

GOOD GOVERNANCE CASE STUDY

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Revamping Strategic Planning at Summit Health

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Revamping Strategic Planning at Summit Health

Organization Profiled:

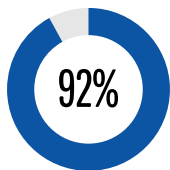
Summit Health, Chambersburg, PA
Patrick O'Donnell, *President & CEO*



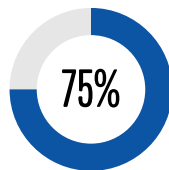
Statement of Interest

Strategically planning for the future is becoming even more important in today's unpredictable healthcare industry. Hospitals and health systems need to be as prepared as possible so that they are in a position to successfully tackle the challenges that are ahead. Establishing the healthcare organization's strategic direction and overseeing plan implementation are core governance responsibilities. The board should ensure that the organization has an effective plan with measurable goals that are top of mind for everyone in the organization.

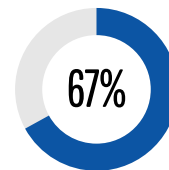
This case study profiles Summit Health, a health system that is a high performer in strategic planning based on its Governance Institute BoardCompass® Board Self-Assessment scores. For the three recommended practices below, Summit Health performs far above the national average:



Spending more than half of most board meetings discussing strategic issues as opposed to hearing reports (92 percent responded "very effective"; national average: 25 percent)



Requiring that major strategic projects specify measurable criteria for success and the individuals responsible for implementation (75 percent responded "very effective"; national average 33 percent)



Adopting policies and procedures that define how strategic plans are developed and updated (timeframe, roles and responsibilities, etc.) (67 percent responded "very effective"; national average: 32 percent)

In recent years, Summit Health has made vast improvements in its board self-assessment scores around strategic planning. The health system realized it needed to make strategy more measurable, clear, and meaningful to staff throughout the organization—from leadership to the front lines. This set them on a journey to revamp strategy by putting in place new tools and processes that hold leadership accountable and ensure that each employee knows their role in furthering plan implementation.



A Profile of Summit Health

Summit Health is a non-profit healthcare system located in south-central Pennsylvania. It has a network of healthcare providers including Chambersburg Hospital, Waynesboro Hospital, and more than 40 physician practices and other services. Summit Health's services include family physicians, surgeons, specialists, diagnostic services, a women's health center, a fitness center, walk-in care centers, and two award-winning hospitals. The health system is staffed by more than 3,400 employees and supported by more than 1,000 volunteers and auxiliary members.

Summit Health's Vision:

Local, comprehensive care; inspiring hope for a healthier life.

Summit Health's Mission:

Leading our community to health by providing high-quality, affordable, accessible healthcare for everyone.

Implementing New Strategic Planning Tools and Processes

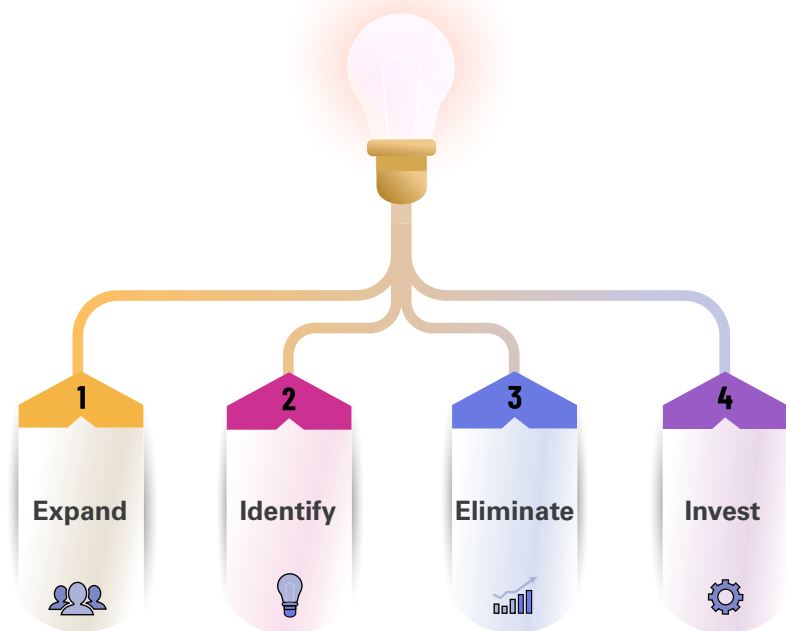
Six years ago, Summit Health committed to using Lean methodologies to make improvements throughout the health system. This was the beginning of revamping its strategic planning efforts and moving to a new planning process that is structured, measurable, and engages staff at all levels of Summit Health.

At the time, the organization had a high-level strategy that resonated with leadership, but it wasn't designed for or meaningful to those working on the front lines. In 2016, Summit Health adopted the Hoshin Kanri planning process, which is a systematic method of strategic planning and managing progress toward achieving strategic goals. This planning process is meant to align the goals of the company with the work performed by all employees so that everyone is moving in the same direction to achieve the strategic plan.

