Integrated Healthcare Strategies
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# TOP 5 IMPERATIVES BOARDS FACE

**Common imperatives for governance boards and the strategic actions they need for smarter and better board work**

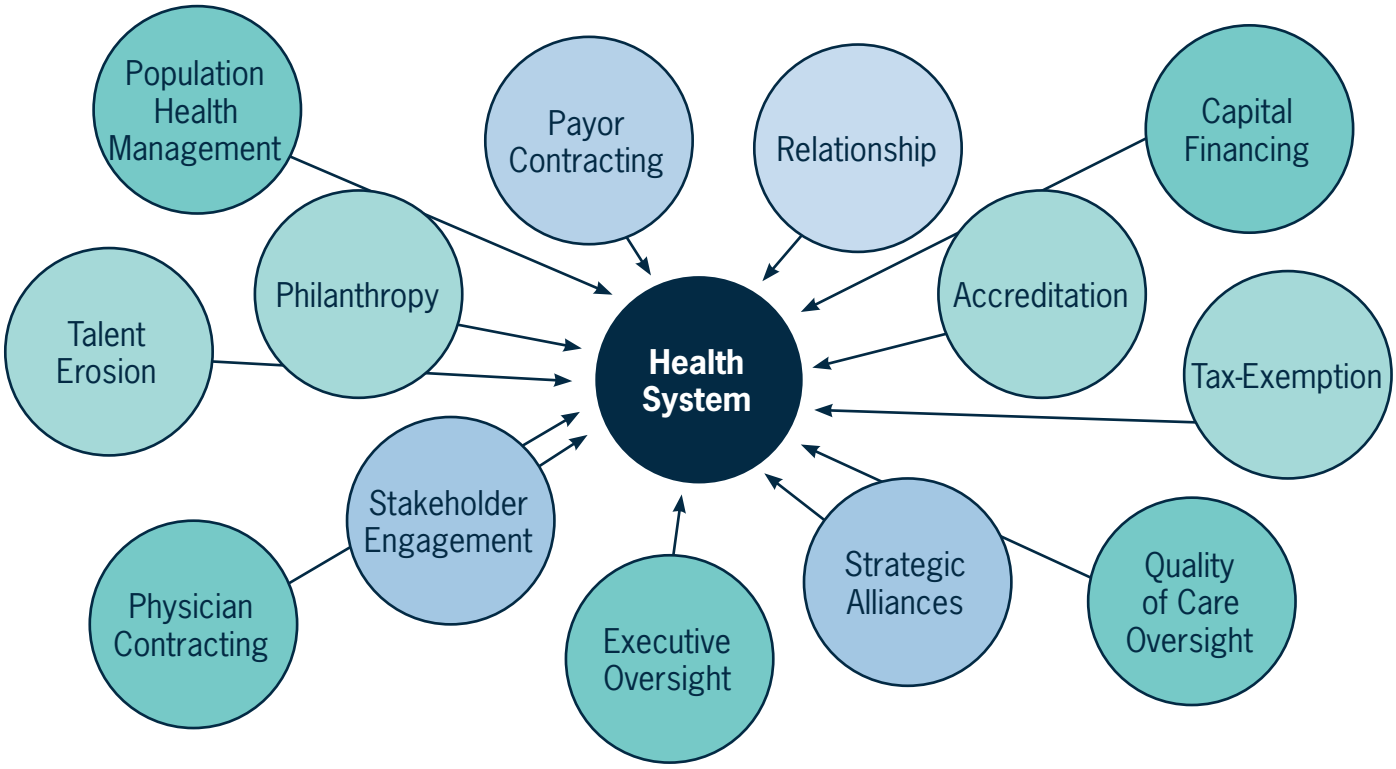
# TODAY'S LANDSCAPE. UNCOMMON SOLUTIONS. SMARTER BOARDS.

Now in its second decade, the era of healthcare consumerism has fundamentally changed the way Americans view healthcare. Combined with the push for clinical integration—which demands more efficient and convenient access to a range of providers, care settings, and services—the rise of consumerism presents unique challenges for those in the healthcare industry and to those who lead it. These activities represent board and leadership challenges that need practical solutions.

