Public Hospital Governance Challenges Represent Opportunities for High Performance

BY ELAINE ZABLOCKI, NATIONAL RESEARCH CORPORATION

Public hospitals take many forms. They may be city- or county-owned, or they may be district authority hospitals. The board may be elected, or appointed by elected officials, or it may select its own members. (Or, it may rely on a combination of methods.)

Because there is so much variety, estimates of the number of public hospitals also vary. "We don't publish an official number for public hospitals and safety nets, but generally we say about one-fifth of the nation's 5,000 hospitals fill a safety-net role," according to Carl Graziano, media contact for the National Association of Public Hospitals and Health Systems. This figure matches fairly well with data from the American Hospital Association, which show there are 1,045 state and local government community hospitals in the country, out of a total of 4,873 community hospitals.[1]

Currently public hospitals face an array of unique challenges. Since board members are often elected or appointed, that may limit access to specific skills that are needed on the board. Open meeting and public records laws mean that information on sensitive issues is available to the general public—and to competitors. Can public hospital/health system boards hold themselves to rigorous, high-performance standards? Are they prepared for health-care reform?

To find answers to these questions, we spoke with top executives at three public hospitals:

- **Schneck Medical Center**, in Seymour, Indiana, is a 94-bed, county-owned hospital, founded more than 100 years ago. The city has a population of 22,000, while the hospital serves about 125,000 people in a three-county area. There are 175 physicians on the medical staff, plus three family-care centers staffed by contract physicians.
- **Berger Health System**, in Circleville, Ohio, has a 95-bed hospital in a rural county of about 50,000 people as its primary facility. The organization includes an outpatient medical center and has 26 employed physicians and extenders, an anesthesia company, and a charitable foundation.
- **Lee Memorial Health System**, in Fort Myers, Florida, includes four acute-care hospitals, a children's hospital, and a rehabilitation hospital, totaling about 1,600 beds. The system also includes a regional cancer center, a skilled nursing and rehab facility, home health services, as well as 200 employed physicians. It serves about 650,000 people, and at the height of the winter season, the population in its service area expands to 900,000.

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This special section explores the unique governance challenges of public hospitals and health systems in an era of reform, provides potential solutions for mitigating and/or dealing with these challenges, and includes relevant governance lessons with implications for private hospital and health system boards as well.

Board Members: Elected and Appointed

Many public hospital/health system boards have elected members, or members who are appointed by elected officials. What this means in practice varies a great deal, depending on the size of the hospital or system and its surrounding community.

Schneck, a county-owned hospital, has a nine-member board. The three county commissioners are required by law to sit on the board, and they appoint the other six members. Two members are appointed each year for three-year terms. Members are selected from various geographic areas of the county, so all areas have representation, and the board elects the board chair.

When there is a vacancy on the Schneck board, current board members submit names to the county commissioners. "The county commissioners review those names, and they come to me and ask whether I have any concerns," said Gary A. Meyer, president and CEO. "We have been extraordinarily fortunate because the people of this county deeply appreciate the hospital, and those who serve on the board are committed to the welfare of the county." When it comes to elections and appointments, he pointed out, people in a small community tend to know each other. They see each other at PTA meetings, or at the

1 The American Hospital Association's estimate of the number of public hospitals can be found at www.aha.org/research/rc/stat-studies/fast-facts.shtml.

stores; there is an ongoing network of family relationships.

Berger Health was founded in 1929 when Frank Berger donated money to the city of Circleville to create a hospital. In the mid-1940s the city and county agreed to jointly operate the hospital, under an agreement in which the city would appoint four members of the board, and the county would appoint four members. The mayor of Circleville would serve as chair, and only vote in the event of a tie.

Due to the evolving healthcare environment, this structure eventually became inappropriate for hospital and community needs. It is not easy for a public hospital or health system to change the composition of its board, but last year Berger and other organizations worked with the state legislature to amend the Ohio Revised Code and create increased flexibility for municipal hospitals. "Our objective is to be more like a typical hospital board that is self-perpetuating, chooses its own committee leaders, and can select board members based on competencies and on current organizational needs," said Tim Colburn, president and CEO. As of this year, the Berger board includes three members chosen by the city, three members chosen by the county, plus the mayor of Circleville. These seven board members will select two additional members from the community, and the two at-large members will give the board increased flexibility to attract needed skills. The board chair and committee chairs are selected by the board as a whole.

