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# THE TRANSFORMATIONAL BOARD:

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*QUALITY IS JOB #1!*

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# Program Objectives

- To discuss a Board's governance responsibility for quality and value creation
- To discuss Boards governance best practices for transformational leadership.
- To discuss a model for “answering the charge”
- To discuss the risks and how to mitigate them

**Disclosure: this presentation reflects my perspective, that of governance research and not of my organizational affiliations**

- Consulting experience with Boards of Non-profits Health Care Organizations
- Trustee for the University of Rhode Island Foundation
- Member of the Executive Committee, Blueprint for Health for the State of Vermont
- Member of the Board of Directors for the Visiting Nurse Association of America
  - Co-Chair Education Committee
  - Member of the Strategic Planning Committee
  - Member of the Finance Committee
- Member of the Board of Directors for the Care New England Health Care System
  - Vice Chair System Quality Committee
  - Chair System Credentials Committee
  - Co-Chair System's VNA
  - Member of the Governance Committee's sub-committee on affiliations

Recipient of President Obama's Volunteer Service Award 2015

*Quality is the chariot  
in the race to achieve  
the Triple Aim and  
sustained financial  
performance*



# It's about Value!

Value as measured by demonstrating the sustained achievement of benchmarked performance against the Triple Aims of: decreasing costs, increasing quality and the patient's experience of care.



# How does the structure support the Board's responsibility?

- What is the Board's composition as detailed by a set of strategic competency requirements?
- What is the Board's committee structures, who Chairs, are Consumers full voting members and what is the relationship to the operating unit structures?
- What is the Organization's Quality Framework and is it at the core of its Strategic Plan?
- What is the Organization's Balance Scorecard and does it reflect the organization's strategy & quality framework?
- What are the "Big Dots" and how are they determined?
- What is the staff support to the Board and its committees?

# What should the quality framework measure?

## *The IOM's 6 Domains of Quality*

- **Safe:** Avoiding harm to patients from the care that is intended to help them.
- **Effective:** Providing services based on scientific knowledge to all who could benefit and refraining from providing services to those not likely to benefit (avoiding underuse and misuse, respectively).
- **Patient-centered:** Providing care that is respectful of and responsive to individual patient preferences, needs, and values and ensuring that patient values guide all clinical decisions.
- **Timely:** Reducing waits and sometimes harmful delays for both those who receive and those who give care.
- **Efficient:** Avoiding waste, including waste of equipment, supplies, ideas, and energy.
- **Equitable:** Providing care that does not vary in quality because of personal characteristics such as gender, ethnicity, geographic location, and socioeconomic status.

# What are the processes to support the Board's responsibility?

- How does the Board set the outcome goals and measures?
- How does the Board interface with its quality leaders?
- How does the Board stay current on national and local quality efforts?
- How do the Board members engage in leading the quality efforts?
- How does the interface occur between the Board Committees?
- How does the Board assess the Operating & Capital budget assumptions in relation to the quality & financial goal alignment?
- What is the Board's culture?

# What are the processes to support the Board's responsibility?

- How does the Board assess organizational performance against the strategic plan and its performance?
- What is the process to keep the Board educated on national issues and trends?
- What is the initial and re-credentialing process and how transparent is it?
- What is the process to support Committee Chairs?
- Are Committee Chairs rotated?
- What is the method to measure the Board's own performance?

# How does the Board measure and reward performance?

- How does the Board use the Balance Scorecard results?
- What does the Board expect?
- What are the Balance score target levels of performance?
- What are the results of the quality performance in all risk arrangements?
- What are the results of your credentialing process both initial and re-credentialing?
- What quality requirements are part of any new clinical service proposal?
- How does the Board assess the quality to financial risk ratio/impact?
- How does the Board assess CEO and Senior leadership?

# What are the risks?

- Breach of our fiduciary obligations & duties as trustees:
  - The Duty of Care: to approach our duties with the level of care that another person in a similar position would reasonably believe appropriate in similar situations
  - The Duty of Loyalty: prohibits using our position as a director of the company to make a personal profit or to take other personal advantages. For non-profit also includes ensuring compliance with Federal Tax Code

# What are the risks?

As Dr. David Nash, Dean Jefferson College of Population Health stated:

“ No outcome, no income will reign supreme!”

- Ability to successful manage upside gain or downside risk arrangements (APMs)
- Ability to successful manage variation in all aspects of the Triple Aim at all levels
- Ability to successful participate in arrangements to manage entire patient populations (ACO type)
- Ability to survive financially!

# Do you have a high-performing Board?

- They set the organization's strategic direction
- They assess whether the strategy stays ahead of trends at a minimum annually.
- They adjusting strategy based on changing conditions.
- They adjust the “performance bar” against national performance trends
- They assess corporate compliance
- They debate alternatives scenarios
- They assess the board’s competency matrix against the strategic direction/plan at least every three years or sooner
- They use committee membership as a potential “Board source”
- They delegate appropriate authority and responsibility to their committees
- They evaluate resource allocation against the strategy
- Their agenda reflects all committee’s reporting requirements
- Their minutes reflect engaging in the difficult decisions.
- They consistently hold a Executive Session with and without the CEO/President

## The Questions for the Board

- Does your agenda reflect our commitment to quality?
- Does your board agenda reflect the continuous educational needs to support staying current on payment and delivery system reform trends?
- Does your board composition reflect your commitment to quality?
- Does your CEO have the visions to drive organizational “benchmark” performance?
- Does your balanced scorecard contain the right blend of metrics to achieve the mission & vision?
- Does your organizational support a “just culture” philosophy?
- Does your CEO & Senior Executives compensation system support the achievement of the strategic goals and measures?



“Quality means doing it right  
when no one is looking.”

~Henry Ford

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