

Jefferson County Public Hospital District No.2
Board of Commissioners
Special Session Minutes
October 4, 2017
Victor J. Dirksen Conference Room

Call to Order

The meeting was called to order at 9:05 am by Commissioner Buhler. Present were Commissioners Buhler, De Leo, Dressler, Kolff, Ready, and Mike Glenn, CEO. Also present were Karma Bass, facilitator, and Alyssa Rodrigues, Administrative Assistant. The meeting was officially audio recorded by Jefferson Healthcare.

Work Session:

Karma Bass, facilitator, introduced herself and explained her job role and responsibilities and reviewed the board retreat objectives.

Karma Bass asked each member of the board and public what they hope to get out of the meeting today.

Discussion ensued.

Karma Bass talked about creating a gracious space, meeting content, and group process, along with decision making styles.

Discussion ensued.

Karma Bass went over a sample of guidelines that are expected for the board retreat.

Discussion ensued.

Board discussed current events that have caused disagreements and how they were handled.

Commissioner Buhler recessed the meeting for break at 10:48am.
Commissioner Buhler reconvened the meeting at 11:01am.

Work Session:

Karma Bass discussed board self-assessment results and key issues.

Discussion ensued.

Board discussed mission, vision, and the preamble.

Discussion ensued.

Public commented.

Karma Bass spoke about the areas of opportunity.

Discussion ensued.

Commissioners discussed the frequency of the meetings and the purpose of the meetings.

Discussion ensued.

Commissioner Kolff made a motion with recommendations from the chair and CEO to make meetings once a month and change the time of the meeting. Commissioner Dressler seconded.

Discussion ensued.

Commissioner Dressler made an amended motion to move the meetings to the 4th Wednesday of the month.

Discussion ensued.

Commissioner Dressler withdrew her amended motion.

Discussion ensued.

Commissioner Kolff made an amended motion to move the meetings to no more than once a month. Motion died for lack of second.

Discussion ensued.

Action: Original motion passed 4 to 1. Commissioner Buhler, Dressler, Kolff, and Ready in favor. Commissioner De Leo opposed.

Karma Bass discussed the key questions from the board self-assessment.

Discussion ensued.

Karma Bass discussed board action plans and board report packet.

Discussion ensued

Board discussed CEO evaluation and performance process.

Discussion ensued.

Commissioner Buhler recessed for meeting at 12:40pm.
Commissioner Buhler reconvened the meeting at 12:59pm.

Work Session:

Karma Bass recapped how the meeting was going.

Discussion ensued.

Karma Bass discussed board culture and the idea of board members making each other look good.

Discussion ensued.

Karma Bass discussed managing conflict and building trust. She discussed the dimensions of trust, sincerity, reliability, competence, and care.

Discussion ensued.

Karma Bass discussed board responsibilities and fiduciary duties, the duty of care, the duty of obedience, and the duty of loyalty.

Commissioner De Leo made a motion to rescind all current appointments to external committees and bar the board from appointing commissioners to external committees in the future. Commissioner Kolff seconded

Discussion ensued.

Action: Motion failed unanimously.

Karma Bass discussed the distinction between governance and management.

Discussion ensued.

Commissioner Buhler recessed the meeting at 2:35pm.
Commissioners came back to the meeting at 2:45pm.

Discussion ensued.

Karma Bass discussed important questions to clarify board roles.

Discussion ensued.

Karma Bass discussed action planning and board effectiveness next steps which included, meetings once a month, a new and revised PowerPoint and agenda template, board education, quality oversight, and review and revise the CEO performance evaluation and compensation processes.

Discussion ensued.

Commissioner Ready was excused.

The Board went around and explained what came out of the meeting and what personal to do's each member had.

Discussion ensued.

Public commented.

Karma Bass gave her closing remarks.

Conclude:

Commissioner Dressler made a motion to conclude meeting. Commissioner Kolff seconded the motion.

Action: Motion passed unanimously.

Meeting concluded at 4:05pm.

Approved by the Commission:

Chair of Commission: Jill Buhler _____

Secretary of Commission: Marie Dressler _____



Why We are Here

Board Retreat Objectives:

- Discuss Board Self-Assessment Results
- Work on Developing a Strong and Healthy Board Culture in Support of Jefferson's Mission
- Provide Education on Board Fiduciary Duties and Best Practices in Healthcare District Governance



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A blue background with a swirling, ripple-like pattern. The text is white and black. A small number '3' is in the top right corner.

What We'll Cover Today ...

1. Establish Group Guidelines
2. Key Issues Discussion from Board Self-Assessment Results
3. Managing Conflict and Building Trust
4. Mission and Organizational Purpose
5. Governance Management Distinction: Board-CEO Relationship
6. Fiduciary Duties and Healthcare District Best Practices
7. Action Planning and Next Steps

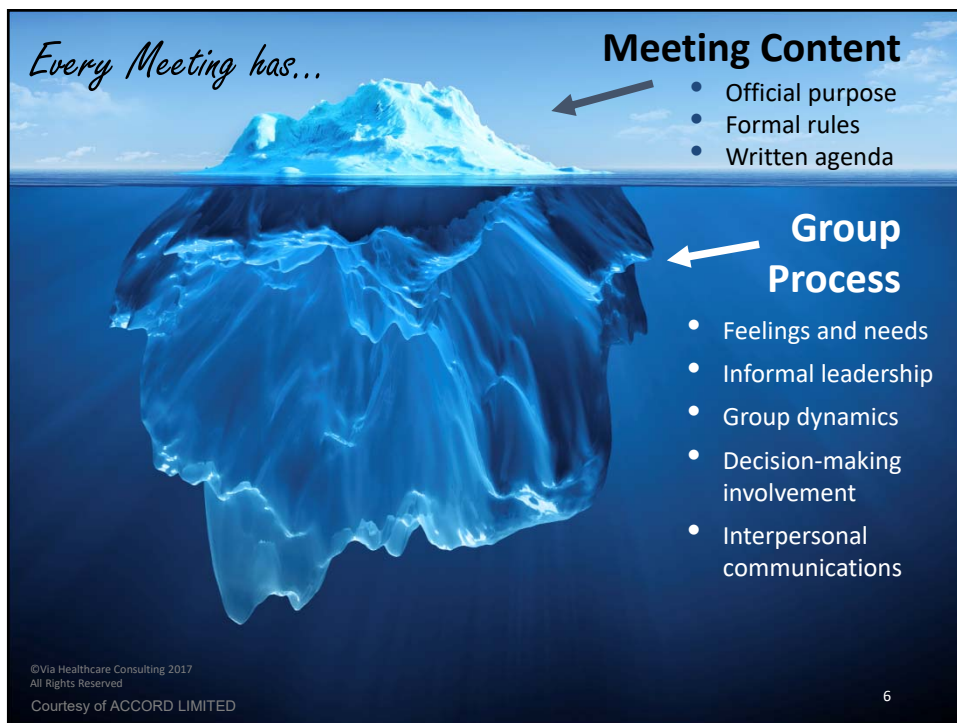
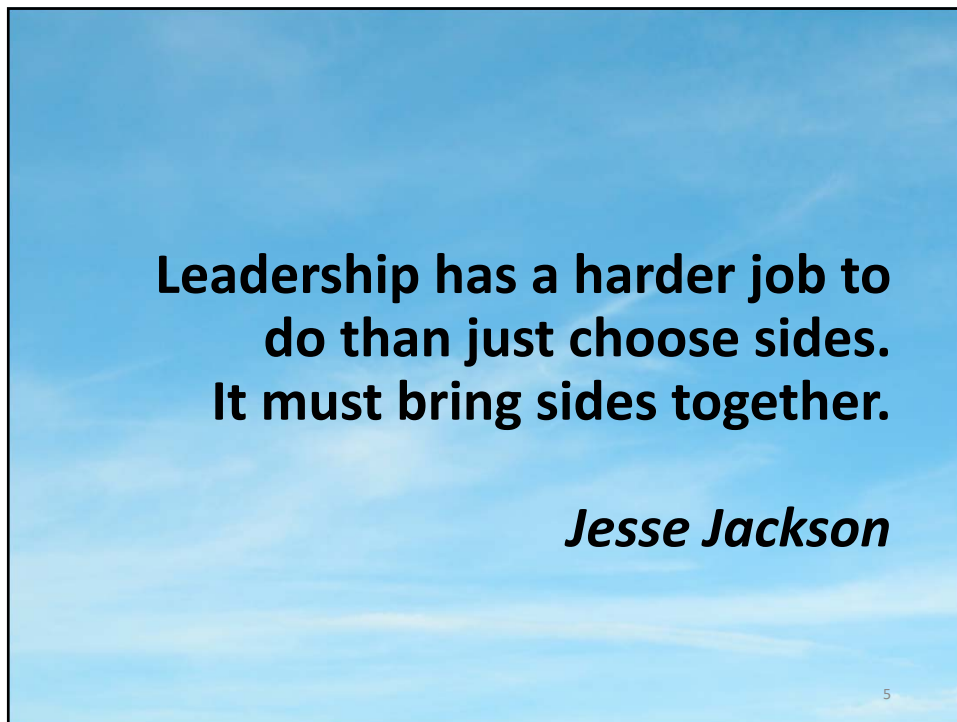
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A blue background with a photograph of a pair of binoculars lying on grass at the bottom. The text is white and black. A small number '4' is in the bottom right corner.

