Governance Notes

Welcome to The Governance Institute's Governance Notes!

This newsletter is designed specifically for governance support professionals with information and expert opinions in the area of hospital and health system governance and updates on services and events at The Governance Institute. We hope you find it beneficial in helping you keep your board performing at its best. We welcome article submissions related to the board support role, ideas for future topics, and feedback on how we can better support you in achieving optimal board performance. Please contact us at kwagner@GovernanceInstitute.com.

In this issue:

Clarifying Board Roles: Emerging Best Practices in System vs. Subsidiary Board Duties

By Marian C. Jennings, M.B.A., M. Jennings Consulting

Last winter, I facilitated a Governance Institute educational session with hospital board members entitled "Board Basics for Effective Governance." Expecting most participants to be relatively new board members, I was surprised to find that most of the session's attendees had served on hospital boards for five or more years. When I asked the group about their most pressing questions related to hospital governance, participants indicated that they were most unclear about the appropriate roles for their boards to play now that their hospital had joined a larger regional or national health system. This article seeks to address such "role confusion" by focusing on emerging best practices in the balance of board roles between system boards and subsidiary boards.

Three Primary Roles of Independent Hospital Boards

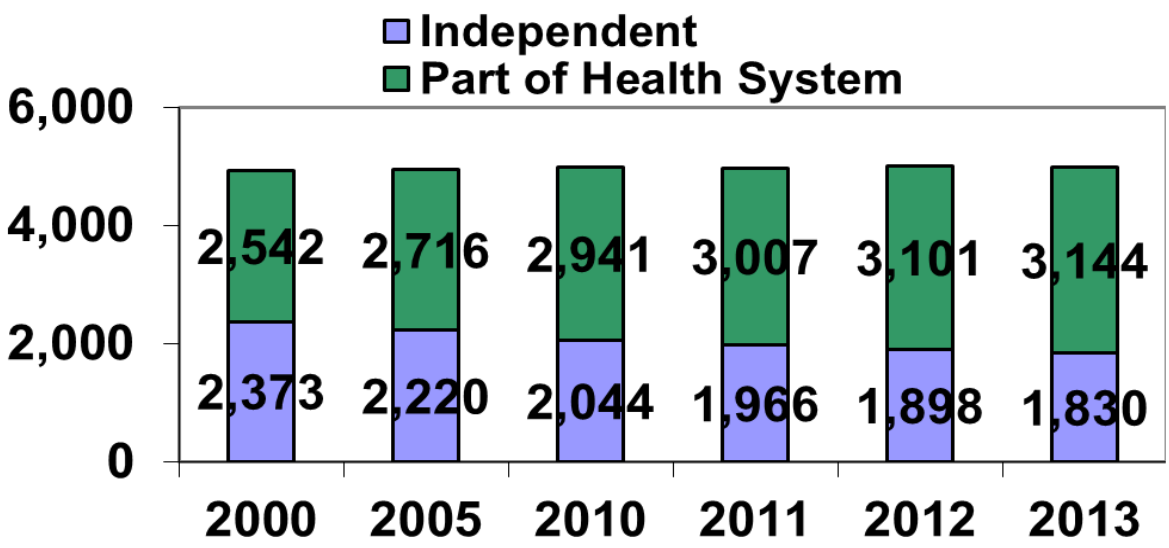
Historically, independent hospital boards performed three primary roles:

1. **Approve mission and set strategic direction**. An independent hospital board approves the organization's mission and sets strategic direction, including a vision for the future and key goals to achieve the organization's vision and realization of its mission. The board should also approve goal-related metrics to measure progress toward achieving its goals.
2. **Set policy**. In independent hospitals, boards establish policies for the organization's performance. These may include financial, quality, operational, and HR policies. Typically, hospital boards maintain committees such as finance, quality, governance, and compliance to inform the policy discussions of the board and to ensure that appropriate performance targets are established. Such policy-setting is also informed by the expertise of the senior leadership team and industry knowledge.
3. **Provide oversight**. Independent hospital boards oversee the organization's performance. If performance is not satisfactory, boards ask management for a corrective action plan and monitor ongoing performance to ensure that the hospital gets back on track. Additionally, the board selects and reviews the hospital's CEO, establishes CEO performance expectations, and adopts a CEO compensation philosophy and plan.

