

Shifting Program Trends and the Impact on Recruitment: Compensation Survey Results for the CV Service Line

By Gina Donnelly

Corazon has long advocated the incorporation of a service line approach into a specialty program as a means to enhance clinical outcomes, improve financial performance, streamline operations, and **differentiate a hospital with a competitive advantage**. But, a service line model itself will not achieve these outcomes – focused and dedicated leadership is required for success.

Recruitment Challenges of Today

Finding effective leaders for key hospital departments – the cardiovascular service line and the cardiac cath lab more specifically – has become difficult because competition for talent that can effectively lead these areas has increased exponentially mostly due to CV program expansion and an already limited supply of qualified candidates.

Meanwhile, Corazon believes healthcare itself has been changing over the last decade, though now more than ever as the “business” side of care delivery has moved to the forefront, linking cost (and payment) with quality, which requires a new kind of leader to be effective. In recent years, the role of a service line leader has no doubt changed. Though strategy is still their primary responsibility, the nature of that strategy is likewise changing, shifting qualifications from a more clinical background to an operationally- and financially-focused one.

With the industry emphasis on value-based care, cardiovascular administrators must be more focused on controlling costs and evaluating quality while simultaneously overseeing the day-to-day. Strong business and financial skills, quality data analysis, and the ability to think broadly at a system level are the modern qualifications of an effective service line leader, different than the clinical-focus emphasized until recently.

These individuals must be program champions as the “go-to person” for ALL stakeholders of the service line. They should possess strong negotiation skills, feel empowered to make both strategic and tactical decisions, and be equipped to deal with any issues related to the direction and management of their full continuum of care...

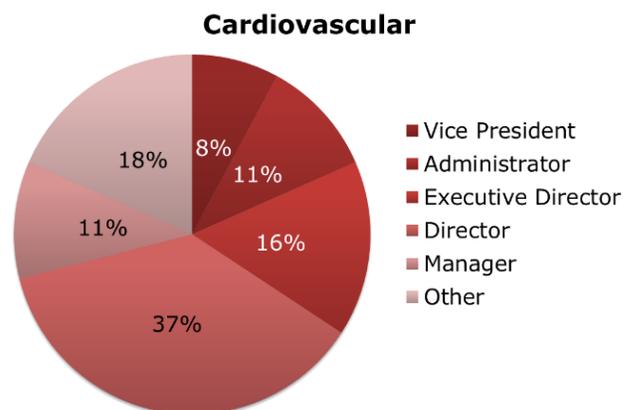
Finding the ideal person to fill such a role can become a difficult task – especially when location, responsibilities, compensation, and other factors add complexity.

Benchmarks Can Help!

Corazon’s Recruitment Division remains ahead of industry trends to better serve our clients and to help organizations gain the information necessary to make well-informed decisions related to service line leadership, structure, and operations for improved performance. Given the shifting dynamic of the CV service line and the changing role of the service line leader, Corazon initiated a Compensation Survey to report on what progressive programs are doing to recruit and retain key Cardiovascular leadership.

This high-level summary of a few key areas can provide an overview of cardiovascular service line leadership compensation, scope of responsibilities, and program / service line organization as a benchmark comparison. Further, these results could be of particular interest when considering how to position a leadership opportunity in the local, regional, or national marketplace. Such information can be valuable for helping to identify highly qualified candidates, required skill sets and experience, and salary expectations, which can lend efficiencies to the recruitment process.

WHAT IS THE TITLE FOR THE LEADER OF THE CARDIOVASCULAR SERVICE LINE?