Today is an invitation to create a gracious space.

“... an environment in which creative thinking and learning can occur. It inspires an attitude of openness, curiosity and discovery. It is a safe place but one that also invites diverse opinions and can hold conflict. It sounds simple, but often is very hard to do.”

Taken from **Gracious Space: A Practical Guide to Working Together** by Patricia M. Hughes, Center for Ethical Leadership, Seattle, WA



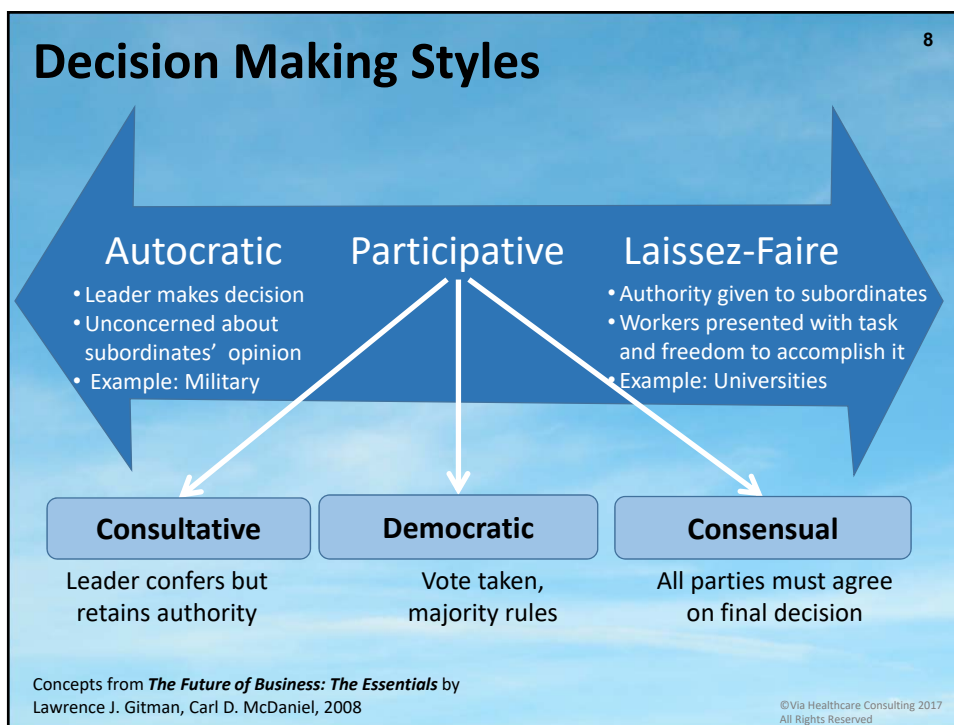
You are cordially invited to...

Lower the Waterline

- Consider an approach of compassion and curiosity
- Talk about how the process component is affecting behavior and group dynamics
- Speak openly about interpersonal communication breakdowns

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Sample Group Guidelines

1. Lower the water line with compassion & curiosity
2. Be honest and kind
3. Declare if you're playing devil's advocate
4. Avoid side conversations
5. Be fully engaged (no texting, e-mail, etc.)
6. Use modified consensus decision-making
7. Ensure all actions are assigned
8. Use a parking lot to move discussions forward
9. Avoid repeating the dialogue in this room*

**Yes, your meetings are public. And Board decisions need to be shared. But before repeating a conversation, consider whether it serves the organization or merely perpetuates divisions and community gossip.*

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Jefferson Healthcare Board Self-Assessment Results

Key Issues Discussion



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Board Self-Assessment Process

Commitment to governance effectiveness

- 43-Question survey with open-ended responses
- 30+ minute telephone interviews
- Six areas of governance effectiveness
- 100% response rate

Putting it all together

- **Passionate**
- **Dedicated**
- **Desire for improvement**



Key Questions



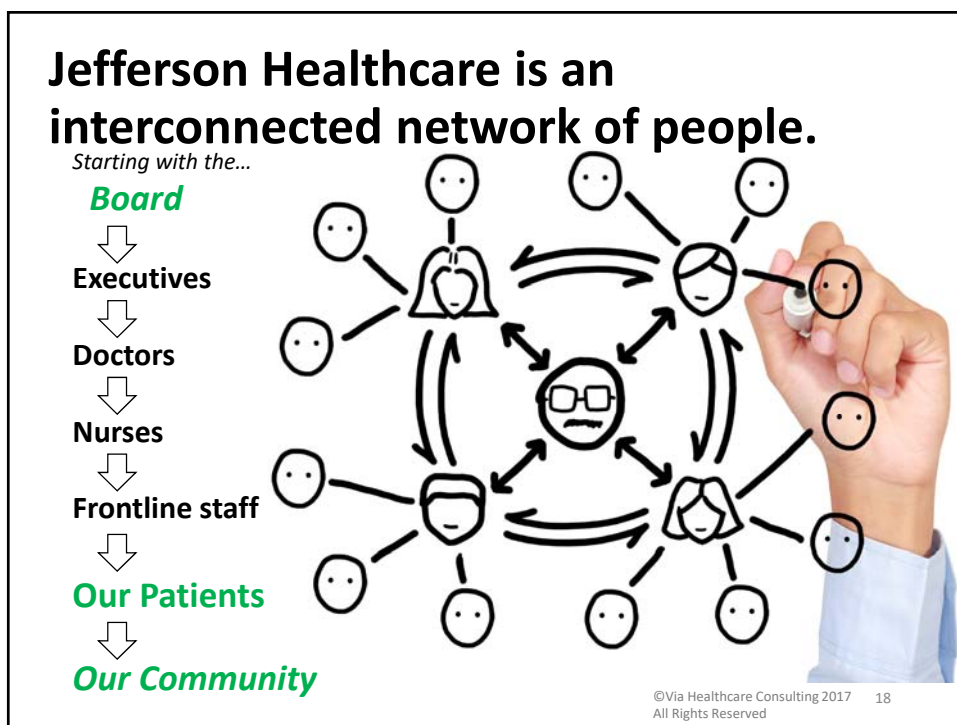
- *What do we expect of each other and how will we work together?*
- *Why is it important to maintain focus on the board's role and responsibilities?*
- *How do we as a board want to make decisions?*
- *How do we balance our responsibility to the organization with the needs of our constituencies?*
- *Are we getting the information and education to govern effectively?*

