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(Ce formulaire est disponible en français.)

Healthy prognosis

A CPA's skill set can be the right prescription for a health care system under pressure

By **Prasanthi Vasanthakumar**



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		385,162)	(\$2,396,080)	(\$2,329,391)	(\$4,196,677)	(\$3,591,506)	
		,871,134)	(\$6,351,611)	(\$7,670,732)	(\$9,827,555)	(\$9,599,585)	
		\$992,651)	(\$601,399)	(\$727,376)	(\$1,128,223)	(\$1,000,127)	
		3,425,707)	(\$2,305,237)	(\$2,579,902)	(\$4,086,474)	(\$4,146,068)	
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 **Canada**
Agence du revenu
du Canada

T1 **Income Tax and**

Before you start:
If you are filing out this return for a dependent person, make sure

Step 1 Identification and personal information

Print your name and address below.

First name and initial _____

Last name _____

Mailing address: Apt No. – Street _____

PO Box _____

the province or territory where you **currently** reside if it is not the same as your mailing address above:

If you were self-employed in 2019, enter the province or territory where your business had a permanent establishment:

If you **became** or **ceased** to be a resident for income tax purposes in 2019, enter

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For a CPA, Mohamed Ismail has seen a lot of blood. Curious about the inner workings of a dental practice, the Calgary-based CEO witnessed tooth extractions, implants and root canals over a period of six months. He also watched how dentists spoke with patients, observed hygienists at work and shadowed receptionists to understand tasks like scheduling and billing.

Dental clinics make up the majority of Ismail's clients at Shift Accounting, a firm he founded in 2014. But he never set out to be a CPA who exclusively serves health care professionals. What began as a side hustle—a bookkeeping stint he picked up while working as a financial analyst at an Alberta college—snowballed into a financial advisory firm with 17 employees that serves dentists, chiropractors, dermatologists, optometrists and even veterinarians.

“It was completely a coincidence,” says Ismail, laughing. “My first client was a small group here in Calgary with four clinics, and all they needed was bookkeeping. So I’m thinking to myself, *Man, I’m a CPA with a lot of years of experience and I’m doing bookkeeping. Like, what’s wrong with me?*”

But he quickly discovered two things: Like many professionals, dentists and doctors know their professions well, but they often lack the financial know-how to maximize business growth. Also like many professionals, dentists and doctors think of CPAs only at tax time.

As well, many tax-focused CPAs are experts in compliance, audit and tax planning, but they don’t know the nitty-gritty of running a dental practice. “Financial advisory was not a thing,” says Ismail. “It was a big gap that health care providers needed filled.”

Ismail does not offer tax services. Instead, he draws on his clinical experience to help his clients run a tighter ship—one that is more efficient and profitable.

“After hanging out in these clinics, I noticed there are KPIs [key performance indicators] for clinics that maybe they’re not monitoring or they should monitor,” he says. “Because some doctors and hygienists are doing great, but some are not. So, what are the drivers in a successful clinic that we can figure out?”

It often begins with clean data. Ismail’s team can set up accounting systems that properly process data, which helps him provide analysis and advice on strategic planning and risk mitigation.

A few years ago, Ismail met a dentist who had just built and opened a new clinic, putting him more than a million dollars in debt. All he wanted to do was pay off his loan, so Ismail created a five-year plan to help him become debt-free. To no one’s surprise, the path to financial freedom was not easy.

“I remember that dentist; every time we would meet, he would grudgingly walk into the meeting because he knows I’m not patting him on the back,” Ismail says. “I’m telling him where all the problems are. And he tells me, ‘Why is this meeting always depressing?’”

But Ismail describes himself as a problem-solver, not a cheerleader. He helped his client optimize pricing and service offerings, set KPIs and come up with strategies to improve customer service and retention. As planned, the dentist paid off his loans in five years. And to Ismail’s satisfaction, his client soon owned three new clinics.

“I don’t want to take away from his hard work and investment, but we were a small part of that journey,” says Ismail. “Guiding him not only to pay his loan, but [to] be comfortable enough to financially take more risk, open more clinics and make an impact in the community was something I’m really proud of.”

A CPA’s steady hand is also valuable in a crisis. During the COVID-19 pandemic, Jan Jaffer, CEO of TREC Dental, leaned

“You’re dealing with patients’ lives. If you don’t have that ability to speak to diverse stakeholders, be compliant with audits and health care regulators, you are no good to the system.”

Sylvie MacLean,
CFO and chief strategy officer,
TransForm Shared Service
Organization in Windsor, Ont.



on Ismail to help him navigate the labyrinth of requirements for government benefits, from payroll to rent. Putting all the necessary information into spreadsheets for 17 dental clinics was no small feat, Jaffer says.

But beyond emergency situations, working with a health care-focused CPA has had its perks. “His ability to see the numbers, but also help us digest the numbers and look at how we can improve the way we run our business, has been phenomenal,” Jaffer says.

For many dentists like Jaffer, tougher times may be ahead. With increasing consolidation in the industry—large corporations are buying independent clinics—smaller outfits face stiff competition, says Ismail. Working with a CPA who can crunch the numbers to find competitive strategies can be a lifeline.

