*COVID-19 Notice*
No in-person attendance allowed, pursuant to Governor Inslee’s Proclamation 20-28.
All meeting attendees, including Board of Commissioners, staff and members of the public must participate virtually. No physical meeting location will be provided.
To attend the meeting, dial Phone Conference Line: (509) 598-2842
When prompted, enter Conference ID number: 68024086#

Jefferson County Public Hospital District No.2
Board of Commissioners, Special Session Minutes
Wednesday, February 16, 2022

Call to Order:
The meeting was called to order at 9:00am by Board Chair Buhler Rienstra. Present by phone and video were Commissioners Dressler, Kolff, McComas and Ready. Also, in attendance was Mike Glenn, CEO, Karma Bass, Via Healthcare Consulting, Megan McAdams, Via Healthcare Consulting, Mary Kay Clunies-Ross, Sunshine Communications, Sandeep Kaushik, Sound View Strategies, Jake Davidson, Chief Ancillary and Support Services Officer and Brittany Huntingford, Administrative Assistant. This meeting was officially audio recorded by Jefferson Healthcare.

Work Session
The Commissioners began by acknowledging that Jefferson Healthcare is on the ancestral and contemporary homelands of the S’Klallam, Chemakum, Twana and other indigenous nations and we recognize these tribal governments’ sovereignty across the region.

Karma Bass, Via Healthcare consulting thanked the Board for their flexibility and willingness to reschedule the meeting from last month to today.

• Confirm Objectives
Ms. Bass reviewed the agenda and confirmed the Boards objectives for today’s meeting.

• Agenda and agree on group guidelines
Ms. Bass reviewed presentation slides: Agenda, Board Workshop Objectives, Every Meeting has, you are cordially invited to and Group Guidelines. Discussion ensued.

• Board self-assessment survey and interview results
Ms. Bass reviewed presentation slides: Board Self-Assessment, Background, 2021 BSA Highlights, Statements with the Greatest Improvement between 2019-2021 across All Sections, Highest Rated Statements Across All Sections, Lowest Rated Statements Across All Sections and Overall Results. Discussion ensued.

Commissioners recessed for break at 10:28 am
Commissioners reconvened from break at 10:43 am.

- Advance practice governance

  Discussion ensued.

  Discussion ensued around adjusting the meeting agenda to include Education later in the meeting.

Commissioners recessed for lunch at 12:00 pm.
Commissioners reconvened from break at 12:30 pm.

Commissioner Buhler Rienstra shared with the board that effective next meeting we will begin sharing the Teams link with the public.

- Generative Governance discussion
  Ms. Bass welcomed any additional feedback from the morning's discussion.
  Ms. Bass reviewed presentation slides: Discussion: Generative Governance, Why are we exploring generative governance, Common Board Challenges, High-Performing boards Use More Than One Lens to View Their Work, FIDUCIARY- The Sentinel, STRATEGIC- The Strategist, GENERATIVE- The Sense-maker, What is Generative Thinking, Move Past Traditional Barriers to Critical Thinking, Questions for Framing Generative Governance as Part of the Board's Work

  Discussion ensued.

- Master site plan funding options
  Mr. Glenn introduced Mary Kay Clunies-Ross, Sunshine Communications, Sandeep Kaushik, Sound View Strategies and Jake Davidson, Chief Ancillary and Support Services Officer.
Mary Kay Clunies-Ross and Sandeep Kaushik reviewed presentation slides: Jefferson Healthcare Community Outreach, Here is us, Challenges, Opportunity, Community Engagement and Timeline. Discussion ensued.

Commissioners recessed for break at 2:32 pm. Commissioners reconvened from break at 2:37 pm.

- Meeting effectiveness
Ms. Bass reviewed presentation slides: Questions for Framing Generative Governance as Part of the Board’s Work and Generative Questions when Discussing Specific Topics.
Discussion ensued.

- Action planning for 2022 and beyond
Ms. Bass reviewed presentation slides: Generative Governance Discussion Topics for 2022 and Action Planning for 2022 and Beyond.

Discussion ensued. Discussion ensued around including Sponsorships as a topic to the Generative Discussion list.
- Closing comments

Discussion ensued

**Meeting evaluation**
Commissioners evaluated the meeting.

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

**Action:** Motion passed unanimously.

Meeting concluded at 3:02 pm.

Approved by the Commission:
Chair of Commission: Jill Buhler Rienstra
Secretary of Commission: Marie Dressler
Jefferson Healthcare Community Outreach

February 16, 2022
Challenge

- Old building needs to be replaced (1965)
- Growing, and aging, population
- Higher utilization of Jefferson Healthcare services
- Increased need for diversity of patient services
- 60% approval needed for bond measure passage (Important to have strong community support)
Opportunity

- New building brings significant benefits to community
  - Seismically safer
  - More space for new services
  - More flexibility
  - Ability to accommodate new information technology

- Progressive design-build efficient and not disruptive

- Nothing else expected on ballot
Community Engagement

How do you know if the time is right for a ballot measure?

