

Trustee Insights

INTERVIEW



Board Leadership in Challenging Times

Lancaster General Health's Carolyn F. Scanlan discusses operational imperatives for 2021

BY SUE ELLEN WAGNER

I recently spoke with Carolyn F. Scanlan about some of the challenges that hospitals and health

system boards are experiencing, the leadership roles that boards can take to guide their organizations through these difficult times

and several issues the American Hospital Association's Committee on Governance will be addressing this year. Scanlan is vice chair, Penn Medicine Lancaster General Health in Pennsylvania, and chair of AHA's 2021 [Committee on Governance](#).

Sue Ellen Wagner: *As we know, the health care field experienced significant challenges throughout 2020 with the COVID-19 pandemic. Some of these challenges are likely to continue into 2021. Would you discuss these challenges and how your board is addressing them?*

Carolyn F. Scanlan: Thank you for asking me to talk about some of the key issues facing hospitals and health systems in the country.

As we look at 2021, it's clear that COVID-19 will continue to dominate health care. Let me take a moment to talk about what my board has done, which I believe could be relevant for others. Despite the pandemic, the Penn Medicine Lancaster General Health board reinforced that the strategic priorities established by the board for the health system are unchanged and continue to be our foundation — such as sustainability, consumerism, being a high-reliability organization with zero harm, continuing our community commitment — all enabled through innovation and workforce. This framework was essential for Lancaster General Health in 2020 and enabled us to pivot and meet the challenges

that we've been facing with the pandemic. Clearly, having strong linkages to your community is an essential component for reacting to COVID-19 and serving the community in a time of significant stress. While the strategic plan priorities remain intact, they are and must be viewed through the pandemic lens.

Moving into 2021, I believe all hospitals and health systems are faced with some key operational imperatives. First and foremost is continuing to care for patients — patients who have COVID-19 in need of hospitalization or care at home and, importantly, all of our patients who are in need of emergency, primary, outpatient and inpatient care. Financial concerns became significant during 2020 and continue into 2021. According to a [recently released Kaufman Hall study](#) (commissioned by the AHA), in addition to the \$320 billion revenue loss in 2020, hospitals and health systems are forecast to lose anywhere from \$53 billion to \$122 billion in 2021, which will be reflected in significantly reduced operating margins. Clearly, financial health is paramount to all hospitals' and health systems' ability to provide quality health care to our communities. Focusing on enhancing revenue and, specifically, support from the federal government as part of any financial recovery legislation is essential.

The second major issue is that the pandemic clearly fueled workforce shortages and gave boards information as to issues the workforce is confronting and support that is needed for financial, family and

mental health services. In addition, the pandemic exposed significant concerns about the availability of health care across our communities, and a critical need for more mental health services in all of our communities for our workforce and our community members.

Third, trust in public health began to wane as the pandemic flared, and was exacerbated by significant COVID-19 surges in 2020 and 2021. A concern going forward is understanding the current state of the public health infrastructure, how well it is established and what needs to be created now and for the

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future. Clearly, many hospitals and health systems across the country stepped in to fill the void, where there was little or no public health infrastructure, and this infrastructure was oftentimes overwhelmed. Linked to that is being able to act as quasi-public health entities to assist our communities in understanding COVID-19 and undertaking such tasks as COVID-19 testing and tracing, as well as distributing and administering COVID-19 vaccines. Our communities are relying on us to assure that everyone has access to tests and vaccines as well as fulfilling the traditional role of providing health care.

Lastly, but very importantly, the pandemic highlighted where there are health care inequities and health care disparities within our communities, requiring intense focus on getting care to all who need it.

Ultimately, for all health systems, quality with financial stability must prevail.

Wagner: *Health equity and diversity continue to be challenges for our communities and for health care. What can boards do to keep addressing these two important issues?*

Scanlan: As I indicated, the pandemic further exposed issues of inequity of care, while at the same time renewed societal outrage in regard to the 2020 deaths of people of color, heightening the country's focus on inequity. As community boards, we pledge to serve our communities, and we need to lead and address these issues. We must own them. Lancaster General Health has a Diversity and Inclusion Advisory Committee and has made equity and inclusion a significant priority, with goals linked to incentives for the executive team as well as for the board. Developing imperatives that examine and provide guidance and input to organizational strategies and programming to address diversity, equity and inclusion is essential. These imperatives should embrace the people we serve, the people who serve and the community in which we serve. So for all of us, boards need to be able to develop how health systems will address and foster health equity for patients, determine who our patients are and what their needs

are, establish clear goals and criteria for what we will be doing, and measure ourselves against these metrics.

For the people who serve, that's our own organization. That's us. Boards need to make sure that we understand inequities and bias in our organizations, assess our current state of diversity and inclusion, and then make sure that everyone within our organization is informed as to what the diversity, equity and inclusion goals are. Boards all have communities which they serve, and they need to provide guidance to help the health system champion health equity in all of our individual communities throughout the country.

Lastly, I'd like to emphasize that it also includes what we as boards do and look like. We also are the people who serve, and we need to make sure that our boards assess the current state of diversity and inclusion in order to be able to make sure that we look like, sound like and act like the community that we're serving.

Wagner: *As chair of the AHA's 2021 Committee on Governance, what issues do you see the committee addressing this year?*

Scanlan: This is a hard question to answer because there are so many issues confronting health systems and hospitals as we look forward. There are a series of things that I think we'll be looking at, specifically how boards should strategically address them.

The first is, obviously, continuing

to address the health equity and diversity issues as already discussed. Also, we must continue to examine our community health and public health commitments; how we support and enhance our workforce and cultivate the next generation of leaders; how we innovate the environment and clinical care for patients. Consumers have become savvy, and the pandemic has made them even more aware of how we deliver care, what care we're delivering and what the costs of care are to them individually. So

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the affordability issue becomes very important. And with affordability comes the pressure on hospitals and health systems in regard to payment and finances, which will continue to be significant as fiscal pressures continue to be exacerbated by the pandemic and state and federal governmental financial shortfalls.

So those are the key concerns and issues that trustees are focused on and that the Committee on Governance should be discussing. And, of course, quality, best practices and transparency around the care and cost of care that we're delivering continue to be of para-

mount importance.

A PwC report titled “Top health industry issues of 2021: Will a shocked system emerge stronger?” states: “Thrust outside its comfort zone, the health care system in 2021 should not regress. The industry will have to balance the challenges of pressing for innovations while battling the uncertainty of a deadly pandemic and the economy. It should work to right the wrongs of institutional inequities that have disadvantaged communities of color, whether through

COVID-19 or through basic lack of access to care. It should root itself in processes and systems that work for clinicians and consumers, while improving mental health care for both. It should strengthen its infrastructure to better weather the next crisis.”

This is what boards, and thus the Committee of Governance, will need

to weigh and offer guidance on as we move through 2021 and into the future.

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