

GOOD GOVERNANCE CASE STUDY

AN ONLINE SERIES BY THE GOVERNANCE INSTITUTE

Building High-Performing Governance into Nuvance Health

SEPTEMBER 2022



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1245 Q Street, Lincoln, NE 68508

(877) 712-8778

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Building High-Performing Governance into Nuvance Health

Organization Profile: Nuvance Health, Danbury, Connecticut

John M. Murphy, M.D., President and CEO

Carolyn L. McKenna, Chief Legal Officer

Gregory Rakow, Board Chair

Richard Jabara, Board Member and Chair of the Governance and Nominating Committee

Statement of Interest

Bringing two organizations together to form a new, integrated system can be challenging, but Nuvance Health saw this as the perfect time to thoughtfully instill good governance throughout the system. Using best practices from The Governance Institute and feedback from board self-assessments, the Nuvance Health board developed a plan, with timelines and goals, for intentionally improving governance. Nuvance Health brought their subsidiary boards along for the journey, with each creating their own plans for development and implementing processes and practices set at the system level. This commitment to governance improvement led to implementing best practices for everything from board and committee meetings to board orientation and education to recruitment. Nuvance Health also developed a sense of systemness where boards throughout the organization are dedicated to working together for the betterment of the organization.

A Profile of Nuvance Health

Nuvance Health is an integrated health system offering convenient, accessible, and affordable care to community members throughout New York and Connecticut. Its seven community hospitals offer 24/7 emergency services, including comprehensive care and expertise for cancer, heart and vascular conditions, neurosciences, and more.



Nuvance Health has more than 15,000 caregivers that provide high-quality care through its community hospitals, as well as:

- Primary care and specialty practice locations
- Outpatient settings
- Home care services
- A skilled nursing and rehabilitation facility
- Telehealth visits

Nuvance Health also includes a well-known research institute, which brings breakthroughs from the lab directly to the bedside. As an independent academic medical system, Nuvance Health is a clinical training site for students, residents, and fellows, delivering medical education through academic affiliations and alliances.

The system is dedicated to helping its community members achieve optimal health and providing medical care when and where it's needed most.

Board Self-Assessments: The Basis for Governance Improvement

In 2019, Health Quest and Western Connecticut Health Network came together with a collective future vision and formed Nuvance Health. The boards from each organization merged to form one system board that would, collectively, lead Nuvance Health. The new board saw this as an opportunity to start fresh and make high-performing governance a top priority.

Nuvance Health's approach to governance was the same as it had been for other developing areas of the organization, such as the quality or finance department. System leadership wanted to intentionally seek out best practices industry-wide, whether or not they existed in either of its legacy organizations. "Although stylistically we had different approaches, the importance of governance was clear at both Health Quest and Western Connecticut Health Network," said John Murphy, M.D., President and CEO of Nuvance Health. "We made an intentional effort to look to The Governance Institute and other high-performing organizations for best practices. The board spent a lot of time trying to get it right from the start, but also committing to continually upping our game, just as we have committed as an organization to continuous quality improvement."

To improve governance, Nuvance Health first needed to assess current board performance and processes. The governance and nominating committee took the lead to facilitate board self-assessments for the system board in 2020, followed by board assessments for all six of the subsidiary boards in 2021.

Nuvance Health utilized The Governance Institute's BoardCompass® board self-assessment tool, which gave board members the opportunity to gauge their board's performance against The Governance Institute's comparative database of hospitals and health systems. "Having benchmark data through The Governance Institute allowed us to identify gaps and provided an opportunity to educate the board," Murphy said. "It invited an honest inspection of what we could do better and what we were doing well. It was fundamental to getting better. Ultimately, if you are going to take governance seriously, as we all do here, you have to seek out feedback."

After completing the assessments, The Governance Institute presented the results to each board, highlighting areas of interest and needed improvements. "Through the board assessments, we got into questions such as how long should we be discussing committee reports at a board meeting? How much time should we be spending on strategy at a board meeting? How long should a board meeting be? We talked about a lot of basic, but important, things and made improvements," said Gregory Rakow, Board Chair.

The following year, the Nuvance Health system board took their improvement efforts a step further and completed individual board member assessments. Assisted by The Governance Institute, board members completed a peer-to-peer review structured to reliably measure the performance of each member of the Nuvance Health board. The assessment measured performance against 25 recommended board member expectations, and the results showed how individual board members, and their fellow board members, perceive their performance.