- Community understands the need
- Hospital is financially, operationally prepared
- Community leaders are willing to help
- Staff understanding, support
<table>
<thead>
<tr>
<th>Month</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>Board and leadership discussion on community outreach plan</td>
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<tr>
<td></td>
<td>- Events, organizations, individuals</td>
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<tr>
<td></td>
<td>- Community survey</td>
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<tr>
<td>March</td>
<td>• Ballot measure language drafted</td>
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<td></td>
<td>• Begin outreach (direct with community and through survey)</td>
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<td></td>
<td>• Board Dos and Don’ts (Soundview/Sunshine + AWPHD)</td>
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<tr>
<td>April</td>
<td>Community outreach discussed by board (public hearings, etc.)</td>
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<tr>
<td>May/June</td>
<td>• Board votes to put measure on ballot.</td>
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<td></td>
<td>• Proposal is submitted to Jefferson County Elections, who will forward to the Prosecuting Attorney to draft a ballot title.</td>
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<td></td>
<td>• Campaign committee created (separate from board)</td>
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<tr>
<td>July-October</td>
<td>• Campaign (PHD role is to provide factual information only). By August, campaign committee (three names) will be officially designated, ballot title and explanatory statement finalized, “pro” statement submitted for voter guide.</td>
</tr>
<tr>
<td>November</td>
<td>Ballot</td>
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Board of Commissioners
2022 Workshop
February 16, 2022 – 9:00 am to 3:00 pm

Microsoft Teams meeting
Join on your computer or mobile app
Click here to join the meeting
Or call in (audio only)
+1 509-598-2842, 68024086# United States, Spokane
Phone Conference ID: 680 240 86#

Find a local number | Reset PIN

Objectives
1. Discuss Board Self-Assessment Results
2. Continue to Advance Generative Governance at Jefferson
3. Identify Next Steps and Board Goals for 2022 and Beyond

<table>
<thead>
<tr>
<th>Time</th>
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<tr>
<td>9:00 am</td>
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<tr>
<td>9:15 am</td>
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<tr>
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</tr>
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<td>2:15 pm</td>
<td>Action Planning for 2022 and Beyond</td>
</tr>
<tr>
<td>2:45 pm</td>
<td>Closing Comments</td>
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<tr>
<td>3:00 pm</td>
<td>Adjourn</td>
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Jefferson Healthcare District  
2021 Board Self-Assessment Results

Introduction

In the interest of enhancing its governance effectiveness, the Jefferson Healthcare District (JHD) Board of Commissioners has participated in a board self-assessment in November 2021. Via Healthcare Consulting provided the consulting and analysis for this effort. This report provides a high-level synthesis and analysis of the issues that were raised during the process and includes a multiyear comparison to the JHD Board Self-Assessment results gathered in 2017, 2018, 2019, and 2021.

Governance best practices call for boards to evaluate their performance regularly and adopt improvements to function more effectively. This type of governance assessment can help a board ensure that governance structures, composition, policies, and practices provide a platform for thorough oversight and deliberation, effective policy-making, efficient decision-making, and strong ties with and accountability to the community and external regulators. In today’s rapidly changing marketplace, effective and efficient governance has never been more important to organizational performance.

We are pleased to present these results and look forward to discussing the findings with board members at the January 12, 2022, workshop. It is important to note that this assessment process was designed to gauge the effectiveness and efficiency of the board as a whole, not of the individual board members. In addition, the assessment was focused on the governance of the organization, not its management or operations.

Overview of the Process

As part of this year’s self-assessment process board members were asked to complete a customized web-based questionnaire and participate in individual 30-minute telephone interviews. For the survey, board members were asked to rate their response – from strongly agree to strongly disagree – to 45 statements across six areas of governance effectiveness. Each section also invited open-ended responses. All five board members participated in the online survey and the individual interviews.

The six areas of board responsibility covered by the survey were:

- Mission and Planning Oversight: Setting the Strategic Direction
- Quality Oversight: Monitoring Service, Safety, and Quality
- Legal and Regulatory Oversight: Ensuring Organizational Integrity
- Finance and Audit Oversight: Following the Money
- Management Oversight: Enhancing Board-Executive Relations
- Board Effectiveness: Optimizing Board Functioning
8. Please explain why you think the organization exists:

- To provide the citizens of Jefferson County with high quality, affordable health care and to promote wellness.
- To enhance the health of the residents of East Jefferson County.
- We are a public institution, and our purpose is a healthy community.
- To ensure that every resident of Eastern Jefferson County has access to health care of the highest quality, regardless of ability to pay.
- To provide local high quality, safe, affordable, and accessible Medical and Wellness Services to the residents of East Jefferson County.

9. Section I Comments:

- Although the board approves the vision and mission statements and the strategic plan, we are not very involved in their creation. We see these documents once a year to remind us of what they are and see how we are doing. We spend less than 5% of our time on strategic issues or in having any substantive discussions about direction. The rest of the meeting is spent on receiving reports.
- There has been some disagreement over the years about transparency of our decision-making process.
- Regarding the first two questions, most board members agree on the goal, even though we differ on how to arrive there. Not all agree on methods to use in the journey.

Section I: Mission and Planning Oversight: Setting the Strategic Direction

1. There is consensus about and a clear understanding of the organization’s Mission.
2. Board members appear to be in agreement on the purpose of the organization and why it exists.
3. The Board uses the Mission statement to guide its decision-making.
4. The board is appropriately involved in establishing the organization’s strategic direction (e.g. creating a long-range vision, setting strategic priorities, and developing/approving the strategic plan).
5. The board spends a sufficient amount of time in its meetings on strategic (vs. operational) issues.
6. The board monitors management’s implementation of the strategic plan on a regular basis.
7. The board receives education on strategic, external and internal environmental issues and trends at least once a year.
### Section II: Quality Oversight: Monitoring Service, Safety and Quality

10. The board is well-informed about the quality of care and patient safety provided by Jefferson Healthcare.

11. The board is well-informed about the activities of the Executive Quality Council and the level of service provided by Jefferson Healthcare.