Below are five imperatives that boards must master. Each imperative includes three strategic actions that boards need for smarter and better board work.

## Imperative 1

# RISK SPOTTING




Effective healthcare sector governing boards are taking more active roles to identify and master the many risks of improving health gain and by collaborating with other community leaders, their executive team, physicians, and other staff. These risks vary in complexity and cost, and may include the "Unlucky 13" featured above. You can learn more about these 13 risks from the presentation, *Risks in the Boardroom*, available for download at **www.integratedhealthcarestrategies.com/pdf/BoardRisks.pdf**

It is not enough to spot these risks; boards must eliminate or reduce them.

To successfully address these risks, high performing boards will need to become well-informed about, and engaged within, these three actions:

## CALL for Health Needs Assessments:

Boards must ask their organizations for more substantial investments into frequent and comprehensive community health needs assessments. These assessments will need more than smart epidemiologists engaged; they will also need to engage competitive providers, payors, local health boards, and community health centers. These assessments will benefit from many methods, such as those advocated by the National Association of Health Centers.[1]

## ASK for Links to Public Health:

Too many boards of hospitals and health systems have not worked collaboratively with their local public health boards. The era of Population Health Management (PHM) requires all of us to work more closely together to co-generate investments for interventions that protect and promote health, not just restore health after illness or injury. Board meetings can be invigorated with speakers and discussions at least once per year on the needs, work, and results of public health organizations.[2]

## MASTER Social Determinants of Health:

High impact health sector boards need to convene diverse community health leaders, from across all political spectrums, to discuss the social determinants of health, and forge new strategic alliances to understand and manage them. Smart ideas can come from across the US, but also globally from these valued sources.[3]

This challenge will require boards to provide bold leadership along the lines suggested by the Institute for Healthcare Improvement.[4]

How is your board doing in these three spheres of action?
How can you innovate and advocate to do more?

## Imperative 2

# PHYSICIAN ENGAGEMENT

Accountable care and PHM require higher levels of clinical integration and more significant and sustainable gains in health status improvement.

The probability for health gain goes up as the degree of engagement and collaboration increases between the board, physicians, nurses, and allied health personnel. Key champions and catalysts for such engagement need to come from physicians. This demands three key actions:

### INVITE into Leadership Roles:

High performance ACOs and health systems are not content to wait for others to produce the physician leadership they need to design, develop, and deploy integrated health outcomes. Great health systems are investing to establish and operate their own "Physician Leadership Academies."[5] It is not enough, however, to develop new physician leaders; to be successful, they must be invited into and supported by all levels of leadership and governance of the health enterprise.

### USE Active Listening:

Wise boards and executive teams not only provide invitations for diverse stakeholders to engage in their policy making, planning, budgeting, and process improvement initiatives; they also must listen effectively to these stakeholders. Great boards practice ***active listening*** and ***appreciative inquiry***.[6]

### PROVIDE Incentive Compensation:

Changing the behavior of systems and the institutions within them is not easy. It requires changing the behavior of executives, thousands of staff, and especially physicians working within the organizations and programs. While important gains in positive behavior change can be achieved through engagement and sincere communications, boards will also need to re-examine their policies and programs for compensation. Innovative base, fringe benefits, and incentive compensation need to be included to help ensure optimal alignment of the work of physicians and other health workers to the goals and objectives of the organization. Innovative incentives for change will also need to be not just for total cash rewards, but also various forms of recognition and awards. This recognition will need to be for not just high performing individuals, but high performing teams, departments, and service lines.

## Imperative 3:

# CHANGE CHAMPIONS

### High impact health sector boards are active change champions.

These boards intentionally study change (and the factors that frustrate or facilitate change) to yield good results for the organization. Much has been written on change that boards should talk more about in their meetings.[7] It has been our experience that effective health sector boards need to master three key actions:

### CREATE Sense of Urgency:

Boards can ask questions of their executive and physician colleagues in ways that not only suggest what they are interested in, but what they believe is critical to the success or even the survival of the organization. These questions might be:

> What would happen to our reputation and ability to contract with purchasers if our surgical and obstetrical death rates increased by 10% this year?

