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System Focus

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The Governance Integration Journey at Eastern Maine Healthcare Systems

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Eastern Maine Healthcare Systems (EMHS) is a largely rural integrated delivery system that has grown organically out of its flagship hospital Eastern Maine Medical Center (EMMC) over the past 15 or so years. This article shares EMHS's journey to become the health system it is today, including its evolving structure and governance integration efforts.

Becoming a System

EMMC experienced a period of rapid growth in the late 1990s as it transitioned from a traditional community hospital to a tertiary trauma center with several teaching programs. Located in Bangor, the largest city in the northern two-thirds of Maine, EMMC is one of only three trauma centers in the state. Maine is a state of 35,385 square miles, which is larger than the combined geography of Massachusetts, New Hampshire, Vermont, and Connecticut. The other two trauma centers are located in the southern one-third of the state.

During the late 1990s and early 2000s, EMMC diversified its organizational structure by spinning off its psychiatric and behavioral health services into a distinct facility with its own tax identification number, medical staff structure, financials, and leadership/governance structure. In addition, EMMC formed a separate for-profit company, Affiliated Healthcare Systems, again with its own leadership/governance structure. The system formed Eastern Maine Health (EMH) as the holding company. The EMMC board served as the governing body for EMH and EMMC's leadership held dual roles for both EMMC and EMH.

At this time, several stand-alone hospitals in the region began to work with EMH and over a period of many years, three hospitals joined the EMH family—each maintaining their discrete governance and leadership models. EMH continued to operate as a holding company with very limited authority extending from the parent and largely served as a convener around major strategic issues. Only the original core of EMMC, the psychiatric and behavioral health hospital and the for-profit entity, were in a shared obligated group.

Governance Integration Activity Begins

About 14 years ago, we initiated an effort to create a more integrated governance structure. This work was concentrated at the parent level with the renaming of the system from EMH to Eastern Maine Healthcare Systems (EMHS), and development of a new board, which would be charged with the responsibilities of guiding the disparate parts of the EMH network of participants into a more focused leadership model. This included separating governance of the flagship from governance of the system—a move that was quite controversial. The authorizing vote to accomplish this change succeeded with the narrowest of margins and the work of building a unified operating company was underway.

In 2009, another wave of integration activity began. A special task force crafted uniform bylaws, which were adopted at each member organization, and member organization boards continued to oversee management's execution of financial and clinical goals. However, authority to initiate design and programmatic modifications was provided to the system board for the first time, allowing strategic decision making based on optimizing the resources of the system as a whole. Committee structure for member organization boards was standardized and simplified to include only quality and professional affairs, finance, and governance. This was a two-year effort to effectively socialize this new structure with all member organizations' governance and management leadership. One

reason I believe this worked well is because of the inclusion of regional representation on six of the system board committees: governance, investment, nominating, finance, quality, and strategic planning. Each of the three major geographic segments of the state has a seat on each of these committees, and this voice from the member organizations allows us to build much better strategic decisions.

As part of this phase of governance integration, we provided more structure around a quarterly meeting of the board leadership across the system. We call this group our Council of Chairs and its membership includes the chair, vice chair, and executive leader of each member organization along with the same representatives from the system level. Increasingly, this group is instrumental in our ability to tackle difficult issues and has created a forum for statewide debate and dialogue.

The latest stage of governance integration occurred in the 2014–2016 timeframe when we formed a single obligated group, one balance sheet, and a system-wide strategic five-year financial plan. In this phase, we also built a single board for our population health work, switched all our boards' materials to an electronic platform, and introduced a new common board education curriculum and digital library. While not as extensive as previous governance change efforts, I doubt that it would have been accomplished as easily without the foundational work completed during the previous phases of integration.

Throughout these many changes in structure and acquisitions which have doubled the size of EMHS over the past seven years, we have been guided by the principle of being responsive to our environment. Our goal is to balance the need for economic scale, and statewide market footprint to serve our population health strategy and state/national healthcare dynamics to the imperative of protecting the very delicate healthcare resource accessibility landscape of Maine.

Finally, we are not finished and I am not sure any system's governance improvement work should ever be called complete. As rapidly as our industry is changing, the need to modernize our structures of performance management, strategic planning, and community engagement will be a continuous process.

The Governance Institute thanks M. Michelle Hood, FACHE, President and CEO of EMHS, for contributing this article. She can be reached at mhood@emhs.org.