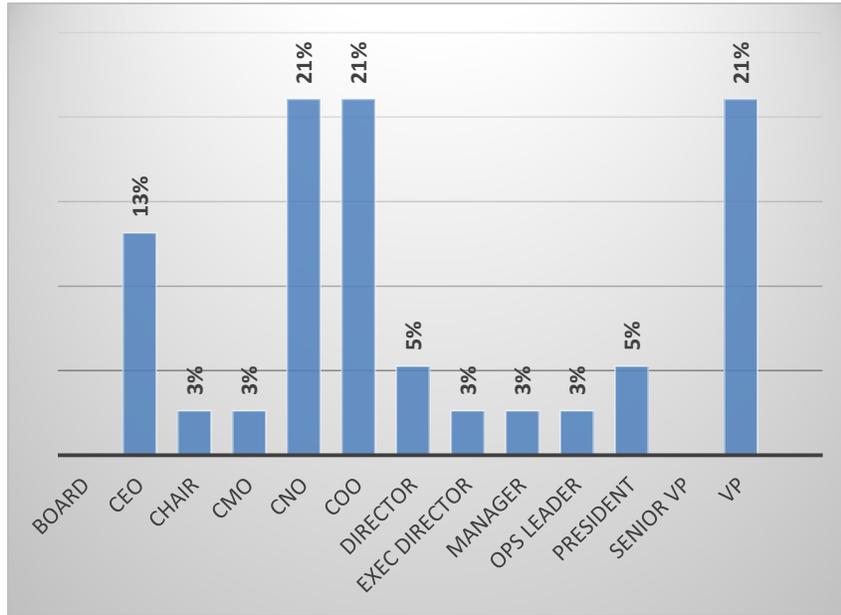


While position titles vary, the most important factor is that the position is provided with responsibility and the authority to manage the service line. In Corazon’s experience, position titles have the potential to significantly impact the ability to recruit new talent to the position. The higher the level, the more candidates apply, though of course, the salary must rise in tandem with the position level, and past experience and candidate skills need to be considered in the context of compensation and position level.

Equally important as having a dedicated leader for effective service line management is a reporting structure that supports the necessity for quick decision-making, as

well as the ability to demonstrate to physicians that the organization truly values the services they provide.

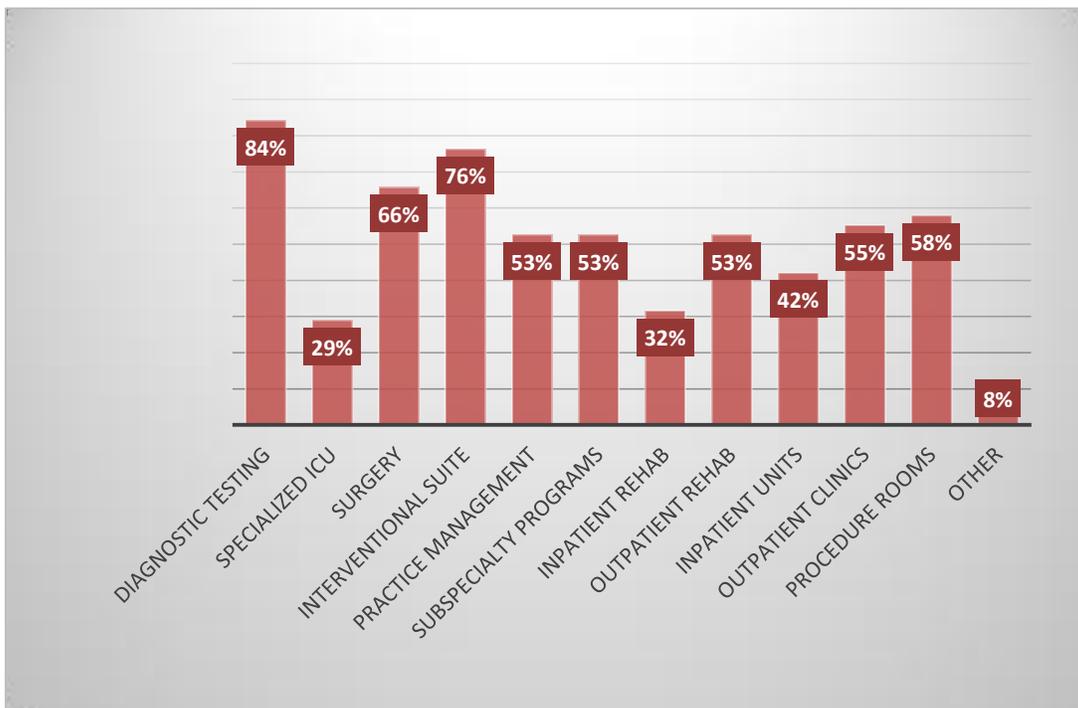
WHAT IS THE TITLE OF THE PERSON TO WHOM THE SERVICE LINE LEADER REPORTS?



