

Public Hospitals Can Function Unhindered



Effective hospital governance has long been a challenge for many public hospitals, most of which have no control over who is appointed to their boards. Public hospital boards must work with those appointed (who may or may not have the skills and experience needed to govern a hospital or health system) to create an effective, high-performing board. Some public hospitals have found unique and effective ways of working with such a system over which they have little or no control.



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individuals who are recommended by the board of directors, rather than friends, business partners, or family members.

When I became CEO of Hendricks County Hospital in 1974—12 years after it opened—it employed 200 people. Today, the hospital is the flagship of Hendricks Regional Health, a public health system with 1,700 employees located in five facilities throughout Hendricks County, just west of Indianapolis.

Public hospitals deal with unique challenges. Open communication with our county commissioners throughout the year has helped them understand that our board represents the hospital as a viable asset.

HENDRICKS REGIONAL HEALTH ASSETS ARE OWNED BY Hendricks County, which is governed by three county commissioners who are responsible for appointing members to the Hendricks Regional Health five-member board of trustees. Commissioners, by county law, can make appointments to the board by choice; the only condition is the appointee must be a resident of Hendricks County.

Building Relationships

We have worked diligently to develop an open working relationship between commissioners, the board, and management, which has been fostered over the past 35 years. As a result, the commissioners trust board members and the management team, and thus trust their recommendations. So in our experience, the county commissioners usually appoint

The relationship between commissioners, Hendricks Regional Health trustees, and management is built on all parties understanding their roles and open communication. It has been this way during my tenure as CEO, and this method has proven to be effective, allowing the board to operate as if it were running a private, non-profit hospital.

The board of trustees has total responsibility for the public health system, including quality of care and appointment of the medical staff. Although board members are appointed by publicly elected officials in an open forum, board members are not required to seek input from county commissioners or provide them with information on any hospital issue. The only requirement is that the board submits to commissioners three names to recommend when a trustee comes up for reappointment or if

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there is a vacancy. A list of people whom myself and the board believe would make good board members is kept on file at the hospital. And like many private hospitals, we list the names by area of expertise and where the individuals live. In addition to striving for diversity in skills and experience, a good geographic mix of the board is important.

Transparency with Commissioners and the Community

Over the years, we established this open relationship between commissioners, trustees, and management by encouraging each group to interact in three ways.

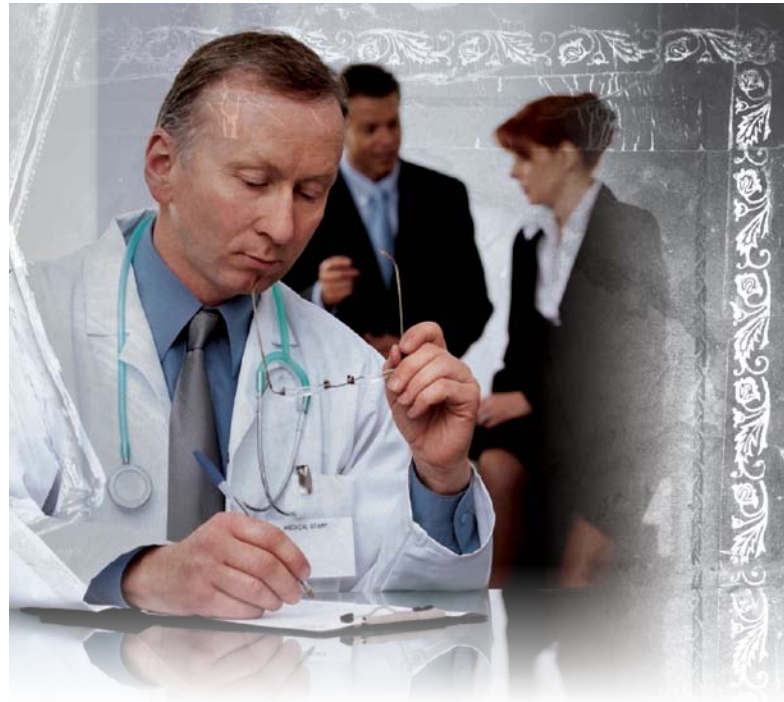
First, commissioners are invited twice per year to attend our board meetings, where a full report of hospital operations and future plans are presented. During this time commissioners may ask questions of the board and management. The semi-annual meetings aren't mandatory, but they serve as an effective way to keep commissioners informed of the hospital's activities.

The second method of communication is less formal than the first: the board chairperson and commissioners periodically touch base over the phone. The calls are an added touch to involve the commissioners in hospital activity and provide another opportunity to ask questions.

Finally, each month we send county commissioners the minutes and financial reports of each board meeting (this includes our balance sheet and profit and loss statements).

These methods of open communication have worked well. In the past, commissioners wanted to appoint a board member whom the board and management didn't believe was the best candidate. As is required of the board, it submitted three names for commissioners to consider. Instead

of commissioners holding their ground (and by law, their right) to appoint their own candidate, they agreed with the board's suggestion of interviewing the candidates, a step not usually taken in the process. The commissioners' candidate and the three suggested by the board were interviewed, and a summary of the interview process was given to the commissioners. Upon review, the commissioners decided to appoint the board's recommendation.



Interviewing prospective board members thus became an occasional part of the appointment process. An interview isn't always necessary, but it's an effective method to determine whether the candidates will connect with the other board members. In addition, the candidates will learn what is required of them prior to being appointed to the board, as most of our candidates don't know what it means to be a board member. During the interview, they are provided with material about the hospital to prepare and acquaint them with hospital functions and board responsibilities.

Another positive result of our communication with county commissioners is that the county officials no longer use the board for political purposes (e.g., to hire relatives and friends). If commissioners—or even trustees—ask the organization to hire someone, his or her qualifications will be reviewed along with other potential employees. No preferential treatment is given, and this point is fully understood by all involved.

Public hospitals deal with unique challenges. Open communication with our county commissioners throughout the year has helped them understand that our board represents the hospital as a viable asset. With this kind of relationship, commissioners have no reason to encumber the board's function, and one of the major challenges of public hospital governance has been effectively mitigated.

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