

## **Transitioning from Military to Civilian Healthcare Administration: The Community Hospital Internship**

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### **Introduction**

In this paper we present a “real world” experience which we feel will be of interest to readers of *Executive*. A significant career challenge facing many of our AAMA colleagues is how to effectively transition from healthcare administration in the military to a similar role on the civilian side. The authors have particularly encountered this challenge within the newly formed AAMA Small or Rural Healthcare Organizations Special Interest Group (SIG). About half of our members in the newly formed SIG practice in small military healthcare facilities such as stand-alone ambulatory care clinics, shipboard medical treatment facilities, operational medical platforms (e.g. medical and surgical companies), Deployable Medical (DEPMED) hospitals, and continental US and overseas US military hospitals. The other half of our members come from traditional small or rural community hospitals and small specialty care facilities (e.g. ambulatory surgery centers, dialysis clinics, etc.).

Our premise in presenting this paper is a simple one. We believe strongly that there is an important role for healthcare administrators who are exiting the military to provide leadership in the small/rural sector of civilian healthcare. In fact, we would add that it is tremendous waste of talent when such individuals leave the military and do not continue to utilize their healthcare administration talents on the civilian side. We continue to hear about the shortage of leadership in

rural healthcare these days, and our own anecdotal experience supports this observation. We see many small civilian hospitals struggling to find qualified administrators, especially in truly rural settings. When these organizations settle for a poorly qualified executive, the results for community health are suboptimal at best. In this paper, we present the Community Hospital Internship as a real and practical way to address this problem, and to thereby benefit communities across rural America.

### **Internship Setting and Participants**

This paper describes an internship conducted at Stevens County Hospital, a small community hospital in Hugoton, Kansas. Hugoton is located in the extreme southwest corner of Kansas in the “five state region” very close to the Colorado, Oklahoma, Texas and New Mexico borders. In terms of economic base, Hugoton is known as the “Gas Capital of the World” being centered over a huge oil and natural gas field. Irrigation farming is also very important to our local economy. Our facility converted to Critical Access Hospital status in May, 2001. As a CAH, the facility operates 25 beds (15 acute care beds and 10 swing beds). An entirely new inpatient hospital and Rural Health Clinic were constructed here in 2000-2001, and the old hospital facility is currently being remodeled for improved outpatient services. In terms of revenue size, the hospital is currently at \$9 million, with a goal of \$10 million for fiscal 2002. Hospital CEO is Deryl Gulliford MHA, PhD. Deryl is a long-time AAMA member and Diplomate. Nick Bottom is hospital Chief Financial Officer and a member of the Kansas Hospital Association Finance and Technical Advisory Group. Importantly, Stevens County Hospital is part of a voluntary 18 hospital network known as the Pioneer Health Network. This fact greatly enhanced the value of the internship through networking opportunities and collaborative ventures. Deryl is presently Vice-President and President-Elect of Pioneer Health Network..

Joining Stevens County Hospital for this internship is Glen Porter, MA, CFAAMA who recently completed a 26 year military career, 14 years of which were in Navy healthcare administration, and 12 years of which were as a Navy Hospital Corpsman. Glen's administrative experience included service and leadership positions with Naval hospitals and clinics, a deployable medical unit with the US Marines, a shipboard medical treatment facility, a joint healthcare management engineering facility, a reserve 500 bed combat zone Fleet Hospital, and various medical planning and training positions. Now that Glen has completed his military career, he is pursuing employment in civilian healthcare. To that end, he seeks a better understanding of private hospital administration through completion of the internship.

The authors first met and discussed the possibility of this training experience during the AAMA 44<sup>th</sup> Annual Convocation, October, 2001 in Las Vegas.