As you can see from our respondents, the reporting structure is split between operations and nursing. Though business strategy is still paramount, the nature of strategy is shifting once again. Due to value-based care, cardiovascular administrators now have to focus on their own institutions to control cost and elevate quality outcomes. However, Corazon has found that a nursing background and reporting structure may not be the only way to achieve a focus on quality and can limit the available pool of strong candidates.

Overall, in Corazon’s experience, **the most successful programs have service line administrators reporting directly to a member of the C-Suite**, with the ideal reporting relationship being directly to the COO or CEO or both, depending on the size of the organization and the range of responsibilities dictated either by program area or level of service provided.

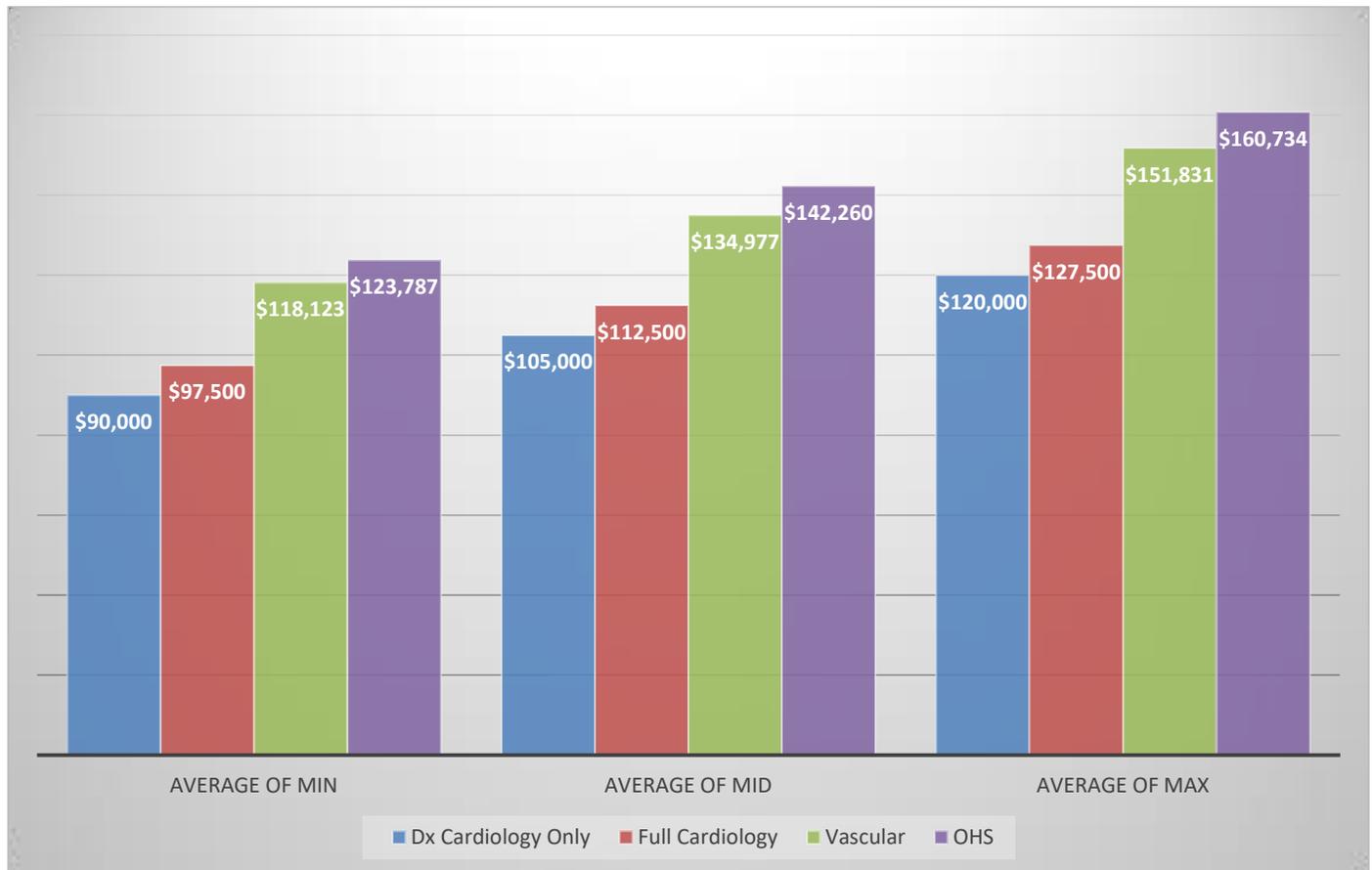
WHAT PROGRAM COMPONENTS ARE CV SERVICE LINE LEADERS RESPONSIBLE FOR?



