AHA Trustee Services

A Governance Collaborative: Next-Generation Board Development

by Mary K. Totten

It would be hard to disagree with the notion that board development is essential to effective trusteeship. Anyone who has sat on the board of a hospital or health system knows that health care is recognized as one of the most complex sectors. Even if board members are not new to governance, it takes many hospital trustees at least a year to get up-to-speed on the issues and trends in the field so they are comfortable participating regularly at board and committee meetings. It's even likely that the well-worn rule-of-thumb that health care organization board service requires three years to learn, three more years to do and three more years to lead is probably still not too far off the mark. That's because not only is the field itself transforming and local markets regrouping to deal with out-sized change, but a growing number of hospitals now belong to systems (about 66 percent, according to 2016 survey data from the American Hospital Association). Board members not only need to learn about the organization they directly govern, but also how that organization and their board fits into the larger health care systems of which they are a part.

A complex field in which organizations are experiencing rapid, ongoing change requires that boards have a strong development component built into their governance practices. A solid orientation, regular board education and meaningful board performance evaluation are foundational elements for basic board competence. While survey data suggest that a majority of health care boards have adopted these practices (2014 National Health Care Governance Survey, American Hospital Association), peeling the onion on how individual boards conduct them sometimes reveals lack of consistent, integrated approaches and failure to tie education to actual board work. It stands to reason that these problems are more likely to exist in developing health systems where disparate hospitals and other organizations have come together but may not all approach governance in the same way. For some hospitals, the traditional half-day orientation session at the hospital and attendance every year or two at an outside education program are goals they still aspire to achieve.

Many would argue that even when board development components are well designed and baked into board practices, three years for new board members to make real contributions is far too long to wait. Boards that allow their members to come up to speed slowly in today's environment risk not only a decline in governance performance, but also attrition of board members who believe their talents might be better used elsewhere.

With these observations in mind, I was intrigued when asked to make a presentation in September 2016 at the opening session of Munson Healthcare's Governance Learning Collaborative. Familiar with collaboratives that bring organizations together to improve quality and safety or other areas of performance, I had not seen this approach applied to health care

governance, where annual board retreats, in-boardroom education or external conferences are more often the norm. What I learned about this atypical, smart and effective approach to governance development, especially for systems, is well worth sharing.

A New Take on Board Development

Munson Healthcare (MHC) is a Traverse City-based health system serving 30 counties in northern Michigan. The system includes eight rural hospitals, four of which are critical access facilities, and the 391-bed Munson Medical Center, a tertiary regional referral hospital. MHC's service area is spread across a broad geography. It's also cold and snowy up there for many months of the year, so board members don't get the chance to meet together frequently.

MHC has experienced rapid growth over the past seven years, moving from a system with a small number of affiliated facilities to its current complement of nine hospitals, each with its own approach to governance.

According to system CEO Ed Ness, "We realized we needed a standardized, consistent and formal approach to governance to align our local and system boards and focus everyone on achieving our 'True North' performance metrics."

In addition to having a system wide vision for governance, MHC was fortunate to have a hospital CEO and a system board member with a long history of and passion for board development. Marlene Hulteen, a member of the system board Governance Committee, and Lyn Jenks, CEO at Charlevoix Hospital, had worked together to deliver for the Michigan Hospital Association (MHA) a fellowship curriculum that Hulteen had designed to immerse board members from hospitals statewide in governance best practices. Together with Ness, they believed the curriculum could be adapted for the Munson system to achieve a variety of goals.

"We wanted to create a consistent, integrated curriculum that would weave together thoughtful topics in an efficient manner," says Dan Wolf, a past chair of the MHC system board and part of a team of MHA fellowship alumni and MHC system board Governance Committee members who helped develop the Collaborative. "We wanted an approach that was system-specific and 'culturally intentional' to explicitly build a common governance culture and attract and engage board members to get up the learning curve better, smarter and faster. We also wanted to better leverage the value of system and subsidiary boards working together to enable our executives and clinicians to provide great care across a broad geography and make our system strategy happen."

The system board and executive leadership across the system approved the Collaborative concept in 2015. The cost of the program is $2,000 per participant, half of which is paid by the hospital and half by the system.

The Collaborative was designed to develop specific governance knowledge, skills and behavioral competencies to support what Wolf calls "confident board behavior." Examples of MHC's desired governance competencies appear in the sidebar.

