

# Hospital Board Enhancement Plan

Fresh Thinking for Improved Effectiveness  
& Efficiency in Board Work

*Actions Usually Developed During Several  
Board Orientation and Planning Retreats*

## Our Focus

### During Hospital Board Enhancement Planning

#### WHAT IS GREAT BOARD WORK?

Why does our board need to intentionally develop and nurture better board work, rather than hope it happens on its own?

What are the building blocks for great hospital governance?

What actions should our board take for enhanced board performance?

What actions should we each take to enhance our own personal growth and effectiveness as a board member?

What actions should management take to help support our efforts at collective and personal performance improvement?

What are the longer-term strategies we should consider to advance the overall effectiveness of our hospital governance?

*Collaboration with our clients has led to the development of this sample guide to illustrate the results of "Hospital Board Enhancement Planning." Work plans and budgets will vary for each client's unique governance enhancement process.*

# Measurable Results

By following the actions in this sample “Hospital Board Enhancement Plan” health system leaders should expect to see these important, illustrative results by the end of the next fiscal year:

- Board members will all have a greater sense of comfort and satisfaction that their decision-making processes have these key attributes:
  - Focused more on the strategic than the tactical or operational.
  - More efficient use of time and talents.
  - More civil discussions about what to do and how.
  - More mutual respect and trust for each other, and for management and physician colleagues.
- Stakeholders (patients, citizens, politicians, payors, physicians, and employees) will have greater confidence and satisfaction with where OUR HOSPITAL is headed; and
- OUR HOSPITAL will achieve higher levels of service excellence, community health, financial performance, and vitality.

We agree to periodically measure the degree to which these goals of great governance are actually achieved and also during our upcoming Hospital Board Retreat.

**When you successfully develop your Hospital Board Enhancement Plan, you are more likely to generate these observations from board members:**



*“I appreciated this chance early in my term as a new board member to see where we are, and to talk openly, away from the limelight, about how we can all improve the way we work together and how we work with management.”*

*“I have been on the board for some time, and this is the type of idea exchange we need to keep us moving in the right direction for governance effectiveness.”*

## Section 1

# Background for Hospital Board Enhancement Planning

### PROCESS FOR GEP DISCUSSIONS

Board leaders and the CEO work with advisors to review the following against board best practices:

- Strategic and financial plans
- Audit of board member and executive time devoted to governance
- Board self-assessment survey
- Past committee minutes and work plans
- Board agenda and meeting materials
- Employee and physician engagement and satisfaction surveys
- Reports to the community on community benefits and population health improvements

### OPERATIONS REVIEW INSIGHTS

- We face several financial challenges, but management has a number of solid initiatives and systems underway to guide us through performance improvement or a financial-turnaround. We will want to track management's progress in achieving stretch performance targets.
- Benchmarking our performance against other hospitals, health systems, and accountable care organizations will help us all focus on what is most important for the economic vitality we need to assure we can meet our obligations of patient and community health gains.

### STRATEGIC PLANNING REVIEW INSIGHTS

- We have a hierarchy of results we hope to achieve as we work together to accomplish our healthcare mission for the region.
- Management has a system to measure and track accountabilities for over 90 tasks that are clustered and tie back to our strategic plan's major performance goals and initiatives.

### BOARD ORIENTATION AND DEVELOPMENT INSIGHTS

- Our strategic plan calls for us to enhance our effectiveness as board members.
- Our planning committee asked that we dedicate an important block of time in our planning to explore ways to build on the good parts of our board governance system, and find sensible ways to improve our board work in the future.

**Opportunities for enhanced board teamwork exist for us to better serve and advance our communities' health gain and healthcare.**

#### **Purpose of Hospital Board Enhancement Plan**

This action plan should help us identify practical strategies and short-term actions that will enhance our effectiveness in the governance of our health system.