The Shift from Independent Hospital to System Subsidiary

With nearly two-thirds of community hospitals now participating in larger healthcare systems, hospital board members need to play very different roles than they have historically. Having grown up as a board member for an independent hospital, where the board was the final decision authority, this shift in roles can cause confusion, duplication of efforts, and/or frustration on the part of local board members who feel that they no longer are playing a truly fiduciary role.

Exhibit 1: Shift from Independent Hospitals to System Subsidiaries



Source: American Hospital Association, *TrendWatch Chartbook 2015*

As shown in **Exhibit 1**, between 2000 and 2013, the number of community hospitals belonging to health systems increased by 602 hospitals, from 52 percent of all community hospitals to 63 percent.[1] There are many reasons why independent hospitals (and also small systems) join larger systems, chiefly for:

1. Access to capital
2. Economies of scale
3. Clinical integration and/or desire to become part of an accountable care organization (ACO)
4. Affiliation with a critical mass of primary care physicians across a broad geography
5. Drive toward clinical excellence and value (e.g., superior outcomes at a lower cost)
6. Access to infrastructure to manage population health

Importantly, if a hospital is seeking access to capital through a merger or joining the system, the larger system/capital partner will require that it have so-called reserved powers—or the right to approve core board decisions—over the subsidiary. This is a practical reality: a health system/partner does not "give" money to a community hospital; that is the role for a philanthropist. The partnership trade-off is simple to understand, but in practice can cause tension. In return for the financial and other benefits of becoming a member of a system, once a hospital decides to give up its independence, its board operates under the governance control of the system or parent organization board.

Changing Governance Roles as Part of a Health System

In the evolution of health system governance, many systems started as parent "holding company" models with multi-tiered governance structures. Hospital boards operated within a governance "authorities matrix" that outlined roles and responsibilities of management and boards at all tiers. In larger systems, these tiers may include the system board, regional boards, local hospital boards, and even boards of subsidiaries of the hospitals. As reported in the Governance Institute's 2015 biennial survey, there has been a consistent trend away from subsidiary boards holding full responsibility toward *shared* responsibility between subsidiary and system boards.[2] Additionally, many systems have sought to streamline governance to no more than a two-tiered structure or to a single unified board structure. Compared to the roles the board in an independent hospital played, these new subsidiary boards, if maintained, play very different, but still important, roles in a world increasingly

[1] American Hospital Association, *TrendWatch Chartbook 2015*.

[2] Kathryn C. Peisert, *21st-Century Care Delivery: Governing in the New Healthcare Industry*, The Governance Institute's 2015 Biennial Survey of Hospitals and Healthcare Systems.

focused on addressing community needs, population health management, and community partnerships.

It is important for subsidiary boards to recognize that they exist not just to ensure community input, but to facilitate the implementation of the policies established by the system board. Essentially, such subsidiary boards are an extension of the system board and its work.

Let's compare the roles common to a subsidiary board to those of an independent board around the three key roles previously outlined.

1. Subsidiary board's role in mission and strategic direction. Best governance practices nationwide call for system boards to establish a system-wide mission and strategic direction. This results in one, unified system-wide vision statement, set of goals, and goal-related metrics that become the vision, goals, and metrics of each subsidiary (albeit with differing expectations or targets by entity). The subsidiary boards' role is to support the system board by "advancing" or "furthering" the system's strategic direction in the local community or region. Often, subsidiary boards are called upon to evaluate and address community health needs, identify unique market dynamics, and further local partnerships as they "advance" the system's strategic direction.

2. Subsidiary board's role in setting policy. Best practices on policy-making suggest that *most* policies will be recommended to the system board by its own committees/system management, then approved ("set") by the system board. For example, the system board establishes financial policies, sets the system annual operating and capital budgets, and articulates system-wide quality metrics. Most HR policies also are set by the system board. In more well-developed systems, system management then establishes realistic and achievable targets for each subsidiary. Most of these policies and targets are not set, or even recommended, independently by the subsidiary board.