In addition, Berger has created a "provider advisory council." This nine-member committee will include six physician members plus three members of the hospital leadership. "It is my hope that over the next two or three quarters we will be able to select one or two of these physicians to serve in an *ex-officio* capacity to the board," Colburn said. "They will be part of the debate, and will be voting members of specific board committees, but they will not be voting members of the board."

Like Meyer, Colburn has found the appointment process to be quite flexible and useful in recruiting needed skills. "Initially, I was a bit concerned that the political appointment process might be somewhat nonresponsive. In fact, as we improved our governance structure we created lists of needed competencies and developed board member job descriptions. I talked with elected officials to explain that if we want a strong hospital, I need great board members. Our experience has been that with clear communication and high expectations, you end up with competent, effective board members."

Currently the Berger board has moved in the direction of a not-for-profit board, while it also retains many of the traditional characteristics of a public hospital board. The public selection process has its advantages, Colburn emphasized. "Board members choose to go through an election, or if appointed, they choose to go through an evaluation process. They realize they are open to public scrutiny under the sunshine laws. It seems to me that accepting a role on a public hospital board is one level more challenging than board selection at a traditional 501(c)(3) hospital," he said. "Because of that challenge, not every person will choose to go through the process, but the ones who do can be very, very good."

Berger and Schneck are community hospitals in rural counties. Lee Memorial is a six-hospital system serving upwards of 650,000 people, with a 10-member system board elected by the citizens of Lee County. The county is divided into five geographic districts, with two board members representing each district. Elections are held every two years, for four-year staggered terms. Each year the board selects its own chair, vice chair, treasurer, and secretary.

Because the health system is such a large organization, serving a large, mobile population, election results don't emerge from a stable network of family and community relationships; most voters don't know the candidates personally before they step into the voting booth. In fact, it's sometimes hard to decipher why a particular person was or wasn't elected to the board. "With an elected board, you get what you get," said Stephen Brown, M.D., who has served on the Lee Memorial board for the past five years. "This means it's especially important for public hospital or health system board members to educate themselves. You're looking at a complex $1.2 billion business with thousands of employees. When you are first elected, there is absolutely no way that you can understand all the issues involved. But, you can learn."

A continuing issue for public hospitals/systems is how to seek people with specific expertise to serve on the board. Not-for-profit hospitals often reach out to recruit potential members with skills in finance,

quality improvement, or medicine. Public hospitals and health systems are finding that they can bring in some of those needed skills by adding nonvoting members with specialized skills.

For example, board committees at Lee Memorial include three community representatives selected by the board, who attend committee meetings but do not vote. "We don't have the luxury of saying, let's recruit a board member who really knows complex finance and investment strategies or fully grasps physician and patient quality issues," said Jim Nathan, president. "However, these community representatives give us an opportunity to identify people with specific expertise, who serve almost as consultants to the board." As examples he cited the retired CEO of a health system who now serves on the board's planning committee, and the dean of health sciences from a major university who serves on the quality and education committee.

Education, Training, and Finding the Right Niche

For all healthcare board members, education is essential. New board members face a steep learning curve, said Marilyn Stout, board treasurer, who has served on the Lee Memorial board for 13 years. "We have at least two and usually three meetings per month, each taking about three hours, so that is a lot of information to absorb. There are so many acronyms. A healthcare organization functions on so many levels." Stout starts her day with a collection of healthcare-related stories from newspapers throughout Florida. "They're assembled every day and emailed to all board members, so we can understand what is going on in the rest of the state."

She makes a point of attending all the board meetings and workshops, and also takes advantage of conferences and conventions. "I always try to attend our hospital lobby days in Tallahassee, the American Hospital Association meeting in D.C., the Florida Hospital Association, and the VHA," she said. "We are fortunate to have a stipend for board education and travel." Her advice to new board members: "take this seriously, do your homework, and vote your conscience, because you represent the people who elected you."

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Gary Meyer at Schneck also emphasized the importance of continuing education for board members. "We have two retreats per year and that is when we educate board members. There just isn't enough time at monthly board meetings to do anything in depth. Our state association does excellent work with public hospitals, and we have certainly benefitted from that. County hospitals in Indiana also meet as a separate group to review legislative changes that might be needed, before each session. The Governance Institute has been a valuable educational resource, and its speakers have also served as consultants and facilitators for public hospitals."