Sylvie MacLean didn't enter health care to be a number cruncher—or a CPA. With a degree in science and psychology, she started her health care career as a community coordinator and case worker at St. Michael's Hospital in Toronto. Fifteen years later, she was on the senior management team at Woodstock Hospital in Woodstock, Ontario, where she played a lead role in strategic planning. It was here that MacLean's manager, a CPA, encouraged her to earn the designation.

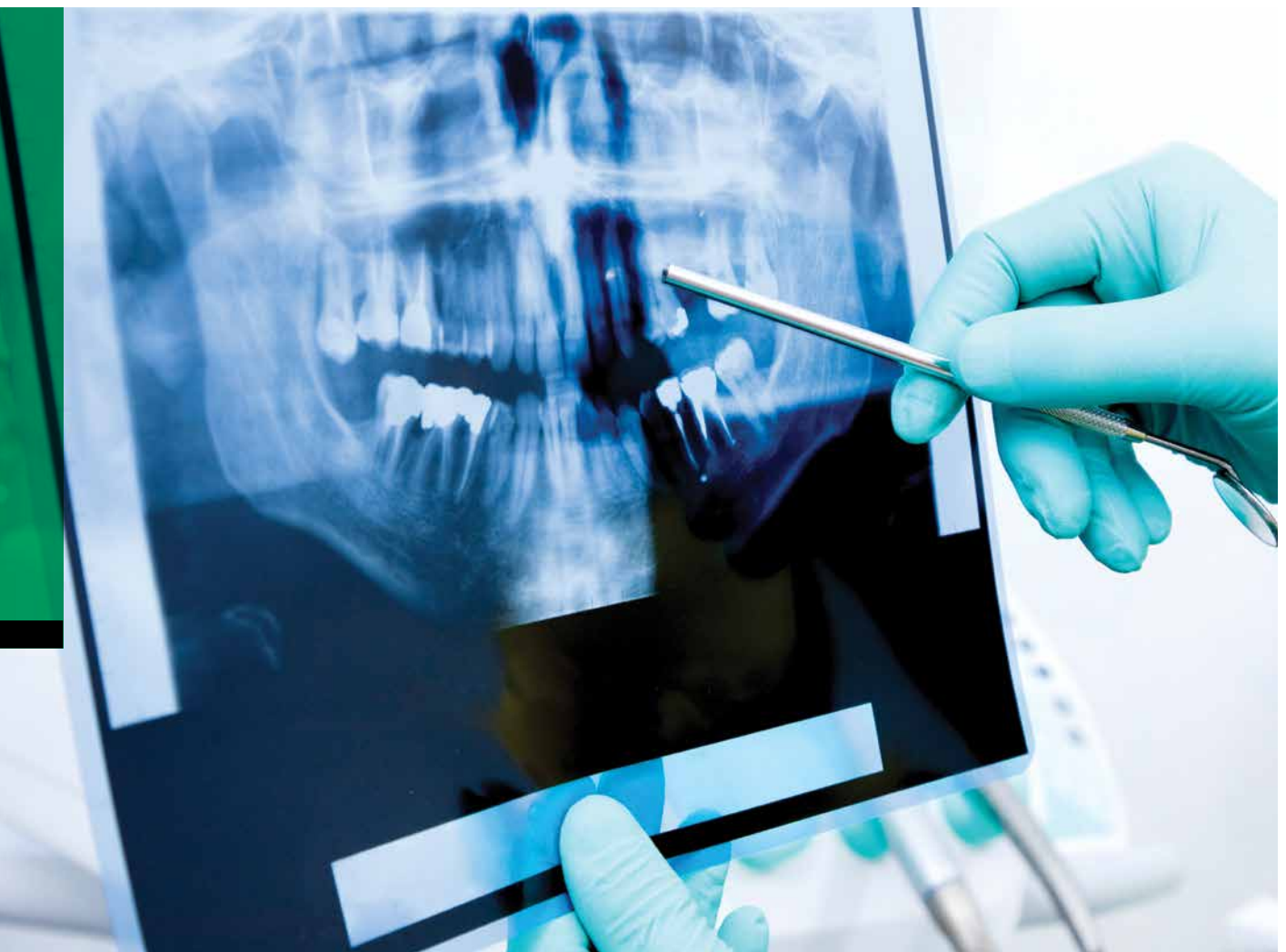
MacLean had experience with budgets, negotiation, risk management, quality control and program evaluation at the hospital, but she knew the CPA designation would give her the additional credibility she needed. So, she earned her CPA and eventually became CFO and chief strategy officer at TransForm Shared Service Organization, an initiative to save

money by integrating the “back office” functions of five hospitals in the Erie St. Clair region of Ontario.

Part of MacLean's job was to create the first performance management system to allow more transparency around each hospital's funds, which involved working with the CEOs and CFOs of each of the five hospitals. She also had to get buy-in from stakeholders and train staff members on the new performance management system.

“I'm one of these quiet leaders that comes in, reviews, analyzes, fixes everything up, and I do it in a very consolidated way,” says MacLean. “It was a big job, let's just put it that way.”