> If we are already earning more than 60% market share of inpatient work, can we grow to the scale we need for vitality without merging with or acquiring another organization?

> How can we secure the capital we need for our investments into EHR, new ambulatory care services, new partnerships for low-income housing, and working capital for post-acute chronic care service programs?

> How can we dramatically improve the working conditions of our staff to avoid the loss of more than 30% of our nurses who will retire in the next seven years?

## COMMUNICATE Vision & Mission:

Board members build organizational agility and vitality by engaging diverse stakeholders into their decision-making processes, but they must also share widely what is generated from within these processes. Great boards use the mission as the true north for the organization, and they also serve as ***the conscience of the organization*** by always asking "how does this plan or investment contribute to our mission and vision?" The communication of these desired future states is done in publications, social media, employee awards presented by board members, and innovative posters and signage throughout the organization's facilities and communities.[8]

## DEFUSE Stakeholder Fears:

Change is uncomfortable. It is easy to refrain from making the change, but it's even easier to backslide and delay the change when the uncertainty becomes too frightening. The board needs to work with managers to identify in advance the most likely factors that will unleash fears that derail progress to plan. Ask questions about how the board has spoken with participants in the change process about what they see as the benefits to patients, consumers, staff, and their service from the change. Is the board listening to them about their fears regarding the change, or the unknown elements in the change process? These need to be talked though openly and removed as sensibly as possible. Boards can help create the conditions within which managers can develop and implement important changes for future vitality.[9]

### Imperative 4:

# BOUNDARY SPANNING

Successful health sector governing bodies are masters of organizational boundary spanning.

Spanning the needs and work of other health providers, patients, consumers, schools, local governments, health departments, religious organizations, housing, food providers, and health insurers. Wise board leaders identify the many organizations and leaders essential to the work of PHM, map explicit ways to engage with them, learn what they need from a relationship, and then build alliances of respect and rapport for a shared vision of the future. These alliances require knowledge, skills, and attitudes that encourage, enable, and empower win-win strategies.[10]

Boundaries that may be financial, attitudinal, religious, political, ego-based, and cultural need to be identified and calmly explored to find ways to bridge issues, fears, confusion, and conflicts.

Navigating such boundaries requires an approach consisting of walking in their shoes, speaking their language, looking through their eyeglasses, and a healthy appreciation of their heritage, history, and hopes.

Spanning boundaries also requires three essential actions:

## CELEBRATE Stakeholder Assets:

McKnight and Kretzmann long ago acknowledged that positive change in organizations and in communities requires the careful mapping of existing assets upon which to build positive gains.[11] Members of health sector governing councils or boards are uniquely able to reach out and talk with these other organizations, especially with the board members of these organizations who are often neighbors, business partners, or in similar social and cultural circles. But wise boards reach beyond the familiar associates and find groups and organizations in very different socio-economic and demographic spheres. They celebrate the differences in these individuals and their assets and look for creative ways for collaborative planning and program building.

## DEFINE Collaboration Obstacles:

Boundary spanning requires the art and science of "Collaborative Governance." Collaborative planning, however, is not easy and faces many obstacles.[12] Overcoming obstacles to collaborative planning can be guided by the experience in many sectors outside health.[13]

## BRIDGE Gaps:

Building on community assets, and working toward a shared vision of a healthier population and a more vital health system demands the best thinking and creativity of board members and their managers. Gaps and obstacles to get from today's reality to tomorrow's vision need to be defined before they can be removed or bridges built to go over or around them. The National Academy of Sciences has many resources to spark board conversations about building bridges to the promise of PHM.[14]

## Imperative 5:

# TALENT DEVELOPMENT

Smart boards understand that implementing these initiatives requires human resources with sufficient numbers, skills, and competencies—competencies not just to perform well as individuals, but to perform well as interdisciplinary and inter-departmental teams.