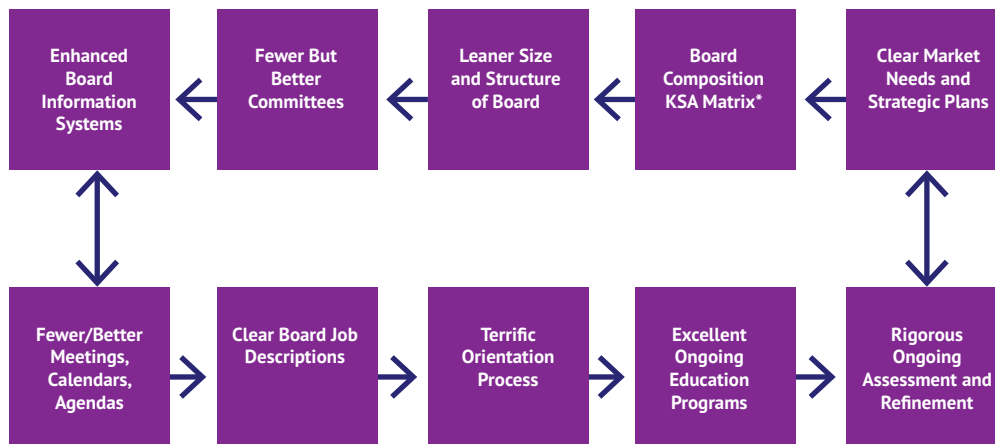
## Section 2

# What is Great Board Work?

A system of policy decision making by community, physician, and management leaders designed to: (a) define the strategic and financial plans for the hospital; (b) hire and support a CEO to implement actions and investments needed to achieve these strategic and financial plans; and (c) to actively monitor, on behalf of the public and our many other stakeholders, our progress to achieve these plans and budgets in the most cost-effective, ethical, and highest-quality manner possible.

### BUILDING BLOCKS FOR GREAT BOARD WORK

To accomplish this lofty purpose, the board understands that a number of building blocks for success must be available.



*\*Knowledge, Skills, and Attitude*

## Section 3

# Why Do We Need To Intentionally Develop And Nurture Great Board Work?

### AN ENVIRONMENT OF CHANGE AND CHALLENGE

- More assertive consumers and patients
- New medical technologies
- New information technologies
- Calls to enhance health, not just healthcare
- Shortage of nurses and technicians
- Calls to be more accountable for better quality, patient safety, access, and cost-effective services
- Lack of revenue from low pay insurance entities and underinsured self-pay
- Erosion of employee morale and loyalty
- Competition for patient care revenue, physician loyalty and enthusiasm, employee excitement and creativity for enhanced care/service, and scarce capital needed to keep pace with ever-increasing demands for innovative technologies, compensation of skilled workers, and new program developments for better care and population health.

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### *Why Faster and Smarter Decision Making?*

**Our assessment of our market and population health needs, our competitive position, our fiscal position, and the likely regulatory challenges of the next few years are unforgiving pressures that demand our governance model and practices yield faster and smarter decisions.**

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## Section 4

# What Actions Should We Take Now To Enhance Our Performance As The Board Of Our Hospital?

### **WE SHOULD BE PREPARED TO *DO MORE* OF THIS**

- Open and civil discourse about our plans, progress, options, and issues.
- Calls not just for more and better data, but data that has been transformed into information, and then transformed from information into intelligence that contributes to strategic thinking and decision making needed for bold initiatives in healthcare and population health.
- Come well prepared to board and committee meetings.
- Promote what is best for the overall integrity and vitality of OUR HEALTH SYSTEM and its diverse stakeholders.
- Focus on strategic “dashboard” measures of performance in areas of service quality, finance, accountable care, and population health.
- Calls for one-page summaries of proposed strategic actions, with a clear and easy-to-understand rationale and the analysis process followed to meet our goals and objectives.
- Trust more of the work of our committees.
- Provide at least 2–3 times a year for higher quality of generative brainstorming and relaxed discussion about our challenges, plans, and progress.
- Calls for one-page summaries of proposed strategic actions, with a clear and easy-to-understand rationale, and the analysis process followed to meet the performance targets.