### **Military and Civilian Healthcare Administration: Contrasts and Comparisons**

Many of the most important principles of healthcare administration translate well from military to civilian practice. Among these are certainly:

- The Key Role of Leadership
- Human Resource Administration
- Fiscal Management
- Logistical Management
- Facilities Management
- Health Information Management
- Operational Management
- Strategic Planning
- Contract Administration

However, the reader should understand that there are important differences between military and community healthcare, and important new skills which the administrator seeking to transition must acquire. Among these differences are:

- Reimbursement Methodologies (Medicare, Medicaid, Commercial Insurance)
- Grant Funding and Tax Credits for Various Programs
- Fundraising, Development and Planned Giving
- Billing and Collection Functions
- Local and State Healthcare Regulations
- Home Health Care, Durable Medical Equipment and other Specialized Services
- State Department of Health Inspections
- Small Hospital Contract Administration

In general, what we learned through this process is that *the similarities between military and civilian healthcare are much greater than the differences*, but the differences are important, and they must be addressed in an effective internship.

### **Our Stated Objective**

Any effective program begins with a clearly stated, well understood objective. We formulated the objective of our Community Hospital Internship as follows:

*To provide the intern with a comprehensive overview of community healthcare administration, emphasizing knowledge and skills not obtained during military healthcare service, and thereby preparing him to function effectively in a senior management role within the civilian health care delivery system.*

### **Designing The Internship**

The authors developed a plan for a 400 hour Community Hospital Internship

This schedule included:

1. Daily Interface with the CEO
2. Rotation Through Hospital Departments and Interface with Management Team Members and

Staff Members, including:

- Chief Financial Officer
  - Rural Health Clinic Director
  - Accounts Payable Manager
  - Business Office Manager
  - Health Information Manager
  - Medical Staff Credentialing Officer
  - Director of Community Health
  - Director of Durable Medical Equipment
  - Materials Manager
  - Nurse Executive
  - Maintenance Director
  - Director of Food and Nutrition
  - Imaging Director
  - Laboratory Director
  - Surgery Coordinator
  - Emergency Department Coordinator
  - Specialty Clinic Director
  - Risk Manager/Quality Assurance Coordinator
  - Infection Control Coordinator
  - Director of Human Resources
3. Attendance at Key Hospital Meetings as Follows:
    - Hospital Board Meetings
    - Management Team Meetings

- All Staff Meetings
  - Risk Management Meetings
  - Performance Improvement Meetings
  - Pharmacy Meetings
  - Ministerial Alliance Meetings
  - Employee Education Day
  - Medical Staff Meetings
  - Budget Meetings
4. Attendance at Pioneer Health Network and Kansas Hospital Association  
District Meetings
  5. Visit to Kansas Hospital Association Offices in Topeka and Interface with State Healthcare Leaders
  6. Participation in Kansas Health Advocacy Day, meeting with State Senator Steve Morris and State Representative Bill Light
  7. Legislative Coffee with U.S. Congressman Jerry Moran
  8. Participation in Continuing Medical Education Opportunities:
    - Kansas Rural Health Symposium
    - Southwest Kansas Regional Trauma Council
    - Kansas Hospital Association HIPAA Compliance Conference
    - Medical Management Institute HIPAA Workshop
    - Blue Cross/Blue Shield Forum
    - Bio-terrorism Workshop
    - KHA Spring Administrators Conference
  9. Specialized Instruction and Participation in the Following Areas:
    - Grant Development and Administration
    - Certification for Medically Underserved Area Status

- Kansas Department of Commerce and Housing Tax Credit Program
- Critical Access Hospital Certification
- Small/Rural Hospital Financial Management
- Small/Rural Hospital Disaster Planning
- Hospital Risk Management/Quality Assurance
- Rural Health Clinic Management and Reimbursement
- Disproportionate Share Funding
- Small Hospital Contract Management
- Medical Materiel Management
- Assisted Living Facility Design and Operations
- J1 Visa and Physician Immigration Programs

10. Visits to other Southwest Kansas Healthcare Facilities:

- St. Catherine Hospital – Garden City
- Southwest Medical Center – Liberal
- Hamilton County Hospital – Syracuse
- Western Plains Medical Center – Dodge City

11. Participation in Community Service Projects and Civic Organizations

(e.g. Rotary Club, Big Brothers, Relay for Life, etc.)

It is important to note that although we began the internship with a prescribed schedule of activities and objectives, we also “seized the day” and added several of the activities stated above which became available, on the run.

