Q: How does the board ensure the right issues are discussed in the right way at the right time?

Hospital leaders must navigate through a complex health care environment that continues to come under increasing examination and debate. The lingering effects of the economic recession, calls for increased transparency, scrutiny of health care costs and quality, changing reimbursement systems and the uncertainty of health care transformation mean that boards today, more than ever, must focus their time and attention on the most critical issues confronting their organizations. Board meetings should begin with prepared participants, follow a meticulously-planned agenda, and include respectful, friendly exchanges of ideas and calm deliberations. Meetings should be conducted by a procedure-savvy chair, maintain clear direction and decisive votes, and end on time. If this does not quite describe your board's meetings, read on…

The truth is, the time a governing board spends together in its meetings can make or break its effectiveness. Great board meetings set the tone for hospital success.. Everyone arrives having done their homework, they know the issues they'll be discussing and voting upon, they're committed to treating one another in a civil manner, and they deliberate calmly. If the discussion should ever get boisterous, their chair skillfully brings them back to order, refocuses the discussion, and calls for a vote. When the gavel signaling adjournment falls, board members clap one other on the back and congratulate themselves on another productive meeting.

It may sound like a dream, but it's a fact that your governing board meetings can move just as smoothly and productively.

Best Practice Number One: The Meeting Starts Before the Meeting

Board members should arrive at meetings well-prepared, having received their board packet – including the agenda, previous meeting minutes, board reports, and supporting materials – at least a week ahead of the board meeting. As committed board members, every trustee will have read and studied the entire packet, prepared ideas to propose during discussion periods, and arrived at the board table on time.

Too often, board members arrive five minutes early (or late!) and try to speed-read their packet information before discussions begin. This practice makes it nearly impossible for them to be equipped with the background information they need to discuss agenda items intelligently, and their lack of detailed knowledge can cloud any vote they may cast during the meeting's progress.

Takeaway tips: Read and study the board agenda several days prior to the board meeting. If you have questions, call the board chair for clarification. Clarify your thinking on each scheduled agenda item and arrive prepared for discussion and deliberation. And always be sure to arrive on time.

Best Practice Number Two: A Great Agenda Sets the Stage

Sketchy agendas, or agendas with catchall phrases such as "New Business," "Old Business," or "Other Business" do no one any favors. A well-planned agenda can keep a meeting focused and on time. It can keep discussions from derailing and keep your members on task.

Here's what a clear agenda contains:

- Time, date and location of the meeting.

- Items being considered, with brief notation of action expected, such as "discussion only," "information only," or "vote to be taken."
- A suggested time for each item's discussion (in minutes).
- Items of greatest importance placed at the beginning of the meeting; items of lesser importance near the end.

Use of a consent agenda preserves limited board meeting time for the most important issues and helps to keep meetings on track. A consent agenda is an "agenda within an agenda," containing items that rarely need discussion. Most consent agendas include approval of minutes, approval of agenda, the chief executive's report and various committee reports. On occasion, a consent agenda might include legal documents such as leases or contracts that have already been agreed upon, but need formal approval. A consent agenda gathers all of these "low or no discussion" items into a group, and a vote is taken at the meeting's outset either giving "consent" to unilaterally approve the entire group of items, or to pull one or two items out for clarification and discussion. It's assumed that all board members have read the items included in the consent agenda prior to the meeting.

Takeaway tips: Pay close attention to your agenda. Note the items that will be discussed and the time allotted for discussion. Come to the meeting with your ideas and thoughts prepared. Expect to spend more time on items of greatest importance, and little time on administrative tasks. Expect to approve the consent agenda, or be ready to ask that one or more items be removed from it for further discussion.

Best Practice Number Three: Treat Others as You Want to be Treated

The cardinal rule of boardroom etiquette is: Treat your fellow board members as you want to be treated. Learn to agree – and disagree – courteously. Speak up, stating your opinions and ideas concisely. Don't interrupt and be mindful not to dominate a discussion. Be willing to listen to others' opinions, and perhaps even change your mind if you hear a reasonable alternative to a tough issue. If you feel yourself getting hot under the collar, remember your mission to serve the hospital and the community.

Boardroom etiquette and courtesy are often "taught" in board orientation. In addition, a tremendous aid to keeping the meeting discussions and deliberations civil is for each board member to have a working knowledge of parliamentary procedure.

While reviewing etiquette may seem trivial, it helps set the stage for meaningful deliberation and dialogue, and for building positive working relationships between and amongst trustees. Great boards also conduct ongoing member performance evaluations, which may bring to light bullying or disruptive behaviors that must be addressed.

