

trust matters Trustee Matters

A Publication for Missouri Hospital Trustees



Becoming a Visionary Board in an Era of Transformation



Time and again in recent years, hospital trustees have questioned how they can be expected to determine a strategic future when so much in health care is changing, and the future is seemingly unknown and unpredictable. But, this is precisely the time when the board must be at its visionary best. Forward thinking visionary boards anticipate potential futures. They prepare for and embrace the changes ahead.

In the book *Governance as Leadership: Reforming the Work of Nonprofit Boards*, the authors define three types of governance: fiduciary, strategic and generative. Fiduciary governance should be a boardroom basic, the cornerstone of the board's responsibilities. The practice of fiduciary governance includes stewardship of the organization's assets, responsibility for the organization's finances, ensuring the highest and best use of resources, monitoring and ensuring legal and regulatory compliance, and providing operational oversight.

Strategic governance responsibilities encompass setting a vision and identifying initiatives and strategies for achieving that vision, as well as fulfilling the organization's mission. Strategic governance responsibilities include allocating the resources required to pursue strategic initiatives and monitoring progress to ensure goals are achieved.

While strategic governance might seem to be closely aligned with being a visionary board, it is actually generative governance skills that must be a priority for trustees in today's environment, which is characterized by fast-paced change with a hazy view of tomorrow. Boards that practice generative governance make time to question assumptions, explore areas which lie outside the proverbial "box," and envision new and innovative ways of accomplishing goals, achieving visions and fulfilling missions.

"What If" and "So What?"

Visionary trustees consistently ask themselves a series of questions, including, "What do we know today that we didn't know yesterday?" By staying well-informed with a continuing flow of new information and evidence, visionary boards can anticipate emerging trends. They begin to envision potential futures by asking "what if" questions. For example, "What if our patient volume continues to decline as preventive and wellness efforts succeed in improving our community's health, as our initiatives succeed in reducing readmissions, and as care continues to shift to outpatient settings?" "What if health care is no longer hospital-centric?" "What if retail pharmacies become a preferred source of diabetic care?"

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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 americangovernance.com.

Competency Corner

Business and Finance: Has sufficient understanding of *health care business and finance*.



A MESSAGE FROM Paula F. Baker, President & CEO Freeman Health System, Joplin

Most leaders in the health care community agree that we are living in a time of great challenge and opportunity. More than ever before, being a visionary and having the ability to drive effective change in an era of transformation is essential to our success. In the words of Lao Tzu, "If you do not change direction, you may end up where you are heading."

An integral part of our success in adapting to and maximizing opportunities lies in our ability to work effectively with our state legislature and Congress. It is essential that we become involved in the creation and evolution of health care policy. As we all know, there are powerful legislative issues that dramatically impact our ability to provide quality health care — and the decisions that lawmakers make on these issues can be the difference between life and death for the patients we serve. It is impossible to fulfill our mission without proactive and engaged advocacy efforts. We must make our voices heard so that positive change can occur.

I cannot imagine a time when meeting our PAC fundraising goals has been more important to the mission we so passionately embrace. Let us work together to transcend the challenges before us and proactively improve the health and quality of life for those who count on us. I encourage you to take a leadership role in ensuring the success of this campaign, remembering that the stakes are very high.

To make a contribution or learn more about the PAC campaign, contact Gwen Pelzer at gpelzer@mhanet.com or 573/893-3700, ext. 1335.

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"What if we formed a partnership with ... ?" "What if we look at this differently?"

Boards move another step closer to becoming visionaries when they also ask: "What could that mean to us? What implications does it have for our hospital?" and "What could or should we do to be prepared?" These are questions that begin to generate deeper understanding of new paradigms and their implications for the hospitals and health systems that boards are responsible for leading. They are the questions that prompt challenges to the assumptions and status quo that may hold organizations back.

By considering a variety of potential scenarios and possible responses, visionary boards are able to carefully consider what possible actions they must take to capitalize on the forces for change. They are better prepared to act quickly, confidently and on their own timetable instead of reacting to situations that may be forced upon them.

Challenges to Maximizing the Board's Visionary Potential

There are many potential challenges that prevent trustees from maximizing their visionary potential. Below are a few of the most common causes that derail boards.

Failing to Stay Well-Informed.

Without credible and current information and data, trustees cannot hope to recognize or anticipate the forces, trends and changes happening in the environment around them. They must develop a high level of understanding in the areas most

critical to organizational success and performance. Passing knowledge is not enough. Well-informed boards search out opinions, ideas and perspectives that may be different from their own. They listen to a variety of voices outside the organization, engaging the viewpoints of people with unique experiences and perspectives. In doing so, visionary boards expand their knowledge base and open new lines of thinking.

Poor Agenda Planning and Meeting Management.

Confronted with multiple challenges and competing priorities, effective boards must focus their time and attention on the issues most critical to achieving the organization's mission and vision. Board chairs must ensure meeting agendas are structured to allow the board to focus on bigger strategic issues in board meetings. The board chair must manage meetings to engage trustees at a higher level of thinking and planning, enabling and facilitating the inquiry, dialogue, and debate needed to be visionary.

Focus on the Wrong Issues.

