

Spearheading a healthcare revolution in Florida

By CINDY KRISCHER GOODMAN

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Al Diaz / The Miami Herald

Joseph Caruncho is a founder and chief executive officer of Preferred Care Partners, one of the largest Medicare Advantage Health Plans in Florida. This is Caruncho in his Miami office at the Datan Center on December 9, 2010.

Joseph Caruncho is a founder and chief executive officer of Preferred Care Partners, one of the largest Medicare Advantage Health Plans in Florida. He started his career as a healthcare attorney and saw opportunity. Caruncho launched Preferred Care Partners in 2001 as Florida's first and the country's third Provider Sponsored Organization (PSO), a Medicare-Plus health plan owned by physicians providing patient care.

Caruncho says he and two of his senior executives started the company with savings and a plan to revolutionize the Medicare-Advantage industry. They initially struggled to get licensed, and the company existed for years without generating revenue and without any membership as they sought approval to operate as a Medicare Advantage Plan. Today, Preferred Care Partners employs 465. More recently, Caruncho has brought in outside investors and completed an acquisition of Neighborhood Health Partnership.

His Miami company has been named one of the fastest growing companies in America by INC Magazine and has a network that includes 28 hospitals and more than 4,000 physicians throughout Florida. Caruncho said revenue topped more than \$450 million in 2010 and should climb to \$500 million this year. Steering a growing company through the recession takes strong

leadership skills.

Caruncho recently shared his View From The Top.

Q: What leadership traits most helped you build your untraditional business model?

You have to have passion if you are doing a startup where you are betting the farm. The old adage is true: It takes 10 years to be an overnight success. You have to believe that no matter how long it takes or how dark the outlook becomes you will do it. A little bit of naivety helps too.

Q: What is the most challenging part of leading a company with fast growth?

The challenge is how to build layers and automate stuff to manage a company our size while not losing that startup feeling. I have to attack anything that looks like bureaucracy. If someone says we can't do it anymore because we're bigger, I attack those things to make sure it is not just bureaucracy. I am constantly communicating that to the team and getting them to do it down the ranks so it becomes part of the fabric of the company.

We do our strategic planning every year and start with a clean slate. We ask: who are we going to be next year? We keep our core values and reinvent ourselves.

Q: So, you are a believer in ongoing change?

That's been part of my core even as a person. I call it continuous renewal. I have a passion to continue my growth in my personal life, too. Twenty years from now I don't want someone to say to me, "you used to be more interesting."

Q: How do you keep your management team focused on growth?

We found young people who are smart and eager to learn and got them to drink the Kool Aid. They still are with us today. Over 70 percent of staff who are in leadership positions are homegrown. We created our own training and development. That involves sending people to seminars and doing training on leadership and organization skills. If someone wants to get a master's degree, we encourage it and anything that keeps them in a position to keep growing. If they step up to the next level, we don't have to go outside, which risks bringing in another culture.

I believe in "grow it right and promote from within" and the only way to do that is to continuously train.

Q: Did you cut back on training and development during the recession?

No, we expanded each year because when you have challenging times you need people to be the most efficient and the most innovative they can be. It's an investment in your biggest asset, which is your team. We used to do strategic planning offsite for a day and now we upped it to four days.

It's a more challenging time for us with the uncertainty around health reform. We need to strategize what to do as a company and how to transform ourselves. It's going to require more innovation.

Q: Is there anyone's leadership style you've adopted?

I look at Gov. Rick Scott as a mentor. He was a young lawyer who bet the farm and built a successful company. Also, I am a big fan of Stephen Covey's leadership thinking, *The 7 Habits of Highly Effective People*. When I read the book, it totally captured what I believed.

Now it's part of our employee orientation. I personally tell our new hires how important I think it is.

Q: With so much passion for your company, how do you keep work from overtaking your life?

Part of building a great team is delegating a lot and giving real responsibility to people.

When you do that, they always impress you. That allows me to focus on the culture and where we need to be.

Part of being a successful leader in business has to do with being a well-balanced person. When I go on vacation I put my phone away. I carry a second phone with a number that I give to my assistant, if there's a real emergency. I just carry it for peace of mind.

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