Some systems still desire that subsidiary boards "recommend" their operating and capital budgets, but this is generally a *pro forma* activity since the local annual budget targets are set by a system finance team in discussions with local management. The same is true in quality, HR, and other arenas. **Exhibit 2** presents a prototype governance matrix where, as indicated, the subsidiary board has limited final authorities; its most common role is, at best, to provide input into policy making.

3. The subsidiary board's role in oversight. Subsidiary board members still retain a significant role in oversight at the local level, albeit in conjunction with management oversight by system executives. For example, the chief financial officer of the subsidiary hospital typically will hear from his system counterpart if performance is below budget and be asked for his/her corrective action plan—often before the local board has convened to review operating performance.

Moving into the future, the subsidiary board should focus on oversight that furthers the system's overall strategic plan and address local needs. Often, this is accomplished by focusing on a limited list of strategic metrics (a strategic "balanced scorecard") identified by the system that are essential to long-term success. **Exhibit 3** shows an example of a balanced scorecard for a system board as well as the counterpart subsidiary board. In the event that performance is lagging against a system-established scorecard metric, the subsidiary board should ask management for a corrective action plan and monitor improvements to get back on track.

Why Maintain a Local (Subsidiary) Board?

Even though formal authority is vested in the parent board, local hospital boards can add value to the local healthcare organization and the community it serves. The local board and its CEO know the local market, community needs, and special circumstances far better than a corporate board or system managers overseeing a broad geography. Therefore, the local board can add value in the areas of identifying community partnerships that could benefit the hospital, focusing on enhancing the community's health versus treating illness, monitoring quality of care to ensure that local residents are obtaining the highest possible quality and service, supporting strong ties to the community, and encouraging philanthropic support. In particular, subsidiary board members, through their key roles in credentialing of health professionals, can be extremely important partners in driving quality initiatives and value-based performance. The subsidiary board should also participate in local CEO goal-setting and evaluation. Importantly, if subsidiary boards don't have meaningful responsibilities, they won't be able to attract and retain talented directors who could put their volunteer efforts to work elsewhere.

Authority Matrix Key

A	Approves
R	Recommends
I	Provides Input
Blank	No Role

Exhibit 2: Prototype Governance Matrix

Decision		System board	Subsidiary board	System CEO
Governance	System board member election/removal	A		
	Subsidiary board member election/removal	A	R	
	System board officer appointment	A		
	Subsidiary board officer appointment	R	A	
	Add new subsidiaries to system that alter system governance	A		
Executive Oversight	Establish system CEO annual objectives	A		I
	Conduct system CEO performance review and set compensation	A		I
	Establish subsidiary CEO annual objectives	A	I	R
	Conduct subsidiary CEO performance review and set compensation	A	I	R
	Select subsidiary CEO	A	I	R
Strategic Planning	System strategic plan	A	I	R
	New program development at subsidiary	I	I	R
	Close major clinical service at subsidiary	A	A	R
	Strategic plans of other entities (e.g., medical group)	A	I	R
Operational Planning	Integrate key administrative functions (e.g., finance, HR)	I	I	A
	Standardize medical staff credentialing process	I	I	A
	Standardize HR policies and benefits	I	I	A
	Integrate medical education programs	I	I	A
	Establish annual performance objectives and review performance of subsidiary executives	I	I	A
	Medical staff appointments at subsidiary		A	R
Quality Oversight	Establish annual system quality objectives/plan	A		R
	Establish annual subsidiary quality objectives/plan	A	I/R	R
Financial Planning	System operating budget	A		R
	Subsidiary operating budget	A	R	R
	System capital budget (annual/long-term)	A		R
	Subsidiary capital budget	A	R	R
	Approve contracts	A (over $X)	R	A (under $X)
	Debt financing	A		R
	Annual development plan	A	R	R

Source: Adapted by M. Jennings Consulting from *Elements of Governance*®: Transitioning to Effective System Governance, 2013.