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**We defined a few critical actions we should take more often, and a smaller number that we should do less often.**

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## **WE SHOULD BE PREPARED TO *DO LESS* OF THIS**

- Lacking education about the issues and options facing OUR HOSPITAL.
- Reliving difficulties of the past; i.e., more learning, less hand-wringing.
- Individual politicking, posturing, or grandstanding.
- Improperly interrupting each other during meetings.
- Straying from strategic opportunities and challenges into engaging in micromanagement of operations.

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**We should also consider the ideas for better meetings, better information, and better committee work shown on the last pages of this summary report.**

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## Section 5

# What Can I Do As An Individual To Enhance My Personal Performance And Contributions To Great Governance Of Our Hospital?

Each board member should be encouraged to make commitments to continuously improve our governance effectiveness.

### **I AM PREPARED TO PERSONALLY STRIVE TO:**

(Can be captured on a personal card for each board member and manager available)

- Improve the quality and style of my communication with my colleagues on the board and with management.
- Work to build consensus among my fellow board members.
- Work to support, thank, encourage, and motivate our employees and partners.
- Be more knowledgeable about health industry directions and developments.
- Be more trusting and supportive of the hard work of our committees.
- Frame disagreements in a constructive manner.
- Look for partnerships, strategic alliances, and networking opportunities to enhance our ideas and effectiveness.
- Remember that we are serving the community's health gain and health care.
- Improve my listening skills to hear what people are really saying.
- Promote our positive accomplishments to nurture a good image and morale in and outside our health facilities.
- To behave as our stakeholders would want me to behave—in their best interest.
- To enhance the quality of our committees' work.
- Bring forward great information that enables and facilitates the board's decision-making activities.

## Section 6

# What Actions Should Management Take To Help Support Great Governance Of Our Hospital?

### MANAGEMENT NEEDS TO *DO MORE* OF THIS:

- Provide information that has the following key attributes:
  - Timely and available far enough in advance for board members to come prepared to use it.
  - Offers comparative insights into how we and others are doing against accepted industry performance targets and criteria.
  - Comprehensive but summarized graphically (via paper and web-based dashboards) wherever possible.
  - Accuracy, honesty and reliability.
- Frame requests for action with clear definition of what is needed, the rationale and risks associated with the request, and a summary of what other options or analyses were considered to arrive at the requested proposal.
- Share your expertise and experiences to help improve our decision-making effectiveness and efficiency.

High-performing and self-confident leaders respect and support the board members as they strive to serve the public's interest and the long-term vitality of OUR HOSPITAL.

### MANAGEMENT NEEDS TO *DO LESS* OF THIS:

- Overreacting to individual board member requests that inappropriately distract your time and energies from what the board has defined as strategically important.
- Not following up in a timely and complete manner on important progress reporting about our plans and budgets.
- Guide the board to understand how you would edit and enhance similar board work initiatives for your organization.

## Section 7

# What Are The Longer-Term Strategies We Should Consider To Advance The Overall Effectiveness Of The Governance Of Our Hospital?

### **ENHANCED ANNUAL STRATEGIC PLANNING LINKED TO BUDGETING**

Strengthen our use of a carefully managed annual calendar and process for strategic studies and thinking about how best to define plans that successfully drive our capital and operating budgets to enhance health gains and health care.

### **COORDINATE MORE CAREFULLY WITH NEW COMMUNITY ADVISORY COUNCILS**

Develop more frequent and coordinated joint education and planning with community advisory councils that help us assess and shape our plans and board work for enhanced health for all population segments, especially the vulnerable and marginalized.