12. The board oversees setting annual goals for the organization’s performance on quality and service.

13. The board receives adequate information regarding quality improvement programs undertaken at Jefferson Healthcare.

14. The board demands corrective action in response to under-performance on the quality and service goals.

15. All board members receive education at least once a year on the Board’s responsibilities for quality oversight and/or Jefferson Healthcare’s quality metrics.

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<tr>
<th></th>
<th>2021</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
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<tbody>
<tr>
<td>10.</td>
<td>4.60</td>
<td>4.60</td>
<td>4.20</td>
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<tr>
<td>11.</td>
<td>3.75</td>
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<td>12.</td>
<td>3.80</td>
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<td>13.</td>
<td>4.60</td>
<td>4.20</td>
<td>3.80</td>
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<td>14.</td>
<td>4.00</td>
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<td>15.</td>
<td>4.00</td>
<td>4.00</td>
<td>4.20</td>
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#### 16. Do you believe a high performing board is linked to a high performing organization?
- **Yes (x5)**
- It begins at the top and works down. Board members must be role models in order to be effective leaders.

#### 17. Section II Comments:
- I don't think the board demands corrective action for under performance on quality and service, but it’s understood that we expect it.
- We provide excellent quality care according to the reports and most of what I hear in the community. That said, we don't ever really discuss our role in oversight, even though the Washington State Hospital Association (WSHA) handbook says it is our primary job. Although we get plenty of quality reports, I don't know if they are specifically about activities of the Executive Quality Council, and I'm not sure what "level of service" means.
- Our Executive Quality Council board members did not participate in meetings due to COVID.
Section III: Legal and Regulatory Oversight: Ensuring Organizational Integrity

25. Section III Comments:

- I’m not sure ALL board members adhere to the policies and procedures in the Board Book or adhere to their duty of loyalty to the organization.
- As I mentioned regarding strategic planning, we are not as involved as we should be. We don't get input from the community as much as would be helpful. We don't really study data regarding what services folks get elsewhere or discuss what else the community might need from us. That said, we do have an excellent population health staff and do get some reports from them but as a board don't really engage in discussions on this.
- Some board members have concerns regarding duties of loyalty, care, and oath of office.
- Most members support board decisions. There is some disagreement on whether or not board members should be true to their constituents vs. the organization if there is a conflict.
### Section IV: Finance and Audit Oversight: Following the Money

#### 26. The board establishes realistic financial goals and objectives for the organization.

#### 27. The board monitors the organization’s financial performance compared to its plans and relevant industry benchmarks.

#### 28. The board demands corrective action in response to under-performance on the financial and capital plans.

#### 29. The full board is adequately informed of the organization’s current financial position.

#### 30. The board members responsible for audit oversight meet with the external auditors, without management present, at least annually.

#### 31. The full board is knowledgeable about the organization’s audit and compliance performance.

---

#### 32. Section IV Comments:

- It is really the CEO who establishes the financial goals and objectives, of course with board oversight.
- We have excellent communication with our CEO and CFO. Their financial reports are thorough and easy to understand. Any questions we have concerning the budget are addressed completely, and they are proactive in alerting us to trends, both positive and negative. When presenting a challenge, they include a solution.
Section V: Management Oversight: Enhancing Board-Executive Relations

<table>
<thead>
<tr>
<th>33. All board members respect the distinction between the role of the board and the role of management.</th>
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<td>2021: 2.50</td>
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<tr>
<th>34. The board currently has a productive working relationship with the CEO.</th>
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<td>2021: 3.80</td>
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<tr>
<th>35. All board members ask appropriately challenging questions of the CEO and senior management.</th>
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<td>2021: 3.80</td>
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<tr>
<th>36. There is a clear process in place for setting the CEO’s annual goals.</th>
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<td>2021: 3.20</td>
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<tr>
<th>37. The full board participates in the annual evaluation and review of the CEO’s performance.</th>
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<tr>
<td>2021: 3.60</td>
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<th>38. The full board approves all elements of the CEO’s compensation.</th>
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<td>2021: 3.00</td>
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<tr>
<th>39. Individual board members invest time between board meetings to keep current and assist the CEO and other board members, as requested.</th>
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<tr>
<td>2021: 3.67</td>
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### 40. Section V Comments:
- I don't know what other board members do regarding keeping current and assisting the CEO and other board members. (x2)
- The majority of the board has a good relationship with the CEO, however there is room for improvement.
- Specific areas of disagreement have severely damaged relationships and trust among board members and with the CEO.
- At times we struggle with the fine line between policy and operations. We do strive to correct course when that happens. Members vary in their productive relationships with other members and the CEO. The majority work well together.
Section VI: Board Effectiveness: Optimizing Board Functioning

41. The board has set written expectations of its members regarding attendance, committee service, etc.

42. The board meeting frequency and duration are appropriate.

43. The board chair runs board meetings effectively.

44. The board has an effective orientation program in place for all new board members.

45. All board members come to meetings well prepared to discuss agenda items.

46. The board members receive materials with sufficient time for review.
Section VI: Board Effectiveness: Optimizing Board Functioning (Continued)

Questions 50 and 52 were new to the survey as of 2019

47. All board members display professional courtesy and respect when interacting with other board members.

48. All board members feel comfortable voicing opinions of concern regardless of how sensitive the issue may be.

49. The board has in place sufficient written board-level policies and procedures (Board book).

50. The current practices of the board are consistent with the Board of Commissioners policies.

51. The board has a formal plan for ongoing board education.

52. The board exhibits a culture of cooperation and shared goals.
53. Do you believe this is a high performing board?
- I feel it is mostly a high performing board.
- It’s medium.
- Getting there.
- We could do much better, so no. We are working on it.