Takeaway tips: Respect others' right to speak, and listen to their ideas. Expect others to do the same for you. Be calm. Be collaborative. Keep your temper. If you disagree with someone, discuss the idea, don't belittle the person. Learn the basics of parliamentary procedure. It can help keep your meeting friendly, respectful and focused.

Best Practice Number Four: Elect an Organized and Focused Leader

A skillful board chair can bring efficiency and order to the most chaotic of situations. If emergency action is needed on a particular issue, a skillful board chair will concisely state the challenge, the background to the issue at hand, and signal the beginning of deliberation. If one board member is dominating a discussion, a skillful board chair will remind the group of the importance of all voices being heard and call upon others for their opinions. If a board member consistently remains silent and does not offer ideas or opinions, a skillful board chair can draw them out, urge their participation, and ask for their thoughts on an issue. If a discussion veers off course, a skillful board chair will bring it back into focus and keep tabs on the timing of the discussion.

Some boards may find they spend more time discussing past accomplishments or the "good old days" than they do deliberating over more pressing and difficult issues. A skillful board chair may remind them of health care planner and futurist Ian Morrison's words, "If you don't think systematically about the future, you run the risk of not participating in it."

Takeaway tips: Elect, appreciate and support a skillful board chair. Expect to participate equitably in meetings, or receive a phone call from the chair asking you to either tone it down or step it up. Expect the chair to keep discussions focused, on time, and strategic.

Best Practice Number Five: Know Your Deliberative and Decision-Making Processes and How they Work

Deliberation is one of the key roles of a governing board—it's where decisions are formed before decisive votes are taken.

Excellent deliberation always begins with a written definition of the challenge before the group, stated in neutral words with key points highlighted. The issue or challenge should tie directly back to the hospital's strategic plan and will be of importance to the hospital and/or the community. The chair details what the deliberation should accomplish, re-stating the objectives. He/she keeps the discussion on target, making certain every person shares opinions and is heard from. Solutions are proposed and alternatives are suggested, leading to a vote being taken or scheduled for the next meeting.

There are several models of decision-making, and board members must understand how their particular board utilizes each method. In the consensus model, agreement is reached after all alternatives are on the table, and the group arrives at one opinion. In some instances, the "majority rule" model is employed, where a simple majority decides the issue. In other instances, the board calls for a decision to be made by a super-majority, in which at least 51 percent of participants carrying the motion. Other forms of majority rule are a 2/3 requirement, and on occasion, 3/4. Sometimes, the full board simply approves decisions reached by the executive committee, although "rubber-stamping" of all such opinions is not a good practice.

Takeaway tips: Know how the deliberative process works, and be prepared to participate. Help ensure that all members are heard from. Know which decision-making models apply in various situations within your board. Do not abstain from voting unless a conflict of interest applies.

Best Practice Number Six: The First Five Minutes After the Meeting Count Too

Many boards pack up and leave the moment adjournment is announced. If you knew your board meetings could become more energized and effective if you gave just five more minutes of your time, would you offer them?

Even boards that conduct the most efficient and effective meetings fine-tune their meeting work through the use of individual board meeting evaluations. These evaluations are designed to be completed in five minutes or less, and include yes/no questions with room for suggestions. Simple questions might include: Did the meeting follow the agenda? Was the agenda focused on the most critical or strategic issues? Did we start and end on time? Were all members participating in an active manner? Did the board chair lead the meeting skillfully? Comments could also be sought regarding the helpfulness of board packet materials, meeting direction and focus, issues as they relate to the strategic plan, fairness of deliberations, and a sense of whether each member left the meeting believing it was a valuable use of their time.

Overview: Six Best Practices for Building Better Meetings	
1	The meeting starts before the meeting
2	A great agenda sets the stage
3	Treat others as you want to be treated
4	Elect an organized and focused leader
5	Know and practice deliberative and decision-making processes
6	The first five minutes after the meeting count too

Takeaway tips: Prepare a short meeting evaluation for every board member to anonymously complete prior to leaving. The board chair and the CEO will utilize information from the evaluations to fine-tune the board's meeting process.

Many of the reminders presented here are common sense solutions and known by most, but practiced by few. By implementing the six best practices of efficient board meetings, your board can achieve meetings that are highly productive, energetic, inspiring and enhance learning. Your meetings will be memorable – for the RIGHT reasons.

Critical Conversations The Board Should Have Now

Quality and Patient Safety - It's Job One, So How Well Do You Do It? The expectation of informed, engaged and active participation in quality oversight and leadership should be the foundation for every board meeting agenda. Attaching a measure to the amount of board meeting time spent on quality is one way to stimulate boards to carry out their quality accountability and raise their level of quality and patient safety knowledge, engagement and effectiveness. Being conscious of the amount of governance time spent on quality will raise its prominence on the list of board priorities. Quality should be at the forefront in board discussions and decisions on just about any subject on the agenda.

