Health System Governance:
The Board Meeting Agenda

This article is Part 5 of our series on health system governance. Part 1 (August, 2007) gave an overview of practical approaches for effective governance, Part 2 (October, 2007) discussed board organization, Part 3 (December, 2007) addressed board culture, and Part 4 (February, 2008) dealt with the work of the board.

ONCE THE BOARD HAS CLARIFIED its role and responsibilities, set its goals, and determined what topics the board needs to address in order to fulfill its responsibilities and accomplish its goals, it is time to plan the board meeting. The meeting agenda frames the process by which the board completes its work. Defining the process and carrying it out in an effective and efficient manner is critical. It requires a systematic and disciplined approach. The following are some helpful steps for developing the board meeting agenda.

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Step 1. Pre-Agenda Planning

How does the board convert its responsibilities and annual board goals into topics to be addressed on the board agenda? Four practices are helpful in this regard:

Work plan and timeline: As noted in part four of this series, action items in support of the board goals should be developed and documented in a work plan and timeline. This tool can be used to monitor the board's performance, but it is also used to ensure that the necessary action items are placed on the board agenda in a timely and staged manner throughout the year.

Planning calendar: A planning calendar is helpful in scheduling agenda items. A two-year calendar is ideal. It should identify corporate, mission, strategic, financial, education, and other key responsibility areas in which the board is required to take action. The calendar serves as a reminder of board actions that need to be taken at various times of the year and prompts the setting of those action items on the meeting agenda.
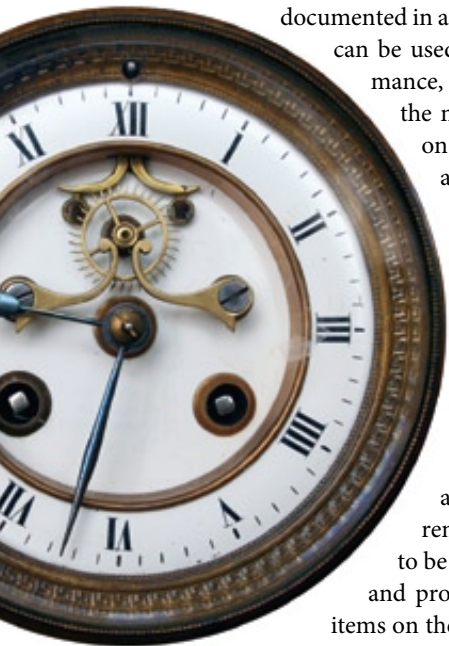
Future agenda items: From the above documents, the person responsible for initiating a draft of the agenda should develop a short list of agenda items that are scheduled to be on the agenda of the next board meeting. This list is included in the board packet for review and comment and presented one full meeting before the items are to appear. This gives the board members an opportunity review upcoming meeting topics and add topics to the agenda.

Management: Finally, the setting of the board agenda is a fluid process and needs to allow flexibility for adding topics deemed necessary by management. At least 30 days in advance of the meeting, ask management if there are any topics or projects in their area of responsibility that need to be added to the agenda.

Step 2. Preparation of the Agenda

As noted in part two of this series, health systems should designate an executive-level person responsible for the governance function. That individual (a chief governance officer, general counsel, or similar position) should have the primary responsibility for preparing the initial draft of the board agenda. The agenda should be finalized with the CEO and board chair.

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Step 3. The Agenda

The following considerations will have a significant impact on the efficiency and effectiveness of the board meeting:

Consent agenda: In the Governance Institute's 2007 survey of hospitals and healthcare systems,[1] it is reported that 64 percent of healthcare systems use a consent agenda. The real key is *how* systems use the consent agenda. It should be used generously to deal with multiple topics, including the approval of minutes; routine corporate actions; approval of amendments to governing documents; appointment of board members, board officers, and committee members; approval of non-controversial projects; approval of actions recommended by board committees; and other routine matters. At the beginning of this agenda item, the chair should ask if any board member wants to remove an item from the consent agenda and place it on the regular agenda. Following finalization of the consent agenda, only one resolution is necessary to take action on all items in the consent agenda. This practice can save valuable board meeting time.