Exhibit 3: Sample System and Subsidiary Balanced Scorecards

Metric	System Board Scorecard	Subsidiary Board Scorecard
Excellence	Truven Top 15 Health Systems	Subsidiary Medicare Spend per Beneficiary (MSPB) Index
Physician Alignment	Number of System-Aligned PCPs	Number of Subsidiary-Aligned PCPs
Patient Experience	Overall System HCAHPS Score	Subsidiary HCAHPS Score
Population Health Management	System-wide Number of Covered or Assigned Lives	Subsidiary Number of Covered or Assigned Lives
Growth	System Net Revenue Growth Percent	Subsidiary Net Revenue Growth Percent
Financial Performance	System Bond Rating	Subsidiary Operating Margin
Philanthropic Giving	Total Annual Donations to System and All Subsidiaries	Total Annual Donations to Subsidiary

Committees at Subsidiary Level

Compared with independent hospital boards, subsidiary boards have less need for local committees. Financial performance, for example, is overseen at the system level by system subject matter experts and the system board. Most subsidiary boards do maintain a local board committee focused on quality and value, which includes credentialing of medical professionals, and a local governance committee, focused on governance competencies, board self-assessment, recruitment, and board orientation and education. Recently, some subsidiary boards have moved to using the board-as-a-whole to oversee quality since "quality care is delivered locally" and oversight in this area is a key responsibility.

Conclusion

Emerging best practices in healthcare governance call for value-added, non-duplicative work and input at each level of governance. The "right" balance between system board and subsidiary board roles varies from system to system.

Regardless of the particular approach, subsidiary boards have less authority and play different, but still important, roles compared to board roles at an independent hospital. More focus on overseeing organizational performance in quality and service; less on financial oversight. More focus on population health; less focus on this month's patient volumes. More focus on delivering value to the community; less focus on how our negotiations with Blue Cross are going. More need for members who have experience in quality improvement or leading an organization in an industry going through dynamic transformation; less need for those whose primary competencies are in understanding financial statements.

Ensuring role clarity is essential to reducing confusion and frustration. Identifying the kinds of skills, experiences, and core competencies needed on the subsidiary board and intentionally recruiting for these new competencies is essential. Attracting committed area residents to serve on the board of a hospital used by their friends, neighbors, and families can still be accretive to the hospital's long-term success.

Additional Resources

The Governance Institute has several resources for helping you clarify system versus subsidiary board roles. Below are a few we suggest:

Transitioning to Effective System Governance (*Elements of Governance®,* 2013)

System–Subsidiary Board Relations in an Era of Reform: Best Practices in Managing the Evolution to and Maintaining "Systemness" (White Paper, Fall 2011)

Governing the 21st Century Health System: Creating the Right Structures, Policies, and Processes to Meet Current and Future Challenges and Opportunities (White Paper, Fall 2013)

"Competency-Based Board Recruitment: How to Get the Right People on the Board" (Governance Notes, February 2015)

The Governance Institute thanks Marian C. Jennings, President, M. Jennings Consulting, for contributing this article. She can be reached at mjennings@mjenningsconsulting.com.

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Executive Assistants: Change Agents

By Sheila Repeta and Jim Finkelstein, FutureSense, Inc.

Most executives will tell you that their success is highly dependent on the team of individuals that surround them. Within that team, the executive assistant plays a critical role. Long gone are the days when an executive assistant was responsible for clerical work, answering the phone, and scheduling meetings. According to a recent Manpower study, 98 percent of employers see the administrative role differently than 10 years ago.[3] Specifically, the study indicated expansion of these responsibilities to include presentation assembly, client communication, vendor management, metrics reporting, and team engagement.

Most healthcare executives know that change is the name of the game in the industry these days. In the efforts to propel change, executive assistants (and other professionals in similar roles that support the executive team and board) sit front and center in the seeming uphill battle. John Kotter has long and largely been heralded as the father of change management.[4] His development and research yielded an eight-step change management approach that is largely accepted and utilized. This article looks at each of the eight steps of Kotter's change model and explores how executive assistants and those in similar roles can play a pivotal role in supporting the change management process.

