundation that raises funds to help support these specialized services and programs.

Our client’s annual revenue is approximately \$250 MM; it controls assets of nearly \$250 MM and operates on a net margin of 1.2%. The balance sheet and other operating ratios indicate that it is in a strong financial position. The

organization's income is a combination of standard medical reimbursement by the State and Federal Governments, private payors, grants and donations.

Management

The Company's management team consists of a first class blend of clinical, scientific, operational, financial and business development expertise. By building a strong team from its inception, CHRCO has provided itself with a solid foundation to maximize its continuing opportunities for success. The Company plans to continue to use all resources available to attract only highly experienced and skilled contributors to the team.

The style of management and the organizational culture of excellence are deeply rooted in teamwork and mutual support. The commitment of the management team to the mission, which is "Kids", is outstanding and highly effective in keeping the management and staff focused on the big picture. To complement the management team an individual must be able to blend their individual success into that of the entire team and share in the commitment and the satisfaction of taking care of very sick children.

The solid fiscal and strategic commitment of senior management is to remain user friendly, proactive and state-of-the-art. In order to be successful, the Chief Financial Officer will possess a customer service orientation with both internal and external "customers".

Position Description

The Chief Financial Officer of Children's Hospital Oakland (CHO) is an officer of the corporation reporting to the Chief Executive Officer. The Chief Financial Officer is an integral part of the senior leadership team. As a member of this team, the Chief Financial Officer is expected to be an active participant in developing goals and implementing strategies for the hospital, while ensuring the financial services department appropriately applies resources to assist CHRCO in meeting their goals in compliance with legal and regulatory requirements.

The Chief Financial Officer is responsible for financial oversight of the hospital and its affiliates and is responsible for all aspects of the day-to-day fiscal management of the organization. The Chief Financial Officer functions as an adviser to the Chief Executive Officer, the Board of Directors and the senior management team regarding the financial management of the institution.

The Chief Financial Officer works closely with the Hospital's senior administrative team. This key executive is responsible for the development, interpretation, coordination and administration of the Hospital's policies on finance, budgeting, accounting systems development, internal controls and maintenance of records and procedures to adequately safeguard the assets of the corporation.

The Chief Financial Officer directs the financial management functions, budgeting process, interprets financial and statistical trends, projects financial needs, plans and recommends courses of action to accomplish desired results and implements financial actions. The scope of the responsibility encompasses financial planning, capital and operational planning, capital accumulation, revenue generation, financial evaluation of new programs and services and participation in expense management activities. The Chief Financial Officer will evaluate operating procedures and will ensure effective operation of the financial departments.

Reporting Relationship

The Chief Financial Officer reports directly to the Chief Executive Officer with additional reporting responsibilities to the Board and several Board Committees. Reporting to this position are: Care Access; Managed Care, Contracting; Patient Accounts; Admissions/Registration; Financial Planning; General Accounting and Materials Management.

Responsibilities

1. Provide stewardship of the organization's resources.
2. Direct and manage the financial operations and financial planning process of the Hospital.
3. Support the Chief Executive Officer and other members of the management team in setting the organization's overall strategies, evaluating specific opportunities and assuring the financial viability of the Hospital.
4. Embrace CHRCO's mission and understand, support, promote and adhere to the customer service philosophy and standards of the Hospital.
5. Supervise, mentor, develop and motivate key personnel within the financial areas. Evaluate managers and resource allocations for finance departments. Chief Financial Officer will be kept informed, ask penetrating questions, know the critical issues to explore and stimulate appropriate discussions.
6. Ensure that generally accepted accounting principles as well as specific state and financial record keeping and reporting regulations are met.
7. Keep abreast of and ensure staff is aware of HCFA, and Medi-Cal regulations, Federal congressional actions and deliberations and state and local decisions influencing fiscal management of the Hospital and its affiliates.
8. Also ensures compliance with orders or directives issued by duly constituted government/regulatory agencies or third party payors within areas of responsibility.
9. Develop and refine all financial policies including overseeing, developing and monitoring the annual operating and capital budgets effectively controlling business costs and ensuring maximum payment from third party carriers and other payors.
10. Work collaboratively with the senior management team to develop and implement strategies for cost effectiveness.
11. Provide advice, guidance and assistance to the financial staff and administration in analyzing and interpreting financial data and reports and present that information to management, physicians, Finance Committee and the Board of Directors.

12. Analyze the financial implications of proposed new programs, services and capital expenditures and then recommend appropriate measures to respond to economic and regulatory changes.
13. Establish controls and ensure adequate cash liquidity to meet operational needs.
14. Participate and educate financial staff on the CQI program of the Hospital.
15. Review, analyze and assist in negotiating various contracts with third party payors, physicians and others.

