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## Trinity Health CFO Ben Carter: Taking a People-centered Approach

Ben Carter, a veteran pilot and CFO of not-for-profit health system Trinity Health, knows the benefits of both flying solo and having a co-pilot in business. Mr. Carter shares his experiences in navigating through the merger of Trinity Health and Catholic Health East (CHE) in May 2013, during a time when the broader health care industry was undergoing a profound transition. He discusses the complexities of creating not only a larger organization, but a more people-centered one, and how he managed to make the difficult decisions that mergers can demand, while keeping the planes flying and the trains running.



Ben Carter

**Q:** Despite potential synergies, mergers can create a charged atmosphere. How did you manage your relationships with your merger partner?

**Ben Carter:** Typically, there are a lot of sensitivities when two organizations come together. At the time of the merger, I was the CFO of Trinity, and Jenny Barnett was the CFO of CHE. After the merger, she and I made the extraordinary decision that we would work together as a team and put the organization ahead of self, and direct our teams as one. We co-led the finance functions until my appointment as CFO of the combined organization.

It can be unusual for executives from different sides of a merger to come together and support one another, but that's what we did during the interim. We both wanted as much continuity as possible within finance and considered that to be critical for organizational stability.

**Q:** What were your priorities as the merger unfolded and you transitioned to a larger organization?

**Ben Carter:** As Jenny and I co-led the finance functions, our priorities were dictated by the organizational needs of the merged organization, as well as the synergies in the finance functions that were identified as part of the merger planning process. We systematically combined operations for accounting, financial reporting, budgeting and capital planning, and the treasury and risk management functions. Our priorities were to combine these critical financial operations and get the newly merged organization on one common platform, while continuing to support the legacy operations and maintain strong operational performance. In other words, do all of this while keeping the trains running.

The finance area was responsible for measuring organizational performance throughout the merger, as well as measuring synergies achieved as a result of coming together. In a sense, we were scorekeepers. However, we were also responsible for delivering the savings in the finance areas that were expected as a result of combining two large organizations. We systematically went through each organization's technology, processes, suppliers and outside relationships and chose one common approach and future state.

**Q:** You've said Trinity Health has gone from a volume-based organization to a population health and people-centered base. What does this mean?

**Ben Carter:** In the old fee-for-service environment, every time a patient visited one of our locations or underwent a procedure, a bill was created, revenue was recorded and we measured our results on that basis. In a people-centered world, the focus is not solely about measuring volume, but rather about measuring health and determining the most effective approach to providing health care. We assign a care navigator, or case manager, to each patient and assist patients in obtaining the right medical care, such that they are getting the right medical care, at the right time and at the right cost. In a people-centered approach, our goal is to achieve better care, better health and lower costs for each person. So in our new world, for example, the patient who may have come to our emergency room 20 times last year will hopefully not have to visit the emergency room at all, because we will work with that person to access medical care in a different way. And that would be viewed as success.

**Q:** How can the finance function support that change?

**Ben Carter:** We have to change the way we think about the business, just as we change how we think about the patient. Finance needs to facilitate the change, creating the roadmaps for what success looks like under this new, people-centered approach. We are seeking more cost-effective ways to care for patients and, at the same time, more cost-effective ways to run the operations. We are also changing the way we engage with payers so that the way we get paid for providing people-centered health care is supported by the reimbursement mechanisms.

**Q:** You've been a COO and have had other operational experience. How does that experience inform your perspective as a CFO?

**Ben Carter:** Having worked in operations, I relate and understand the world of operations and bring my operational experience and mindset to the finance team. As a result, at Trinity Health, operations and finance are very connected.

An example of this might be in the capital planning process. A particular capital project may not have the highest internal rate of return, but may be critical in addressing operational pinch points that impact our ability to produce better patient satisfaction or improved throughput. Because I understand the operational side, I support projects like this, whereas someone without an operational background might not. What I do is guide our operations team to show them how to position a project so that the finance team can clearly understand it. I also help them present a stronger business case that, at the end of the day, meets both financial hurdle rate requirements and operational needs.

**Q:** How much focus do you place on finance talent?

**Ben Carter:** We pay a lot of attention to talent. We are deliberate in our recruitment process and hiring highly experienced CFOs at the regional and local levels, as well as qualified talent at the system office level. But the hiring process is only the beginning. We put a lot of emphasis on personal and professional development, as well. Every year we evaluate our whole finance team in terms of competency, strengths and weaknesses, promotability, and so forth and work hard to develop and manage our whole finance team. As positions open, we evaluate whether we have someone who we can promote. We are continually updating our talent pool to assure ourselves that we have good and strong succession planning in place.

**Q:** You've said that running a health organization is like flying an airplane. Can you elaborate?

**Ben Carter:** I've been flying for 16 years, and I find many parallels between aviation and the medical industry. Take checklists, for example. They are among the aviation industry's many safety measures, and are becoming more accepted in hospitals as well. Effective communication is another example. The aviation industry uses repeat and read-back instructions, and this happens as a routine between pilots and air traffic controllers, to ensure effective communication. We are doing more of that in the emergency room and operations room to achieve the same communication results. And finally, planning: Whether you're flying or running a large organization, good planning is critical so that you know where you are and you know where you're going at all times. And that you have contingency plans when things may not go quite as planned. A good pilot—and a good CFO—have the flexibility to make changes on the fly.

*Editor's note: This article is part of an ongoing series of interviews with CEOs, CFOs and other executives. Mr. Carter's participation in this article is solely for educational purposes based on his knowledge of the subject, and the views expressed by him are solely his own. This article should not be deemed or construed to be for the purpose of soliciting business for Trinity Health, nor does Deloitte advocate or endorse the services or products provided by Trinity Health.*

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