Step 1: Create a Sense of Urgency

Creating a sense of urgency is not standing on the sidelines holding a "The end of the world is near" sign. A sense of urgency is created by honest discussions, data-driven scenarios and possibilities, and a realistic expectation of the thing(s) that need to adjust or develop within the organization. The executive assistant has a key role in this. With access to data and the "big picture" view that executive assistants have of organizational operations, their view is critical to building a case for the need to change.

Step 2: Build a Guiding Coalition

It is one thing to create a sense of urgency, but without putting together a strong group of people to drive the change effort home, nothing will get done. According to Kotter, this group needs to not only have power, but also the energy to lead the process. Given the scope of "touch" executive assistants have in the organization, they can reach not only from top to bottom in the organizational hierarchy, but also have influence across divisions, departments, and even with external partners. Leveraging this influence they can help executives identify a strong team that will own the change management effort, ensure buy-in, and build momentum from every angle within an organization.

[3] "Administrative Assistant Role Expands as Businesses Run Leaner, According to Manpower Survey," ManpowerGroup, April 21, 2014 (available at http://investor.manpower.com/releasedetail.cfm?releaseid=841369).
[4] "The 8-Step Process for Leading Change," Kotter International (available at www.kotterinternational.com/the-8-step-process-for-leading-change/).

Step 3: Form a Strategic Vision and Initiatives

This step is where the rubber really meets the road in terms of executing the change. By establishing a clear vision and strategy about the change effort, it minimizes the chances of derailment or distraction by the other organizational efforts that will inevitably occur along the way. To help initiate this process with your leaders, Mind Tools offers the following suggestions to kick-start the process:[5]

- Develop a one- to two-sentence summary that captures the future reality of the change effort.
- Ask the committee driving change to describe the change effort in five minutes or less.
- Encourage the change coalition to identify a vision statement about the change effort and measurable goals.

Step 4: Enlist a Volunteer Army

Once a clear picture of the change effort "end game" has been established, it is imperative to rally the troops throughout the organization (beyond the guiding coalition) and enlist an army of supporters to march the change efforts forward. Once again, executive assistants frequently know both the formal and informal "go to" influencers within (and sometimes outside of) the walls of the organization. By leveraging the network reach, executive assistants can help push change efforts to move faster, more effectively.

Step 5: Enable Action by Removing Barriers

Step five requires the guiding coalition to remove obstacles to change. This includes reviewing and revamping systems, processes, and procedures. The purview of most executive assistants affords a 100,000-foot view of the organization. This allows a clear view of the big picture and can make the stopgaps or logjams visible in a way that many others in the organization do not, and cannot, see. Since executive assistants have the ability to see the big picture, and often provide input to the executives they partner with, they are able to provide insight as to which intentional and thought-out actions can remove human, technology, process, and procedural barriers in the change management efforts.

[5] "Kotter's 8-Step Change Model: Implementing Change Powerfully and Successfully," Mind Tools (available at www.mindtools.com/pages/article/newPPM_82.htm).

Step 6: Generate Short-Term Wins

Large-scale changes can take a long time to implement and be highly frustrating for all involved. Therefore it is critical to demonstrate short-term wins along the way to remind all impacted by the change that this is to the benefit of the organization's success. It is important to be intentional to highlight short-term wins when drafting, writing, and sending communication about the change to stakeholders.

According to Chrissy Scivicque's book, *The Effective Executive Assistant*, one way to do this is to communicate the message in a way that minimizes the challenges in a situation, and emphasizes and communicates the rewards.[6] When drafting emails and/or memos, creating presentations, or writing reports, the executive assistant has the ability to build this strategy into all communication channels.

Step 7: Sustain Acceleration

As the change process is underway, unanticipated barriers will inevitably arise. Change is an iterative, not linear process, and requires constant adjustments. Building on the success of removing previous barriers, it is important to keep the process moving forward by reviewing, adjusting, and revising structures and policies that inhibit progress.

With a 100,000-foot view of the organization and operations, executive assistants can be responsible for asking the questions: What's working? What needs to change? How can we do it better next time? Another way to accelerate progress is to facilitate a plus/delta assessment after meetings or change milestones by emailing or asking the guiding coalition what worked and what could be improved next time and reporting the information back to the team. This helps provide a spot check to improve the process along the way and keep the process from stalling out.