Board Culture Matters Most

"We'll be fighting the wrong war if we simply tighten procedural rules for boards and ignore their more pressing need to be strong, high functioning work groups whose members trust and challenge one another and engage directly with senior managers on critical issues."

*Jeffrey Sonnenfeld, "What Makes Great Boards Great,"
Harvard Business Review*

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Choice: How do we get others to **trust** us with their healthcare?

Trust has four dimensions...

1. *Sincerity*
2. *Reliability*
3. *Competence*
4. *Care*



Adapted from
The Thin Book of Trust: An Essential Primer for Building Trust at Work,
by Charles Feltman www.thinbook.com

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Dimensions of Trust

Sincerity

"I mean what I say, say what I mean, and act accordingly."

Reliability

"You can count on me to deliver what I promise!"

Competence

"I know I can do this. I don't know if I can do that."

Care

"We're in this together."



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Building Trust in the Workplace = Building Trust in the Boardroom

	Trust ←	→ Distrust
<i>Assessments about the other person</i>	<p>I can trust this person</p> <p>I am safe with this person</p>	<p>Trusting this person is dangerous</p> <p>This person poses a threat to me</p>
<i>Assessments about self</i>	<p>I am safe</p> <p>I can handle whatever happens</p> <p>I can be open and forthcoming</p>	<p>I am not safe</p> <p>I can't handle what this person might do</p> <p>I need to protect myself</p>
<i>Associated emotions</i>	<p>Hope • Curiosity • Generosity • Care</p>	<p>Fear • Anger • Resentment • Resignation</p>

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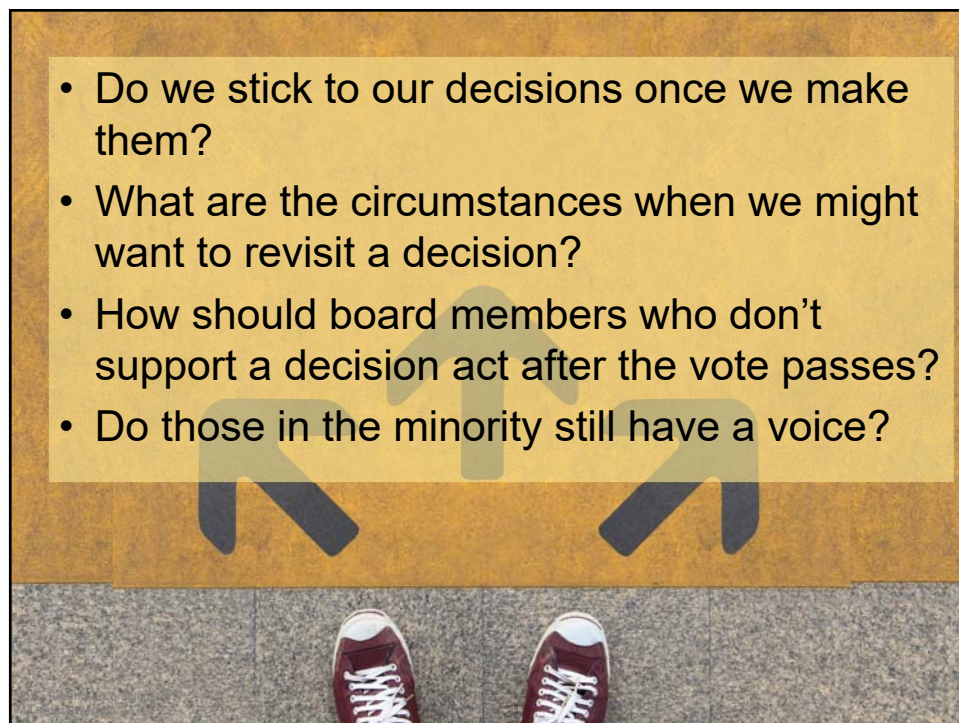
Taken from *The Thin Book of Trust: An Essential Primer for Building Trust at Work*, by Charles Feltman

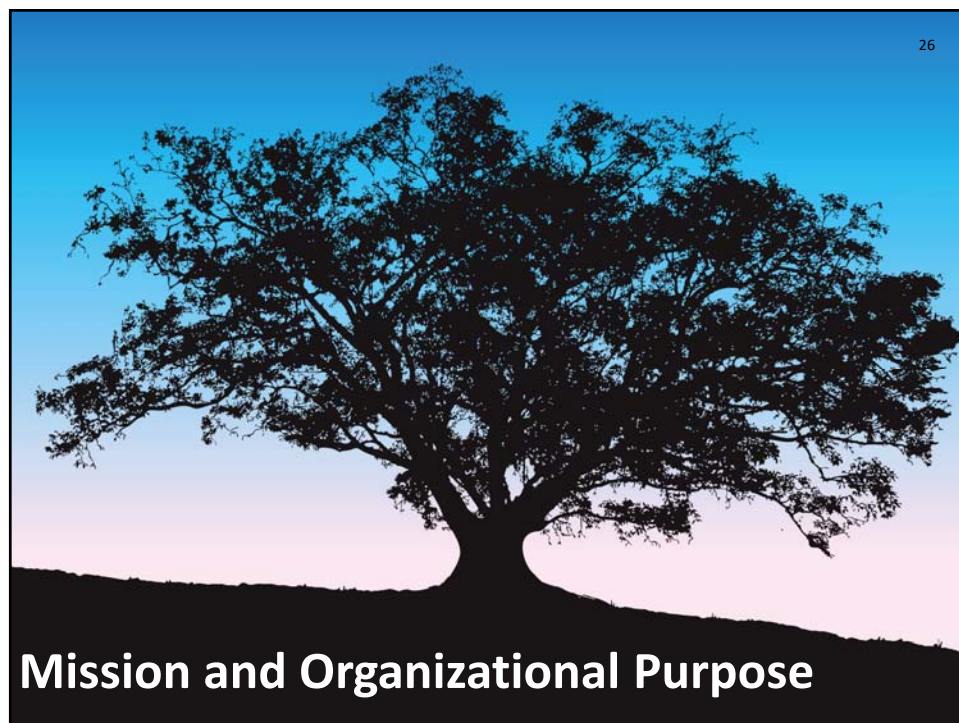
Behaviors of Trust and Distrust

Trust ←	→ Distrust
<p>Cooperating • Collaborating • Engaging in conversations, dialog and debate of ideas • Listening • Communicating freely • Supporting others • Sharing information • Offering ideas • Expecting the best • Willingness to examine own actions</p>	<p>Defending • Resisting • Blaming • Complaining • Judging • Avoiding • Withholding information and ideas • Expecting the worst • Justifying protective actions based on distrust</p>

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Taken from *The Thin Book of Trust: An Essential Primer for Building Trust at Work*, by Charles Feltman





Mission and Vision Statements

- Clarify and communicate an organization's purpose 🌕
- Helps focus on what is important
- Provides snapshot of who you are and what you want to do
- Brings together people with a common purpose

Preamble

The purpose of ... Jefferson Healthcare is to foster a healthier community by working to assure all residents have access to high quality health care services they need while maintaining a healthy, locally controlled, financially sustainable organization.



