



The Role of the Hospital Trustee

Presented by the UHA Trustee
Council

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Three Basic Premises of the Community Hospital

- The community hospital exists for the community's benefit.
- The community hospital board is the community's steward.
- A community hospital board which abrogates its leadership duties has breached the community trust.

– Lanny Kope, EDd

Hospital Board Responsibilities

- Duty of Loyalty
- Duty of Care
- Doing Due Diligence
- Board Operations
- Board CEO Relations

Hospital Board Responsibilities

- Functional Governance Duties
- Management Continuity
- Harmonious Relationships
- Voice of the Community
- Miscellaneous Assignments

Hospital Board Responsibilities

- Establishing and continuously evaluating the mission.
- Establishing policies.
- Appointing, supporting and evaluating the CEO.
- Setting goals and objectives.
- Assessing and improving the quality of care and service. (Including medical staff relations)

Hospital Board Responsibilities

- Assessing and improving financial viability.
- Complying with all legal/regulatory requirements.
- Serving as an advocate for the organization.
- Organizing itself to fulfill these responsibilities.

--Richard J. Umbdenstock

Expectations of Board and Accountabilities

- Each Board member should be oriented about hospital and affiliated corporate systems of operations
- Board members should become acquainted with current healthcare issues facing hospital
- Board members should be given meaningful opportunities to serve
- Board members should plan to be available for board meetings and to participate

Expectations of Board and Accountabilities (cont'd)

- Each Board member is expected to make a personal commitment while serving
- Do nothing to violate the trust placed in you (fiduciary duty) and in the integrity of the hospital (avoid conflict of interest)
- Keep sensitive information confidential
- Be an advocate for the hospital and for your community's healthcare

Functional Governance Duties

- Understand written bylaws and mission
- See that quality care is delivered
- Approve credentialing privileges for physicians
- Secure financial stability; budget approval
- Legal and ethical compliance oversight

Board Operations

- Select board members for expertise, dedication and community representation.
- Regular board attendance is a MUST.
- Trustee education is a MUST...An informed trustee is a productive trustee.

--Lanny A. Kope, EdD

Board Operations

- Domination of the board by any individual should not be accepted.
- A “Rubber-Stamp” ...you are NOT.
- The Board Nominating Committee should be comprised of duly-elected board members.
- Board materials are meant for reading ...before the board meeting.

--Lanny A. Kope, EdD

Board Operations

- Board Members should not be “Social Observers.”
- Disagreement at a board meeting is not necessarily a bad thing.
- Involve yourself with policy and strategy...NOT OPERATIONS.
- Developing a board relationship with the medical staff is vital.

• --Lanny A. Kope, EdD.

Possible Board Committee Structure

- **Executive Committee**—composed of chairs of committees, board chair, CEO
- **Finance Committee**—Composed of board members, chief finance officer, CEO
- **Quality Committee**—Composed of board members, chief medical officer, other physicians, chief nursing officer.

Health Issues Trustees Need to Know

- Complaint procedures
- Credentialing issues
- Compliance Issues (anti-trust, fraud and abuse, safety, privacy, i.e. HIPAA)
- Legislation (legislative bills affecting healthcare)
- Liabilities (as a board, as a hospital)
- Licensure and Accreditation (State, Joint Commission)

Health Issues Trustees Need to Know

- Marketplace Environment (not-for-profit, for-profit)
- Medical Records Confidentiality (HIPAA)
- Patient Rights and Ethical Issues; Patient Safety Issues
- Reimbursement (private insurance, managed care, Medicare/Medicaid)
- Trends (outpatient and inpatient utilization)
- Staffing/Workforce/HR Issues

Board Members Represent Their Hospital

- If perception is reality, the reality for your hospital is what people *say* it is.
- Do you know what people are saying about your hospital?
- Can you articulate the truth about your hospital? Do you know how many lives it saves, serves and costs daily, for example? Do you know your staffing levels for RNs and other allied health professions?
- Where and when can you as an individual board member influence or instill trust in the hospital?