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—John M. Murphy, M.D., President and CEO

Getting board members to participate in individual assessments can be challenging. There is sometimes hesitation when directors are not comfortable assessing themselves or their peers. To help with this, Richard Jabara, a board member and chair of the governance and nominating committee, took time to reach out to directors and discuss the importance of the survey and what would come from the results. "I tried to make it personal between us, and better describe how much we needed this information. I explained that it was not just going to be a survey. The results would make them better board members and help us find out what we needed to focus on over the next year to build a better and stronger board." Explaining the intent of the survey not only enabled everyone to participate, but it also created a safe space where board members felt comfortable being honest in their responses and accepting feedback from others.

At the conclusion of the survey, The Governance Institute discussed the results with board and executive leadership and then presented the board with a summary of the process and findings, ensuring that individual results were kept confidential. After the process was complete, the board chair and chair of the governance and nominating committee also offered each director an opportunity to review their individual results. "It was a very respectful process and I think that was the key," said Carolyn McKenna, Chief Legal Officer at Nuvance Health. "If board members really wanted to be heard, or wanted more explanation about some of the comments, or more feedback, that opportunity was there."

These assessments ultimately provided a basis for board education and planning, through the governance development plan, as detailed below. Assessing the boards and creating an action plan based on the results was a critical step toward optimal board performance.



Implementing Governance Development Plans

Using the board self-assessment results, Nuvance Health created a comprehensive board development plan. This plan provided a description of 11 priority governance initiatives and goals for the year:¹

1. Board orientation program development
2. Creating uniformity of governance practices across the system
3. Board policy and bylaw review, revision, and development
4. Board member responsibilities and role definition
5. Board committees and subsidiary board oversight and accountability enhancement
6. Presentation and oversight of major strategic initiatives
7. Oversight of executive succession planning process
8. Nuvance Health board agenda and work plan revisions
9. Competency-based board development, recruitment, and succession planning
10. Crisis response analysis
11. Continuous governance improvement


The goals related to these initiatives were a combination of Governance Institute best practices and specific needs of the board. The governance development plan detailed each of these priority initiatives, listing a description of the support that The Governance Institute and Nuvance Health's governance support team would provide, key steps for completion, and target deadlines. "At every meeting, we showed the board the progress, and everyone was very engaged," McKenna said. "They wanted to make sure we completed our initiatives in the timeframe we set. It wasn't just something that was put in the packet. We really went over it."



Because of their attention to the plan, the Nuvance Health board completed all 11 of the initiatives. "With the recent formation of the Nuvance Board, it was an opportunity to reset," Rakow said. "We really started with the basics. We looked at the bylaws, the size of the board, the committee makeup, the roles and responsibilities of each board and committee. The governance development plan was well thought-out and walked us through our initiatives and allowed us to accomplish our goals."

1 Given Nuvance Health's situation as a newly merged organization with a need to focus on governance structure, alignment, and performance, its list of goals is lengthy. For most boards, we recommend focusing on three to five areas of development in a given year. Some exceptions to this could be things that are relatively easy and quick to implement, such as meeting attendance policies and standardized agenda, report, and meeting minute templates.

Exhibit 1: Sample of Governance Development Plan

				
2021 Priority Initiatives - INTERNAL WORK PLAN				
Topic	The Governance Institute Support	Nuvance Health's Governance Team Support	Timeline* <i>To be modified upon completion of survey</i>	Percentage Completion/Status
Board Orientation Program Development	<ul style="list-style-type: none"> ▪ Present available board orientation materials ▪ Provide best practice board orientation program schedule and peer program formats 	<ul style="list-style-type: none"> ▪ Develop Nuvance Health's board orientation program ▪ Implement board orientation program for incoming board members 	2/30/21	<p>Percentage Completion/Status</p> <ul style="list-style-type: none"> On Target On Target, with Off Target Risk Off Target <p>Key Steps Completed</p> <ul style="list-style-type: none"> ➢ Orientation Outline ➢ Orientation Presentation Structure <p>Next Steps</p> <ul style="list-style-type: none"> ➢ Compile Packet including Orientation Presentation Materials ➢ Present to stakeholders ➢ Deploy packet at training to new members (and potentially existing members)
Creating Uniformity of Governance Practices Across the System	<ul style="list-style-type: none"> ▪ Provide guidance on authority matrices and resulting board roles and responsibilities aligned with Nuvance Health's model of governance ▪ Collaborate on implementation of the Governance Development Plan with ongoing customization of work plans and resources 	<ul style="list-style-type: none"> ▪ Align governance processes in collaboration with the Nuvance Health Board across all affiliate boards with a focus on: <ul style="list-style-type: none"> ○ Hospital governance alignment ○ Foundation governance alignment ○ Home Care governance alignment ○ Medical Group governance alignment ○ Efficiencies amongst all affiliate boards across system 	4/30/21	<p>Key Steps Completed</p> <ul style="list-style-type: none"> ✓ Work Plan Template Draft ✓ Authority Matrix Draft ✓ All Boards Chairs presentation ✓ Hospital Presidents Discussion <p>Next Steps</p> <ul style="list-style-type: none"> ➢ Update Authority Matrix ➢ Deploy Template to Administrators for revision of current Subsidiary Work Plans ➢ Develop template reports ➢ TBD