54. In your perspective, please comment on whether the board members consistently act on their commitments made relative to board effectiveness.
- I feel mostly high performing fiduciary board, a medium performing strategic board, and a low performing generative board.
- I think we are a high performing fiduciary board, a medium performing strategic board, and a low performing generative board.

55. Which educational topics would you like to see the board receive information on in the coming year? Please list three.
- What we can do to get the reports we need and take more time for substantive discussions.
- I am not familiar with the Board of Commissioners Policies, so that might be nice to review.
- Innovative and viable potential services for our community members (dependent on top line success).

56. Section VI Comments:
- We need to develop a formal onboarding plan.
- We still have philosophical differences, some that will undoubtedly remain, and I am hopeful we will learn to collaborate while respecting those differences. I strongly believe the will is there; we just have to find the right path.
- I feel that the board functionality has improved significantly over the past couple of years; however, the board continues to have an outlier.

57. Please include any additional comments you may have below.
- We generally have a great working relationship, but I would love to explore ways we can be a bit more creative as a board and connect more with the community. The pandemic has put quite a strain on our finances and on the staff. Whatever we as a board take on that is more educational and/or creative, we need to make sure it does not further burden the staff, especially Mike Glenn.
- Looking forward to the retreats we have planned.
Highest Rated Statements across All Sections

27. The board monitors the organization’s financial performance compared to its plans and relevant industry benchmarks.

31. The full board is knowledgeable about the organization’s audit and compliance performance.

30. The board members responsible for audit oversight meet with the external auditors, without management present, at least annually.

Statements with Largest Improvement between 2019 and 2021 across All Sections

14. The board demands corrective action in response to under-performance on the quality and service goals.

33. All board members respect the distinction between the role of the board and the role of management.

13. The board receives adequate information regarding quality improvement programs undertaken at Jefferson Healthcare.
Lowest Rated Statements across All Sections

20. All members adhere to their duty of loyalty to the organization ahead of the interests of any particular constituency group.
   
44. The board has an effective orientation program in place for all new board members.

51. The board has a formal plan for on-going board education.

19. All board members adhere to the policies and procedures included in the Jefferson Board Book.

Statements with Largest Decline between 2019 and 2021 across All Sections

3. The Board uses the Mission statement to guide its decision-making.

6. The board monitors management’s implementation of the strategic plan on a regular basis.

42. The board meeting frequency and duration are appropriate.

51. The board has a formal plan for on-going board education.
Interviews Summary

Introduction

As important preparatory work to the 2022 Jefferson Board workshop—in addition to board self-assessments—individual interviews were conducted with four of the five commissioners and Mike Glenn, Jefferson CEO. The objective of the interviews was to gain input and feedback on the performance of the board and those areas of governance that represent strengths or areas of opportunity. Specific information was sought regarding the impact of the pandemic and how those challenges impacted board functions and working relationships. The following is a summary of the common themes that emerged.

These questions were asked during the interviews:

**How effective do you think the board is currently at carrying out its responsibilities as you understand them? Why do you think this? How does the board’s current effectiveness compare to how effective it has been in the past?**

The consensus of all members is that the board is performing even more effectively in the past year than it has prior to the past year. The relationships among and between the commissioners and the CEO have improved with more collaboration and less focus on individual interests. Board members share an opinion that, as challenging as the pandemic is, it has served to create a strong focus on the critical nature of the work that needs to be completed and supported. Board members worked hard to put differences aside and navigate through those extraordinary challenges. Individual relationships that have, in the past, been strained seem to have improved. The pandemic required the board to singularly focus on serving the community, allowing less important issues to be set aside.

**What are the things the board is doing well and should keep doing? What things should the board consider changing to improve its effectiveness?**

There is consensus that most of the individual members continue to be respectful and understanding of how the interpersonal relationships matter for overall board effectiveness. There is general agreement that a collegial boardroom can significantly impact the board’s ability to function effectively. While much has been gained in this area, there is still opportunity for further development in a couple of relationships and resolution of issues.

Several commissioners mentioned that they believe regular generative governance discussions may be able to help the board maintain focus on areas that truly can help the organization and community to be successful. There is belief that a shift to identified areas of community need may help the board to focus on governance and appropriately delegate the organization’s management and operations to Mike Glenn and his team.

The video platform used during Covid helped to keep the members focused and engaged. Though all members missed the opportunity to participate in face-to-face meetings, there were unanticipated benefits of the virtual platform that may support a future hybrid model or, minimally, an analysis of what can be retained from those sessions that can be used to keep the board engaged. The members discussed considering some of the elements of remote meetings that they might benefit them once they return to face-to-face meetings.

**In what ways did the board perform at its best, and how was it most challenged during the COVID pandemic?**

The video platform has been helpful because the physical separation and focused nature of the work created separation and prioritization of the board’s work. Meetings have been held one time per month over the past year. Members report those meetings have been long, and there is a desire to see them shortened if possible. There is some support for continuing the practice of monthly board meetings.

The community really collaborated in supporting the hospital during the crisis of the pandemic. Staff and the board volunteered to work the parking lot for people to get their drive-through vaccinations. The organization set up drive-through testing and a central command and kept an eye on costs and managed
those they could. The results created a board more functional than it was pre-pandemic. The hospital also worked well with the Department of Health to perform contact tracing. There were also new initiatives developed during the pandemic, including the work around health equity, for example. One issue that some members now find challenging is that there is no 1:1 interaction with staff to let them know how much they are appreciated. That interaction is missed.