### **DEFINE THE ATTRIBUTES OF AN IDEAL BOARD AND IDEAL BOARD MEMBERS**

A new profile on competencies and attributes our board members require would help us better accomplish:

- Attracting other excellent community leaders to stand for future board service.
- Guiding how we educate candidates for board service.
- Guiding the appointment of persons who may fill an unscheduled board vacancy.
- Educating and developing the knowledge, skills, and attitudes of existing board members needed for world class governance.
- Guiding our annual self-assessments of the board, our committees, and individual board member performance.

**We must enhance our board systems and partnerships for stronger strategic planning and development.**

Our research into high performance health system boards suggests a number of practical ideas for enhanced governance in areas of better meetings, committees, and information, as follows:

## **BETTER MEETINGS**

- Board members must come prepared, after management has provided information with adequate time for study, and raising questions with the chair before the meeting, to avoid surprises for all of us.
- Start and end on time (hopefully no more than two to three hours), with minimal distraction from agenda to unrelated items or issues, and with reasonable time lines/discipline so no one dominates as we move through the agenda.
- Allow for consent agenda items and for questions/comments on new topics that can be brought back for future meetings or work by committees.
- Publish an 18-month calendar of themed meetings with periodic agendas focused on strategic reviews and education.

## **BETTER COMMITTEE WORK**

- Develop annual road map/action plan for each committee.
- Establish web-based schedule for all meetings that does not change dramatically from year to year.
- Keep members on committee for more than one year to gain continuity and quality.
- Develop a more uniform and useful process for reporting on committee plans and progress to the full board and to our stakeholders.
- Provide better information and lead time for committee work and deliberations.
- Committee chairpersons need guidance on efficient and effective conduct of meeting agendas and discussions to stay on track.
- Committee chairpersons need to actively invite and encourage ideas from all members and occasional guest experts.
- Everyone needs to listen and interact courteously.

## **BETTER INFORMATION**

- Develop more consistent and clear reporting formats.
- Avoid jargon and abbreviations.
- Use standard English in reports.
- Increase “management by exception” reporting.
- Rely on better written (and more) executive summaries.
- Share insights more intentionally—gather examples from other meetings and healthcare articles.
- Always strive for accurate data.

# Actions For Board Work Vitality

## Insights from National Board Leaders

Approximately 300 leaders from over 74 organizations in 36 states were asked to react to the many key challenges likely to face hospitals and health systems in the US during the next five years.

Participants in the conferences were then asked to define the single most important action that their organization should consider taking within the next 24 months. Their insights were organized by physician, non-physician board member, and manager's perspectives. The top actions from each group's perspective are displayed below for your consideration and adaptation for your unique reality.

### THE MANAGER'S PERSPECTIVE

1. Design and invest in a clear game plan to earn and rekindle trust, win-win, and true/realistic partnerships with our physician colleagues and clinical staff.
2. Establish an action plan and budget to compete on quality dimensions, excellent customer service, and population health.
3. Continue aggressive cost controls and drive to be the most efficient provider system in our local market.
4. Just say no to badly managed care contracts.
5. Develop an explicit plan to lower our operating costs through use of new technologies.
6. Get smart fast on how to provide "knock-your-socks-off service" to well informed and assertive consumers (especially older patients).
7. Define our core competencies (who we really are) and drive our behavior and investments to maximize them.
8. Develop an aggressive plan to access capital needed to excel and keep pace.
9. Invest economically and psychologically in care management and population health that really makes a difference for quality and to our beneficiaries and payers.
10. Immediately convene a session on what it will take for us to innovate and streamline to build a dominant market position in an unforgiving and rapidly changing market.
11. Design a strategy and budget to serve the elderly segment with chronic care needs.
12. Invest in an information technology game plan that integrates the needs of patients, physicians, and payers.
13. Support board to lobby for more favorable payment arrangements from big private and government payers.
14. Others ...?