Programs of various sizes will no doubt assign different areas of accountability to their service line leaders, with larger more complex programs considering more areas under the purview of this role. One area that seems inconsistent from provider to provider, in terms of reporting relationships, are the nursing units. This inconsistency is driven by varying philosophies as to whether nurse managers should report directly to nursing leadership or to service line leadership. This is particularly evident in cases when the service line administrator is a non-nurse.

Applying a pure service line theory, Corazon recommends that if 80% or more of the services provided on a specific unit are directly related to a particular specialty, then the unit/department should report to the service line administrator. In turn, the service line administrator should then have a matrix or possibly a direct reporting relationship to the Chief Nursing Officer or VP of Patient Services.

WHAT IS THE SALARY RANGE FOR THE SERVICE LINE LEADER? (BASED ON PROGRAM SCOPE)



This average overall salary range for cardiovascular service line administrators was heavily influenced by the fact that 69% of the respondents have oversight for open heart surgery programs. The size and scope of the organization and program, as well as the overall scope of responsibilities, position title, and credentials of the candidate selected all greatly impact salary.

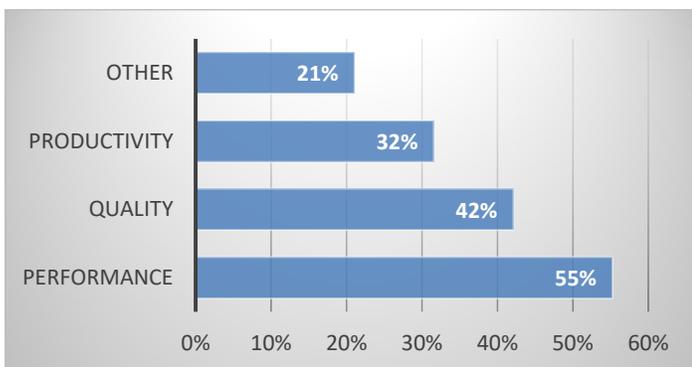
salary – a leader who can manage the day-to-day while also garnering new growth, managing costs, and responding to changes in the regulatory and payer environment. This can be a tough seat to fill without outside assistance.

The range for cardiovascular administrators has consistently increased over the years, though went slightly lower this year (Table 1). In Corazon’s experience, changes in the industry are likely affecting the range. As a mature service line, the cardiovascular specialty has a greater number of true service line administrators, making this a very competitive role. Such a shift emphasizes the importance that hospitals recruiting for this position have access to a wide pool so as to find the ideal fit for the right

Table 1.