In addition to continuing education and training, both board members and the organization benefit when new members discover a particular niche where their personality and skills match the hospital's needs. Over the years, Lee Memorial has invited board members to serve as liaisons to specific areas within the organization. "For example, we just had someone elected to the board with a solid background in finance and information technology," Nathan said. "He is serving as a liaison to our electronic medical records/health records departments, where his previous experience is a tremendous asset."

Dr. Brown at Lee Memorial also described the benefits of helping new board members find a niche that matches their personal interests. "One person on our board had no previous hospital experience, but she works so well with people. Now she is our liaison with about 4,000 hospital auxilians and volunteers. She goes to their functions and activities, helps them with fundraising ideas—she is fantastic," Brown said. "We have another new member who is in her 20s, with a personal interest in exercise and healthy diet. She found her niche almost immediately as a liaison to the wellness people in our organization. This is particularly valuable since that is definitely the direction medicine is going."

Public Hospitals Hold Themselves to Rigorous Quality Standards

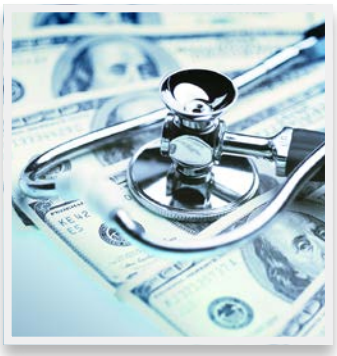
While public hospitals often have unique histories and structures, their boards for the most part have the same responsibilities as their counterparts at private not-for-profit hospitals. Most of the governance challenges they face are the same. Are public hospital/system boards holding themselves (and their organizations) to rigorous performance standards?

The three organizations we interviewed for this special section are clearly holding themselves to the highest standards in terms of clinical quality and patient safety. In 2011, Schneck won the Malcolm Baldrige National Quality Award, the nation's highest honor for quality and organizational performance excellence. The award is based on a rigorous evaluation by independent

examiners in seven areas: leadership; strategic planning; customer and market focus; measurement, analysis, and knowledge management; human resource focus; process management; and results.[2]

"We have always been a very good hospital, but we wanted to be better," recalled Meyer. "In 2006, we became a magnet hospital, one of only 230 hospitals in the United States at that time. We saw what that did for us. We wanted something that would take us to the next step, that would transform the entire hospital into an organization of excellence, and we settled on the Baldrige criteria."

It took Schneck four years from the time it first embarked on the Baldrige process until it won the award, which is a remarkable achievement. What did the hospital do? How did it change during those four years? "We had to do some tweaking," Meyer said. "We hardwired our processes. We developed best practices for thousands of specific steps that are carried out every day, in every hospital. Admitting a patient. Washing your hands. Making sure there are timeouts before surgery starts. We posted details of best practices on our intranet, so every employee can access them at any time, and we became very consistent in what we do. Details, thousands of details, done right."



Berger made an active commitment to healthcare quality back in 2003. "We were aware at that time there was already writing on the wall, the environment was changing," recalled Colburn. "We had a very good board and a strong CEO, and they were passionate about the need to adapt and prepare ourselves. They said we must become a high-quality healthcare provider."

Today, everyone who visits the Berger Web site can see their quality report card, showing the percentage of heart attack patients who receive appropriate treatment when they arrive at the hospital, the percentage of patients receiving recommended antibiotics for surgery, and similar measures. In 2012, Berger won recognition from The Joint Commission as a "Top Performer on Key Quality Measures™."

At Lee Memorial, every meeting throughout the entire organization starts off with a safety story. While the system was inspired by the work of the Institute for Healthcare Improvement's 100,000 Lives and 5 Million Lives Campaigns and developed impressive programs to improve quality and patient safety, it found in 2009 that it needed to do much more. The board adopted "patient safety" as its overriding core value and top priority.

Nathan told a story that exemplifies the quality process at Lee Memorial: "When we first introduced the concept of the intensive care bundle, there was a fair amount of resistance from physicians. Some of them said, 'who are you to tell us how to practice medicine?' But we had very strong leadership in one of our hospitals, and we used one ICU as a demonstration project. Very soon, we had data to show. That unit started announcing they had gone 27 weeks without an infection. Then it was a year without an infection. Other ICU units were convinced. They started to say, 'we can do that, too.' Now the attitude has completely shifted throughout the system, and many units have gone years without a single infection."

