Today’s Focus

1. How successful leaders are dealing with an uncertain future
2. Five critical questions boards should be asking
3. The four real-world practices of top boards in navigating transformation
The Board’s Role in Leading Through Uncertainty

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DEALING WITH UNCERTAINTY

• Stay positive
• Know what you know—and what you don’t
• Embrace that which you can’t control
• Focus on what matters
• Don’t seek perfection nor dwell on problems
• Know when to trust your gut
• Have contingency plans
• When all else fails, breathe

Adapted from World Economic Forum article by Travis Bradberry, author of Emotional Intelligence 2.0
“The art of proposing a question must be held of higher value than solving it.”
– Georg Cantor

1. How can we master population health?
What Does Population Health Mean?

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals using the hospital or health system</td>
<td>69.7%</td>
</tr>
<tr>
<td>Individuals in a specified geographic area or community</td>
<td>68.7%</td>
</tr>
<tr>
<td>Individuals experiencing a certain disease or condition</td>
<td>59.2%</td>
</tr>
<tr>
<td>Individuals for whom the hospital has financial risk</td>
<td>47.4%</td>
</tr>
<tr>
<td>Other</td>
<td>10.5%</td>
</tr>
</tbody>
</table>


Why Population Health Now?

- Survival
- Community Engagement
- Charity Care and Bad Debt
- Increase Market Share
- Financial Incentives
- Publicity
- Meet Community Needs
2. Are we driving down costs and increasing efficiency fast enough?

Financial Oversight

• Ensure the integrity of the hospital’s financial processes and systems
• Stay current on health care financing and reimbursement issues and trends
• Set and monitor clear financial performance goals, and demand corrective action as needed
• Insist on quarterly financial reporting
• Ensure the alignment of all plans and budgets
• Choose key ratios and ask tough questions
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3. Do we have the right leaders at the table?

The Importance of Mission and Vision...

Would you tell me, please, which way I ought to go from here?

That depends a good deal on where you want to get to.

I don’t much care where.

Then it doesn’t much matter which way you go.
4. Are board members knowledgeable about the issues that matter?

“We approach management and governance with the N-I-F-O principle: Nose In, Fingers Out . . .”

James Marley, Chairman
PinnacleHealth System, Harrisburg, Pennsylvania

“Savvy boards follow the GEPO rule:
Good Enough, Press On.”

Barry S. Bader, publisher of Great Boards
www.greatboards.org
5. Has the board embraced physician partnerships as critical to our success?

Leadership has a harder job to do than just choose sides. It must bring sides together.

Jesse Jackson
The Four Real-World Practices of Top Boards in Navigating Transformation

1. A Focus on Governing
   - Respect for the distinction between governance and management
   - Understand board is not a legislative body
   - Bring discussion and issues back to the mission and vision
   - Executives supporting the board understand and reinforce its role during interactions
The board must be knowledgeable of all reasonably available information and act with appropriate prudence and care.

Loyalty
Discharge duties unselfishly, to benefit only the corporate enterprise and not the directors personally.

This means directors must:
1. Disclose situations with potential for conflicts.
2. Avoid competition with the organization.
3. Refrain from discussing confidential board business with others.

Governance vs. Management
How to tell them apart...

• Governance – Exercising accountability by setting goals, making major policy and strategy decisions, and overseeing implementation

• Management – Delivering results by implementing policy and strategy as set forth by the governing body, managing operations, and reporting on performance
2. Strong Board-CEO Relationship

- Agree on the Board’s role and responsibilities in general
- Agree on a governance ‘philosophy’ - the desired interaction between the Board and the CEO
- Write down the agreements in formal Board policies and procedures
- Develop written job descriptions for Board members and CEO
- Evaluate the CEO’s performance at least annually and set goals for individual and organizational performance

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3. Effective Board Meetings

- Governance-level packets a week prior
- Agenda states action, time, and materials
- 60% of time spent in discussions vs. reports
- Verbal reports of pre-reading forbidden
- Consent agenda utilized
- Minutes adequately summarize

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4. Healthy Board Culture

- Open, facilitated conversations; less reliance on Robert’s Rules
- Candid, respectful debate/dissent encouraged and expected of members
- Realize individual board members have no power: you’re all in this together
- Hold each other accountable for agreed-upon behaviors
- Spend time cultivating individual relationships

Board Culture Matters Most

“We’ll be fighting the wrong war if we simply tighten procedural rules for boards and ignore their more pressing need to be strong, high functioning work groups whose members trust and challenge one another and engage directly with senior managers on critical issues.”