## THE PHYSICIAN'S PERSPECTIVE

1. Earn physician loyalty the old fashioned way...with attention to the basics of good patient care, providing great and happy nursing staff, establishing real seats for doctors at the budgeting-planning table, try listening more than talking, and keep investing in sensible modern technologies.
2. Board must work to strip out fat in administrative overhead cost structures and systems.
3. Explore new arrangements for aligning physician-hospital economic interests that enhance quality and do not conflict with regulations.
4. Develop strategies and resources to support increased urgency for efficient costs of operation so we can compete in a cost-sensitive market.
5. Maximize use of medical technology, while decreasing managerial bureaucracy that seems to simply justify manager's existence.
6. Invest in actions and systems to excel in patient clinical care outcomes, and positive patient experience service satisfaction.
7. Invest in new web, tablet, and phone information systems and networks that link physician offices and hospitals for better (cost-effective) clinical and managed care decision making.
8. Develop a 90-day action plan to reduce medically caused morbidity and mortality in our hospitals.
9. Improve our ability to manage chronic diseases and the social determinants of health.
10. Develop clear ways to access the capital we need to keep pace with consumer and doctor demands for excellence.
11. Shift focus to more ambulatory care and leverage physician reputations to lift the organization's reputation.
12. Invest in aggressive strategies to get us (hospitals and physicians) "wired" to exceed the needs of modern consumers and payers.
13. Abandon old hospital-physician arrangements that are driven by command and control mentalities and mechanisms, and strive for meaningful partnerships for better patient care... economic vitality will follow.
14. Implement 120-day initiative to reduce inefficiencies while enhancing patient care.
15. Establish and discuss consequences of scenarios in which patient care rationing occurs as in UK and Canada.
16. Explore how to design and manage capitation-type arrangements to enhance physician-hospital relationships.
17. Get ready for transfer of economic, political, and managerial influence from the hospital service mind-set to outpatient settings that are more accessible and cost-effective.
18. Invest in care management systems and population health management processes that keep us "wired to excellence."

19. Develop lobbying game plan that gets government to pay for what they think they need/want.
20. Others ...?

## THE NON-PHYSICIAN BOARD MEMBER'S PERSPECTIVE

1. Stop talking about all the obstacles to good physician–hospital relationships and get something going that rekindles rapport, respect, and reimbursements ... (“don’t do nothing because we can’t do everything”).
2. Sit down immediately to talk with our physicians and nurses about how to deliver world class care by investing in and nurturing our scarcest and most important resources: our staff and physician colleagues; they have common sense and we need to listen and respond.
3. Invest in innovative ways to earn “fanatical patient care loyalty.”
4. Harness new information technologies that get us “wired”..to our patients, to our physicians, to our employees, and to our payers.
5. Define a clear “capital creating plan” to help improve the chances for achieving our strategic vision and mission.
6. Redefine our local board education programs to talk about our tough issues and challenges.
7. Define sensible plans for population health status improvement among the elderly and “near-elderly,” in rural areas, and/or high risk population.
8. Forge aggressive plan for capital access for big needs (e.g., earthquake retrofit, new joint ventures with specialty physicians, enhanced development of nursing staff, new technologies, and working capital for new information technologies and moves into outpatient service initiatives).
9. Convene meeting of local and state politicians to define ways for funding the under insured and demands for more chronic care for the “boomers.”
10. Conduct complete assessment of our medical and information technology status and then define a sensible budget to continuously improve our status.
11. Ask management to establish “benchmarking relationships” with best practice hospitals, systems, and accountable care organizations to mutually learn ways to excel in cost-effective services.
12. Continue investing in “brand-building” marketing with our diverse marketplace publics and purchasers.
13. Convene immediate meeting of our strategic planning committee with key physician leaders at the table to discuss consequences of our journey to population health gains.
14. Redefine directions for our health system-owned physician practices.
15. Continuously conduct a re-evaluation of our governance structures and systems to see if we are as effective and efficient as we need to be.