It is also important to note that a brief Internship Agreement specifying the responsibilities of both parties, addressing liability and covering legal issues should be signed by the intern and hospital CEO. The authors would be pleased to provide a sample Agreement to interested parties.

We also required the Intern to complete a standard confidentiality statement and to attend our hospital orientation session.

### **Civilian Healthcare Finance – Critically Important Learning**

One of the most important learning activities in the internship turned out to be the interaction between the intern and our Chief Financial Officer. Military healthcare administrators tend to be very fiscally aware. It is imperative in the military to stay within the budgetary constraints placed upon the administrator. Thus, those administrators transitioning to the civilian world are particularly skilled at working within a budget. However, while the military has numerous hoops to jump through, the civilian world has a few different obstacles to overcome. Learning to manage these hurdles could make the difference between a successful post-military career and failure.

Our Chief Financial Officer, Nick Bottom, MBA worked with Glen on mastering these civilian differences, especially in the following areas:

#### **Accounts Receivable**

1. Accounts Receivable Concept – In general, military administrators have very little AR to deal with, making this a key concept to grasp when making the transition.
2. Aging of Receivables – Emphasis on AR Days Outstanding and appropriate aging of receivables.
3. Collections – Learning about the process and use of outside agencies
4. Discount Contracts – Understanding commercial discount contracts and consequences.
5. Contractual Allowances – Determining variances between charges and payments, by payor, and booking contractually appropriately.

Budget Flexibility – Civilian healthcare has a little more flexibility than military healthcare. While we monitor our budget closely, it is not set in stone. There are times when we approve outlays for capital, even if not budgeted, when they are deemed necessary or profitable. This can be a new concept for a transitioning military healthcare administrator who is accustomed to a static budget.

Alternative Funding Sources – Military institutions are not privy to many of the alternative funding sources used by civilian hospitals. Some of these include grants, donations, tax credits and planned giving methods.

### **Implementation – How Did it Go?**

In short, it went extremely well for all involved. We feel that the very positive response from our local, regional and state healthcare community speaks very well not only for the inherent value of our concept, but for the people and organizations involved. We were welcomed with open arms by the Stevens County Hospital management team, the Pioneer Health Network administrators, Southwest District Officials and Kansas Hospital Association leaders as we implemented the program. Many of our colleagues noted that “it was high time” for such a program, and “what a great idea.” It is also worth noting that many of the Continuing Medical Education activities included in the internship were provided at reduced cost or no cost at all once we explained our program. In short, we were fully supported by the people that we needed on board in order to make the internship work. The cost to our hospital for the internship was extremely minimal. We provided meals, travel expense reimbursement, and limited assistance with continuing education during training. We received much more in return.

### **Outcomes**

As we are writing, Glen Porter has just successfully completed the 400 hour internship and is ready to seek civilian healthcare employment. He has developed a special interest in HIPAA compliance and implementation, and he is now serving as a consultant in this field to hospitals within the Pioneer Health Network. His position of choice upon completing this training is CEO of a small/rural hospital in southwest Kansas. He is also looking at Vice-President or COO opportunities which become available. Until the right opportunity presents, he will be busy helping small hospitals implement their HIPAA programs, a major undertaking and a significant burden for many small facilities. His consulting help in this area has been well received.

## **Conclusion**

The Community Hospital Internship program presented in this paper proved to be extremely valuable to both parties, the intern and the community hospital. This transitional training, combined with military healthcare experience, adequately prepares the intern for a senior management role on the civilian side of healthcare. Meanwhile, The intern brings to the community hospital many new ideas about effective organizational design, communications, programming and strategic planning. A few specific examples from our own internship program included improved disaster planning, HIPAA implementation and tracking of biomedical equipment for preventive maintenance and contract administration. Glen brought important insights and improvements into these processes for Stevens County Hospital.

In short, the entire experience was a “win-win” and we would encourage other transitioning military administrators and supporting hospitals to entertain such training affiliations. We would be happy to assist other administrators and hospitals who are interested in pursuing a similar program in their own organizations.

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