Executive Compensation: Can You Defend It? Wall Street financial executives aren't the only ones finding their compensation the subject of news headlines. Increasingly, the glare of publicity is turning on hospital executives as well.

The IRS' Form 990 is designed to provide greater transparency into executive compensation. Boards should take action to

make sure they carry out a sound and defensible compensation process, including:[3]

- Establishing a comprehensive, written process for evaluating executive compensation;
- Ensuring that no conflict of interest exists for trustees evaluating and approving executive compensation;
- Comparing the executive's compensation and benefits to that of other similarly situated executives using independent data, surveys and compensation consultants;
- Evaluating and accounting for executive performance against pre-established goals; and
- Documenting the board's processes, considerations and decisions.

To ensure that executive compensation reviews are rock-solid, hospital boards of trustees should engage in a critical conversation that answers these questions:

- Is the CEO's full compensation and benefits package documented in a written employment contract?
- Does the board have and adhere to a conflict of interest policy? Is that policy applied to compensation and benefit reviews and decisions?
- Does the board have a compensation committee? If so, is there a policy specifying criteria for committee selection? Do those criteria include freedom from conflicts of interest?
- Does the hospital have a written policy establishing criteria for hiring a compensation consultant, and requiring the consultant to be free of conflicts of interest?
- Have compensation evaluations included comparison with compensation and benefits offered by similar organizations?
- Could nonqualified deferred compensation and/or retirement plans offered by the organization be considered "excessive?"
- Have executive benefits been recently reviewed? Are CEO travel and other benefits governed by a written policy and monitored by the board?
- Is the CEO's compensation tied to achievement of documented performance measures?

Community Benefit - How Do You Measure Up? The lack of a quantifiable measure for community benefit has become a source of debate. At the center of the debate is whether the community benefit provided by hospitals is commensurate with the tax-exempt benefits they receive. According to Steven T. Miller, Commissioner for Tax Exempt and Government Entities of the IRS, the goal of Form 990 revisions, and specifically the creation of Schedule H, was to create transparency for hospital practices that in turn provide for a more-informed review and decision-making process regarding the community benefit standard.[1]

As allegations of excessive compensation and inequitable levels of charity care and community benefit draw scrutiny and attention, trustees need to engage in a critical conversation that seeks answers to these questions: [2,3]

- Does the hospital's mission clearly affirm the hospital's commitment to serving the community's health care needs?
- Has a community needs assessment been recently conducted? Can the organization's strategic initiatives be clearly tied to the highest priority needs identified in the assessment?
- Does the hospital have a written financial assistance and charity care policy? Is eligibility clearly defined? How do patients learn about its availability?
- Have the policy and eligibility been reviewed in response to increasing community needs resulting from economic pressures?
- Has the hospital clearly and comprehensively defined the amount and types of community benefit it provides?
- Is the hospital separating bad debt, Medicare and Medicaid shortfalls from charity care and community benefit activities?
- Does the hospital have a written bad debt policy? Has the board recently reviewed it, and is the board aware of how it's applied in the current recession?
- Will the hospital's level of community benefit stand up to public scrutiny?
- How comprehensive is the hospital's community benefit report? Does it capture all facets of the benefits provided by the hospital? Does it effectively tell the hospital's full community benefit story to the community?

The Board's Role in Difficult Economic Times. The financial effects of the economic recession and now health care transformation on hospitals are well-evident, and trustees must demonstrate strong leadership to navigate through the economic challenges of declining patient volumes, a changing reimbursement system, payment cuts, growth in expenses that outpace sluggish revenue growth, and more.[1,2]

Engaged participation in board meetings and a detailed understanding of financial issues has never been more important for trustees. Board conversations should include:

- *Constant oversight of the hospital's financial performance.* Trustees must think openly and broadly, and work together with senior leaders and medical staff leaders to find new solutions for pressing financial issues.
- *Regular review of progress on strategic plan initiatives.* The board should evaluate if strategic initiatives are being impacted by financial restraints, and if they should be adjusted or reprioritized to account for changing circumstances. Trustees should take into consideration the implications of making adjustments, and the risks of not taking action.
- *Discussion of subsidized and uncompensated care needs in the community.* The board must understand how health care needs are trending, if the organization has the resources to continue to meet changing needs, and what plans are in place to support those resources if the trend continues for the foreseeable future.
- *Continued evaluation of charitable giving levels.* Has the board developed and implemented a detailed and strategic fundraising plan? Are strategies being tracked and plans adjusted accordingly? Are new and innovative opportunities being developed? Are donor relationships being nurtured? Is hospital news shared, and are there opportunities for donors to interact with senior leaders and the board?

