



Transforming Board Meetings Helps Heal a Hospital

by Lisa Perrine

When a hospital board does not function well, in spite of strong organizational values and well-meaning trustees, finding a cure seems daunting. In the last three years, St. Joseph Hospital, Orange, Calif., discovered that improving board meetings can bring tangible benefits to the whole organization.

St. Joseph trustees meet only 11 times a year for two hours to govern a hospital with 469 beds, 3,000 employees, 1,000 physicians, and the fourth-busiest emergency department in California. Three standing committees—finance, quality and strategic planning—meet monthly. The executive and compensation committees meet several times a year as needed, and the community benefit committee meets about five times a year.

Throughout the 1990s, managed care and physician integration made the board's job increasingly difficult and consequently, the complexion of board meetings began to change. Agendas became driven by educational sessions and staff reports. Tough discussions regarding acquisitions and contracting usually occurred in small committees, since physician trustees often had an expressed conflict of interest. Board dialogue dwindled, and behind-the-scenes decision-making further eroded trust between physician leaders and other board members.

Studies have found a correlation between the quality of hospital-physician relationships and a hospital's financial performance; and they have shown that trust, communication and participatory decisions have more of an impact on the bottom line than payer contracts. By 1999, these correlations were evident at St. Joseph, as deteriorating relationships with physician leaders affected operating margins at both the hospital and its affiliated medical foundation.

A turning point occurred in January 2000, when CEO Larry Ainsworth, Chief of Staff Ray Casciari, M.D., and the board chair agreed to hold a special retreat to look at the board's performance. Facilitated by a governance consultant,

this day-long meeting focused on redesigning the board's work together. Through dialogue, trustees acknowledged their own perspectives—and learned they must support all final board decisions in spite of personal conflicts. They spoke frankly of their frustrations with governance processes and discussed a number of things they would like to change. Most importantly, the group ended the day by creating and adopting ten new board meeting practices (see accompanying list, page 31).

The first practice—organizing every agenda around a limited number of board goals—required its own workshop to determine which goals would become the “vital few.” This workshop has become an annual event, where trustees distill up to seven focused goals from the hospital's comprehensive strategic plan. Board members and hospital executives meet in small groups to discuss those goals most critical to the organization's stakeholders and determine where the board can have the greatest impact. Continuing board self-improvement is also included as a goal.

The remaining nine meeting practices were implemented within two weeks and began to show immediate results. Today, dialogue between board members is more open, and trust has increased. Different trustee perspectives—physician leaders, Sisters of the sponsoring congregation, community members and administrators—are expressed openly and respected. Outside the boardroom, physician trustees and administrators present decisions with one voice and work together to create a true collaboration between the hospital and medical staff. Quality and patient satisfaction have increased at the same time hospital and medical foundation bottom lines have improved. It's no surprise that employee, physician and trustee satisfaction are also on the rise.

Recently, St. Joseph's trustees moved their board meetings to a renovated classroom in the original hospital building on campus, which now houses offices. This new environment, with its diamond-

MEETING PRACTICES FOR TRUSTEES

1. Organize every agenda around a limited number of board goals, and limit or eliminate items that aren't pertinent.
2. Target 80 percent of board dialogue to forward-looking issues, with only 20 percent focused on the past, and ask one trustee to measure/report the percentages of how time is spent at each meeting.
3. Minimize staff presentations by providing background information in the board packet, sent at least seven days in advance. Use board meetings for questions or clarification only.
4. Move board education topics to quarterly study sessions, allowing trustees to avoid repetitious topics, and preserving meeting time for dialogue.
5. Present issues requiring a vote only after trustees have been briefed and had time to discuss the issue.
6. Recognize that all trustees (except the chief of the medical staff) have a fiduciary duty to represent only the hospital's interests—not that of other organizations to which they might belong.
7. Agree to accept and support majority decisions of the board, and safeguard confidential information—or resign board membership.
8. Make executive committee meeting minutes available to all trustees.
9. Have trustees evaluate each board meeting before adjourning on a one-to-ten scale, and allow time for feedback.
10. Create a chart of monthly board decisions, and include progress on each action item to ensure accountability.

shaped table and well-designed acoustics, provides a perfect venue for open dialogue. The bright environment promotes good eye contact, and the large room encourages members to move about freely during meetings. When asked what he achieved as 2000/2001 chief of staff, Ray Casciari, M.D., said that helping to create this environment, as well as the tools for people to learn together, ranks among his proudest accomplishments. He and his fellow trustees have indeed healed their board, and set it on a road to continuing health. **T**

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