Is there anything that I did not ask that I should have? Do you have any questions for me?

Members want to see the board continue to improve. Most appear extremely optimistic about the future and feel confidently that the board will continue to evolve.

In Conclusion

Via wishes to acknowledge the leaders of Jefferson Board and executive team for undertaking this important work and thank them for their willingness to engage and provide honest and thoughtful input into the process.

The information garnered from these interviews will be used to inform the agenda and proposed discussions at the January 2022 workshop. Thank you for taking the time to review these findings, and we look forward to engaging and enlightening conversations when we gather.

Appendix: Key Stakeholders Interviewed

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
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<tr>
<td>Marie Dressler</td>
<td>Commissioner</td>
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<tr>
<td>Dr. Kees Kolff</td>
<td>Commissioner</td>
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<tr>
<td>Bruce McComas</td>
<td>Commissioner</td>
</tr>
<tr>
<td>Jill Buhler Rienstra</td>
<td>Board Chair</td>
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<tr>
<td>Mike Glenn</td>
<td>Chief Executive Officer</td>
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Jefferson Healthcare
Board of Commissioners
Board Governance Workshop
February 16, 2022

Agenda

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<td>3:00 pm</td>
<td>Adjourn</td>
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Board Workshop Objectives

- Discuss Board Self-Assessment Results
- Continue to Advance Generative Governance at Jefferson
- Identify Next Steps and Board Goals for 2022 and Beyond

Every Meeting has...

Meeting Content
- Official purpose
- Formal rules
- Written agenda

Group Process
- Feelings and needs
- Informal leadership
- Group dynamics
- Decision-making involvement
- Interpersonal communications
Lower the Waterline

- Talk about how the process component is affecting decisions
- Be aware of the group dynamic influence
- Share concerns about possible decisions
- Speak openly about interpersonal communication breakdowns

Group Guidelines

- “Lower the water line” (discuss how group dynamics are impacting the discussion at hand)
- Be honest and kind
- Declare “Devil’s Advocate” (taking a position for argument’s sake, one that you may not believe)
- Avoid side conversations
- Be fully engaged (no smart phone gazing)
- Use modified consensus decision-making
- Ensure all actions are assigned
- Utilize a parking lot to keep discussion focused and moving forward
Board Self-Assessment

Background

- Board of Commissioners participated in a board self-assessment (BSA) in fall 2021.
- We now have multiyear comparison to BSA results gathered in:

  2017 2018 2019 2021

- Six areas of board responsibility covered by the survey were:
  1) Mission and Planning Oversight: Setting the Strategic Direction
  2) Quality Oversight: Monitoring Service, Safety, and Quality
  3) Legal and Regulatory Oversight: Ensuring Organizational Integrity
  4) Finance and Audit Oversight: Following the Money
  5) Management Oversight: Enhancing Board-Executive Relations
  6) Board Effectiveness: Optimizing Board Functioning
2021 BSA Highlights

Customized questionnaire, same used in previous years to enable comparison

45 close-ended questions across six areas of Board responsibility

Improvements across all six areas

Statements with Greatest Improvement between 2019 and 2021 across All Sections

14. The board demands corrective action in response to under-performance on the quality and service goals.

33. All board members respect the distinction between the role of the board and the role of management.

13. The board receives adequate information regarding quality improvement programs undertaken at Jefferson Healthcare.

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Highest Rated Statements Across All Sections

27. The board monitors the organization’s financial performance compared to its plans and relevant industry benchmarks.

31. The full board is knowledgeable about the organization’s audit and compliance performance.

30. The board members responsible for audit oversight meet with the external auditors, without management present, at least annually.

Lowest Rated Statements Across All Sections

20. All members adhere to their duty of loyalty to the organization ahead of the interests of any particular constituency group.

44. The board has an effective orientation program in place for all new board members.

51. The board has a formal plan for on-going board education.

19. All board members adhere to the policies and procedures included in the Jefferson Board Book.

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Overall Results

- All five commissioners participated in the online BSA survey, while four commissioners participated in individual phone interviews with the fifth commissioner submitting written responses.
- Overall, commissioners expressed a general consensus that the board has continued to improve its effectiveness.
- Commissioners expressed pride in Jefferson’s response to the COVID-19 pandemic and appreciated how the board and community came together to support Jefferson’s work and mission.
- Commissioners believed they had been able to continue the important work of the board with little disruption, despite the challenges of virtual meetings.

Break
Advance Practice Governance: Meeting Effectiveness

2021 Meeting Time Allocation (in minutes)

- Financial Report, 190 (24%)
- Breaks, 285 (16%)
- Community Engagement/Community Health Topics, 475 (15%)
- Quality Oversight, 580 (12%)
- Operations Oversight, 610 (7%)
- Board Business/Meeting Management, 942 (5%)

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2021 Meeting Time Allocation Categories

Board Business/Meeting Management
- Election of officers
- Review Board Book
- Review 2021 Calendar
- BSA
- Board of Health Report
- Letter to Legislation
- Agenda evaluation
- Call to order
- Minutes
- Required approvals
- Meeting evaluation
- Wrap up

Operations Oversight
- Administrative Report
- Compliance Report
- Team, Employee & Provider of the Quarter
- Executive Session
- 2022 Budget
- Master Site Plan