MHC hopes that all current and future board members will participate in the Collaborative. Each "class" includes 12-15 members nominated by their facility CEOs. A class is composed to ensure participation of board members with a mix of backgrounds and skills from as many facilities as possible. Participants should have served on a facility board for at least a year; some also are selected because they are on track to fill a board leadership role.

The nine-month Collaborative includes an opening two-day session followed by three day-and-a-half sessions, coordinated by Hulteen, facilitated by Jenks and held at different locations across the system. Each session involves outside speakers and facility executives from across the system who orient participants to local hospitals and play a "translation" role. "We realized how powerful it would be to provide learning on big-picture issues combined with local translation—what these issues mean for our community and critical access hospitals," says Jenks. "Weaving in practical, local applications throughout the Collaborative learning process was a major addition to board learning for MHC trustees and a component that more traditional board education approaches often lack."

Sample Governance Competencies for Munson Healthcare

- Knowledge of health care issues and trends
- Understanding of quality, safety and performance improvement
- Familiarity with health care finances, resource allocation and human resources, including relationships with physicians and other clinicians
- Improving board meetings, committees and board development
- Understanding systems - and strategic - thinking
- Effective communication
- Information-seeking and discernment
- Collaboration
- Accountability
- A focus on results

Areas of focus for each onsite session include:

- Session 1: Principles of Highly Successful Governance
- Session 2: The Board's Role in Quality and Patient Safety
- Session 3: Hospital and Physician Relationships
- Session 4: Governance Mastery and Capacity Building

For more on the Collaborative, the nomination process and individual session topics go to *http://trustees.aha.org/boarddev/mhcgovernance.pdf*.

Intersession work also is part of each Collaborative. Participants are divided into small groups to work together by phone and online to learn about and practice specific skills. Small groups all meet together by phone after they have conducted individual group work to debrief and learn from each other's experiences. Participants also are given a stretch exercise based on the next session's area of focus and asked to work on the exercise in advance of the upcoming session. Stretch exercise results are discussed at the beginning of the next session. For example, after Session 1 conducted September 30-October 1, 2016, all participants read the book *Culture of Inquiry: Healthy Debate in the Boardroom* by Nancy R. Axelrod. Small groups worked through different sets of questions based on the book, and all groups met by phone in December to discuss their work. Participants were then given a stretch exercise displaying a quality and safety performance report from the fictitious URTown Hospital. They were asked to review the results and bring a list of questions about the hospital's performance to discuss at Session 2 in January 2017.

Having the Collaborative co-led by a board member and a hospital CEO also has its advantages. According to Hulteen, this approach can work if a system has a CEO and board member that function well together. She and Jenks participate in each onsite session and then debrief and make changes going forward based on the needs of participants and where they want to focus.

"Marlene and Lyn are a good team," says Elaine Wood, chair of MHC's system board Governance Committee. "Their different roles also provide different perspectives that Collaborative participants have access to as they work through course material."

Positive Feedback

Although the first Collaborative is still underway, signs that the process is working are already evident.

"The in-person sessions are packed full of information about board roles and responsibilities and how to be a more valuable board member," says Kristine Thomas, a trustee at MHC's Paul Oliver Memorial Hospital and a Collaborative participant. "We're also learning more about the system as a whole and its strategic direction.

"The intersession work offers helpful hints about how to handle specific situations," she adds. "For example, during my career in the nuclear industry I administered tests to ensure professionals had a good understanding of technical information. The approach to asking questions was very direct and designed to determine whether or not individuals should be certified. The exercise based on the Culture of Inquiry helped me approach asking questions in a different way with board peers. It taught us all how to productively engage with each other

to ensure we surface the information we need to make good decisions. Already I feel more comfortable asking questions in board meetings, and I understand that's my job. The system has invested a lot in teaching me how to be a good board member. I now feel better prepared to serve in that capacity."

"Even the smartest business people have a lot to learn when it comes to the health care field," says Jenks. "And it's up to system leadership to make sure our boards are high-functioning. As a CEO, I reap the benefits from this type of learning because it builds a common culture across our organization and creates a partnership among system boards and leadership.

"I see the lights coming on for Collaborative participants as we empower them to challenge us and ask questions, which is the most important part of a board member's job," she adds. "Board members from across MHC are learning about their role in the system and how they are interdependent. These outcomes wouldn't have happened in the same way without the Collaborative."

Author's Note: To learn more about the MHC Governance Learning Collaborative, contact Marlene Hulteen at mkhulteen@gmail.com

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