Governance and Transformation: A Case Study

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The healthcare industry is in an unprecedented period of transformation as we work through the challenges of demographics, technology, genomics and the explosion of scientific knowledge, new entrant disruptors, and economics. At EMHS, our transformation journey continues.[1] Over the past years, we have worked through iterations of structural, process, and culture change in our effort to build a sustainable healthcare delivery model for the oldest and one of the most rural states in the country. These changes have encompassed governance, leadership structure, financial and clinical planning, and performance management. In each case, our goal has been to design and effectively operate a system of healthcare that is agile, responsive to the multiple communities we serve, and faithful to the Triple Aim Plus One: improved population health, an excellent patient experience, a lower cost structure, and a destination workplace. In addition, we have invested energy, effort, and political capital in order

1   EMHS is an integrated delivery system operating in Maine. Our system consists of a population health company, with strong analytic capabilities; nine acute care hospitals, from tertiary psychiatric/behavioral health and medical/surgical facilities to critical access hospitals; fully owned and co-owned skilled/rehabilitative/ residential facilities; home care and hospice; and over 50 ambulatory and retail sites.

Key Board Takeaways

- Significant initiatives such as information technology platform upgrades or replacements require focused governance oversight and specially designed performance management tools and processes.
- Before initiative start-up, boards and management should have substantive discussions to jointly design decision making and performance management processes.
- Through the life of the initiative, boards are instrumental in assisting management with effective stakeholder communication tactics and content.

to create a risk-tolerant, highly matrixed organization built on mutual accountability.

Two years ago, we made a decision, after a significant period of due diligence, to update our clinical information platform—i.e., our electronic medical record (EMR) with an integrated revenue cycle infrastructure. We believe that having the components of revenue cycle, such as patient registration, coding, and charge capture, be part of the process design for our EMR rather than segregated in business systems engineering will yield a tightly constructed informatics system. It happened that this project's critical pathway overlaps significantly with the timeline of having to, due to vendor planned sunsetting, replace our existing enterprise resource planning (ERP) information platform. ERP is a suite of integrated applications including primarily—but not exclusively— general ledger, supply chain, and human resources functionality.

As project planning for these two separate but connected sets of system design efforts began, we determined that this was a once-in-a-career opportunity to hardwire improved functional design to the majority of our core clinical and business processes. In other words, do we merely automate our current workflow—which is akin to "paving the cowpaths"—or do we activate our leadership to undertake the build of our new systems around evidence-based functionality? Quickly recognizing the answer to this question, the challenge of how to accomplish this work within a tight timeframe of potentially chaotic change—while continuing to operate our $1.6 billion company—presented itself. The ability to build common databases and data architecture in both the clinical and business decision support infrastructure was too good of an opportunity to pass up. And, as in any significant challenge, the importance of backing and input from our governance structure is and has been germane to the potential for success of this ambitious undertaking.

The Role of Governance in Supporting System Initiatives

The EMHS governance structure has supported management, starting with the vendor selection processes for both platforms, across the planning and initial stages of implementation.[2] The processes and structure for implementation of these two major initiatives have been carefully constructed. We recognized the complexity of this effort and built a project management function specific to this work, which we call "Pathways to our Future." Appropriate analysis of the impact and expected output from project implementation is a subject at each EMHS board meeting. Annual work plans for governance committees at the system level include assigned accountability to oversee implementation. This includes the quality and finance

[2] The EMHS governance structure includes the system-level board as well as 12 subsidiary boards. In addition, through two waves of governance integration over the past seven years, committee structures have been standardized across all boards and system-level committees include representation from the five geographic regions of the state.

committees in particular, which monitor management's project implementation, as well as the strategic planning and executive performance management committees, which consider the expected improved efficiency and performance from these efforts in constructing next year's goals for the organization.

The EMHS governance structure has supported and encouraged us as we work through the two-year implementation plan, recognizing the significant impact of this degree of change on our organization. In particular, board members have embraced the future-state vision of the undertaking and adopted a longer-term view of the investments needed to accomplish the effort and the short-term effect this will have on our financial performance. We have already enhanced decision support as well as enterprise financial and quality performance analytics. And, as we approach the final stages of implementation, we expect that our more robust digital platforms will provide further advanced capabilities from which we will manage and govern our integrated delivery system. As such, we expect to introduce revised committee charters and board tools in the

coming year. A common lexicon for performance management, including standardized reports and benchmarking dashboards, promise to bring all boards additional tools for their use in holding management accountable for performance targets and assisting in strategic planning at the service, member organization, and system levels. In addition, each member organization's board report-outs include progress towards establishing targets and milestones at both the system and member organization levels. And, at the annual board summit, which includes all 150-plus members of governance across the system, a significant portion of the day-and-a-half program content concentrated on the work of Pathways to our Future.

Finally, this work has supported our intent to introduce a new system brand within the next six months, coinciding with the last phases of the initiative. Through the transformation of our structures and processes, enabled by state-of-the-art information technology, we have energized our care community and added several more chapters to our reinvention journey. This level and pace of change is only possible when enabled by remarkably strong governance.