Board Members Represent Their Communities

- Can you identify what communities your hospital serves?
- Do you have input from those communities on healthcare needs?
- Is the Board willing to take “ownership” of those needs and help the hospital fulfill those needs?
- If called upon, could you articulate community needs?
- Are there other organizations with similar missions and resources that you can collaborate with, i.e. Healthy Communities initiatives?

What Quality Questions Should You Be Asking

- What has this hospital done to comply with patient safety goals?
- Does this hospital have a process for reviewing quality of care, patient outcomes and safety?
- Does this hospital conduct effective peer review, credentialing and privileging?

--Donna D. Fraiche

What Quality Questions Should You Be Asking

- How does this hospital measure performance?
- How do the members of the medical staff compare with their peers and others?

--Donna D. Fraiche

Key Questions on Finance

- Any question that relates to what you perceive is your fiduciary responsibility needs to be asked
- A good place to start is to compare with benchmarks
- Meet independently with the Auditor (without management)
- If something does not make sense **ASK** ... if it still doesn't something may be wrong
- Ask to meet with your CFO he/she can help you to better understand and interpret the data

What Other Questions Should You Be Asking?

- Do we understand how important matters are effectively communicated in this hospital?
- Do we understand the process used for credentialing and privileging?
- Do we know what the minimum criteria and standards are for review?

--Donna D. Fraiche

What Constitutes a Good Board Meeting

- An agenda prepared and distributed in advance—a cooperative effort by the CEO and the Board Chair
- Agenda should be structured to allow ample time for clarification, discussion and board input
- Agenda might include, but not be limited to:
 - Welcome and introduction of visitors
 - Business at hand (minutes, announcements)
 - Reports (by committees or staff)
 - Action items (proposals and recommendations for discussion and approval)
 - Education (an issue that needs explanation)
 - Open discussion time
 - Calendar (printed update of activities)

A Good Board Meeting

- The board chair should conduct the meeting, ensuring that the flow and order of the meeting is kept and that everyone has the opportunity to participate
- Some rules of formality can be utilized in the meeting (making of motions, seeking consensus, etc. See Roberts Rules of Order)
- Make an effort to be concise and graphic with presentations of complex issues
- Work with (not micromanage) administration

Basic Building Blocks of an Effective Board

- Establish an orientation process for new members
- Establish an ongoing program of healthcare issues and methods—maintain a “learning process” (i.e., regular board meetings or retreats, state or regional conferences)
- Understand the “culture,” values and norms of the organization
- Be perceptive of community healthcare needs and the competitive marketplace environment
- Recognize the different roles played by the hospital members

Building Blocks (cont'd)

- Become acquainted with medical terminology, governance language and hospital operations
- Have a willingness to speak out when you feel discussion is needed, or when you are not clear on a point, ask a question. Avoid “rubber stamping.”
- Write things down to review them, or to set personal goals or when assignments are given.
- Ask for or make a job description for yourself to check your own performance goals. Encourage evaluation by board leadership.
- Ask for opportunities to serve to learn or to accept as assignment.
- Take advantage of opportunities to learn from other trustees .

Board/CEO Relations

CEOs want/need boards who:

- Represent the interests, voice and well-being of patients and the community;
- Have no hidden agendas;
- Do their “homework”;
- Think globally;
- Systematically apply compliance, fiduciary and oversight review;
- Provide clear performance expectations and defined organizational performance metrics;
- Are policy oriented.

--Lanny A. Kope, EdD & Michael Pugh

Board/CEO Relations

- Board focuses on policy development, not day-to-day operations
- CEO responsible for staff to carry out day-to-day operations
- Board conducts CEO evaluations, rewards and incentives
- Board recruiting, evaluation and retention

Harmonious Relationships

- Develop policy that builds rapport among board, medical staff and employees
- Ensure problem-solving processes work through regular communication channels
- Encourage opportunities for continuing education at all levels to build understanding

Voice of the Community

- Maintain ongoing awareness of activities within the community
- Represent the community needs and impressions to the hospital board

Miscellaneous Assignments

- Respond to immediate issues that need attention when asked (special expertise)
- Standing committees (that meet regularly, i.e. Community Relations, Ethics, Building and Planning, etc.)
- Opportunities to represent the hospital in community, even as a spokesperson