

Governance Advisors' Year in Review

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AS **GOVERNANCE ADVISORS**, we provide guidance to members on many difficult issues that boards deal with as today's healthcare leaders. The boards we work with have committed themselves to improvement in a particular area, and they go through sometimes difficult steps to make that improvement a reality. Reflecting on a busy and exciting year, we would like to share some of those success stories, specifically ones that stood out in our minds as especially difficult or important issues all boards should be dealing with: developing new policies and procedures regarding conflicts of interest, transforming board culture, improving relations between physicians and the hospital, and creating a more strategic and generative board.

In each case, the Advisor worked with the member to clarify the need and to develop a customized approach for addressing the identified issue.

Revising Conflict-of-Interest Policies and Procedures

A board member of a Midwestern hospital heard an Advisor speak at a Governance Institute conference on the topic of institutional integrity, and was intrigued by the description of more rigorous conflict-of-interest policies and procedures. Upon her return, she reported what she had learned, and as a result, the full board decided to form a task force to assess the current conflict-of-interest policies and practices. The board retained the Advisor to assist with a focused process. The Advisor reviewed various documents and then participated in two lengthy telephone sessions with the task force. As a result, the task force recommended and the full board approved a precise definition of board member "independence," a revamped conflict-of-interest policy, and new implementation procedures for dealing with conflicts of interest.

Transforming a Board's Culture

The new CEO and board chair of an east coast hospital knew change would be difficult on a tradition-bound board. Long-serving trustees were deeply committed to the hospital but let the past CEO run the show with little board oversight. The new CEO wanted to fully inform directors and tap their talents. The board and CEO retained a Governance Advisor who used The Governance Institute's Board Compass self-assessment as the centerpiece of a retreat to develop a consensus on the need to transform from a passive and deferential board culture to a more informed and engaged board. Because the changes were so extensive, the board asked the Advisor to work with its governance committee over several months to agree on specific changes, including a new position description for directors, a streamlined committee structure and charters, an annual board work and

education plan, and a plan to transition to term limits and competency-based recruitment.

Improving Physician-Hospital Relations

A health system on the west coast contacted a Governance Advisor for assistance with physician-hospital relations. The system faced many challenges including insufficient focus on quality and safety improvement, difficulty recruiting physicians, inadequate methods for engaging physicians in strategic decisions, and ongoing, contentious debates regarding payment for Emergency Room call. The Advisor helped the board, administration, and physician leaders recognize that their board, medical staff, and management structures were inadequate, and that there was no impartial body to provide the physician perspective on key strategic issues. The board concluded that it needed a physician task force to assess ways of dealing with strategic and/or difficult decisions facing the physicians and/or the hospital. This task force also helped the board understand and address physician-related issues.

Developing a More Strategic and Generative Board

The new board chair at a hospital that is part of a large, faith-based health system had read *Governance as Leadership* and wanted to increase her board's ability to function in the strategic and generative modes described in that book. She asked the CEO to contact the Governance Advisor they had used the previous year to help them develop goals regarding their Board Compass self-assessment. The Advisor interviewed key board members, analyzed the results of this year's Board Compass, reviewed key governance documents, and designed a board retreat focused on becoming more strategic and generative. The Advisor began by sharing the latest research about relevant, governance practices and then led an open discussion to identify the reasons why the board became bogged down in operations. As a result, the board identified priority actions for the governance committee to address over the next year. Those actions included developing a board calendar itemizing the strategic issues and education topics for each board and committee meeting, devoting 50 percent of each board meeting time to discussing strategic issues, determining how to bring new board members up to speed regarding the strategic plan, and deciding how to keep the board engaged in strategic plan initiatives.

Today's healthcare boards face ever-increasing challenges and a growing list of responsibilities. These are just a handful of the stories from our work in governance improvement, and we look forward to many more journeys and success stories with hospital and health system boards in the year ahead.

