

Trustee Insights

TRANSFORMING GOVERNANCE



The “Aha!” Moment to Unlocking Governance Excellence

Boards serve as a strategic asset for high-performing organizations

BY TODD LINDEN
WITH MARK KAUFMAN

In health care governance, there exists a pivotal moment — an “Aha!” revelation when a governing board recognizes that its efficacy profoundly impacts the success of the hospital or health system it oversees.

I love this moment. For the past six years, I have dedicated my

work to helping boards seize this moment. While this insight may seem glaringly obvious, it holds the key to the transformative potential of a board committed to excellence in all facets of governance. At the end of the day, there is a high likelihood that a board that excels with board structure, diversity, selection, orientation, education, self-evaluation and culture also governs top-decile hospitals and health systems.

Governing boards don't often think of themselves as a strategic asset. Instead, members consider themselves a group of people who

meet once a month to oversee an organization. When boards set a high bar for their performance in all aspects of governance, it naturally elevates the hospital's performance. This article delves into the indispensable role of the governance committee and how it can supercharge a board's overall performance, with a spotlight on the journey of one hospital striving for excellence.

Elevating Board Performance Starts with Self-Assessment

According to the [2022 American Hospital Association National Health Care Governance Survey Report](#), a mere 60% of health care boards use a governance/nominating committee. Shockingly, less than half of freestanding hospital boards have a [governance committee](#). Yet, a high-performing governance committee can serve as the linchpin for nurturing and optimizing board effectiveness.

A fundamental part of a governance committee's toolkit is the board self-assessment. As Peter Drucker famously said, “You can't manage what you can't measure.” Taking time to look in the mirror allows a governance committee to identify what's going well and, more importantly, find opportunities for improvement. Most self-assessment tools consider all aspects of good governance, including board/CEO relationships, board meetings

and more. Despite its importance, only 61 % of boards conduct self-evaluations, according to the AHA Trustee Survey.

Continuous improvement is at the heart of any hospital quality and patient safety program. A board that prioritizes self-reflection and sets goals for advancement sets a powerful precedent for organizational growth. Likewise, a commitment to ongoing education distinguishes exceptional boards. Of all board committees, the governance committee is best suited to build an education strategy. Bolstered with insights from self-assessment, the governance committee can craft a comprehensive educational plan tailored to the board's needs and interests. Educational resources are plentiful for boards, offered by [AHA's Trustee Services](#), most state hospital associations and many governance consulting organizations.

For over 16 years, I also served on the Grinnell College Board, another example of a board that worked at continuous improvement. At one point, the board hired Richard Ryan, a nationally recognized governance expert, to work with the board for an entire year. One of his points particularly struck me: "Great CEOs want to work for great boards." It sounded so simple, but it's true. A board must strive to achieve the highest possible board performance to attract and retain the highest executive talent. Attention to this is more important than ever. Becker's Hospital Review reported a 42% spike in hospital CEO turnover in 2023 compared to the previous year. With the average CEO tenure currently under five years, the most important thing a hospital can do

Elements of a Good Board Self-Assessment

A successful board self-assessment enables your board to identify its strengths as well as leadership gaps where the board has the greatest potential for improvement. The assessment reveals these gaps and facilitates the development of actions to improve leadership performance. Through an effective, well-developed [board self-assessment](#) process, growth opportunities can be realized. Education can be pinpointed to unique governance needs, recruitment of new trustees can be undertaken with increased confidence, and long-range planning can be conducted within a consensus-based framework with all board members on the same page.

As the CEO of Grinnell Regional Medical Center in Iowa for nearly 25 years, I witnessed firsthand the impact of governance excellence. I am often asked why I stayed that long. Chief among my reasons for staying was the quality of the board. They really worked at achieving best practices in all elements of governance. The GRMC board formed a governance committee many years ago and named it the Trustee Organization and Education Committee — TOE for short. One TOE committee chair referred to himself as the "Big Toe." The TOE committee was essential to the continuous improvement of the board."

to extend its executive tenure is to achieve governance excellence.

The Case of Gunnison Valley Health

Over the past several years, I have had the privilege of working with Gunnison Valley Health (GVH) in Gunnison, Colo. Since 1938, GVH has been a comprehensive health care provider committed to serving its community with a range of medical services. Offering a comprehensive variety of hospital and ambulatory facilities and dedicated professionals, GVH offers primary care, emergency services, surgical procedures, diagnostic imaging, rehabilitation and more. With a focus on patient-centric approaches and community well-being, GVH strives to enhance health outcomes and promote wellness throughout the region.