Financial Oversight

Board Education
- Board Governance Education
- Board Education Topic

Quality Oversight
- Quality Report
- Patient Story
- CMO Report
- Patient Advocate report
- Patient Safety/Quality and Core Frameworks
- Infection Control

Community Engagement/Community Health Topics
- Generative Governance
- Resolutions
- Contemporary Issues Update
- Recognition of Native Land
- Community Forum

Breaks
- Break
- Breakfast
- Lunch

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**Dealing with Uncertainty**

- Stay positive
- Know what you know—and what you don’t
- Embrace that which you can’t control
- Focus on what matters
- Don’t seek perfection nor dwell on problems
- Know when to trust your gut
- Have contingency plans
- When all else fails, breathe

*Adapted from World Economic Forum article by Travis Bradberry, author of Emotional Intelligence 2.0*
Risk Takes Many Forms

- Marketplace risks
- Operational risks
- Financial risks
- Governance risks
- Unmanageable risks

Managing Risk and Your Fiduciary Duties

<table>
<thead>
<tr>
<th>CARE</th>
<th>OBEEDIENCE</th>
<th>LOYALTY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duty of Care requires directors apprise themselves of all reasonably available information before taking action and act with attentiveness and care appropriate under the circumstances.</td>
<td>Duty of Obedience requires directors be faithful to the charitable purposes and goals of the nonprofit corporation as set forth in the governing documents. It presumes that the mission of the corporation and the means to achieve it are inseparable.</td>
<td>Duty of Loyalty requires directors to discharge their duties unselfishly, in a manner designed to benefit only the corporate enterprise and not the directors personally. It incorporates a duty to disclose potential conflicts and a duty to avoid competition with the corporation.</td>
</tr>
</tbody>
</table>

Source: Michael Peregrine, McDermott Will & Emery
Three Important Truths

1. Good decisions can be made with imperfect information
2. What you know today is very different from what you are likely to know tomorrow
3. You will never know all that you’d like to know to be confident in all decisions

“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
Critical Questions a Board Should be Asking

“The art of proposing a question must be held of higher value than solving it.”
– Georg Cantor

What’s a Board to Do?

- Get Comfortable with Being Uncomfortable
- Stop the Infighting
- Question Assumptions
- Keep Your Eye on the Right Metrics
- Look Beyond Traditional Competencies When Recruiting
- Engage in Continuous Learning
Lunch Break

Discussion: Generative Governance
Why are we exploring generative governance?

• Nonprofit executives and managers are sophisticated professionals and assume leadership roles, so what should the board be focused on?
• Some boards act like managers and have assumed an operational focus and are still recruiting to support operational needs (accountants, government relations, fundraisers)
• Increasing complexity requires leaders to think and work effectively and concurrently in multiple modes: as managers, entrepreneurs, politicians, visionaries, analysts, culture makers…

Common Board Challenges

• Disengaged board
• Sense of rubber-stamping
• Need for more constructive communication
• Lack of role clarity
High-Performing Boards Use More Than One Lens to View Their Work

<table>
<thead>
<tr>
<th>Fiduciary</th>
<th>Strategic</th>
<th>Generative</th>
</tr>
</thead>
<tbody>
<tr>
<td>What it is</td>
<td>Duty of care, loyalty and obedience, financial and asset stewardship, oversight, compliance, accountability, risk management, set policy</td>
<td>Approve goals and priorities, monitor progress and performance</td>
</tr>
<tr>
<td>Core work</td>
<td>Technical – ensures accountability</td>
<td>Analytical – shapes strategy, review performance</td>
</tr>
<tr>
<td>Key questions</td>
<td>What's working and what's not?</td>
<td>What's the plan?</td>
</tr>
<tr>
<td>Way of deciding</td>
<td>Reaching resolution</td>
<td>Reaching consensus</td>
</tr>
<tr>
<td>Performance metrics</td>
<td>Facts, figures, finances, reports</td>
<td>Strategic indicators, competitive analysis</td>
</tr>
</tbody>
</table>


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FIDUCIARY: The Sentinel

Is everything in order?

Purpose:

- Ensure resources are deployed effectively and efficiently;
- Safeguard and protect mission against drift;
- Ensure trustees operate solely in best interests of organization;
- Ethical, legal, policies, oversight of finances, facilities, executive and board performance, compliance, program fit, accountability.

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STRATEGIC: The Strategist

- Attention shifts from inside to outside – external influences and environment considered
- Details how an organization expects to move from current circumstances to a preferred state
- What drives strategy before strategic planning starts

GENERATIVE: The Sense-maker

What is the question?

What does it mean?

What frame are we using to describe the problem?
What is Generative Thinking?

- Frames questions
- Addresses the biggest challenges
- Is key to understanding and responding to paradigm shifts
- Keeps focus, decision-making on the purpose, mission
- Can be most challenging, and most rewarding

Move Past Traditional Barriers to Critical Thinking

- Encourage board members to ask questions instead of making statements. During deliberation, break the board up into smaller groups and ask each to discuss different solutions.
- Ask board members to play devil’s advocate. Approaching a question from a different perspective could shed light on incorrect assumptions.
- Before discussing an issue, have board members write down the most important question they think should be considered. After doing so, anonymously read the responses and tally all similar questions.
- Think about how decisions are made instead of the final conclusion. Consciously frame discussions. Labelling something an opportunity rather than a problem can influence how it is discussed and perceived. Continually question how an issue is framed, even during deliberation.