Jefferson
Healthcare

The Mission

Jefferson Healthcare is working together to serve our community with personalized care and medical excellence.

The Vision

Jefferson Healthcare will be the community's first choice for quality healthcare by providing exceptional patient care to every person we serve. We will do this by:

- Delivering the safest, highest quality care of any health care organization in our region.
- Providing leadership to improve the health, wellness and vitality of our community.
- Championing an engaged workforce by inspiring professional excellence and personal commitment to the success of our organization.
- Demonstrating fiscal stewardship and thoughtful decision-making to provide sustainable, high-value care."

Review and Reflect

- Is the Board's focus primarily on issues that support the organization's purpose, mission and vision? Should it be?
- Is it essential to Jefferson Healthcare District's purpose that we own and operate a hospital to provide health care services?
- Are board behaviors and actions at risk of diverting focus from the organization's purpose, mission and vision?

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The Distinction Between Governance and Management

Your Board-CEO Relationship

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What's the Difference between the Board's Job and Management's Job?

The Board:

- Ensures overarching objectives and goals
- Establishes and clarifies mission, vision or purpose
- Sets policies
- Makes decisions
- Confirms that effective oversight is in place

Management:

- Proposes the organization's objectives and goals
- Provides plans to accomplish organization's objectives and goals
- Implements plans
- Reports to the board on progress
- Makes decisions
- Deploys organizational resources within the parameters and policies established by the board

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Governance vs. management

How to tell them apart...

- **Governance** – Exercising accountability by setting goals, making major policy and strategy decisions, and overseeing implementation
- **Management** – Delivering results by implementing policy and strategy as set forth by the governing body, managing operations, and reporting on performance



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Questions to Help Clarify Roles

1. Is it big?
2. Is it about the future?
3. Is it core to the mission?
4. High-level policy decision needed?
5. Is a red flag waving?
6. Is a watchdog watching?
7. CEO wants/needs board's support?

Note: If the CEO asks the Board for advice on a management issue, the CEO should 'declare' that intent, and be responsible for bringing the Board back 'up' to governance

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Who Does What?

RESPONSIBILITY	GOVERNING BOARD	CEO/ADMINISTRATOR (Or Delegate)
Long-term strategic plan	Approves and helps formulate	Recommends and provides input
Short-term plan	Monitors and provides input	Establishes and carries out
Day-to-day operations	No role	Makes all the management decisions
Budget	Approves	Develops and recommends
Capital Purchases	Approves	Prepares requests
Decisions on building, renovation, leasing, expansion	Makes decisions, assumes responsibility	Recommends and has contractual authority
Supply purchases	Establishes policy	Purchases according to Board Policy and maintains an adequate audit trail
Repairs	Establishes policy	Authorizes repairs up to prearranged amount including amount that can be spent without Board approval
Cleaning and maintenance	No role	Sets up schedule
Fees	Adopts policy as part of budget process	Develops fee schedule
Billing and credit and collections	Adopts policy	Proposes policy and implements
Hiring of staff	No role	Approves all hiring

Source: Barry S. Bader, Bader & Associates

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RESPONSIBILITY	GOVERNING BOARD	CEO/ADMINISTRATOR (Or Delegate)
Staff responsibilities and job assignments	No role	Establishes
Firing of staff	No role	Makes final termination decision
Staff grievances	No role	The grievances stop at the administrator
Personnel policies	Adopts	Recommends and administers
Staff salaries	Approves budget	Approves salaries with recommendations from the supervisory staff
Staff evaluation	Evaluates only the administrator	Evaluates other staff
Board reports	Approves and accepts	Prepares
Medical staff	Approves bylaws, appointments and reappointments	Receives reports and maintains relationship
Quality management	Approves and monitors	Establishes quality plan and implements
Corporate compliance	Approves and monitors	Establishes compliance plan and implements
Advocacy	Knowledge of issues, pre-approved communication with elected officials	Knowledge of issues, communication with elected officials
Community relations	Keeps community informed using agreed upon talking points	Keeps community informed
Community health status	Approves and collaborates with community	Establishes plan and priorities

Source: Barry S. Bader, Bader & Associates

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The Distinction Between Management and Governance

NIFO and GEPO are guidelines for effective boards...

**“We approach management and governance with the N-I-F-O principle:
Nose In, Fingers Out . . .”**

James Marley, Chairman
PinnacleHealth System, Harrisburg, Pennsylvania

**“Savvy boards follow the
GEPO rule: Good Enough Press On.”**

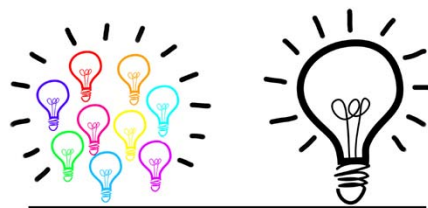
Barry S. Bader, publisher of Great Boards
www.greatboards.org

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Optimal Board-CEO Relationship

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- Agree on the Board's role and responsibilities in general
- Agree on a governance 'philosophy' - the desired interaction between the Board and the CEO
- Write down the agreements in formal Board policies and procedures
- Develop written job descriptions for Board members and CEO
- Evaluate the CEO's performance at least annually and set goals for individual and organizational performance



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Board Responsibilities and Fiduciary Duties

Healthcare District Governance Best Practices

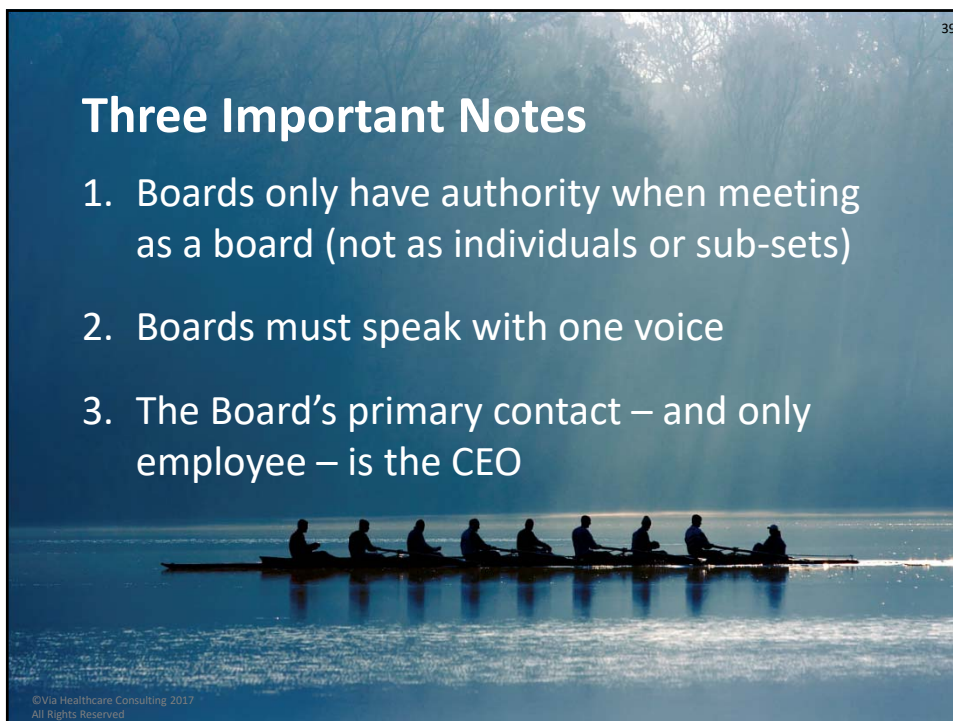
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Three Important Notes


