

Hope Healthcare Governance Case Study

Background

Hope Healthcare is a small health system serving the local health needs of about 5,000 people in the community. Located in River County, Hopetown is about a two-hour drive from Big City, a major regional metropolis. While remaining independent, Hope Healthcare is a member of the Good Care Network and contracts with Good Care's flagship hospital for management services and physician staffing. The CEO is responsible to the Hope Healthcare Board, but is an employee of the Good Care Network.

Hope Healthcare is one of the largest employers in the community and the Board is a self-perpetuating board of nine members from the local community with the CEO and President of the Medical Staff as ex-officio members without vote. There are no term limits and four of the board members, including the chair, have been on the Board for over twenty-five years. The rest of the board members have been on the board for 3-5 years, with the newest member appointed just last year. A retired local dentist has served as the Chair for the past 18 years. Like many rural health care systems, Hope Healthcare struggles from year-to-year to maintain positive cashflow and a positive bottom line. Financially they are OK, but not great.

Discussion #1

Sharon is the newest board member and has been on the board for about a year and is the Principal of the local Middle School. In her late 30's, Sharon grew up in the area and moved back two years ago. When asked to be on the board, she was honored; her father had been a physician (now retired) and as a child she used to tag along with him on weekends when he made rounds at the hospital. But, her first year on the board has been uncomfortable. She was respectfully quiet during her first several board meetings, simply observing and trying to learn how things work and trying to understand all the new acronyms. But, board meetings have been just one standard management report after another with few questions by board members and no real discussion. And, there are no standing committees so board meetings are long. Certainly, not her expectations. When she tried to bring up complaints that she has heard in the community, she was told by the Chair, "Thank you sweetie, but we do not need to get into that here."

- What are your impressions of the Hope Healthcare Board?
- How might the Board improve its governance structure and processes?
- What might Sharon and other individual board members do differently?

Discussion #2

It is eight months later and it has been a difficult time for Hope Healthcare. The tragic death of a young adult due to a medication error hit the local newspaper and it opened the flood gates of social media to stories about poor patient quality and experience. It did not help when one physician left the community and wrote a letter-to-the-editor about his dissatisfaction. The State made surprise inspections and found a host of patient safety and quality issues and CMS has put the organization on notice as have the accrediting agencies. The Chair and CEO both decided that it was a good time for them to retire and they resigned, as did the Vice-Chair. The Board elected Sharon as the new Chair and the Good Care Network provided an interim CEO and started a search process. In her first meeting as Chair, Sharon announced that safety, quality and the patient experience need to be a focus of the Board and management. But, she is unsure of how to proceed.

- How might the Board organize to oversee progress on patient safety and quality issues?
- What questions should the Board ask?
- What data should the Board ask to routinely review?
- How might the Board participate in setting new safety and quality aims?
- What is the role of the medical staff?
- What is the role of the CEO?

Discussion #3

It is now 18 months later. The Board is engaged, as is the new CEO and the medical staff in improving safety, quality and the patient experience and the results show in the Board quality reports. Sharon and the new CEO have forged a strong, mutually respectful working relationship and many of the Board processes are smoother--there is much more engagement and discussion at Board meetings. The community is changing and growing with new residents seeking an affordable quality of life near, but not in Big City. The good news is that the clinic and other facilities are busier than ever and Hope Healthcare is in much better financial shape. Additional physicians are being recruited and a clinic and technology expansion is needed. At the same time, there are many growing health issues in the community including Opioid addiction, mental health issues with high rates of suicide and chronic health problems like diabetes and heart disease. Hope Healthcare needs a strategic plan. At the last Board meeting, Sharon and the CEO pitched a new mission/vision for the organization: ***"To improve the health and lives of the people we serve."*** A Board and Medical Staff Retreat has been scheduled in three months to discuss strategies and consider a new plan. Meanwhile, a strategic planning committee has been formed that includes board members, medical staff and management and the first meeting is scheduled for next week.

- What might be on the new committee's first agenda?
- How do you think the Board should approach the strategic planning process?
- What data do you think might be useful for the Board to consider?
- Whose job is it to run the strategic planning process?
- What level of engagement is required by the Board in the strategic planning process?