Step 8: Institutionalize Change

Kotter's last step in change management is to institutionalize it and make sure it sticks. The change has to be integral to the organizational operations and culture. Executive assistants are in

[6] Chrissy Scivicque, *The Effective Executive Assistant: A Guide to Creating Long-Term Career Success*, OfficeArrow.com, 2008 (available at www.nesacenter.org/uploaded/conferences/SEC/2014/handouts/Rick_Detwiler/20_Detwiler_Resources.pdf).

the perfect position to help sustain these efforts. Capitalizing on the sphere of influence, along with the reach afforded by the position, executive assistants are in the ideal place to be ambassadors for change and ensure the messages about the change are not only communicated, but built into further projects, documents, organizational movements, etc.

By leveraging Kotter's change management model within the organization, executive assistants can transform their work from simply supporting change efforts to actively participating as a "change agent" driving their organizations to more successful frontiers.

The Governance Institute thanks Jim Finkelstein, President and CEO, and Sheila Repeta, Senior Consultant, of FutureSense, Inc. for contributing this article. You can learn more about their company and work at www.futuresense.com or contact them at jim@futuresense.com and sheila@futuresense.com.

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Planning and Conducting Effective Board Meetings

Board meetings are at the center of governance and the way they are planned and conducted significantly influences the quality of governance. It is essential that board meetings are effective and create an environment that allows board members to fulfill their fiduciary duties and core responsibilities on behalf of the organization. Board meetings need to optimize the time, talents, skill sets, and resources of board members, individually and collectively, for the benefit of the organization, its mission, and the communities it serves. This article provides insight on successfully planning for meetings and optimizing time and discussions during board meetings.

How to Plan the Board Meeting

Appropriate and relevant board meeting content is derived from the job to be accomplished. It begins with the following questions:

- What do we want to achieve at this meeting?
- How can the meeting best be organized to achieve this purpose?

Crafting the agenda should be based on these two considerations.

The Agenda

The agenda is a carefully constructed plan for making the best use of board members' time. The selection of agenda items should be driven solely by what the board must address in order to fulfill its ultimate responsibilities and to execute its core roles. These items do not magically appear; they originate from three specific categories: routine, scheduled, and emergent:

1. **Routine items.** Those that appear on the agenda at every meeting and require little, if any, board action. Approving minutes of the previous meeting and receiving the report of the board chairperson and CEO are examples.
2. **Scheduled items.** Those that can be anticipated because of the nature of recurring work performed by the board and its standing committees. They require board policy formulation, decision making, or oversight activity, and are anticipated. Typically, these correspond to topics and timeframes from the board's "annual agenda"—a framework and/or document developed by the full board, a committee, the board chair, and/or the CEO for the upcoming year. They may appear on every meeting's agenda or be scheduled for only once a year, but in all instances they are predictable. Examples include:
    - Appointing, reappointing, and determining the privileges of medical staff members
    - Reviewing quality, utilization, and risk indicators
    - Assessing the performance of the CEO
    - Evaluating progress against a specified set of benchmarks (e.g., from the strategic plan)
    - Establishing financial objectives for the coming year
    - Reviewing and acting upon the report of the external auditors
3. **Emergent items.** Items that require board policy formulation, decision making, or oversight activity, but are not anticipated. Examples include an unexpected CEO resignation, the external audit uncovering irregularities, and other unanticipated strategic opportunities that surface (e.g., desired property comes on the market, target medical group seeks alignment, affiliation/acquisition request from an interested organization).

For *scheduled* items, the following detail represents a standard plan for incorporating these items into the board agenda:

- Standing committees prepare a work schedule listing the recurring tasks it must perform, and when items will be forwarded to the board for deliberation and action.
- A master board calendar is then created. It specifies, for each meeting, both the scheduled items and an estimation of the time each item will consume.
- Using the master board calendar, the board chair, in partnership with the CEO, sets the final agenda[7] and, in addition, also includes other routine business and any emergent items.

