

Trustee Insights

GOVERNANCE EXCELLENCE



Health Care Governance in Changing Times

Reengaging the board for new pandemic-era challenges

BY KIMBERLY A. RUSSEL

For many health care organizations, 2021 has been a year of transition. Health care leaders are encountering a variety of high-priority strategic issues that have emerged in the pandemic's wake. There is much work ahead for hospital and health system boards as organizations reassess their strategic plans, community engagement strategies, financial health and growth opportunities. One concern is

sustaining energy and engagement as many CEOs are reporting less engagement from boards.

Reasons for Lagging Engagement

There are many factors surrounding a tendency for boards to fall short of pre-COVID-19 pandemic energy levels. The jobs, businesses and livelihoods of many of the nation's trustees have been severely impacted by the pandemic. Trustees have been under significant pressure in their own business and professional leadership roles, with the personal and family impact of the pandemic layered on too.

CEOs also report less engagement from trustees during virtual board meetings. Although most

boards have returned to in-person meetings, many are operating in a hybrid format in which some trustees are in the boardroom and others are attending virtually. Social interactions — which often augment the board's sense of teamwork — have been largely absent. Many board retreats and educational conferences have been canceled over the past 18 months. Due to their desire not to distract management from pandemic priorities, many boards placed standard governance work elements on hold, including strategic planning, board recruitment and board retreats.

Although many hospitals and health systems have now achieved some measure of stability, critical crossroads are in view. Health care organizations are encountering new workforce challenges and new opportunities for partnerships and affiliations, and many are under serious financial pressure. The time is now to reengage boards for the compelling work ahead.

Steps to Reengage

Here are steps to be considered by boards with an opportunity to improve overall pandemic-era engagement:

- **Conduct a board reset.** Set aside time at a board meeting or retreat for a focused discussion of what the board has learned about itself as a result of the pandemic. Keep the conversation focused

on board and governance-related observations.

- **Ask the CEO to meet with each board member individually and in person.** The conversation should include any additional feedback from trustees about their perceptions of the pandemic's current impact on the board. These discussions also will provide an opportunity for the CEO to respond to specific questions and concerns from individual trustees.

- **Conduct the annual board evaluation.** Many boards skipped their annual board assessment in 2020. Use the annual board evaluation in 2021 as another tool to gain objective feedback from trustees in a confidential format.

- **Review board basics.** Based on the results of the abovementioned discussions and coupled with the board evaluation results, charge the governance committee with reviewing and recommending any needed changes in board size and composition, bylaws, trustee recruitment strategies, board job descriptions, committee structure, board leadership and board succession plans.

- **Restore in-person board meetings and determine the board's policy related to virtual meeting attendance.** Face-to-face board meetings will naturally ramp up engagement. Boards are understandably sensitive to the special needs of individual trustees who may prefer virtual meetings for travel and time efficiency. Boards are advised to clarify virtual versus in-person meeting expectations via a new or revised board policy.

- **Schedule a board retreat.** Many board retreats have been

anceled or converted to an abbreviated virtual format during the pandemic. A thoughtfully planned board retreat is an excellent engagement tool. There are numerous weighty issues on board agendas currently that are appropriate for concentrated discussion at a retreat.

- **Revisit the strategic plan.** The impact of the COVID-19

TRUSTEE TAKEAWAYS



- Many boards are experiencing a lag in energy in response to the intensity of the pandemic.
- A drop in overall board engagement is a red flag that will affect the performance of each hospital and health system if not redirected.
- Obtaining trustee feedback — via individual and group methods — is a key starting point.
- Evaluate all aspects of the board's operations, identifying opportunities for improvement.
- Pay close attention to agenda construction and emphasize board discourse on critical topics.
- Invest in board education and board retreats to rebuild connections among board members.

pandemic on strategic plans is unique to each organization. The role of the board is to perform an overarching review of the existing strategic plan with a fresh set of pandemic-era eyes. Is the plan in alignment with the current reality? Does the plan lead toward accomplishing the board's future vision? Some hospitals and health systems

report essentially starting over and rethinking each element of the strategic plan. Other organizations have concluded that their strategic plan remains on point. This is an opportunity to engage the board and CEO in setting direction for the organization's future.

- **Reboot the board agenda.** Recast the board agenda to support the priorities that have emerged from the steps outlined here. The CEO is advised to cast a critical eye on each agenda to ensure that board time spent listening to presentations is minimized, and interactive board discussion is maximized. Each board agenda should feature one or two compelling discussion topics of a strategic nature.

- **Recast the board's education agenda.** The governance committee should recast the board's education priorities based upon the discussions and work. Governance committees and their boards will most likely plan a combination of in-person education, virtual education, outside reading assignments and national conferences.

Unanticipated Outcomes

There may be unexpected results from the essential board work described here. For example, the COVID-19 pandemic has incentivized many individuals to reexamine their pre-pandemic personal schedules and commitments. New personal priorities and plans could lead to unplanned trustee turnover.

The pandemic and related social unrest have caused board leaders to seriously examine board composition. Does the board have the needed competencies and

skill sets for the future? Is the board composed of trustees with connections and linkages to all aspects of the communities and patients served by the hospital or health system? For some boards, the pandemic also has created an opportunity to improve board efficiency. The conversion to virtual meetings and demand to accelerate decision-making because of the pandemic have highlighted the need to streamline board size and board processes.

CEOs and board leaders should not be daunted by these unanticipated outcomes. These events should be viewed as new opportunities for the board. For example, trustee turnover provides the option to downsize the board by leaving a

seat or two unfilled. Alternatively, an unexpected trustee vacancy can open a board seat for a member who adds a new and needed competency and perspective to the board. And although the pandemic experience may be inspiring some trustees to reduce their volunteer commitments, there will undoubtedly be others in the community who are interested in serving at the governance level after seeing the critical role hospitals and health systems have played throughout the public health emergency.

Additional Considerations

Health care organizations are rarely successful without an engaged board. The experiences created

by the COVID-19 pandemic have increased the complexity of both operations and governance of U.S. hospitals and health systems. Hospitals and health systems need deep engagement at the governance level to navigate the choppy waters ahead. Developing a purposeful plan to reengage the board should be an important priority for CEO and board leadership collaboration.

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