While boards often have facility capital plans, IT strategies, and bold business plans, too often they do not have well-established talent development plans.

Care navigators, health coaches, chronic disease management teams, clinical protocol developers, and regular health services delivery personnel; these are some of the broad span of roles in value based contracting, and new age PHM. Three important actions can help ensure good plans for talent development:

### PLAN Human Capital Needs:

Boards can ask their C-Suite executives to include forecasts of the numbers and types of staff needed to successfully implement their PHM plans. Gaps in current human resources can be identified and strategies and costs to bridge the gaps budgeted. Wise boards invite their chief human resources executive into at least two board meetings a year to explore and encourage assertive investments into recruiting and developing the talent needed for success.

### INVEST in Talent Development:

When the executive team defines needed human resources for the journey into accountable care, the board needs to help ensure that talent development is hardwired into the capital and operating budgets. Periodic review of progress to plan should include questions about the extent to which the talent is in the right place, in the right amounts, with the right skills and tools to succeed.

### EXPECT Performance Excellence:

When the board supports management's requests for human resource investments, then the board can reasonably expect to have periodic reports on the returns being generated by those investments. Bold measures of gains in service volumes, quality, and cost effectiveness will increasingly appear in board meeting performance dashboards.[15]

# FOR MORE INFORMATION


1. See: http://www.nachc.com/, the Association for Community Health Improvement
   See: http://www.healthycommunities.org/, the Association for Community Health Improvement
   See: http://www.aha.org, the American Hospital Association

2. See: http://www.naccho.org/, the National Association of County & City Health Officials
   See: https://nalboh.site-ym.com/default.asp, the National Association of Local Boards of Health

3. See: http://www.who.int/social_determinants/en/, the World Health Organization
   See: http://health.gov/our-work/healthy-people/, the US Department of Health

4. See: http://www.hhnmag.com/articles/6569-ihi-lays-out-10-ways-to-radically-transform-health-care?utm_source=HFWeb&utm_medium=Blog&utm_term=HealthyDebate&utm_content=HealthCareStartUp&utm_campaign=InnovationInvestmentHealthCare, Hospitals & Health Networks

5. See: http://www.ahaphysicianforum.org/files/pdf/LeadershipEducation.pdf, the American Hospital Association

6. See: https://www.mindtools.com/CommSkll/ActiveListening.htm, Mind Tools
   See: https://appreciativeinquiry.case.edu/, Appreciative Inquiry Commons

7. See: http://www.ahaphysicianforum.org/files/pdf/LeadershipEducation.pdf, the American Hospital Association

8. See: https://www.mindtools.com/CommSkll/ActiveListening.htm, Mind Tools
   See: https://appreciativeinquiry.case.edu/, Appreciative Inquiry Commons

9. See: http://www.huffingtonpost.com/dan-goleman/overcome-obstacles-for-ch_b_5119910.html, the Huffington Post

10. See: http://insights.ccl.org/wp-content/uploads/2015/04/BoundarySpanningAction.pdf, the Center for Creative Leadership

11. See: http://www.abcdinstitute.org/toolkit/, The Asset-Based Community Development Institute

12. See: http://pubs.iclarm.net/resource_centre/WF_3465.pdf, Collaborative Governance Assessment

13. See: http://www.thegce.ca/THOUGHTLEADERSHIP/Boards/Documents/Final%20-%20November%20issue%20of%20Boards.pdf, Governance Centre of Excellence

14. See: http://iom.nationalacademies.org/Activities/PublicHealth/PopulationHealthImprovementRT/2015-SEP-30.aspx, The National Academies of Sciences, Engineering, and Medicine
    See: http://nam.edu/perspectives-2013-building-the-science-for-a-population-health-movement/, National Academy of Medicine

15. See: http://oig.hhs.gov/fraud/docs/complianceguidance/RoundtableAcuteCare.pdf, the Office of Inspector General

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To learn more about governance and leadership, connect with one of our consultants today by calling 800-653-6597