Boards must continually adjust their attention to deal with the issues of the future, not the issues of the past. Time should be concentrated on understanding trends and priorities, and their implications for the organization, rather than dealing with operational details. The board's focus should be on generative thinking and visionary-focused dialogue about the challenges, issues and opportunities ahead.

Disengaged Trustees. Board service has never been more challenging. Trustees must know and understand more, and take on greater responsibility than they have in the past. Board members must have the time, availability and discipline to act on their commitment to the board and the responsibilities of trusteeship. They should possess the personal attributes and qualities that ensure the caliber of engagement and contribution required for effective, visionary governance.

Failing to Engage in Deep, Decisive Dialogue. Visionary board members ensure their governance conversations are always vibrant, vital and focused on purpose and outcomes. Dialogue should be the board's "social operating mechanism." Through synergistic discussions, innovative solutions are generated by grappling with and grasping new concepts, ideas and solutions. Without constructive challenges to conventional wisdom and thought, the best solutions may never surface. Visionary boards regularly confront issues by challenging assumptions and exploring alternatives to traditional thinking.

Holding Onto the Status Quo. Holding onto the status quo will not push organizations to excel in the future. Improvement and advancement are the keys to future viability in a complex, competitive health care world that will not be the same as it is today. Trustees must lead organizations that can capitalize on new opportunities. Innovation and change must be encouraged and rewarded in all areas and

levels of the organization. This requires trustees' leadership of thought, ideas, creativity, accountability and purpose.

Lack of a Common Purpose.

As organizations grow through mergers, joint ventures, partnerships and collaborations across the continuum of care, all stakeholders must share a common purpose or mission. Nothing is more motivating than a clear picture of a bright and successful future. Accomplishing this demands that the board develop an exciting, shared mission that will stimulate enthusiastic followership.

Attributes of Visionary Trustees

Visionary trustees possess the personal attributes and qualities that ensure the caliber of engagement and contribution required for generative governance. Developing the expertise needed requires motivation, commitment and time. High-caliber trustees voluntarily seek to be well-informed and knowledgeable, and demonstrate intelligence and quick understanding. Visionary trustees are big-picture thinkers open to new ideas. They think and speak strategically in discussions about complex scenarios and situations. Visionary trustees analyze trends to determine possible implications to the hospital or health system. They display creative and resourceful thinking, considering situations from various angles and perspectives. Visionary trustees use "reasonable inquiry" to pursue new solutions and opportunities, asking thoughtful and insightful questions. Visionary

2015 TRUSTEE RECOGNITION — CONGRATULATIONS!

MHA's Governance Excellence Certificate Program is a voluntary program that provides trustees with the opportunity learn more about the issues facing their organizations and to develop the skills and knowledge to make more effective decisions. This year, eight hospital trustees successfully completed MHA's Governance Excellence Certificate Program.

Cox Medical Center Branson
Holly Wherry, M.D.

Iron County Medical Center, Pilot Knob
Carl Strange

Freeman Neosho Hospital
Gary Wasson

Lake Regional Health System, Osage Beach
Wayne Compton and Jim Judas

General Leonard Wood Army Community Hospital, Fort Leonard Wood
Brian D. Martin, FACHE

Northeast Regional Medical Center, Kirksville
Andy Grimm

Salem Memorial District Hospital
Ray Bruno, FNP

Excellence In Governance Celebrating 30 Years

Engaged hospital trustees reflect the strong bond between communities and their hospitals. This year marks the 30th anniversary of the Excellence in Governance award. Recipients of the 2015 Excellence in Governance award were honored at MHA's Leadership Forum. Recipients were chosen based on their leadership skills, grassroots advocacy, community involvement, meeting participation and personal development.

DENNIS FIEBELMAN

Salem Memorial District Hospital

ANNETTE MEYER

Mercy Hospital Lincoln
Troy

RANDY MORROW

Fitzgibbon Hospital
Marshall

ROBERT ROLLINGS

Bothwell Regional Health Center
Sedalia

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trustees are willing to challenge the status quo and take calculated risks in the interest of moving their organizations forward and fulfilling their missions. These individuals look into the future and imagine what might be achieved.

Visionary boards do not happen by chance. They build on the sound foundation of their organizations' missions, a good understanding of their communities' health care concerns and the bigger perspective of how health care is evolving. By asking penetrating questions and engaging in vibrant conversations that explore new possibilities, the board's visionary focus can stimulate creative thinking, dialogues and debates that help trustees identify and evaluate new and different strategies, overcome challenges and barriers, and encourage calculated risk-taking that leads to visionary futures.

2015 Trustee Webinar Schedule

"Missouri's Quality Initiatives and the Evolution of Population Health"

Noon, Thursday, Aug. 6

Speaker: Leslie L. Porth, Ph.D., MPH, R.N.

Senior Vice President of Strategic Quality Initiatives, MHA

"The Value Component of Reimbursement"

Noon, Tuesday, Oct. 8

Speaker: Andrew Wheeler

Vice President of Federal Finance, MHA

"Compliance and the Board: Understanding Fiduciary Responsibilities"

Noon, Tuesday, Dec. 1

Speaker: Patrick Sulzberger, CPA, CHC

Partner, TSP Healthcare

To register, visit www.mhanet.com.



Trustee Matters is published quarterly by the Missouri Hospital Association. For questions about hospital governance issues, contact your community hospital. Visit www.mhanet.com for additional health care news.

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