1. Boards only have authority when meeting as a board (not as individuals or sub-sets)
2. Boards must speak with one voice
3. The Board's primary contact – and only employee – is the CEO



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The Duty of Care

- Exercise “due diligence”
- Act in good faith, with the care of an ordinarily prudent person in similar circumstances
- Ensure policies and procedures are in place to fulfill the duty of care
- Knowledge of financial status, have full and accurate information for making decisions



The Duty of Obedience

Protecting limited resources

- Ensure optimum services for community
- Consider cost-effective utilization of resources for both long and short term financial plans
- Regularly review financial reports to ensure adequate capital for hospital strategies
- Establish financial goals in key areas



The Duty of Obedience

Ensuring legal compliance

- Compliance with all regulatory and reporting requirements
- Ensure an ethical business climate
- Conduct internal procedures and processes in an ethical manner



The Duty of Loyalty

- Avoidance of opportunities for personal gain
- Compliance with the conflict of interest policy that:
 - Requires trustees to act solely in the interests of the organization
 - Written procedures
 - Course of action when conflicts arise
- Annual written disclosure of conflicts
- Recognition and disclosure of conflicts of interest

Source: Good Governance Practices for 501(c)(3) Organizations.
Internal Revenue Service. www.irs.gov.

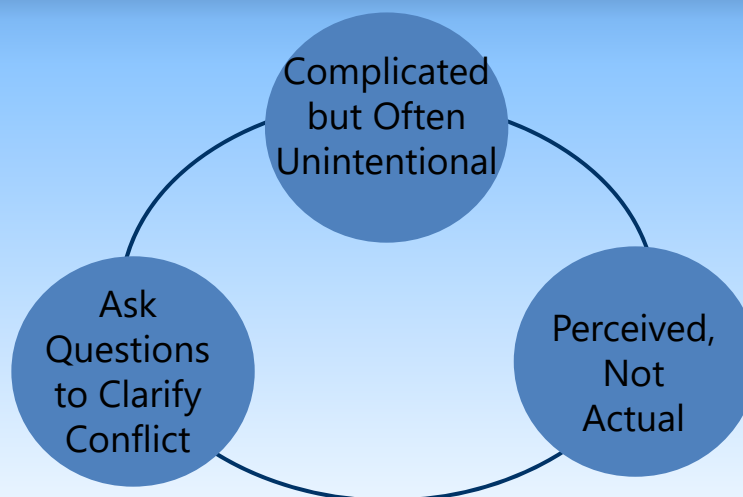


What is a Conflict of Interest?

- Personal interest vs. hospital interest
- Raising a “red flag”
- Multiple affiliations may lead to feeling pulled in multiple directions
- Key to establish a process for preventing and addressing inevitable conflicts and ensuring the policies and procedures are adhered to



Conflicts Are Not Always Simple



It's the Law

- Fiduciary duty to act in the organization's best interest and ensure prudent management of the organization's resources
- 1974 court decision: "Sibley Hospital Case"
 - Board members legally liable for not properly addressing conflicts through their fiduciary responsibility



Source: How do We Safeguard Against Conflict of Interest? Board Source. www.boardsource.org.

...and an Essential Component of Building Public Trust



- **Ability to carry out sound, ethical and hospital-focused board decisions**
- **Adherence to ethical guidelines build public trust**
- **Without ethical guidelines, a hospital's reputation is at risk**

How Many “Hats” Do You Wear?

- Family roles (spouse, parent, child, sibling, etc.)
- Community leader
- Professional role or paying job
- Friend, colleague, neighbor, etc.
- Community advocate for a particular cause
- Jefferson board member

Discussion: Is it important to be aware of which “hat” you’re wearing when making decisions or giving direction?

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High-Level Purpose of Strategic Planning

Identifies
Resources and
Accountabilities

Defines Future
Possibilities and
Uncertainties

Captures
Disparate
Views and
Viewpoints

Defines a
Compelling
Vision of the
Future

Three Important “Truths” about Planning for the Future

You don't need to know everything there is to know in order to make good decisions

What you know today is very different from what you'll know tomorrow

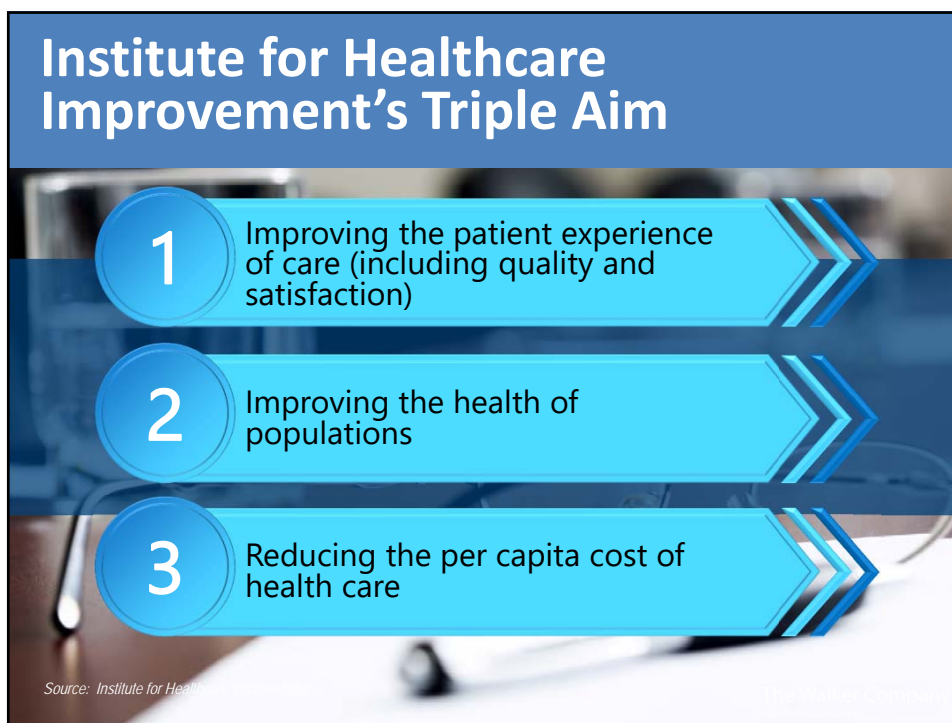
You'll never know everything you'd like to know to be fully confident in your decisions