Facing Challenges in a Changing Healthcare System

The healthcare delivery system is shifting rapidly. Are public hospitals and health systems prepared for the changes? Does the structure of a public hospital or health system lead to different opportunities and issues than those facing not-for-profit organizations?

For all healthcare organizations, implementation of the Affordable Care Act introduces new uncertainties into the environment. Public hospitals and systems in several states are waiting to see whether their legislatures will approve or reject Medicaid expansion. In every state, board members are wondering whether employers will continue to offer their current health insurance, or shift employees into the new health exchanges.

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How these changes will affect providers depends most on the demographics of their service area, and in which state they are located. Lee Memorial is a major safety-net provider of high-risk services, and its community went from 3 percent unemployment to 14 percent when the economy tanked. "Whether Florida chooses to expand Medicaid has a dramatic impact for us, since we provide services that are heavily Medicaid dependent," Nathan said.

2 For information about Schneck Medical Center's Baldrige award, visit http://schneckmed.org/Baldrige/Materials.aspx.

The concept behind the Affordable Care Act is that hospitals will be paid less than previously for some patients, primarily those on Medicare, but they will also treat people who will be newly covered under Medicaid and previously treated for free. In order to finance the national Medicaid expansion, disproportionate share and other programs that help safety-net hospitals were cut back. "If we don't see that increase in coverage of the previously uninsured, and at the same time we see lower reimbursements, we will be heavily damaged," Nathan said. "It's not because we are a public hospital, it's due to our demographics and the safety-net services we provide."

A key issue for public hospitals/systems is the rapid shift towards bundled payments, ACOs, and population health management. These changes make it increasingly important to have physicians and other experts on the board who are able to understand the complexities of quality improvement.

Lee Memorial is the largest public health system in the nation that operates without benefit of direct taxing power or local tax support. Decades ago the system determined to hold itself to the highest standards in clinical quality and physical plant. "When I became CEO in the early 1980s we had almost no cash, and major restrictions on borrowing," recalled Nathan. "The issue was, do we want to sit back, wring our hands and say woe is us? Or do we want to offer first-class services so physicians want to refer to us? When we first started to put down fresh carpet and paint the walls, some people said, 'We don't have the money.' I said, 'These are the changes we have to make so we can attract a full range of patients.'"

The system embarked on a creative expansion program. It developed a major campus on a potato field in a growing part of the county. It acquired two hospitals from HCA. "The point is that we had to be aggressive and attract paying patients because we knew we couldn't win local tax support," Nathan commented. "People tend to move to Florida to avoid taxes."

And how did the hospital manage to move to a new campus when it had no funds? It located a supportive partner to spearhead development and use funds generated through the supporting foundation's ventures to financially assist the health system's services. "We just keep trying to find creative ways to become more entrepreneurial," Nathan said. "People from around the country come here to see what we're doing, and consider whether something similar might work for them. We also have to operate very efficiently, since we have few major employers and are very dependent on Medicare and Medicaid."

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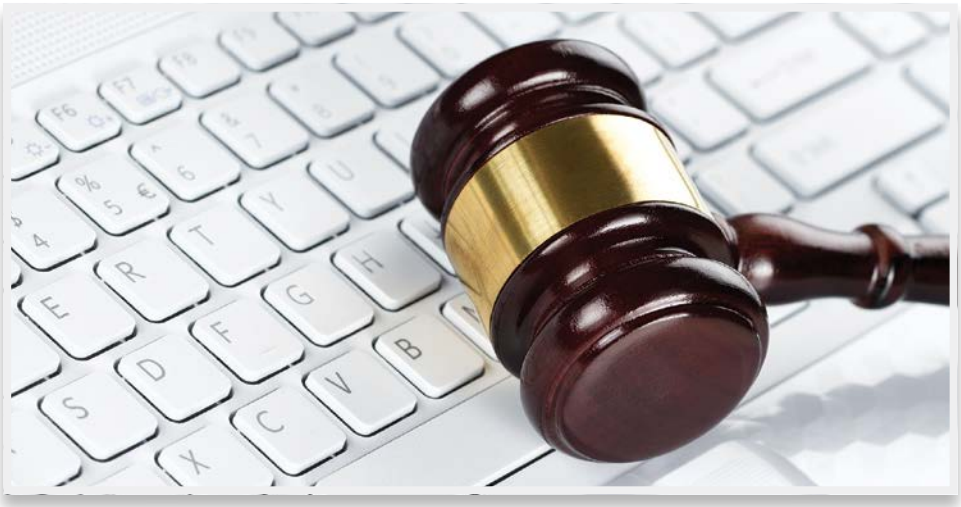
Under Berger's historical appointment process, it was required by law to have two physicians on the board—and in fact, at present it has three. However, under the new appointment process, only one physician is now required on the board. "Our board believes so much in continuing physician involvement that they have asked me to figure out a way to be sure we keep physicians engaged at the board level," Colburn said. "We are discussing new ways of involving medical staff members on our board."