16. Continue to pay attention to the bottom line and use technology to get us more efficient.
17. Others ...?

## Improving Hospital Governance Insights from Board Members and Managers

A group of over 150 board and administrative leaders were recently asked to identify the single most important action. The top three responses were:

- To attract good leaders to head board committees.
- To increase the effectiveness of committees.
- To improve the effectiveness of board meetings.

Here are over 50 practical ideas from the front line to consider in your Hospital Board Enhancement Planning. Have a conversation with your board about how some of these strategies could move your governance into the high performance domain.

### HOW TO ATTRACT GOOD COMMITTEE LEADERS

1. Choose board members who are active, interested, and well-informed about our health system and our ability to meet the needs of the community, and achieve future success.
2. Do an assessment of prospective board members' interests, then assign committee members according to their interests and specialties.
3. Committees should be chaired by someone with years of experience on boards and someone willing to give the time and effort of leadership.
4. Assure committee leader that all members of the committee are involved with the issues.
5. Let prospective committee leaders know when the meetings will be scheduled, and advise them whether there will be additional meetings needed.
6. Seek those with a proven ability to hold people on task.
7. Offer education and support relevant to each committee's focus.

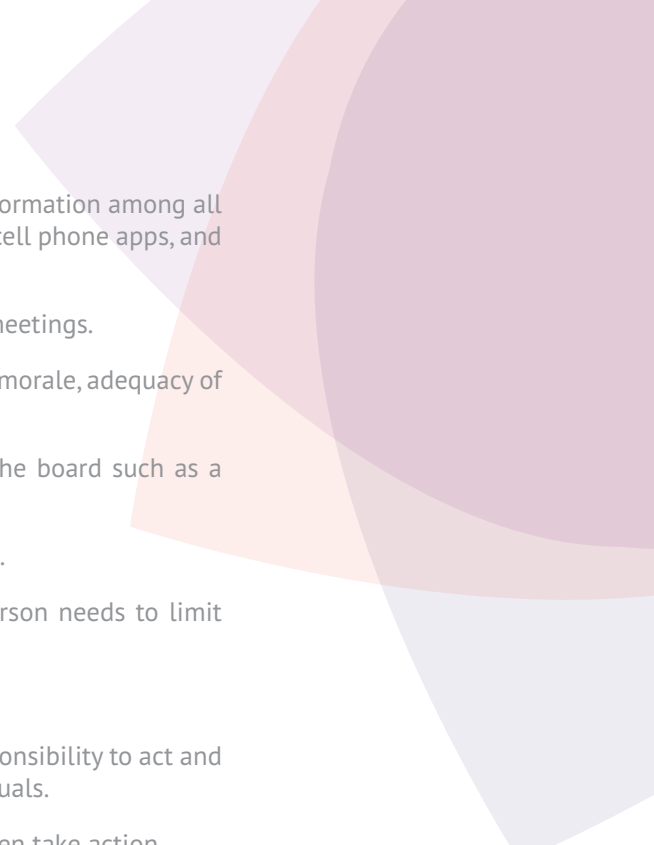


## HOW TO INCREASE THE EFFECTIVENESS OF COMMITTEES

1. Keep committees focused on important goals and make them clear from the beginning.
2. Develop clear expectations of what the committee needs to accomplish for each quarter.
3. Develop committee work plans to help direct the committee's work. (Ask board members to go through this same process at least once a year.)
4. Every committee member should be knowledgeable about all aspects of the committee's duties and responsibilities.
5. Hold ongoing discussions with board members relating to topics of their particular interest.
6. Make members feel important about their duties on their committees; delegate specific tasks to individuals for reporting to next meeting.
7. Listen to the public and key stakeholders to improve the quality of discussions in meetings.
8. Bring to committee members issues about the hospital which are being talked about in local community groups.
9. Committee must meet regularly (at least quarterly) with a strong committee chairperson to facilitate/monitor the focus of the committee.
10. Committees should maintain an ongoing dialogue with management.
11. Committee meetings should usually not be free-flowing; they need to be structured, concise, and to the point.
12. Have frequent Q&A sessions in committee meetings.
13. Assign work to everyone on the committee.
14. Assume there will be active participation of the committee chairpersons.
15. Committee chairpersons must get all individuals involved.
16. Name a secretary to keep minutes of meetings so time is not lost in each meeting bringing members up to speed on past activities.
17. Have open discussions at most committee meetings.
18. All reports from committee to the full board should be concise and action-oriented.
19. Put action items at the beginning of the committee meeting agenda.
20. Continuously educate committee members concerning their tasks and responsibilities.
21. Spend more time addressing hot issues, then arrive at a consensus about the action to take.
22. Hand out detailed reports that have a short executive summary, then solicit committee members' questions on the topics covered.