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Questions for Framing Generative Governance as Part of the Board’s Work

- How do we work at the boundary (internally and externally) to increase our exposure to cues and clues about our organization and our environment?
- What was the most important problem we tackled in the past year?
- What was the most important lesson we learned in the process?
- What should be atop the board’s agenda next year?
- What are we overlooking at the organization’s peril?
- What is the most valuable step we could take to be a better board?

Generative Questions when Discussing Specific Topics

- Questioning should be open-ended, focused on long-term considerations, and related to the organization’s mission and goals. Questions with “why” and “how” probe at assumptions and generate new insights. Sample questions shown below.

- Why are we considering this issue?
- What is the best possible outcome?
- How do we see the situation differently?
- What is the worst-case scenario?
- How do you make sense of this?
- How can we approach this issue differently?
- Why does this issue exist or persist?
- What are the next questions that we should discuss?
Generative Governance Discussion
Topics for 2022

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1. Master Plan funding possibilities (5)
2. Childcare (4)
3. Potential added services (3)
4. Workforce expansion (3)
5. Affordable workforce housing (3)
6. Legislative Advocacy (2)
7. Education (2)
8. Wellness and Aquatic Center (2)
9. Global climate change implications and local mitigation (2)
10. Improved internet service (1)
11. Organizational collaborations (1)
12. Community health improvement efforts i.e., CHIP (1)
13. Explore private/public partnerships for innovation (1)
14. Transportation issues for vulnerable population (1)
15. Dietary food service for employees (home use) (1)
16. Expanded community outreach (1)
17. Anchor institution (1)
18. Economic factors in Jefferson County (1)
19. Hadlock Sewer (1)
20. Ongoing/new pandemics (1)
21. Generating own electricity (1)
22. Food production (1)

(Number in parenthesis indicates number of votes for topic)
Action Planning for 2022 and Beyond

Closing Comments
Understanding Generative Governance*
Sample Worksheet

As the governing body of the hospital, the board of directors is entrusted by the community to be stewards of the care services the hospital provides. The board is responsible for developing and reviewing the hospital’s mission and strategy, establishing long-term goals and policies, and overseeing execution of plans and adherence to the mission. “Doing” governance well is undoubtedly complex. But a board’s effectiveness can increase as trustees understand and become proficient in three distinct modes of governance—fiduciary, strategic, and generative.

Each mode serves an important purpose. Fiduciary is oversight and compliance. Strategic is directional and goal setting. Generative is both retrospective and forward-thinking; it is how boards make sense of the issues they are about to address, considering the priorities of the organization and the preferred future state. With generative governance, boards work to understand the “it” before trying to solve “it.”

When is the Board in Generative Mode?
The board is in the generative mode when it asks questions and enters into deep discussion. Generative governance gives shape and recognition to the soul of the organization and, effectively, generates the work of the other two modes. Before an organization develops strategies or solves problems, it must first make sense or meaning of itself and its universe. The generative mode is both forward-thinking and retrospective.

Key questions include:

- What does the organization represent and why?
- What is the greater purpose?
- Where was the organization, where is it, and where do we want it to go?

Answers should not come easily, but reached through vigorous, ongoing discussion.

How Should the Board Approach Discussion and Questioning in Generative Governance Mode?
Questioning should be open-ended, focused on long-term considerations, and related to the organization’s mission and goals. Questions with “why” and “how” probe at assumptions and generate new insights. Sample questions shown below.

- Why are we considering this issue?
- How can we see the situation differently?
- How do you make sense of this?
- Why does this issue exist or persist?
- What is the best possible outcome?
- What is the worst-case scenario?
- How can we approach this issue differently?
- What are the next questions that we should discuss?

Do your board members seem disinterested during meetings? Do your discussions regularly stall? It could be because your board is not being asked to think critically. A board should be a strategic tool for an organization, identifying innovative solutions to advance its mission and support the community served. Too often, however, that is not the case.

For boards looking to take their performance to the next level, generative governance could be the answer. Generative governance moves past mundane tasks like reporting and rubber-stamping proposals. It provides an opportunity for boards to deepen their analysis and focus on more abstract concepts in order to be better able to adapt to a changing environment.

THREE MINDSETS

Three key mindsets, each building on the previous, create a strong foundation for generative governance. Boards often need to start with the most basic, fiduciary oversight, and build over time and conscious effort towards generative insight.

1. **Fiduciary oversight:** Comprising many different financial aspects, fiduciary oversight requires the board to review and approve budgets, establish monetary policies, ensure adequate reserves, and enhance the organization’s reputation by promoting transparency and avoiding unnecessary risk.

2. **Strategic oversight:** The board must work with the chief executive and other leaders to set a direction and define the organization’s goals. The emphasis is on the partnership between the board and organizational staff—board members should be engaging as a strategic partner in developing and evaluating the organization’s direction, not simply reacting to proposals from the chief executive.

3. **Generative insight:** Along with the chief executive, the board must use generative insight to analyze problems and tackle ambiguous situations, which helps shape the organization’s strategies and decisions. When providing insight and understanding about key issues or questions, generative insight requires that the board have a strong understanding of the organization’s identity in order to tailor their solutions to the organization’s goals and values.

Generative insight is often the most difficult mindset for boards to master, and can require them to step out of their comfort zones as organizational stewards. However, combining strong foundations in each of the three mindsets allows the board to achieve a higher level of leadership and governance.
Adopting the third mindset
Oftentimes, board members can be so comfortable with fiduciary oversight that it is difficult to grasp the concepts inherent to generative insight. A few key tactics can help board members adopt a new mode of governance

• **Clearly define generative insight.** If board members don’t fully understand what generative insight is, how will they be able to put it into practice? Allow elongated discussions about what generative governance is, how it can impact the board and organization, and why board members may be struggling to understand or embrace the change.