GVH also boasts an exceptional

new CEO and a board teeming with highly qualified trustees. The work here exemplifies the transformative power of a committed board on a journey toward excellence.

"I feel extremely lucky to work with a board that comes with such an incredible pedigree of success in their current and former work lives; many with a deep background in health care," says Jason Amrich, CEO at GVH. "However, it is their sincere engagement, genuine inquisitiveness and commitment to continuous improvement that really sets them apart. As my organization dives deep into Lean process improvement culture, it is great to work with a board that also embodies this sentiment. Setting a high bar for themselves is a wonderful example for the whole organization."

Led by Mark Kaufman, M.D., GVH's governance committee has spearheaded a comprehensive over-

haul, beginning with developing a purpose-driven charter. The committee's other endeavors have included developing and updating board policies, trustee orientation, writing and updating board committee charters, board education and, importantly, a board self-assessment process.

I asked Dr. Kaufman to describe his board's journey to date. A retired internal medicine physician from Wisconsin with many years of executive leadership experience as well as caring for patients, he was recently elected GVH's board chair.

The GVH board journey

"In March of 2022, most of our trustees attended a Colorado Hospital Association conference on rural health care at the urging of Jason Amrich, who was relatively new in his CEO role at GVH. One of the talks was about healthy governance and building an effective board. This created a buzz among our trustees who heard the talk, leading to multiple conversations about the opportunity to improve and strengthen our governance processes. After this talk, I recall us excitedly pulling Jason into a side conversation at the association meeting and sharing what we heard. Jason supported strengthening governance at GVH and providing whatever resources we needed. While there was talk of hiring a consultant to help us move forward, when we debriefed at our next board meeting, we decided to start by forming a governance committee, which a few of us had experience with on other boards.

"The committee's first task was to write a charter. It was helpful

to start with a blank slate and to be able to define anew what we wanted the committee to accomplish. We reviewed several governing committee templates and explored the resources available through AHAs Trustee Services. Our charter allowed us to define our purpose and outline the responsibilities, priorities and specific tasks that the governance committee needed to accomplish on behalf of the board. Many of these tasks had not been previously done at GVH.

"Once the GVH board approved the governance committee charter, the first order of business was to review our board policy manual and bylaws. Our policy manual reflected how the GVH board had operated in the past. As the current board looked to the future and how we wanted to govern, we had to make significant changes to our policy manual. We started this work in March of 2022 and reviewed more than 10 versions before completing it in October. Despite the heavy lift, it was fortuitous that we were due to review our policy manual just after defining a new vision for GVH governance. The governance committee, its charter and the revised board policy manual have been critical steps in GVH's governance evolution over the past two years.

"Over that time, the governance committee developed a work plan to fulfill the tasks and responsibilities outlined in its charter. These responsibilities have included new trustee orientation, writing charters for all board committees, creating a board competency matrix to identify recruitment priorities, developing a board chair evaluation process and overseeing a board self-assessment

and improvement process.

"We realized we could use some assistance as we thought about moving forward with board self-assessment and improvement. We identified governWell as an organization that could help us in this effort. Our partnership with Todd Linden of governWell has been fruitful. It has allowed our board to rate ourselves across nine governance performance categories, compare our ratings with a national database and identify those areas in which we want to focus our improvement efforts. From this self-assessment process, the governance committee and the entire board developed a list of follow-up accountabilities for the board chair, the board committees and the CEO and his management team. We are still early in this process, but we see board self-assessment as a critical step to maximize our governance effectiveness. By performing a board self-assessment every two years, we will be able to track our improvement over time.

"We are still early in GVH's journey to governance excellence. As I reflect on our progress to date, there are a few elements that have been essential to improving our governance effectiveness. These include:

- A board that wants to improve and that is unafraid to examine itself.
- A governance committee.
- A forward-looking board policy manual that reflects where we want to go rather than where we have been.
- A supportive CEO.
- Partnerships with external organizations such as governWell that can bring expertise, data and

perspective that are not available internally.”

In conclusion, the governance committee is the rocket fuel for a hospital board’s journey to excellence. Through diligent self-assessment, targeted education and visionary leadership, a high-functioning governance committee can catapult the entire board toward

continual advancement — and nothing short of excellence in fulfilling its mission to deliver quality health care to its community.

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Please note that the views of interviewees do not always reflect the views of the AHA.