Following this system helps boards avoid setting agendas meeting by meeting, and also ensures that meetings will produce results rather than seemingly endless discussions of lesser issues.

Even with a rational system for planning and setting the agenda, sometimes agenda items mushroom, almost out of control. In order to keep it manageable, the board must abide by a few general rules for its meetings. For example, it should:

- Adopt a board schedule for the year. The schedule outlines the board's plans and actions for the year, and these form a basis for board meeting agendas.
- Empower the chair to work on meeting details. The annual agenda/schedule forces the chair to honor the board's plan; the chair is responsible for the details.
- Review performance objectives annually. The board should go over its responsibilities and establish doable, yet meaningful objectives to which it can commit itself.

Board Meeting Frequency

How often does your board meet? Is it too frequently, not frequently enough, or about right? The frequency and duration of board and committee meetings should be determined by the ability of the group to accomplish its role, objectives, and purpose thoroughly and well. The board must balance time invested with value generated, results accomplished, and goals achieved.

According to the Governance Institute's 2015 biennial survey,[8] most boards (62 percent) meet from 10 to 12 times per year. Meeting duration tends to be in the two- to four-hour range (63 percent), and one- to two-hour range (31 percent). Some health system boards have longer board meetings (21 percent meet for more than four hours); since their board meetings are longer, many system boards meet only four to six times per year (38 percent).

Governance experts note that a "growing number of boards are moving to a schedule of six meetings a year of no less than six hours (each) and an annual two- to three-day retreat." The point of longer meetings is not to allow extra time listening to managers present endless details about the business, but rather to allow more time for open questioning and intellectual give-and-take on key issues.[9] CEOs and board chairs of some Fortune 500 companies have gone on record advocating fewer, longer board meetings.

Strategic Content of Meetings

It's recommended that boards devote more than half of their meeting time to strategic and policy issues. To accomplish this, they suggest using a consent agenda at each meeting to approve routine committee reports and routine management recommendations. Sometimes called a consent "calendar," it enables the board to group routine items and resolutions under one agenda item. When used properly and carefully, there is a general agreement that issues in the consent package do not need any discussion before a vote. Unless a board member requests removal of an item ahead of time, the entire package is voted on at once without any additional explanations or comments. Some examples of items that may be appropriate for inclusion in the consent package include:

- Committee and board meeting minutes
- Minor changes in a procedure
- Routine revisions of a policy
- Updating documents (e.g., address changes)

[7] In some organizations, the executive committee has this responsibility: "Because this committee is composed of the board chairperson, board secretary, CEO, chief of staff, and the chairs of each standing committee, coordinating the flow of committee work with board meeting agendas should be a relatively straightforward process" (from Dennis Pointer and Charles Ewell, *Really Governing: How Health System and Hospital Boards Can Make a Difference,* Delmar Publishers, 1995).

[8] Kathryn C. Peisert, *21st-Century Care Delivery: Governing in the New Healthcare Industry*, The Governance Institute's 2015 Biennial Survey of Hospitals and Healthcare Systems.

[9] Ram Charan, *Boards at Work*, Jossey-Bass, 1998.

- Standard contracts that are used regularly (e.g., traditional in-house contract with a vendor)
- Confirmation of conventional actions that are required in the bylaws (e.g., signatory authority for a bank account, acceptance of gifts)

The consent agenda should be part of the board package made available (e.g., portal, other online tool, hard copy) to the board one week ahead of the meeting. Board members should thoroughly review the items of the consent agenda and if they have questions, they should contact the appropriate party (chair, CEO, person placing the item in the consent package) for clarification. If board members still have a concern, it is critical that they request that an item from the consent agenda be removed and discussed separately at the meeting. *Note: It must be emphasized that the consent agenda should be used properly; if not, it puts the board and the organization at risk for failing to conduct due diligence (duty of care) if the organization is questioned by regulators regarding any issue of legal concern that may come to public light. Be certain that the items placed on the consent agenda are appropriate to be there and would be interpreted as such by regulators or auditors.*

Good governance means making appropriate decisions in a timely manner. By the nature of their roles and responsibilities, boards should focus much of their time and effort on policy considerations and strategic issues rather than policy implementation or operational issues. Yet many boards devote much, if not most, of their meeting time listening to routine management and committee reports and attending to operational issues.