• **Practice all three types of governance.** Being able to define and consciously think in each of the three mindsets will help board members identify what distinguishes generative governance and how they need to change their ways of approaching conversations.

• **Recognize that using all three mindsets takes time.** Introducing generative governance to a board will not happen overnight. It takes a commitment from all board members, an understanding of what generative insight is and how to use it in the boardroom, and practice. The board chair and chief executive must ensure board members do not get frustrated, instead opening up discussion about specific challenges and inviting questions and comments.

FOUNDATION OF GENERATIVE GOVERNANCE
In order to embrace a new mode of governance, board members must be prepared to engage on a different level than they did previously. Generative governance requires board members to analyze and discuss issues from a macro lens. This requires preparing for board meetings and asking different — and better — questions. Instead of focusing on the immediate, short-term considerations — such as whether or not the budget is balanced — the board should think deeper, instead asking about whether the budget reflects organizational priorities and advances the mission.

Restructuring board meetings
One major piece of the board’s operating procedures that will likely need to change when transitioning to a generative mode of governance is the way board meetings are structured. Board members must feel that they have the time and resources for critical thinking and debate.

**Consent Agenda**
If the board has not already adopted a consent agenda, it should. Many boards spend the majority of their meetings reviewing reports and approving new projects, leaving little time for critical thinking. Removing the amount of time spent rubber-stamping similar issues at the beginning of each board meeting allows for more time for discussion of bigger-picture issues.

**Meeting Agenda**
The organization’s chief executive and board chair should work together on the meeting agenda to ensure enough time is built in for board members to thoroughly discuss and analyze critical issues. Additionally, the most important issues should be discussed first and any related items should be placed together in case information from one item informs the other.

When first introducing generative governance, the chief executive and the board chair may struggle with formulating the right questions to encourage generative discussions. Starting with catalytic questions can help, but beyond that, questions should be open-ended, focus on long-term considerations, and relate to the organization’s mission and goals. Restructuring meetings to emphasize generative considerations requires a strong partnership between the chief executive and board chair, especially as it relates to stimulating discussion and encouraging the board to think critically.
USING GENERATIVE GOVERNANCE PRINCIPLES FOR BETTER BOARDROOM CONVERSATIONS

Pre-reading
When board members have not adequately prepared for meetings, too much time is spent reviewing documents and getting everyone up to speed. If the board is planning to discuss a newly proposed project or an issue impacting the community the organization serves, all board members should be given pre-reading well in advance of the board meeting to ensure they have time to digest the necessary information and come to the table prepared to share their opinions.

Board Composition
All boards have a number of different personalities and working styles, which can make deliberation and decision-making difficult. One of the most important steps in encouraging discussion is to ensure no one dominates the conversation. It’s important to hear from everyone in the room to stimulate discussion and eventually arrive at a better decision. Diversity on boards is a critical component of critical thinking — not just racial, ethnic, or gender diversity, but diversity of thinking styles and problem solving. Encouraging new ways of analyzing ideas and approaching big-picture questions helps deepen discussion.

MOVE PAST TRADITIONAL BARRIERS TO CRITICAL THINKING
Certain problems that plague many board meeting discussions can be especially problematic for boards practicing generative governance. To encourage robust discussion, all board members must feel comfortable speaking their minds, but must also question assumptions, decisions, and conclusions — even their own! — to ensure common deliberation issues do not impact boardroom discussions. Identifying barriers to critical thinking is the first step towards promoting effective conversations. The next is to take steps to minimize the effect of many of these impediments.

Barrier: Fear of being wrong or changing one’s opinion due to group consensus

Approach to mitigating: Encourage board members to ask questions instead of making statements. During deliberation, break the board up into smaller groups and ask each to discuss different solutions.

Barrier: Clarifying the difference between a “gut feeling” and information that a board member knows to be correct because of supporting data or testing

Approach to mitigating: Ask board members to play devil’s advocate. Approaching a question from a different perspective could shed light on incorrect assumptions.

Barrier: Wedding oneself to an initial assumption or conclusion or assuming everyone in the room agrees on a solution

Approach to mitigating: Before discussing an issue, have board members write down the most important question they think should be considered. After doing so, anonymously read the responses and tally all similar questions.

CRITICAL ITEMS FOR CHIEF EXECUTIVES
It’s not just the board that will be impacted by a new governance model. An organization’s chief executive must also be prepared for a change in boardroom dynamics. There are six critical things that effective chief executives must be able to do to:

• ensure that nothing is ‘undiscussable’ in the boardroom
• not think they have all the right answers or even all the right questions
• invite dissent
• share information, power, and leadership opportunities
• not shy away from questions from the board — understand governance is a partnership
• not be completely wedded to the past or too far out in front on the board
**Barrier:** Assuming board members always make rational decisions

**Approach to mitigating:** Think about how decisions are made instead of the final conclusion. Consciously frame discussions. Labelling something an opportunity rather than a problem can influence how it is discussed and perceived. Continually question how an issue is framed, even during deliberation.

Generative governance is not a one-size-fits-all solution. The board and organizational leaders much mutually decide to adopt a governance as leadership model and then identify the best way to move forward. If the board is not ready, it should not half-heartedly attempt to implement generative governance — a half-adopted model can be worse than none at all.

Successfully adopting a generative governance model, however, can lead to higher-level thinking, more engaging and effective board meetings, and a stronger organization.