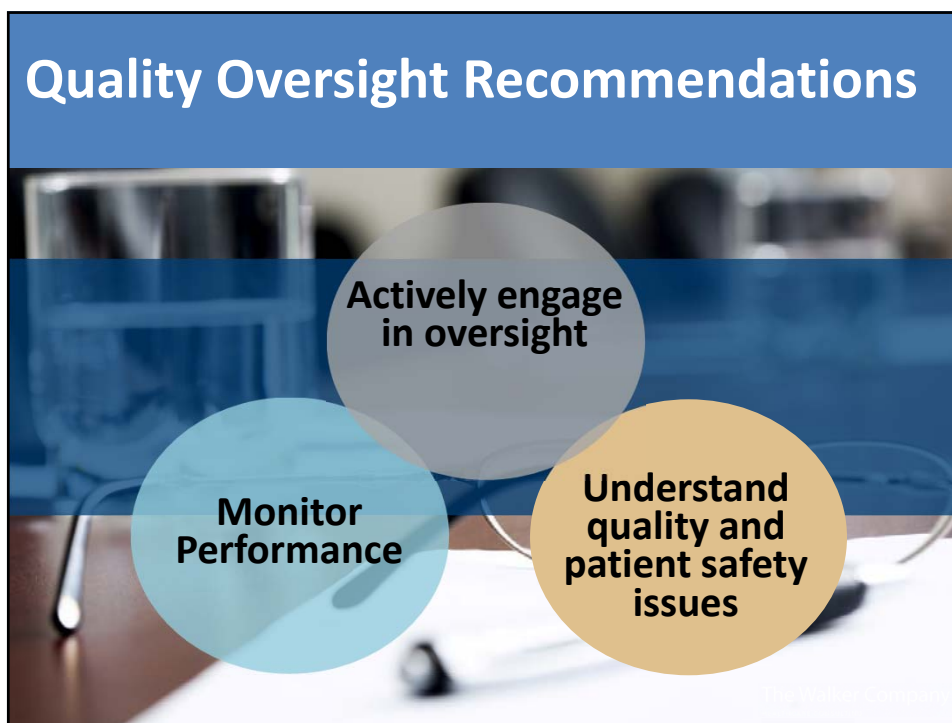
Success Basics: The Role of the Board

- Govern and lead the strategic plan, don't create or manage it
- Ensure that the strategic direction is responsive and consistent with the mission and vision
- Assume a strong, focused and active leadership role



How does the board ensure that quality is truly "job one"?





Medical Staff Credentialing is Verifying That Each Applicant...

Is who he/she claims to be

Has been properly licensed

Has appropriate malpractice insurance

**Meets minimum requirements established by
the hospital to be on staff**

Privileging Determines...

- **The diagnostic and treatment procedures a hospital is equipped and staffed to support**
- **The minimum training and experience necessary for a clinician to competently carry out each procedure**
- **Whether the credentials of applicants meet minimum requirements and allow authorization to carry out requested procedures**

Attend to Process

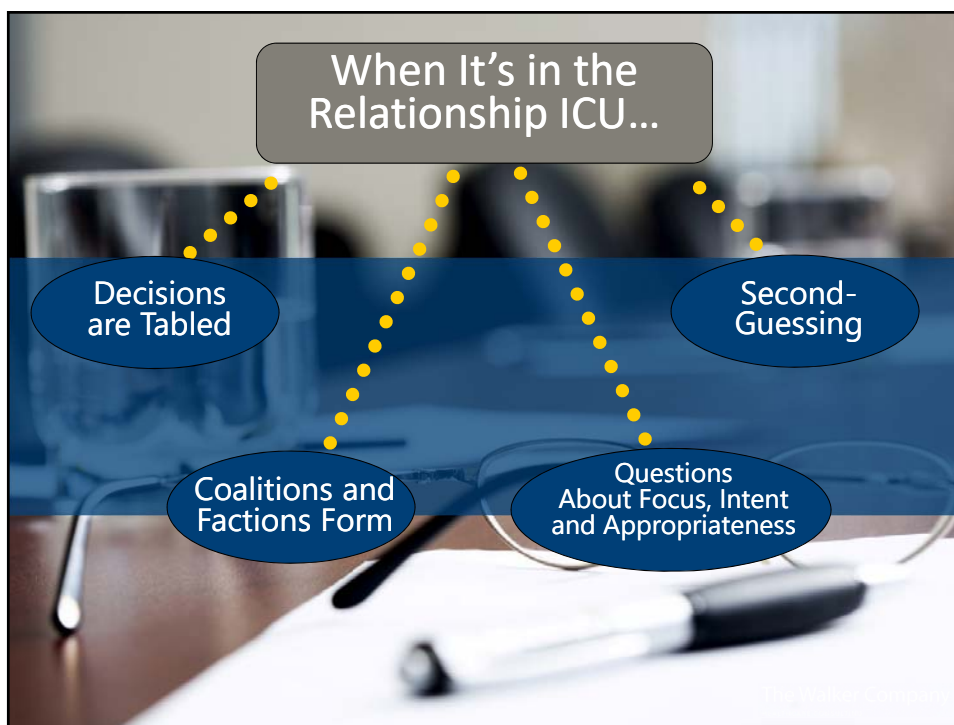
- **Board must delineate steps of the credentialing process and specify/approve criteria it uses to make recommendations or decisions at each step**
- **Must ensure the process is thorough, fair, consistent and functioning effectively**

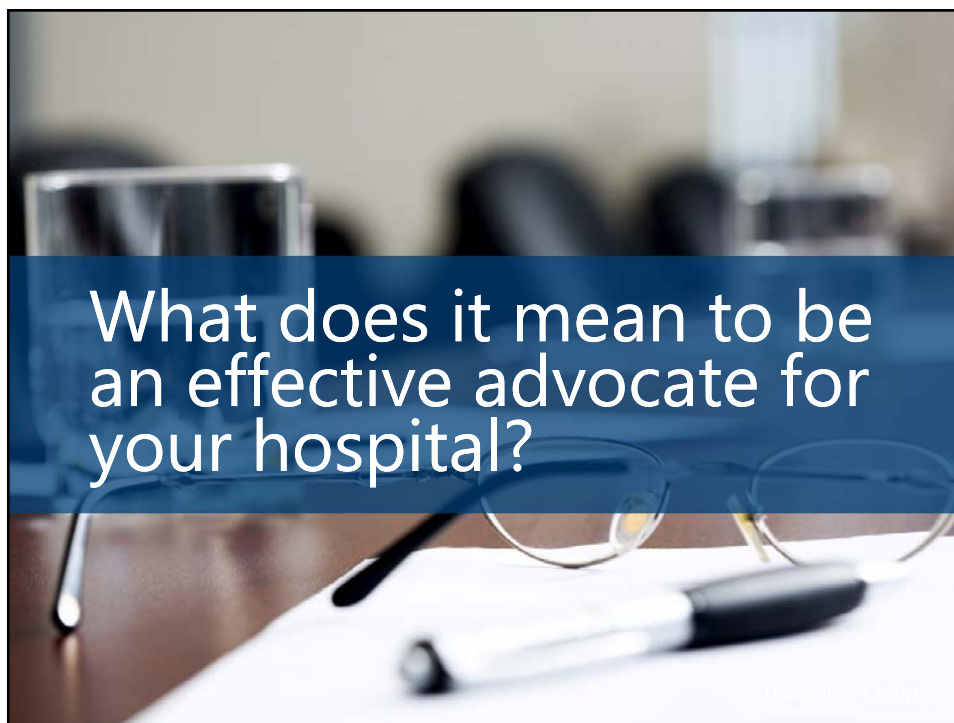
Decision Making

Board ultimately decides...