To begin this process, the system parent board came up with a new vision of "local, comprehensive care; inspiring hope for a healthier life." This vision depicts the direction in which Summit Health is moving and is the framework for strategic planning.

Next, the senior leadership team developed four “breakthrough objectives” to provide clear paths for improvement over the next three to five years:

1. Expand patient access to comprehensive local care as evidenced by an increased volume of 35 percent by June 2022.
2. Identify and implement the foundational elements necessary to create a perfect patient experience as evidenced by achieving a score of nine out of 10 recommending care at Summit Health by 2022.
3. Eliminate avoidable patient harm as evidenced by the Chambersburg Hospital and Waynesboro Hospital achieving the Leapfrog Top Hospital Award by 2022, and patient medical homes achieving NCOA medical home recognition by June 2020.
4. Invest in an environment that supports an inspired and engaged workforce as evidenced by a 10 percent improvement in overall favorability in each Summit entity by 2022.



In addition, the senior leadership team created annual objectives that state what Summit Health needs to achieve this year to reach the breakthrough objectives (e.g., increase employee survey response rate to 70 percent in each entity), as well as top-level improvement priorities with metrics to measure success. Some of the top-level improvements include improving care coordination using a system-wide approach, developing patient health risk assessment strategies, and evaluating and establishing at least two retail business opportunities to increase market share growth.

To capture these objectives, leadership created an X-matrix, which is a one-page document that provides a quick view of the breakthrough objectives, annual objectives, top-level improvements, and targets to improve (see **Appendix 1**). “Our X-matrix document connects all the dots so anyone can see how a top-level improvement is going to get measured, who is responsible for it, how it ties into an annual objective, and how it ties into our three- to five-year goals,” said Patrick O’Donnell, President and CEO of Summit Health.

The senior leadership team is responsible for developing and implementing the strategic plan, so it reviews the top-level improvements once a month and then reports up to the Summit Health parent board and subsidiary boards on an ongoing basis. At every board meeting, senior leadership reviews the X-matrix and goes over two or three of the top-level improvements so that the board is aware of the progress being made. The team member responsible for those objectives will come to the meeting and review the A3 form, which is a document that outlines the top-level improvement, including a color-coded chart showing the action plan and progress to date, a list of issues and action items, and graphs depicting current results and metrics (see **Appendix 2** for a sample A3 form).

Ensuring the strategic plan is measurable and that the appropriate people are held accountable has been key to Summit Health's success. When developing the plan, senior leaders put great care into identifying appropriate measurements that tie into each objective. They also educate the board on these measurements so everyone understands what is needed to achieve Summit Health's long- and short-term goals.

Adopting this new way of planning and emphasizing to the board and senior leadership its responsibility to plan for the organization's future has been fundamental to Summit Health's high performance. "Being able to concisely report out on an ongoing basis where we are with the strategy has been really helpful, and adopting these tools has allowed that to happen," O'Donnell said. "It keeps the strategic plan in front of the board all the time and that ongoing monitoring and oversight is important."





Summit Health Case Brief: Key Board Takeaways

The Issue: Summit Health needed to revamp its strategy to make it more measurable, clear, and meaningful to staff throughout the organization—from leadership to the front lines.

Steps to high performance in strategic planning:

1. Adopted Hoshin Kanri planning process.
2. Created a new vision for the future of the organization.
3. Developed breakthrough objectives, annual goals, and top-level improvements.
4. Focused on making strategic planning efforts measurable and ensuring leadership is held accountable to accomplishing goals.
5. Developed X-matrix and A3 forms that enable leadership to clearly report to the board on progress and countermeasures needed for success.
6. Implemented meeting best practices to ensure more than half of board meeting time is spent discussing strategic issues as opposed to hearing reports:
 - » Board members are expected and dedicated to thoroughly preparing for meetings.
 - » The board chair and CEO carefully craft the agenda ensuring there are not too many items and limiting report-outs from senior management.
 - » The board utilizes a consent agenda so it has time to devote to the most essential issues.
7. Prioritized systemwide board and leadership education around strategic issues.
8. Ensured parent board members had the right talent and diversity of opinions to effectively oversee strategy.
9. Increased awareness of the strategic plan through marketing, meetings, and leadership involvement and accountability.

Summit Health has a number of strategic issues it is currently working on, but this year has been unique since it is entering an affiliation with WellSpan Health. The board started by evaluating the current landscape in Pennsylvania and considering if the organization should remain independent or affiliate. Once it made the decision to affiliate, the board adopted goals for a partnership (e.g., local care, community benefit, charity care, access to capital, physician strategy, and population health) and searched for potential partners.

In order to have a group dedicated to this effort, the executive committee served as a steering committee of the parent board. After narrowing the list of potential partners down it did a formal qualitative and quantitative analysis looking at different factors such as if each partner could help Summit Health achieve its goals and what the level of risk was for the partnership. WellSpan scored very high and ultimately was the best partner to help carry out its vision.

This partnership will help Summit Health achieve its strategic plans and become a better organization overall. “Being able to make that decision around what’s best for our community and to get to our vision of local, comprehensive care and inspiring hope for a healthier life was to partner with someone that could carry that out,” O’Donnell said. “I do believe our strategy may change here and there, but I think it’s pretty well aligned, and they’re absolutely the right partner to take us a little further in our venture.”

