Hospital trustees undertake some of the most vital work required for the hospital to be successful in achieving its mission and vision. To be successful in their governance, boards should have policies, procedures, structure and expectations to ensure they do not commit “governance never events,” basic failures of accountable governance leadership.

1. Failure to make quality and patient safety the number one item on the board’s agenda

The board of trustees is responsible for ensuring the quality and patient safety of the organization and must establish and nurture an organizational culture that continually seeks to improve quality and patient safety at every turn. Boards can be “unsafe” or perform “governance malpractice” simply by not discussing the implications of their decisions (e.g. finance, HR, facilities planning, medical staff recruitment, etc.) on quality and safety. A meaningful discussion of quality should be infused in the board meeting agenda.

2. Failure to consistently carry out fiduciary responsibilities

The board has a fiduciary duty of trust to the organization’s stakeholders to ensure that the hospital is healthy and serves the interests of the stakeholders.

The board is the driver and keeper of the organization’s mission, values, vision, goals and strategies.

The duty of loyalty bars trustees from the use of their board position in a self-serving manner. It is essentially a requirement for trustees to place the interests of the organization above all else when acting in their fiduciary capacity.

The duty of care requires trustees to use the same level of judgment in discharging the business of the hospital that they would use in their own personal business activities.

The duty of obedience requires trustees to follow all state and national laws, organizational bylaws, rules and regulations when representing the hospital. Trustees must act in a manner that protects corporate operations and community trust.

3. Failure to engage in robust, deliberative dialogue

How well the board engages in lively dialogue around critical issues determines its ability to successfully and decisively deal with major challenges. Good board dialogue is characterized by an avoidance of “groupthink,” and a willingness to challenge traditional assumptions and beliefs. Lively give-and-take supersedes mundane reporting.

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The American Hospital Association’s Blue Ribbon Panel and Work Group on Trustee Core Competencies has identified 18 competencies for boards adhering to a competency-based governance approach. For more information on this and other competencies, visit www.americangovernance.com.

**Personal Capability: Talent Development**

The drive to build the breadth and depth of the organization’s human capability and professionalism, including supporting top-performing people and taking a personal interest in coaching and mentoring high-potential leaders.

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**A MESSAGE FROM**

Chris Howard, President and CEO

SSM Health Care - St. Louis

Chair-Elect, MHA Board of Trustees

Hospitals are the heart of the community. And, hospital trustees are in a unique position to share their hospital and community stories with legislators, helping to affect positive changes in state and federal legislation.

By sharing your insights and expertise about the critical role a hospital plays in the community, you can help raise awareness and communicate the important role and mission of the hospital. Trustees can help lawmakers understand how payment cuts and policy changes affect real people throughout our state.

The theme of this year’s MHA 92nd Annual Convention & Trade Show is “Strong Communities Need Strong Hospitals. Strong Hospitals Make Strong Communities.” It couldn’t be more true. In recent months, Missouri has seen two of its hospitals close their doors. This has critical consequences for patients, employees and local economies.

Let this be a wake-up call. Make your voices heard. Our lawmakers must understand the vital role hospitals play individually and collectively. Your advocacy on behalf of hospitals helps to translate the needs of your hospital and community into messages lawmakers can understand from the people their decisions affect. **Thank you for your important work.**

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**92nd ANNUAL CONVENTION & TRADE SHOW**

Nov. 5-7, 2014 • Tan-Tar-A Resort • Osage Beach, Mo.
Board members must ensure their governance conversations are vibrant, vital and focused on purpose and outcomes.

4. Failure to meaningfully discuss and explore strategic opportunities

Mapping a course for the hospital’s future is one of the most important governance responsibilities. There’s a big difference between mapping the course, or being a navigator, and “driving the bus.” The board should govern and lead the strategic plan, not create or manage it. The board must assume a strong and focused leadership role; it cannot afford to stand back reactively waiting to see what developments will unfold in the marketplace.

5. Failure to eliminate conflicts of interest

The board has a fiduciary duty to ensure that all governance deliberations and decisions are carried out without conflict of interest, always with the best interests of the hospital at the forefront. Hospital leaders who create and adhere to a strong conflict of interest policy will be successful in ensuring open and honest deliberation. Having a comprehensive conflict of interest policy in place that requires full disclosure is a critical first step; strictly enforcing the policy is the most important aspect of eliminating conflict.

6. Failure to challenge anecdotal information with a demand for evidence

Too often the information that boards rely on to make decisions is anecdotal, disjointed or disconnected. The key to successful evidence-based decision-making lies in the intelligent
use of “dashboards” and “balanced scorecards” that plot performance against expectations over time. This enables the board to govern through “strategic gap analysis,” where attention is focused on the most significant performance problems that may be occurring.

7. Failure to hold the board accountable for performance

Governing performance self-assessment is an important preventive measure boards can take to ensure continual improvement in governing health and wellness. Successful self-assessments enable boards to identify “leadership gaps,” or areas in which the board has the greatest potential for governance improvement. Through an effective governance self-assessment, growth opportunities may be realized, education may be pinpointed to unique governance needs, new trustee recruitment may be undertaken with increased confidence, and long-range planning may be conducted with a consensus-based framework.

8. Failure to reinvigorate and replenish governance human assets

How well hospital boards plan and execute the recruitment of new trustees defines the hospital’s leadership success for years to come. A trustee succession plan should be developed to recruit trustees who meet specific governance competency and experience needs. While one board may need to increase its diversity, another may seek greater financial expertise or an improved balance between visionary “big picture” thinkers and more practical “here and now” thinkers.

9. Failure to understand real community needs and perceptions

Trustees are responsible for ensuring that their hospital’s services provide meaningful benefit and value to the public, and that they understand and meet the community’s needs. A comprehensive community needs assessment will help to address its health care needs by providing a snapshot of the community’s “health.” The assessment also can provide information about other organizations that may be working to meet specific community needs, and where gaps in those services may lie. The assessment gives hospitals the opportunity to evaluate potential partnerships with organizations working on community issues.

10. Failure to focus on the big picture, rather than the little details

Trustees must be able to provide strong, dynamic and effective leadership in the tumultuous years ahead for health care. Governance boards must continually seek new knowledge and perspectives about the health care field, the evolving environment, and its impact and implications on the hospital, its physicians, employees and the community. They must develop a high level of understanding of the areas most critical to organizational success. And, they must engage in continual governance education to increase their understanding and abilities to develop informed decisions and direction.