

Time to Declutter and Refocus

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Many, many articles and white papers have been written over the past decade about health system–subsidiary board relationships (or their dysfunction), clarifying the roles of subsidiary hospital boards and the roles they can and should play within today’s healthcare systems.¹ Despite this wealth of information, a common refrain from subsidiary hospital board members continues to be, “we are not sure what our role is” coupled with, “we don’t have any real authority anymore.”

Many of us confined to home in the spring of 2020 have spent more than usual time and energy “decluttering” our environments. Many subsidiary boards should

1 For example, see Larry Stepnick, *System–Subsidiary Board Relations in an Era of Reform: Best Practices in Managing the Evolution to and Maintaining “Systemness”* (white paper), The Governance Institute, Fall 2011; Michael Peregrine, “Addressing the Root Causes of Parent–Subsidiary Dysfunction,” E-Briefings, The Governance Institute, September 2017; Marian Jennings, “To Be or Not to Be: The Future of Subsidiary Hospital Boards,” *System Focus*, May 2019; Marian Jennings, “Clarifying Board Roles: Emerging Best Practices in System vs. Subsidiary Board Duties,” *Governance Notes*, October 2015; for more on this topic, view The Governance Institute’s collection of resources for subsidiary and local boards at www.governanceinstitute.com/sublocalboards.

Key Board Takeaways

To ensure that subsidiary hospital boards play meaningful roles and add value to their health systems, it is time for these boards to “declutter” what they do and how:

- Focus on the required roles and responsibilities of your board today, not those of the past, including those you may wish you still had.
- Eliminate most if not all local board committees. Have the board serve as a “committee of the whole.”
- Reduce your number of scheduled board meetings to six or fewer meetings per year.
- Refocus your energy outwardly: forging community partnerships and serving as recognized leaders in improving community health.
- Recognize that this work will be painful, especially for longstanding board members. It must be led and actively supported by the board chair.

do the same: declutter what your board does and how. Be prepared, because this can be as difficult and painful at the corporate level as it can be personally. (Think about what has been untouched in your basement for years but is hard to discard because you “might need it someday.”)

Question 1: “Must We Do It?”

Start by assuming that nothing you do today as a board is truly essential and build up from there. Use corporate documents, such as your bylaws and governance authorities matrix, as well as regulatory/statutory requirements, to identify the absolute minimum your board is required to do. Then, make sure you fulfill these minimal roles effectively

and efficiently.

Also, clarify exactly what role your board needs to play under each of these minimum requirements. This will vary from system to system. But if your board does not hold ultimate authority for a role, are you required to either make a recommendation to the system board, participate in policy formulation, or provide input/feedback? Anything not required or expected should be discarded from your board’s work.

The board chair must lead this work with a firm hand. It is essential that you be disciplined and implacable in your approach, as you may be tempted to deem essential those activities the board has performed for a long time or enjoys.

Question 2: "How Should We Do It?"

Undertake a similar process in evaluating how your board does what it must do or what the system expects you to do. There should be no sacred cows. Unless there is a compelling reason not to:

- **Sunset most if not all board committees:** Consider sunsetting every board committee except possibly an executive committee. Undertake your board's necessary roles as a "committee of the whole," unless this literally is not possible. Specifically, while nearly 60 percent of hospital subsidiary boards maintain a finance committee,² we recommend not keeping one. Typically, there also is no need for subsidiary board compliance or audit/compliance committees. In most systems, quality oversight can be performed at the hospital board level without retaining a local board quality committee.
- **Declutter board agendas:** Start from scratch. Then, begin each meeting with a review of your mission and vision and an update on your health system's recent news, performance, and priority initiatives. Build your new agenda around your "must-do" board roles. Have the chair identify precisely why each item

2 Kathryn Peisert and Kayla Wagner, *Transform Governance to Transform Healthcare: Boards Need to Move Faster to Facilitate Change*, 2019 Biennial Survey of Hospitals and Healthcare Systems, The Governance Institute, Appendix 1, page 87.

is on the agenda today and what specifically is expected from the board for the item. Especially if an agenda item does not require a board action, be particularly clear about exactly why it is on the agenda. Include solely informational content in the pre-meeting packet and expect everyone to read it. Encourage questions or feedback on such materials, but don't review the content itself at the meeting.

- **Tighten up your annual board calendar:** Reconsider how many board meetings you need. Over 40 percent of subsidiary boards in 2019 conducted 10 or more regularly scheduled board meetings per year.³ Are all your meetings really productive and needed? Map out a "deep dive" focus for each board meeting, oriented to your board's roles. For example, at least one meeting annually should include an in-depth discussion of how effectively you are actually moving the needle on improving community health rather than merely reviewing all your community health initiatives.
- **Discard the "not invented here" syndrome:** Instead of focusing on why an approach from elsewhere in the system would never work locally, use more board energy to identify what you can learn from others' experience and how you could use or adapt an approach developed elsewhere to benefit your board, hospital, and community.

3 2019 Biennial Survey of Hospitals and Healthcare Systems, Appendix 1, page 82.

Question 3: "What Should We Be Doing Instead?"

Subsidiary hospital boards provide invaluable, irreplaceable community connections for health systems seeking to tangibly improve health in the communities they serve. Once your board has decluttered what it does today and how, you can free up board time to support the hospital's playing a prominent and essential role as a community health leader.

Your hospital likely has greater organizational capabilities, superior health expertise, and more substantial resources than most or all other community organizations. The board should identify what kinds of community partnerships and with which stakeholders you could best advance your mission. You also should consider what role(s) your organization and board leaders should play. When and with whom should you serve as a catalyst for change? When and how should you advocate locally, regionally, or statewide? When should you provide critical services? When could your board and executive leaders serve as a trusted convener, bringing the community together to tackle seemingly intractable problems?

Understand that decluttering and refocusing your board initially may be fraught with discomfort, especially for longstanding board members. However, at this time of great uncertainty, such actions will enhance your board's ability to develop future-oriented approaches to improve your community's health and provide more value to those you serve.

The Governance Institute thanks Marian C. Jennings, President, M. Jennings Consulting, and Governance Institute Advisor, for contributing this article. She can be reached at mjennings@mjenningsconsulting.com.