The Governance Institute's 2015 biennial survey found that boards continue to devote more than half of their meeting time to hearing reports from management and board committees. Meeting time spent discussing strategy/setting policy is about 26 percent. Time spent on board member education is about 11 percent of meeting time. The 2015 survey analysis again showed a correlation between time spent discussing strategy at board meetings and overall board performance (i.e., the more time spent discussing strategy/setting policy, the more likely respondents were to indicate that their board's performance of the fiduciary duties and core responsibilities is "excellent"). Strategies to *focus* the board on important issues include:

- Assertive board leadership
- Thorough meeting preparation by management and board staff
- Adherence to the meeting agenda
- Adherence to the discussion timeframes specified on the agenda
- Board member preparation prior to the meeting
- Establishing board meeting ground rules that include discussion etiquette or adherence to parliamentary procedures
- Effective use of committees

For boards to truly have effective meetings they need to be strategically executed and this requires the planning and participation of all involved. Individual board members should participate with forethought, courtesy, critical thinking and analyses, and attention to results.

This article is an excerpt from Effective Board Meetings (Second Edition), part of our Elements of Governance® *series. The full publication provides a roadmap for hospital/health system boards and their directors to hold effective meetings and provides sample meeting agendas and evaluations. For more board meeting templates, view our template collection on our Web site.*

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New Resources for Supporting Your Board

Effective Board Meetings, Second Edition
This *Elements of Governance®* provides a roadmap for hospital/health system boards and their directors to hold effective meetings as a primary means of fulfilling their fiduciary duties and core responsibilities relative to the mission of the organization. Sample meeting agendas and a meeting evaluation form are also offered to help boards engage in successful meetings.
Click here to view.

***BoardRoom Press*, Volume 26, No. 5**
The October issue includes articles on developing an effective board to manage change, partnering with physicians, the expanding controversy over physician maintenance of certification, and 10 strategic "checkup" subjects that the board should consider when planning for a successful 2016. It also includes a special section on moving beyond the basics of strategic planning.
Click here to view.

Webinar: Balancing Strategy & Antitrust Risks: Exploring Exposure & Opportunities in Alignment with Physicians & Other Partners
The Federal Trade Commission has healthcare in its sights for transactions and contracting that violate antitrust laws. This Webinar explored the balance between strategy and antitrust considerations, and focused on three strategic areas: physician–hospital alignment transactions; payer contracting relationships that exclude competitors; and bundled payments and pricing.
Click here to view.

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Upcoming Events

Chairperson, CEO, & Physician Leader Conference
The Ritz-Carlton, Dove Mountain
Tucson, Arizona
November 8–10, 2015

Leadership Conference
The Ritz-Carlton, Naples
Naples, Florida
January 17–20, 2016

Leadership Conference
Boca Raton Resort & Club
Boca Raton, Florida
February 21–24, 2016

Click here to view the complete programs and register for these and other conferences.

Upcoming Webinar: Creating a Social Media Culture in Healthcare
November 5, 2015
2:00 p.m. Eastern Time/11:00 a.m. Pacific Time
Click here to register.

In this Webinar, Lee Aase, Director of the Mayo Clinic Center for Social Media, will share how Mayo progressed naturally from traditional media relations to direct-to-consumer news delivery to conversational marketing—giving patients a platform for their stories. He will review the steps taken, safeguards developed, and concrete results achieved. He also will discuss how the Center for Social Media and Mayo's Social Media Health Network are catalyzing application of social media for a broad range of health-related purposes.

Coming Soon: 2015 Biennial Survey of Hospitals and Healthcare Systems
21st-Century Care Delivery: Governing in the New Healthcare Industry

As changes in delivery move more and more care out of hospitals, governing boards are developing new structures, adopting new strategies, and building new cultures to respond to the need for high-performance and quality in all community settings. This year's survey sought information about how board structure, culture, and practices are continuing to evolve, representing a 21st-century delivery model. This publication will be available in early November.