Schneck currently has one physician as a voting member of the board. One reason is that in a small rural area, many physicians already have contractual relationships with the hospital. "We need to explore ways of modifying that in the future," Meyer said. In addition, the president of medical staff and the CMO attend board meetings as nonvoting *ex-officio* members, and the hospital is



inviting medical staff to board retreats. "We include the medical executive committee and physicians from the various services in our strategic planning sessions," Meyer said. "We have expanded the medical staff presence at our retreats to about 12 medical staff members."

Lee Memorial is a large system with well-established quality and safety initiatives. It has many programs underway that will help prepare for bundled payments and population health. But these new approaches to healthcare do pose a particular challenge for some public hospitals, particularly small, rural hospitals such as Berger and Schneck.

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"We are a small community hospital, and as a smaller entity it will be challenging to operate in the post-reform environment," said Colburn. "Major insurance plans won't accept risk for less than 50,000 people. Well, that is my entire county, and I don't provide care to my entire county." These new payment incentives pose special difficulties for a public hospital, he said. "In order to have 50,000 covered lives to care for in the reform age, we have to form relationships, we have to partner and collaborate. At the same time, as a governmental entity we are in a special situation. The Ohio constitution prohibits us from partnering and joint venturing with other organizations in a contracted manner, due to our public status."

Colburn believes increased flexibility for public entities will be necessary to promote ongoing adaptation and survival in the new healthcare environment. "If we could remain local and make sure the hospital is here to provide services, honor that bond to our community, and at the same time go to the state legislature and find ways to make

the situation more flexible, that definitely would be a win."

Schneck is talking with its physicians about population health. "We all realize we are going to have to be clinically integrated and offer medical homes to patients to keep them healthier," Meyer said. "We're starting on our new, three-year strategic plan, and this is one of the topics we need to cover—how to integrate and work better to keep both the hospital and the practices successful."

The hospital definitely does not want to become part of a larger organization. At the same time, it sees the advantages of an affiliation that would permit joint purchasing and managed care negotiations. "Several hospitals near Indianapolis formed a network that allow them to maintain their independence and keep their local community focus, while also partnering to work together where it's appropriate," Meyer said. "They're called the Suburban Hospital Organization. We have been wondering whether their model might work well for us and the other hospitals in our part of the state."

Sunshine Laws Impact Public Hospitals

According to Diana Lopez, senior editor and public records specialist at Sunshine Review, all states have "open public meeting" laws, often called sunshine laws. However, they vary significantly in their scope and stringency.[3] "There is an overriding public policy for having deliberations and information exchanged at public meetings be open to the public," said Douglas Swill, managing partner at Drinker Biddle & Reath, LLP, and chairman of its national healthcare practice. "Generally these laws have a related component that addresses public records, so minutes and other documents such as the board book, are made available to the public." Many states with sunshine laws also have exceptions in the law or in regulations to maintain privacy for subjects such as personnel matters or salaries, but this varies from state to state.

Florida's sunshine law is one of the strictest. "The intent of the Florida law is that all meetings of public boards or commissions must be open to the public, reasonable notice must be given, minutes must be kept, and the minutes become public records," said James T. Humphrey of Fowler White Boggs, counsel to Lee Memorial.[4]

The Florida law applies to any gathering of two or more members of a board to discuss a matter that will foreseeably come before the board for action. "This is important," Humphrey said. "It is very appropriate for board members to interact socially before the meeting starts, or to have a holiday party, but I remind them each time not to discuss any matter that may ultimately come before the board for a decision."