## HOW TO IMPROVE THE EFFECTIVENESS OF BOARD & COMMITTEE MEMBERS

1. Make sure meetings are 70% focused on future and strategically important items, rather than on a review of past history.
2. Board meetings can be more effective if participants look at future critical issues and develop strategies for dealing with expected problem areas.
3. Use “dashboards” and graphics to review performance data: 7–10 key measurements linked to strategic goals.
4. Have a planned calendar for the year that defines when key topics and decisions are planned.
5. Maintain a clear-cut purpose for each meeting through careful pre-planning in order to achieve objectives in limited amount of time.
6. Have a two-part agenda: first, deal with action items from committees; second, open the discussion to new ideas and plans.
7. Have a well-defined agenda that is circulated in advance.
8. Ask members at beginning of the meeting if there are any additional items to place on agenda.
9. Information about discussion items should be provided to members a few days before the meeting.
10. Have management liaison present issues, with management’s perspective of the pluses and minuses of action, along with specific recommendations.
11. Allow a short period at end of meeting to enable board members to express personal views on the work that the board is doing, and topics for the next meeting.
12. Educate board members about their duties and responsibilities and encourage them to defer to committee decisions/recommendations in most cases.
13. Meetings should be interesting. Format may need change from time to time to keep members’ full attention.
14. Well-organized but flexible agenda to provide sufficient time for discussion and comment.
15. Fewer lengthy reports, more time to discuss and plan for the future.
16. Efficiently deal with routine matters; e.g., using a consent agenda, reserving more time for the important agenda items.
17. Ask each board member, in less than one minute, to add something of concern to the meeting (whether it is a weakness or strength or simply information).
18. Encourage members to read/study board info before the meeting.
19. Send minutes, committee reports, financial reports, quality reports, etc., to board members ahead of time. Avoid unnecessary repetition of these reports during meeting, leaving more time for long-range planning and to further refine the organization’s mission.

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20. Consider using new technologies to improve flow of ideas and information among all members and CEO, e.g., e-mail, special board-eyes-only Web site, cell phone apps, and tablets.
  21. Make certain all members have an opportunity to participate in meetings.
  22. Solicit views from nursing staff and physicians on quality of staff, morale, adequacy of personnel, and new programs.
  23. Occasionally bring in more presentations from people outside the board such as a patient, a physician, a community leader, or a competitor.
  24. Bring in people who represent alternative medicine interventions.
  25. Stay on track with the agenda and its items. The board chairperson needs to limit extraneous input, comments, and personal agendas.
  26. Build in Q&A sessions to get board members involved.
  27. Educate board members to the fact that they have a fiduciary responsibility to act and make decisions on what's best for the community, and not individuals.
  28. Encourage all to listen and be prepared to exchange ideas and then take action.
  29. Provide better board member orientation and education.
  30. Better committee reports that have an "easy-to-read" format with a one-page executive summary.

We wish you all the best in your commitment to enhance your board work in the coming year!