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### *A Context for Evaluation*

#### TYPICAL COMMITTEE RESPONSIBILITIES

Recent research shows that hospital performance on quality is positively affected when the board spends at least a quarter of its time discussing quality. The Quality Committee is an excellent vehicle for candid, confidential discussion of clinical care quality and safety issues.

This committee's responsibilities may include:

- Approving an annual and multi-year strategic quality plan with annual and long-term improvement targets.
- Reviewing performance reports on the quality of clinical care, patient safety, and customer service.
- Reviewing quality/safety-related standards.
- Reviewing sentinel events and root cause analyses.
- Assisting the board in maintaining a collaborative relationship with the medical staff.
- Approving and overseeing medical policies and professional staff appointments, reappointments, and clinical privileges.

#### TYPICAL SKILLS AND BACKGROUNDS OF COMMITTEE MEMBERS

- Physicians
- Nurses and other health professionals
- Healthcare management professionals
- Executives in industrial quality or customer service
- Attorneys

#### TYPICAL REPORTS AND EDUCATION

- Dashboard of quality/safety performance indicators.
- Sentinel event report.
- Patient satisfaction and customer experience reports.
- Employee perceptions survey report.
- Assessment of an organizational culture of safety.
- Accreditation reports.
- Audit of credentialing process.

Reports should enable the committee to compare actual performance to organizational goals and industry benchmarks. Data should be presented in a timely, easy-to-evaluate manner, with trend reports for underperforming indicators. Dashboards should display “roll-up measures” relevant to quality, patient safety, and customer service.

If the committee oversees professional affairs and approves physicians' privileges, it should include

evaluation of clinical competence, professional behavior, and compliance with hospital requirements (e.g., malpractice insurance and continuing medical education). The committee should monitor these reports for the small percentage of physicians—usually less than 5 percent—for whom some quality or behavior issue was examined.

In addition, the committee should regularly monitor national priorities in quality and patient safety. “We may face a near future where board members have to, by statute, take a certain number of courses or credits on these subjects, and be tested on the material,” says David B. Nash, MD, MBA, Chairman, Department of Health Policy at Jefferson Medical College in Philadelphia. “If the board is going to make the hospital management and physician staff participate in rigorous education and self-evaluation, then it has an obligation to do so as well.”

**“Every board ought to be asking itself, ‘What is our financial risk for poor quality according to CMS?’”**

*—David B. Nash, MD, MBA, Chairman, Department of Health Policy, Jefferson Medical College*

#### HOT ISSUES

In the future we're likely to see an expansion in the number and types of CMS quality indicators that hospitals are required to report, Nash says. We are likely to see an expansion in the list of “never events” that will not be reimbursed, including sepsis and deep vein thrombosis. “Every board ought to be asking itself, ‘What is our financial risk for poor quality according to CMS?’” Nash says. “This is a key board leadership question that ought to be tackled right now.”

He predicts a substantial increase in pay for performance both locally and nationally from managed care and federal programs. “For example, we are likely to see a greater payment differential attached to the CMS quality indicators. Given the pending bankruptcy of the Medicare trust fund, CMS is going to ratchet up the amount of money at risk, because this will be budget neutral. CMS will pay hospitals less and less overall, but hospitals will receive higher payments if they have good outcomes.”

The Professional Affairs Committee should look closely at physician leadership training. “That means steps such as sending physicians to the American College of Physician Executives or encouraging them to seek a master's degree,” Nash says.



## Quality Committee Self-Assessment Questionnaire

### Quality and Professional Affairs Committee Self-Assessment Questionnaire

#### *General Questions*

1. Is the committee charged with doing “the right work?” Does the committee’s charter include a clear, complete description of the committee’s responsibilities? If not, what changes are needed?
2. Is the committee receiving all the information it needs to fulfill its responsibilities, in easily understood formats? Is background information distributed sufficiently before the meeting?
3. How effective are management’s reports to the committee in terms of length, context, timeliness, and clarity?
4. Does the committee have an appropriate mix of skills and backgrounds to meet its responsibilities? Should this committee actively seek new members with additional skills or backgrounds?
5. How effective are committee meetings? Is the meeting frequency and length appropriate? Does the committee have sufficient input into agenda-setting? Is there enough time for discussion?
6. What issues should this committee focus on for the coming year? Define and prioritize specific goals.

#### *Specific Questions Related to this Committee’s Responsibilities*

1. Is the committee satisfied with dashboards and other reports of key quality and patient indicators?
2. Has the committee and the board promulgated a quality vision throughout the organization? Does the committee approve an annual and multi-year strategic quality plan with quantifiable quality-related annual and long-term improvement targets? Does the plan include some goals that are a “stretch” for the organization?
3. Does the committee review performance reports on the quality of clinical care, patient safety, and customer service? When reviewing performance reports, does the committee seek explanations of the root causes of variations? Does it approve and monitor management efforts to improve performance?
4. Has the quality committee chair developed a candid, collaborative working relationship with the primary staff person for the committee, who is often the Chief Medical Officer or the Chief Quality Officer?
5. Has the committee invited a patient who sustained serious harm while in the hospital, and their family, to meet with the committee and describe their experiences? If not, would this be a good idea?
6. Does the committee engage in education on current national priorities in quality and patient safety, such as pay for performance and use of information technology to improve quality and safety?
7. If the committee oversees credentialing, does it receive sufficient information to know that the process is working effectively?
8. Do committee members occasionally accompany staff on patient safety rounds or gain a first-hand perspective of the delivery system in other ways?
9. Does the committee challenge management and physicians to set high enough goals and to accelerate improvement, or is it too deferential and passive when reviewing reports?