The law also applies to phone calls and emails. Every email sent out from Lee Memorial has a notice at the bottom: "Please be aware that the Lee Memorial Health System is subject to the Florida Public Records Act and any email to or from the system may be a public record."

"It's important to remember that emails never disappear," Humphrey noted. "We've seen staff members embarrassed

3 For more information on state sunshine laws, see http://sunshinereview.org/index.php/State_Open_Meetings_Laws and http://sunshinereview.org/index.php/State_sunshine_laws.

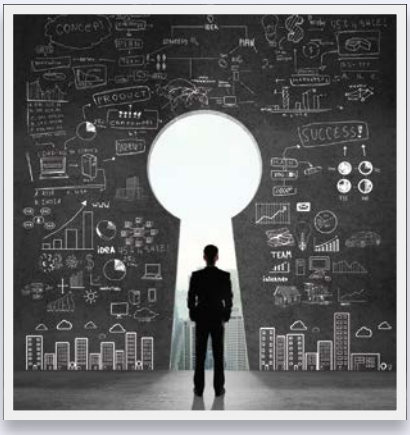
4 For more information on Florida's sunshine law, see www.brechner.org/citizen_guide_08.pdf.

Transform Challenges into Opportunities

Ben Lindekugel, director of member services for the Association of Washington Public Hospital Districts, has thought deeply about the special challenges public hospitals face...and he believes they are overstated. In some cases, they actually offer opportunities. He shared some thoughts in this regard in a recent interview:

"It is frequently suggested that public hospital boards are less able to govern effectively than boards of private non-profit hospitals. The evidence cited to support that conclusion includes the fact that members are elected (which eliminates the opportunity for the board to choose the best candidate), that elected boards are generally small (making it hard to get the requisite skill sets on the board), and that public boards, unlike private boards, are subject to laws and regulations, generally related to transparency, that inhibit their ability to effectively communicate and conduct business.

"My view is that public hospital boards can be as effective or as ineffective as non-profit boards. All effective boards, public or private, have certain characteristics. They are agile. They are able to work efficiently and creatively as a team that is committed to meeting community needs. They are learning organizations, and they are able to reach out for the skills and knowledge that are most needed. We know what a high-performing board looks like; the central question, then, whether public or private, is *how* to be a high-performing board.



"For example, in Washington State the open public meetings law defines a meeting as any situation where a majority of board members meet and discuss hospital business. Such a meeting requires advance notification and must be open to the public. Is this a limitation or an opportunity? One effective way to handle it is to create subcommittees that have no more than two board members as the core group but also have community members with specialized expertise on the subcommittee. This not only complies with the law, it expands the reach of the hospital into the community and becomes a proving ground to develop potential board leadership when an opening occurs.

"Another frequently raised concern is that, with public hospitals, it is difficult or impossible to deal with a 'difficult' board member, since he or she has been elected by the people. It is true that occasionally a public hospital board member feels he or she has been elected with a mandate to 'shake things up' and so is a constant contrarian, making board discussions difficult. First, the problem of a 'rogue' board member is not unique to public hospital boards—many non-profit boards have had to contend with people who think they alone understand what needs to be done.

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"Second, the activities taken to address the problem (except for the final one, expulsion) are the same in both public and private boards; the most important is to have clear operating rules (e.g., Robert's Rules) that are written down *and followed*. Effective boards set up expectations in advance to manage the discussion process so each person gets a turn to speak.

"Third, the rest of the board is responsible for showing the world how they are doing the important work of serving the community *in spite of* attempts to distract and derail the process; if properly handled, the board member who is acting out can be a foil for the rest of the board to demonstrate competent governance. Finally, if the difficult member chooses to continue, the rest of the board may actually get better at its job because, of necessity, they will get more skilled at the basics of governance.

"The goal of private non-profit and public hospital boards is the same: delivering quality healthcare to the community. Too, both types of boards share a commitment to effective governance. It is certainly true that the cultures and the structures of private and public boards are somewhat different, but the significance of that fact is that the means, not the ends, may need to change.