Hospital and Medical Staff - Partners in Care. The delivery of care is shifting from traditional structures to models that incorporate integrated approaches, continuums of care, quality outcome measures, and shared financial risk. The ability to deliver high quality care and improve health outcomes while managing costs will significantly determine hospitals' and health systems' ability to succeed in a value-based health care environment.[3] To succeed in today's changing health care environment, hospitals and their medical staffs must be closely aligned and work collaboratively to provide complete care for patients, as well as to manage and improve the health of a population.

New structures of care and payment systems are designed to incentivize coordination of care and quality outcomes versus fee-for-service payments which have typically been viewed as payments for volume of care.[1] Early examples of value-based care delivery models in which hospitals and medical staff must succeed as collaborative partners include CMS demonstration programs which were designed to evaluate hospital/physician collaboration coupled with global payment and permitted gainsharing, or sharing of cost savings between hospitals and physicians (examples include Medical Hospital Gainsharing, Physician Hospital Collaboration Demonstration, Acute Care Episode Demonstration).[2]

New payment systems, many of which have been implemented under the Patient Protection and Affordable Care Act (ACA), include shared savings and risk, bundled and capitated payments, and penalties for low quality of care scores and high readmissions. The se payment systems, coupled with the shift in delivery of care settings from acute hospitals settings to outpatient and ambulatory settings, are also driving forces behind the need for hospitals and physicians to ensure strong collaborative partnerships.

Despite these forces, the *2014 Industry Survey: Forging Healthcare's New Financial Foundation* conducted by Health Leaders Media suggests a lack of readiness to assume risk and establish agreements based on results with care partners. Monitoring care along the continuum was found in the survey to be one of the greatest challenges to clinical quality improvement, a challenge which will require strong medical staff partnerships to overcome.[4]

More than half the hospitals and health systems responding to the survey also indicated that addressing physician-hospital alignment is among their top three priorities for achieving financial goals. However, only a third of physicians included this alignment among their top three priorities. HealthLeaders analyst, Michael Zeis, noted this may indicate difficulties for hospitals and health systems as they move forward in today's transforming health care environment.[4]

While collaboration has always been important, today hospital leadership must be a positive, collaborative, results-producing effort between the administration, the medical staff and the board of trustees. The medical staff must participate meaningfully in hospital governance, and actively contribute to strategic directions and decisions. Board members must act as catalysts for physician participation, and ensure that decisions

benefit both at-large community interests as well as the interests of the physician community. Board members must assure that discussions and analysis are mission-driven, and meet conflict of interest standards. Finally, trustees must consistently monitor strategic direction, and hold both managers and physicians accountable for achieving targeted outcomes.

Nurturing a trust-based board/medical staff relationship helps ensure the hospital's ability to respond most effectively to future issues, challenges and changing payment and care delivery structures. Consider the following suggestions for building trust between hospital leadership and the medical staff:

1. *Develop a formal hospital/physician relationship.* Hospitals can increase market share by systematically seeking physicians' input and aggressively addressing their concerns.
2. *Pursue the joint development of ancillary services.* Health care organizations and physician groups should seek opportunities to form mutually beneficial partnerships to expand or reinvigorate these services.
3. *Involve physicians in leadership.* When physicians and hospitals work in the spirit of partnership facing strategic issues, that spirit goes a long way toward ensuring mutual success.
4. *Offer physicians choice.* Individual relationships should be pursued that meet the interests and comfort levels of both specialists and primary care physicians, rather than a "one-size-fits-all approach."
5. *Stick to the basics.* Establish a foundation of trust, a demonstrated economic benefit for all parties, and a shared commitment to meeting community health needs.

A critical conversation about hospital/medical staff relations alignment may include:

- What leadership roles do physicians hold in our organization?
- What roles could or should the organization consider physicians for?
- What skills, experience or attitudes are important in physician leadership positions?
- Are physicians properly prepared to take on leadership positions?
- How can the hospital help physicians prepare for leadership opportunities? Should or can the hospital develop a physician leadership development program?[9]
- What opportunities for hospital/physician collaboration may be pursued?
- If gainsharing programs, integrated hospital/physician contracts, or similar hospital/physician opportunities presented themselves, is the organization ready to take advantage of them?
- What is the medical staff's perspective on these questions? Has the board heard and listened to first-hand accounts of physician views?

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