The job also called for executive leadership, program development and systems knowledge, while focusing on cost savings, revenue optimization, customer service and quality outcomes for patients. And expertise in strategy, compliance, capacity planning, business relationships and capital projects was a must.



But to truly understand the subtlety and nuance of the sector, previous health care experience and knowledgeable mentors are essential, outlines MacLean.

“It’s not like the banking system where you’re working with numbers, or with widgets in manufacturing,” MacLean says. “In health care, you’re dealing with patients and patients’ lives...If you don’t have that ability to speak to diverse stakeholders in their own language and also be compliant with financial audits and health care regulators, you are no good to the system.”

For Shripal Doshi, a partner at KPMG Canada’s health care and life sciences practice, this stakeholder diversity is what makes health care truly unique. From patients to the workforce, it’s very much a people business, which sets it apart from other industries he has worked in. “Having the right ability to build trust and relationships, and a coalition of supporters on the changes that need to occur, is such an important piece,” says the Toronto-based CPA.

At KPMG, Doshi supports health systems at the provincial and provider level. He’s also well aware that insufficient access to family doctors, surgical and diagnostic backlogs compounded by COVID-19, a shortage of health care professionals, and rising costs are putting significant strain on Canada’s health care system.

Given that health care spending is the single biggest line item in provincial government budgets, accountability is critical, says Doshi. It’s why CPAs—whether hospital CFOs or accountants in the government—can provide the right remedy.

“Health care data can often be hard to work through,” says Doshi. “So being able to identify the right performance measures that organizations should focus on to drive their strategic objectives is an increasingly important role. CPAs inherently do that as part of their training.”

Looking ahead, Doshi worries that future health care needs are not getting enough consideration. What investments are necessary to support a changing population? What workforce risks can we anticipate? As demographics shift and demands grow, Canadians can expect more pain in the health care sector. But a CPA’s ability to see around corners may be the best medicine.

“That long-term forecasting mindset that CPAs bring to any organization they work with is going to need to be at the forefront of how we ensure the sustainability of our health care system moving forward,” says Doshi.

Roseanne Carey thinks a lot about sustainability too. As a CPA and CFO of University Hospital Foundation (UHF) in Edmonton, she is intimately



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Roseanne Carey, CPA and
CFO of University Hospital
Foundation in Edmonton





familiar with the risks of a charitable organization that relies on donor dollars to execute its mission. From gastroenterology and cardiac care to Alzheimer's research, the foundation raises and distributes funds to support health care at the University of Alberta hospital and its partners.

In a tough economy, donors are limited, says Carey. So, to mitigate risk, she is developing a venture philanthropy program for UHF, a route many charitable organizations take to tap into new revenue sources. That task involves working with external tax advisors to figure out how to invest in a corporation while maintaining charitable status and making a case for the program to the board.

"It's something uncharted," says Carey. "It's done in different ways by different organizations, and we put a unique spin on it, so we can hopefully diversify revenue, but also support, in the health ecosystem. Because often that great idea comes up in the lab, but it's not going to get to a patient until you get it out of the lab and into the commercial side."

This is just one way Carey flexes her CPA muscles. In addition to managing the finance team, Carey is responsible for technology, human resources and the overall funding process. She also studies complex or unusual requests for funding, examines potential ventures and

analyzes the associated risks and broader impact on the organization. And she is often reminded of her CPA training.

"Thinking back to the questions you write for your final exam to become a CPA, you get this case that you have to analyze," says Carey. "And sometimes I laugh a little bit when I'm working [because] this is like a case where you have to think about what you're going to do. How are we going to manage this, achieving impact and mitigating our risk?"

Without unlimited funds, you always run the risk of not making the best choice, especially when there are a million great ideas, says Carey. Whether it's a new drug or a great program, you can't fund it all. But being nimble, flexible and creative can help CPAs make connections that others don't see.

For example, an impactful project may not appear to meet the requirements of existing funding. When this situation arises, Carey looks at funding sources from different angles to try and find a match.

"Sometimes you have to open your mind to what can be," she says. "Accounting has rules, but when you get into the work that I do, it's far from that. How do you meet donors' wishes but also find ways to fund those projects that will make such a difference in the health care system?"

Making a difference is a side effect of doing good work, but the impact is what Carey finds most rewarding. She thinks back to a smaller project the foundation funded, which provided remote monitoring to pulmonary units to quickly identify people who remove their oxygen masks overnight. During the trial period, zero fatalities were reported. When the project's donor passed away, the foundation held a celebration of life event. And the lead physician flew in to give an impassioned speech about the difference the donor's philanthropy dollars made.

"You can see this full circle," says Carey. "We're just this conduit between these amazing donors who give so generously and these physicians who want to do such great work. It's very different to many other industries that I worked in over the years...you have this feeling of an impact that you can make in the community."

Looking ahead, Carey expects more sustainability challenges as an aging and expanding population strains the health care system. It's why her foundation is focusing on wellness as a first line of defence. Although philanthropy doesn't typically fund primary health care, UHF is looking at ways to support disease prevention, screening and early identification in the future. If prevention is indeed the best cure, she may be on to something. ♦