"In a sense, the fact that public hospitals are public gives them an advantage. They are able to build links to the broader community, they can embark on a two-way conversation that enhances hospital processes and increases community respect for the institution, just because they are the community's hospital. As we go forward, we need to think more about the concrete structural reasons to forge these connections, and explore innovative ways of doing so."

by something they said in an email, when they thought they were just talking. When you delete an email from your computer, the technology is such that it is never totally erased."

The Florida law is intended to limit insider dealing and prevent secret backroom deals, so that all decisions are made in public. However, there are some situations where it also prevents useful conversations, in situations where a quick apology might help clear the air, or when someone would benefit from a quick, one-on-one explanation of a technical point.

Many other states with sunshine laws permit a much greater range of interactions. Indiana has a sunshine law. At Schneck, board meetings are open to the public and the press, and minutes are available. The board can hold executive sessions for discussions on certain topics;

these sessions are closed to the public and press, although decisions are made in public sessions.

Unlike Florida, in Indiana board members are welcome to have informal discussions with other board members, and to have advisory committee meetings that are not open to the public, as long as these discussions and meetings are limited to less than a board majority. Advisory committees can't make final decisions, but they hold discussions. Then the issue goes to the full board for a final decision, at a meeting that is open to the public.

Similarly, Ohio has a sunshine law that varies significantly from Florida's. It allows executive sessions for seven different reasons, Colburn said. "There are many matters that go on in healthcare where we do need to use executive sessions, but we use them appropriately for specific legal reasons." While the Florida sunshine law does include certain narrow exemptions for executive sessions, Humphrey said they are extremely rare. "I don't think Lee Memorial has gone into special session during the last 10 or 15 years."

As this movement towards transparency accelerates, private non-profit hospital and health system boards can benefit by discussing and learning new approaches to openness and accountability from their public hospital peers.

When Lee Memorial develops a strategic plan, that plan is available to the public. When the board evaluates the CEO's performance and compensation, the preliminary written analysis and the board's discussion are open/available to the public.

"Penalties under state laws for violations of the sunshine law range from criminal misdemeanor, to civil monetary penalties, to forcibly removing appointed or elected officials from office," said Swill. In one recent Florida case, the governor removed an elected city commissioner from office

because he had violated the sunshine law, while four other commissioners resigned.[5]

Since sunshine laws have such significant effects, and because they vary from state to state, orientation for new public hospital board members should always include an introduction to the sunshine laws as they affect that particular hospital. (For a fact sheet with more details on how to operate effectively under sunshine laws, and tips on how to educate new board members, visit www.governanceinstitute.com/publichospitals.)

Because of the sunshine laws, a significant number of public hospitals have learned to function effectively while key information is available to the media, the general public, and competitors: the strategic and financial plans, board members' written evaluations of the CEO, and their formal discussion of his performance. In some states, it's all posted on the Web site, and all meetings are open to the public.

Relevant Lessons for All Healthcare Boards

Our society is moving towards more and more transparency in just about everything. Young people constantly tweet and post their location, activities, and opinions online. College professors invite students to become their Facebook friends. And hospitals are far more transparent than they were a decade ago, with key quality measures posted on their own Web sites and on Hospital Compare. As this movement towards transparency accelerates, private non-profit hospital and health system boards can benefit by discussing and learning new approaches to openness and accountability from their public hospital peers.

The major governance challenges for public hospitals and health systems presented in this special section—obtaining the right mix of skills among board members and transparency issues—are directly relevant to private hospital and health system boards as well. Obviously as the industry becomes more complex and the role and responsibilities of healthcare board members becomes more critical to the success of healthcare organizations, having the right skills around the table is paramount. As described in this special section, public hospitals deal with significant limitations on choosing board members, but it is ultimately possible to make the system work to the benefit of the patients and build an effective board through diligent planning and education.

Furthermore, private hospital/system boards are becoming more and more comfortable with transparency in regards to quality and patient safety measures and pricing. Legal transparency is important as well (specifically related to audit, executive compensation, and community benefit). Being transparent in these areas has many benefits, beginning with (and perhaps most importantly) building trust with the community and patients. These topics can be a helpful starting point for all boards, public or private, with a critical eye towards their own performance.

5 Jason Geary, "Scott Removes Wauchula Official for Violating Florida's Sunshine Law; Four Others Resign," *The Ledger*, February 14, 2011 (www.theledger.com/article/20110214/NEWS/102145067).