- **Which doctors will be admitted to the medical staff (initial appointment)**
- **Which doctors are allowed to remain on the medical staff (reappointment)**
- **Which procedures doctors can perform and diseases/conditions they may treat (privilege delineation)**







What Being a Community-centered Board is All About

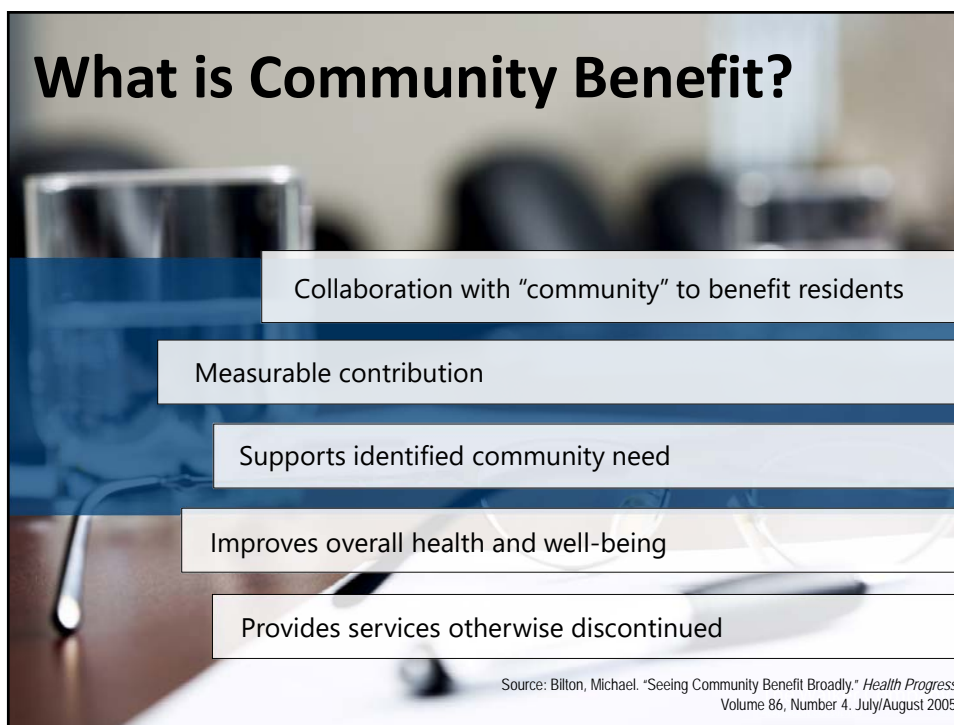
- **Knowing your community**
- **Connecting with people**
- **Putting that community intelligence to work**
- **Requires board leadership and resolve**



The Perception Problem

- **People don't understand how hospitals are organized and managed**
- **People don't understand the forces that are changing health care**
- **People rely on personal experiences, intuitive beliefs, and personal opinions to shape their belief structure**
- **It's hard to impact strongly-held beliefs and perceptions**

Source: Reality D: Public Perceptions of Health Care and Hospitals.
American Hospital Association.