## Strategic Planning Committee

### *A Context for Evaluation*

#### TYPICAL COMMITTEE RESPONSIBILITIES

- Review and make recommendations to the board with regard to the organization's mission, vision, strategic plan, and major programs and services.
- Insure that physicians and other key stakeholders are included in the strategic planning process.
- Monitor industry trends, community needs, and internal performance.
- Ensure management has established an effective strategic planning process.
- Help management identify critical strategic issues facing the organization.
- Assist in analysis of alternative strategic options.
- Approve strategic indicators to monitor achievement of strategic performance goals (e.g., market share) and milestones (e.g., open six urgent care centers).
- Approve criteria for management to use in evaluating potential investments.
- Review major new programs and services.
- Monitor implementation of major strategic initiatives.

#### TYPICAL SKILLS AND BACKGROUNDS OF COMMITTEE MEMBERS

- Strategic thinkers.
- Senior executives from complex organizations with multiple constituencies.
- Current or recently retired healthcare executives from other organizations.
- Senior-level strategic planners from other industries.
- Physicians and other healthcare professionals.

#### TYPICAL REPORTS AND EDUCATION

- Healthcare trends summary.
- Community health needs assessment.
- Competitor/partner assessment.
- Operational and financial assessments.
- Surveys of community/consumer perceptions, medical staff needs, and patient and employee satisfaction.
- Progress reports on strategic plan implementation.

#### DO YOU NEED A STRATEGIC PLANNING COMMITTEE?

Should strategic planning be a full board function or the province of a committee responsible to the board? Committee proponents say a Strategic Planning Committee can invest more time to review plans and proposals in depth

than the full board. A committee also can serve as a small, confidential forum to discuss pending strategic issues that are not ready to come before the board. Or conversely, if it's a large committee with many stakeholders around the table, it can be used as a broadly inclusive forum to engage physicians and other stakeholders regarding strategic issues.

A 2007 survey conducted by The Governance Institute found that 52 percent of hospitals and health systems use the full board, rather than a committee, to oversee strategic planning. "We do not often recommend a standing Strategic Planning Committee of the board," says Pamela R. Knecht, president of ACCORD LIMITED, a Chicago-based strategic and governance consulting firm. "The full board needs to be involved in discussions around these very critical strategic issues. Entrusting a small group of board members with this important responsibility may not satisfy increased expectations for transparency and accountability within the not-for-profit sector."

Instead of utilizing a standing committee, Knecht recommends setting up a strategic planning task force to oversee the process of developing or updating the strategic plan. This task force acts as a steering committee to coordinate involvement of the full board, management, and other stakeholders. In addition, Knecht also recommends that the board establish other time-limited task forces to focus on specific strategic issues, such as physician alignment or employment.

#### HOT ISSUES

Knecht cites these hot strategic issues for the board's attention:

- How will we generate sufficient capital (i.e., by incurring debt, growing revenues, or reducing costs) to afford the program growth, additional facilities, updated information technology, and quality improvement initiatives in our strategic plan?
- Can we continue to provide all present services at all facilities, or do we need to reconfigure service delivery for financial and quality reasons?
- What is our strategy for aligning with physicians?
- What is our strategy to improve our clinical quality leadership, processes, and outcomes?
- How is our information technology strategy, including implementation of the electronic medical record, integrated into our overall strategic plan?
- What is our human resources strategy to ensure a sufficient supply of trained/skilled staff in the future?

## Strategic Planning Committee Self-Assessment Questionnaire

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5. How effective are committee meetings? Is the meeting frequency and length appropriate? Does the committee have sufficient input into agenda-setting? Is there enough time for discussion?
6. What issues should this committee focus on for the coming year? Define and prioritize specific goals.

### *Specific Questions Related to this Committee’s Responsibilities*

1. Is the committee working at a true strategy level (major trends, initiatives, and programs) or is it doing management’s work?
  2. Does the committee have a solid understanding of multi-year trends regarding the organization’s performance on key internal indicators regarding finance, operations, and quality?
  3. Does the committee spend sufficient time looking forward three to five years or more, exploring major trends, or is it spending too much time looking in the rearview mirror, analyzing historical data?
  4. Does the committee sufficiently understand the competitive environment and market/community needs?
  5. Does the committee understand the perspectives of key stakeholders including the community, empowered consumers, payers, employees, and physicians?
  6. Does the committee monitor strategic plan implementation on a regular basis? Does it regularly review a dashboard of strategic planning progress indicators?
  7. Does the committee periodically review the results of strategic decisions against its original assumptions to determine if the original projections were met?
  8. Does the committee assess its own performance, including a determination of whether it should approach the decision-making process differently in the future?
  9. Is a Strategic Planning Committee the most appropriate mechanism for this board to carry out its strategic planning functions, or should strategic planning be a responsibility of the full board?
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