“It’s been a very deliberate, focused effort to have strategy conversations at the parent board level. Our members are knowledgeable, experienced, and have accountability. I always want to be prepared for those meetings because they do ask the tough questions. They do it very respectfully, but they challenge us, and it creates good dialogue.”

—Patrick O’Donnell, President & CEO

Enhancing Strategic Planning through Board Meetings and Education

The Summit Health board focuses the majority of its meeting time on strategic issues—meaning that, at a two-hour meeting, at least an hour and 45 minutes are spent on strategic discussions. Board members are expected and dedicated to thoroughly preparing for meetings by logging into the board portal and reading the materials, publications, and reports sent out in the board packet. The board chair and CEO carefully craft the agenda ensuring there are not too many items and limiting report-outs from senior management. The board also utilizes a consent agenda so the board has time to devote to the most essential issues. “If there’s a burning issue, then we’ve devoted almost the whole agenda to that,” O’Donnell said. “It’s really about clearing the deck for the meeting and having the expectation that board members come into meetings ready—they’ve read their stuff and are prepared for discussion.”

The Summit Health board dedicates time to education at every board meeting. For example, if there is a certain strategic issue that needs to be addressed, the appropriate person presents to the group for background and education so that the board has the knowledge it needs to fully understand the issue. Board members also regularly read Governance Institute and other industry publications to stay abreast of governance best practices and healthcare news.

There are opportunities for leadership across the system to receive joint education to increase systemness and shared knowledge around strategy. Occasionally Summit Health has combined board meetings so that all the boards in the system come together for education. It also holds off-site retreats about every 18 months where guest speakers provide education to the parent board, subsidiary boards, senior leadership, and physician leaders. During these three-day retreats, the system often has breakout sessions where groups work on strategic issues. This gives

leadership throughout the health system a chance to learn and work on strategy together.

In addition to the tools, processes, and best practices Summit Health implemented, O'Donnell credits much of the success with strategic planning to having the right talent on the board. Being able to tap into the knowledge and the different perspectives and diversity of opinions has been critical. Most of the members on the Summit Health parent board have served either on one of the hospital subsidiary boards or the physician organization board so they have extensive knowledge of healthcare and the organization. Because of this, they ask senior leaders tough questions and are comfortable speaking their mind and giving their opinions. "It's been a very deliberate, focused effort to have strategy conversations at the parent board level. Our members are knowledgeable, experienced, and have accountability. I always want to be prepared for those meetings because they do ask the tough questions. They do it very respectfully, but they challenge us, and it creates good dialogue," O'Donnell said.

"If you don't successfully implement your strategic plan, you're not serving the community as well. You wouldn't be making the strategic moves that help improve your financial wherewithal, quality, connection to the community, and the community's health. All of this could just be diminished because somebody else might step in and fill that void that you're missing."

—Patrick O'Donnell, President & CEO

Increasing Awareness of the Strategic Plan

As mentioned, before implementing Hoshin planning one of the concerns was that the strategic plan didn't clearly connect down from leadership to the front lines. So, for example, it might not have been clear for someone working at the bedside how their job impacted Summit Health's strategy. Throughout this new planning process Summit Health was able to make staff much more aware of and accountable to the strategy than ever before.

Summit Health holds town halls, leadership meetings, and gatherings at the physician practice to communicate the status of the strategic plan and the future of the organization. This year, the marketing department organized an internal campaign to drive awareness among staff of the strategic plan. There were events as well as a booklet designed to highlight the new vision for the organization and the breakthrough objectives. This helped employees recognize the benefits of Hoshin planning and better comprehend the strategic plan, which led to staff buy-in and a culture where everyone is living the vision of the organization on a daily basis. "A lot of the work that we did was connect the strategic plan that a board adopts to what we do at the organization on a day-to-day basis," O'Donnell said. "Now it's much more dynamic. It's much more in front of all our employees. And it is also much

more in front of all our board members because we're reviewing some aspect of that strategy every month."

Adopting this new plan and having the board make the commitment that, as the parent board, it is responsible to plan where the organization is headed has elevated strategic planning at Summit Health. More people are involved in developing and executing strategy as well. When creating the strategic plan many members of leadership were brought in for discussion and to help create action plans. Senior management meet monthly and report on progress so there is a high level of accountability to meet goals and objectives. Management also invites everyone from the organization to go to the report-out wall on a periodic basis so they can go through the status of each breakthrough objective and top-level improvement.

According to O'Donnell, it was imperative to have a solid strategic planning process to effectively achieve Summit Health's vision and continue to be a high-performing organization. "If you don't successfully implement your strategic plan, you're not serving the community as well. You wouldn't be making the strategic moves that help improve your financial wherewithal, quality, connection to the community, and the community's health. All of this could just be diminished because somebody else might step in and fill that void that you're missing." Through carrying out its strategic plan Summit Health will be able to solidify its position in the market and continue to fulfill its mission of providing high-quality, affordable, accessible healthcare for everyone.