Survey Year	Average Minimum	Average Midpoint	Average Max
2006	\$92,444	\$116,493	\$129,916
2008-09	\$97,480	\$121,135	\$140,361
2011-12	\$107,793	\$129,926	\$148,622
2016	\$107,352	\$123,684	\$140,016

WHAT ARE THE CRITERIA FOR BONUS ELIGIBILITY?



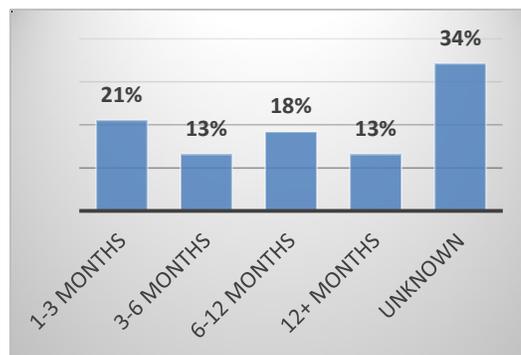
In total, 50% of the CV leaders surveyed were bonus-eligible. Of that, 87% receive bonuses based on performance and/or productivity. Although this criteria is common in healthcare industries, these models reward employees for the quantity of their services rather than the quality of their work. Meanwhile, 42% responded that their bonus structure is based on quality measures, which align bonus incentives with quality improvement initiatives – Corazon anticipates more of these arrangements will be in place as continued emphasis on the cost and quality equation may motivate hospital leaders to place ownership of such results on service line leadership moving forward.

Nearly all of the responses in the “Other” category were related to either hospital financial performance or preselected performance metrics.

When considering a salary for this position, salary and wage practices should be based on the local and regional market trends and in consideration of internal equity issues. Corazon often assists with developing a sign-on incentive to make the offer attractive to the right candidate. Further, when structuring a salary and bonus range during a recruitment effort, Corazon works with individual clients to consider the impact that cardiovascular services have on the organization as a whole, along with the overall challenges encountered with identifying qualified candidates for the position.

Organizations are using varied approaches to identify top talent to manage their specialty programs. Of all survey respondents, approximately 1/3 of organizations reported that they promoted their administrator from within, possibly due to the cost or timing associated with external hires. However, the other 2/3 of candidates were found outside the organization using a third-party resource. Oftentimes programs need to reach outside the walls of the organization to source for new and qualified talent to fill a void.

APPROXIMATELY HOW LONG DID THE RECRUITMENT PROCESS* TAKE? (*INTERVIEWING CANDIDATES, IDENTIFYING THE RIGHT HIRE, AND RECEIVING AN ACCEPTED EMPLOYMENT OFFER)



In any service line and via any means, an effective candidate search within this highly-competitive and highly-specialized area can take time. The goal is quality candidates over quantity, though in some cases either is difficult to attain, depending on the unique situation of the hiring organization.

Corazon recommends Interim Management for when a lengthy search leaves a key service line leadership position vacant for any period beyond two or three months, as a program cannot thrive without strong and dedicated leadership at the helm, even on temporary basis. Program momentum, staff morale, and even clinical quality and/or patient satisfaction can suffer without a qualified leader to direct both the day-to-day and the big-picture strategy.

An effective candidate search can take time...hospitals should be prepared to invest the necessary time for the search so as to not compromise ongoing success. Also, organizations must be clear about programmatic goals and the skill sets necessary to reach them in the current setting...along with an understanding of the opportunity for growth. Tomorrow's leader may bring advances that yesterday's leader did not have on their radar. Recognizing the ideal experience and expertise of candidates can only come from a clear understanding of where the CV program is and where it's going.

When making the investment for a recruitment effort, evaluating the “best fit” to take the helm of the Service Line is an important process, the result of which can have long-lasting implications for years to come. So, invest wisely to ensure that the entire process – candidate search, interviews, offers, and hiring – is done right and with the right goal in mind.



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