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1   *Boards x 4: Governance Structures and Practices.* To obtain a copy of the report, visit www.governanceinstitute.com.

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Content and allocation of time: While the items identified in Step 1 will drive which topics will be placed on the agenda, the more significant issue is how the board allocates the time for each agenda item. The way in which the board deals with this consideration is the most important key to whether the board will be efficient and effective, whether board members will feel that they have a real purpose in serving on the board, and whether the board has sufficient time on the agenda to get beyond its fiduciary responsibilities so that it can be engaged in strategic and generative modes of governance. Resolution of this consideration largely depends on how the board deals with management and committee reports and presentations.

There is no question that a governance best practice is to spend less of a board member's time listening to reports and more time engaged in interactive discussions around strategy, policy, and other focus items. Based on the Governance Institute's 2007 survey, system boards report that they still spend 46 percent of their time, nearly half of the board meeting, receiving reports from management and committees and less than 40 percent of their time discussing strategy and policy. While it remains important to the board's oversight role that it receive management and committee reports, the following recommendations can free up valuable time for discussion topics where board member input is sought and valued:

- Post management and committee reports on the board Web site for ease of access and review prior to the meeting. These reports do not need to be included in the board packet in hard copy.
- Committee chairs should provide a brief verbal report at the meeting on any item for which board input or action is sought; they should be otherwise available to answer questions.
- The CEO and other senior executives should highlight only items of importance from their reports, provide any significant updates to the report, and be available to answer questions.
- Accompany all management reports with a one- to two-page agenda item summary with a brief background of the topic, an executive summary, dialogue questions for board discussion, and input and action requested.

By making these changes, the board of Ascension Health now devotes approximately 75 percent of its time to a deep discussion of strategy and other focus items, and only 25 percent of its time to the consent agenda and committee and management reports.[2]

Action items: Place action items earlier on the agenda while the energy level is high. Don't place a complex or highly controversial project at the end of the agenda.

Governance assessment and development: Allow time on the agenda for topics scheduled throughout the year such as board goals, governance best practices, board and board chair evaluation, board and board officer succession planning, and board education.

Meeting assessment: Take a few minutes near the end of the meeting to assess the meeting. Inquiries could include whether the topics and discussion furthered the mission of the organization, whether the meeting could have been more effective, and whether there were questions a board member wanted to ask but did not.

Executive session: Finally, an executive session of the board is frequently the last agenda item. The executive session allows board members to ask questions and discuss topics that they did not feel comfortable asking before a broader group. It is very important that there be a clear understanding of how an executive session will be used and who should be excluded. Some obvious purposes of an executive session include CEO evaluation, CEO compensation, and unusual or highly sensitive matters. Practices vary on who should be excluded from the session. Some take the position that by excluding the CEO, for example, it promotes open and candid discussion and builds cohesiveness among board members. Others question what such a practice says about the relationship between the board, chair, and CEO if comments cannot be said in front of the CEO. The board chair and CEO must first establish a strong relationship based on open and candid dialogue and total transparency. The chair and CEO should meet frequently to discuss their respective concerns. Board members should likewise be encouraged to be open and candid with the chair and CEO. If the board has a good culture and a strong chair–CEO relationship, except for the topics enumerated above (CEO evaluation, CEO compensation, and unusual or sensitive matters involving the CEO), there should not be many instances where the CEO needs to be excluded from the executive session. The executive session can be a regular agenda item; senior management should be excluded. The CEO should be present for the discussion except for the last few minutes, when the CEO could be excused to give members an opportunity to raise matters they were not comfortable raising in front of the CEO. Following the meeting, the chair should meet with the CEO and discuss matters that were dealt with in the CEO's absence.

A rigorous application of these steps will ensure that the board fulfills its responsibilities and accomplishes its goals, but more importantly, it will free up valuable time on the agenda for strategy and policy discussions in which the gifts and talents of the board members can be put to best use.

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2   See also the 80/20 board rule adopted by Trinity Health and reported in the March 2007 issue of *Trustee*.