Short Term Goals

The Chief Financial Officer will be expected to accomplish several key objectives within the first 12 to 18 months.

The following goals represent some of these challenges:

- ◇ Establish trust and confidence in the financial department at every level of the organization.
- ◇ Demonstrate a strong commitment to the values and mission of Children's Hospital Oakland.
- ◇ Work with the Chief Executive Officer and other members of the senior leadership team to establish financial needs and priorities for the CHO organization, always balancing the needs of the children and the financial considerations of the hospital
- ◇ A top priority is the need to strengthen Profit and Loss outcomes and the Balance Sheet.
- ◇ The Chief Financial Officer must interact effectively with the Board of Directors of CHO, the senior leadership team and the auditors to develop a strategic financial plan that will accomplish this.
- ◇ Be certain the hospital has a credible and well functioning Materials Management Department.
- ◇ In conjunction with the members of the senior executive team, the Chief Financial Officer will execute the key financial strategies of the Hospital and Research Center.
- ◇ Establish rapport and camaraderie with other members of the senior management team.
- ◇ Improve the Treasury and Investment Management functions for the organization,
- ◇ Renegotiate the existing Bond debt.

Personal Characteristics

1. It is imperative that the Chief Financial Officer be first and foremost a team player.
2. The importance of building the trust, credibility and confidence among superiors, peers, department staff and other departments within the organization is imperative to the success of the candidate and the achievement of the Hospital's goals and objectives.
3. The successful candidate will possess a "hands-on" management style and have a zest for day-to-day operations.
4. This position requires the successful candidate to gain trust within the organization as well as externally. To accomplish this, he/she will project integrity, high moral and ethical standards and to be able to represent the values of CHRCO.
5. The Chief Financial Officer must be a superb communicator possessing excellent written and oral skills.
6. The style of the successful candidate will be that of a diplomat, i.e., able to get along well with everyone and to negotiate agreements where each party benefits.

7. The Chief Financial Officer will be comfortable and confident in presenting to the Board, executive, physician, management and community venues.
8. He/she will be a person who possesses a strong work ethic, rejects setbacks, and values accomplishments highly.
9. An action-oriented personality that deals with specifics within a broad conceptual framework will be most effective in this position.
10. He/she will have an appropriate sense of urgency that allows him/her to react to situations quickly and decisively.
11. A nonpolitical "speak your mind" approach will work most effectively within the organizational culture.
12. Board and industry presentations are a key aspect of the position.

Opportunity

The Chief Financial Officer position offers an exceptional opportunity for a proven and seasoned healthcare executive to build a "best-in-class" financial department at a highly respected and visible national and regional medical facility. As a nationally respected Pediatric Center, CHRCO will continue to serve as a key referring location for Northern California Pediatric Care. The successful candidate will share in the success and reputation of CHRCO and be recognized as a key individual in the accomplishments of CHRCO.

Credentials, Experience and Background

1. A Bachelor's degree in an appropriate discipline is required; plus an advanced degree in finance, business administration or healthcare administration, or an equivalent combination of education and experience. A CPA is desirable.
2. A minimum of ten years of progressively responsible senior level healthcare financial management or equivalent experience preferable (five plus years experience as a Chief Financial Officer of a complex hospital or healthcare organization highly desirable). Pediatric experience is highly preferable. Experience in public accounting would be a plus.
3. Experience in providing analytic support and maintaining cost-effective and long-term financial viability of health care operations.
4. Prior experience in demonstrating effective communication skills and interpersonal skills are required.
5. Prior successful experience developing and managing staff in a competitive healthcare environment.
6. Must have a thorough knowledge and understanding of GAAP and process costing in a healthcare environment.
7. Must have a working knowledge of healthcare delivery emphasizing an understanding of finance, planning, physician relations, various functions and departments within the hospital as well as a strong working knowledge of patient care and human resources.
8. The successful candidate must be innovative and creative in designing, developing and monitoring financial systems and programs within the parameters of the existing Meditech Magic 4.8 system.
9. A successful history of interacting and communicating effectively with a Board of Directors.

Compensation

The compensation plan is based on a competitive base salary commensurate with the experience and the demonstrated accomplishments of the successful candidate. The organization has an excellent employee benefits package consisting of medical coverage, a dental plan, life insurance, Defined Benefit Retirement Plan and a 403 b program with employer matching. This position is also eligible to participate in the Executive Compensation program, which includes a Supplemental Executive Retirement Plan, Deferred Compensation Plan, Annual Incentive Compensation Plan and other benefits.

Procedure for Candidacy

Send resume or nominations in strictest confidence as soon as possible to:

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