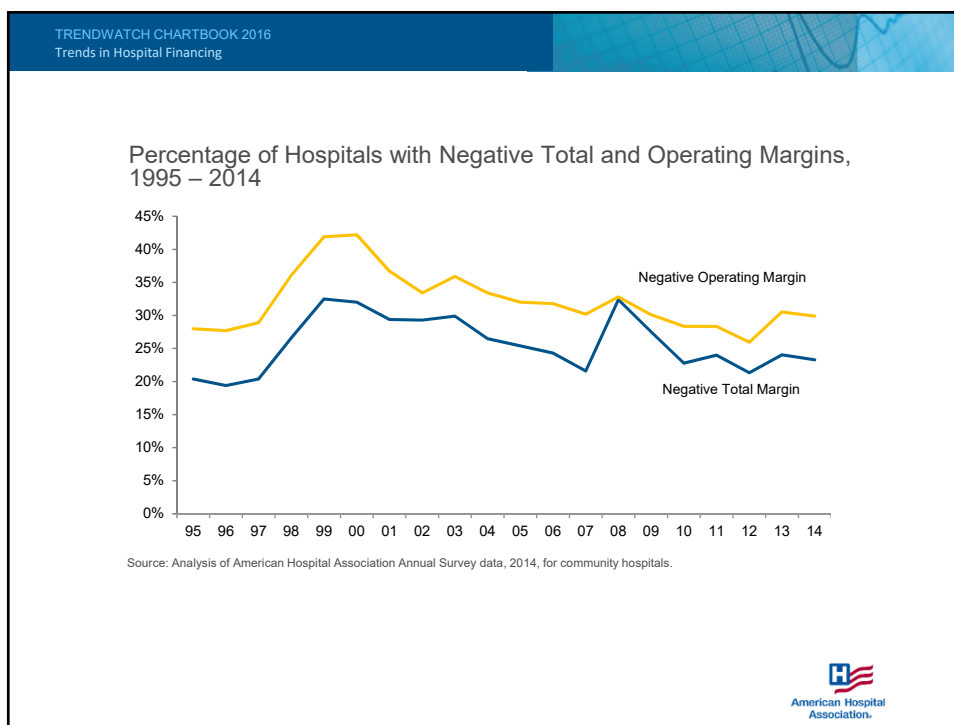
Community Benefit Report

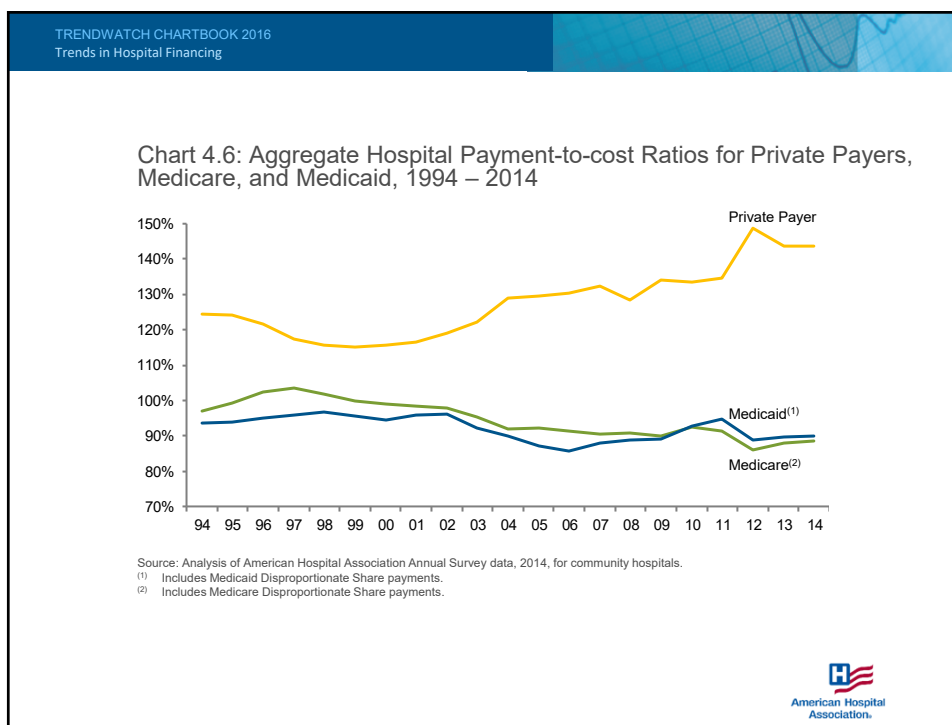
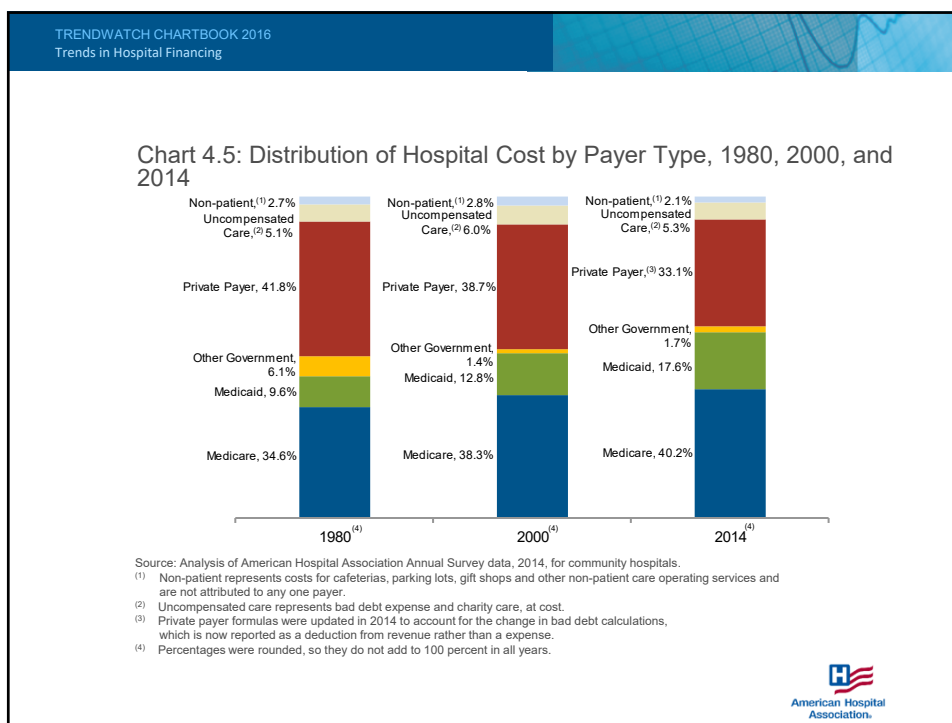
- **A healthcare version of a corporate annual report**
- **Defines, measures, and interprets community benefit activity**
- **Tells your story in a compelling way**
- **Builds public trust and confidence**

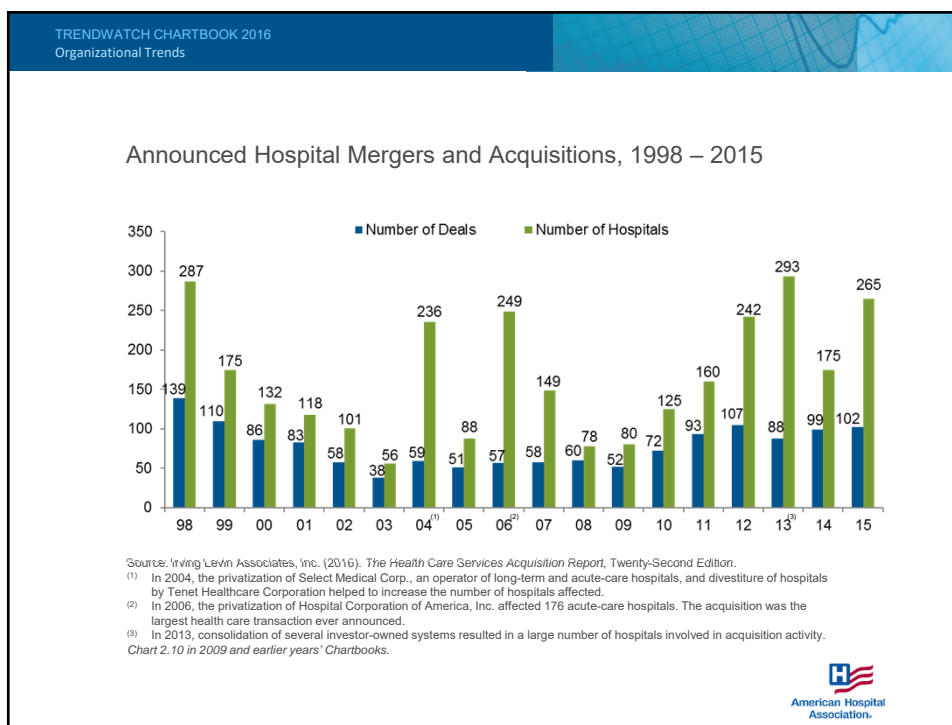
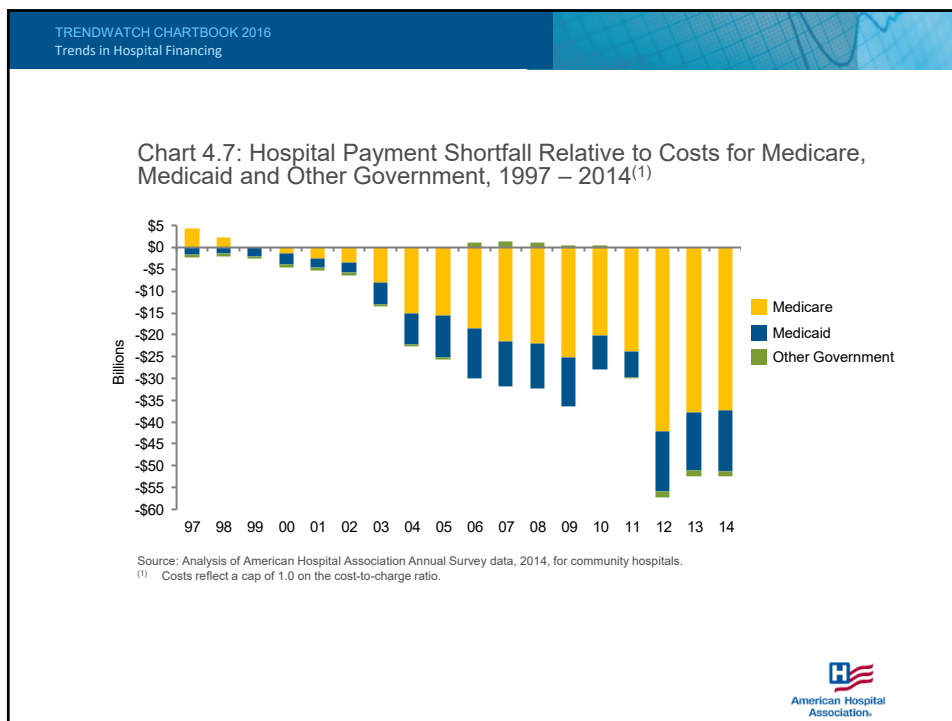


Using Your Report to Strengthen the Benefit and Value Connection

- **Improve community understanding**
 - Challenges faced
 - Benefit and value the hospital provides
- **The easy part: communicating economic value**
- **Its deeper than numbers: health improvement benefit and value**
- **Look for personal stories, tangible examples**








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Key Questions

- Do you believe a high-performing board is linked to a high-performing organization?
- How do you define a high-performing board?
- How will you know if you have a high-performing organization?



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Thank you



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