

## Strategically Leading Lucile Packard Children's Hospital through the Challenges and Changes of the Last Decade

**A**t the end of last year, Lucile Packard Children's Hospital Stanford opened its doors to a new technologically advanced, family-friendly facility. By doubling the size of its pediatric and obstetric hospital campus, the hospital is now able to serve more patients than ever before. Along with this, the hospital is expanding its reach, looking for the best and brightest to lead the organization, and constantly working towards providing an optimal patient and family experience.

### Key Board Takeaways

As boards of children's hospitals strategically plan for the future, they should consider the following questions:

- Are we currently able to recruit the very best physicians, faculty, and leaders? What do outsiders find attractive, or unattractive, about joining our organization?
- Do we need to form new partnerships in order to successfully serve our community and expand our reach?
- Does our board have the right mix of people to effectively govern the organization? What type of members could we add to the board or committees to better lead our organization (e.g., younger members/parents of patients)?
- Is the board receiving the education necessary to fully understand how to confront the challenges faced by children's hospitals in today's healthcare environment?

### Carrying Out the Strategic Plan

The board and management had been preparing for the new facility for a long time. About 10 years ago, management put in place a strategic plan that included developing this world-class facility and investing in programs to bring the very best faculty and practitioners to the organization. Jeff Chambers has served on the board of Lucile Packard Children's Hospital Stanford for eight years, and was appointed chair in January 2017, so he has seen much of the plan come to fruition. "The strategy for a children's hospital is fundamentally different than an adult hospital because we're dealing with a largely healthy population," he said. "The incidence of health problems per population is much lower. So in order to develop outstanding practices and attract the very best physicians, faculty, and researchers, you need to develop a strategy for working broadly in a geographic area."

The organization has built relationships with many other providers in the area, including some of its competitors. By forming these partnerships it is able to provide tertiary and quaternary care throughout California. This makes it possible for the hospital to see more patients and develop the capabilities needed to service a larger area, while also giving its partnering facilities access to Stanford's resources and expertise. Many children's healthcare facilities don't see the same volume of patients as Lucile Packard Children's Hospital, making it difficult for them to develop high-level programs. Partnering together, and in many cases having Stanford physicians travel to these facilities to provide care, benefits patients and providers alike.

Attracting the right faculty and practitioners is a central part of the strategic plan, but can be a challenge. While the Stanford name has a strong national reputation, California's Bay

Area is an expensive place to live, which can be a deterrent when possible candidates are considering moving their families. Lucile Packard Children's Hospital looks to hire people who are leaders in their institutions and have great reputations, so another challenge is being able to recruit them away from an already well-established career. "Although it's

a challenge, we've done really well in attracting people," Chambers said. "If we can get someone out here who does have the flexibility to consider a change, we offer an incredibly compelling opportunity. We are one of the newest freestanding children's hospitals in the country, and it's just an unbelievably spectacular facility."

Challenges for children's hospitals include:

- Finding ways to broaden their geographic reach in order to service a larger population.
- Recruiting a diverse group of board and committee members who have valuable expertise for governing a children's hospital.
- Attracting high-performing faculty and practitioners.
- Staying educated on industry changes (including new payment and reimbursement models) and how they will affect children's hospitals.

## Valuing the Family's Input

The hospital focuses heavily on the whole family when treating patients, so when building the new facility, a lot of care was put into addressing the overall well-being of the patient and his or her family. For example, every patient room has a separate space for parents that includes a fold-out bed and TV so that they can stay with their children in comfortable accommodations. In addition, public spaces are filled with fun, family-friendly features such as art and interactive activities, and there are three-and-a-half acres of gardens and open space with sculptures of California wildlife, a life-size sundial, and a stone labyrinth. "Focusing on the whole family is a critically important part of children's healthcare because we are treating patients who are not the decision makers. We've learned just how extremely important the parents are in helping us figure out the best course of care for a patient. They have knowledge and experience and a wisdom that is incredibly valuable to the physicians as we treat the patients," Chambers said.

Parents can also be valuable additions to the board and committees. The nomination committee is constantly looking at candidates on the basis of a whole range of criteria, including more diverse board members with a variety of skills. But finding younger board members is a critical focus since it is a

children's hospital. "We want to attract parents of young children who understand exactly the challenges that the hospital is dealing with. And we want to understand the challenges that parents like them are dealing with," Chambers said. "We have a vibrant community here of young people in Silicon Valley who have lots of extremely interesting experience in technology, healthcare, and other fields."

The board also invites selected members of the community with complementary expertise to serve on its committees. These include professionals with deep financial, investment, healthcare, and IT experience.

## Value-Based, High-Quality Care and Continuous Board Education

Lucile Packard Children's Hospital is focused on providing value-based, high-quality care. About 12 years ago, the chair of the board at that time and Christopher Dawes, former President and CEO, worked together to implement LEAN methodologies into everything they do at the hospital. This had a significant impact on both quality and efficiency. As part of their culture, the focus on prudent cost management has increased. For example, when they moved into a new facility, leadership knew the organization was going to be taking on a lot of additional cost, so Dawes challenged members of the management team to look at their operations and find places

where they can be more efficient without compromising quality.

Providing efficient, value-based care is an issue that is front and center for the board at all times. In order to successfully lead the organization, the board is proactive about staying educated on topics that help them advance these efforts and the organization's mission. "The board has had to come up to speed much more on the overall challenges faced by children's hospitals, and healthcare in general, in this cost and reimbursement environment," Chambers said. "We've had to step up to the challenge that children's health is sometimes not prioritized in the way that all of us working in this sector would like to see it prioritized."

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To stay abreast of industry knowledge and discussions in Washington, the board continually makes education and networking a priority. It has had leadership at the Children's Hospital Association speak at board meetings and they attend events where board members and leaders from children's hospitals around

the country come together to talk about children's health. Several members of the board have also visited other top children's hospitals, such as the Children's Hospital of Philadelphia (CHOP), Cincinnati Children's Hospital, and Cleveland Clinic. The board has found it very valuable to network with other healthcare board members and leaders and share best practices.

## Looking Ahead

This year, the main focus for the board is on Lucile Packard Children's Hospital's programs and people. The hospital has six centers of excellence: brain and behavior, cancer, heart, pregnancy and newborn, pulmonary, and transplant. The board is working to continually understand how each center is progressing, in order to provide the support they need.

Dawes, who led the organization for nearly 30 years, announced his retirement in March, so the board is currently in the process of looking for a new CEO. "The job of the board is to find the best possible CEO we can find. So that's going to be the most important thing that we do this year. And then beyond that, it's to continue to attract the very, very best people that we can to help us with all of our programs," Chambers said.

He offers some parting advice for other board members of children's hospitals: "The main thing is to make sure you have a great team. If the board finds itself getting too involved in operations, then that's obviously a problem that needs attention. Also, looking for ways to partner with other institutions and learn from each other has been an incredibly rewarding experience for us. I would encourage board members to do everything they can to support that sense of collaboration that seems to exist in the industry today."