To see the full Governance Development Plan, email Carolyn McKenna at carolyn.mckenna@nuvancehealth.org.

Similarly, each subsidiary board used the information from their assessments to establish priorities and a governance development plan. They each came up with five priorities, which they outlined with steps to take and deadlines to meet. “Doing the same thing at the subsidiary board level promotes a sense of systemness, but it also recognizes that they have different responsibilities and different gaps and opportunities. It’s a customized plan for them to be held accountable to as well,” Murphy said.

Many of the subsidiary boards’ priorities ended up being very similar across the system. They saw this as a chance for the subsidiary board chairs to work together to accomplish those goals. This level of collaboration has allowed them to share ideas and created community among the subsidiary board leadership.

The governance development plans have led to all boards following best practices (many of which are highlighted below) and working together for the benefit of the system. Creating these development plans at the system and subsidiary level not only improved governance for each board, but it also stressed the importance of good governance systemwide and established a culture of continuous improvement.

Creating Systemness from the Start

The Nuvance Health board felt that it was critical to bring their subsidiary boards along on the journey to developing high-performing governance. Integrating system and subsidiary boards around governance would ensure that all boards were aligned with similar tools and processes for success.

Creating a common understanding of what responsibilities reside with which boards was key, especially since Nuvance Health was a newly formed system. To do this, they created an authority matrix outlining the roles of the system, subsidiaries, chairs, and management. Nuvance Health also invited well-known guest speakers to present to the boards on systemness and shared literature from outside organizations, such as The Governance Institute. This helped the subsidiary boards understand what their roles should be based on industry best practices. Hearing this information from others, in addition to receiving this information from the system, validated what works best, which helped create buy-in from subsidiary board members.

Changing responsibilities can be a challenge for subsidiary boards that were once fiduciary boards, so system board leadership was supportive and took time to explain the “why” of the changes and address any questions or concerns. “We have made sure that every board member knows their role, their responsibilities, and how important each of those are, regardless of what committee or board they are on,” Rakow said. “We emphasized to them that this was not a diminution of their duties. The responsibilities of these boards—credentialing, community health needs assessments, quality, etc.—are the basis of the whole system. So much of what the system does flows from their work.”

To ensure the system and subsidiary boards focus on appropriate oversight for their type of board, the subsidiary boards developed common annual work plans. Subsidiary board chairs use these plans to create meeting agendas. Nuvance Health also rolled out standardized governance documents across the system, such as bylaws, board policies, and templates for agendas and meeting materials. Subsidiary board chairs were educated on these documents and had a voice in creating and implementing them.

Nuvance Health has processes and forums in place to ensure there is transparency and robust communication amongst the system and local boards. All board chairs meet quarterly to exchange ideas. For example, before implementing new practices, this gave them a chance to discuss how to appropriately develop standardized governance while allowing flexibility for differences in the markets and how to roll out various initiatives across the subsidiaries in a uniform way. These meetings have helped build relationships, allowed for collaborative problem-solving, and are a scheduled touchpoint for any board leadership questions or challenges.

The system also hosts an all-boards forum twice a year. This is a chance for all board members throughout the system to come together to receive updates on strategic initiatives and discuss important governance matters. For example, a national expert on governance spoke to the group about the difference between health system and subsidiary board governance at one of the first all-boards meetings. Having everyone receive the same message simultaneously helps ensure that directors are on the same page. It also provides an opportunity for them to meet, socialize, and learn from one another in person.

Governance Best Practices Utilized by Nuvance Health

Assess the board:

- Complete board and individual board member self-assessments.
- Use assessment results to build a detailed governance development plan.

Create systemness:

- Have a comprehensive governance authority matrix.
- Ensure subsidiary boards understand the significance of their role in fulfilling the system's mission and strategy.
- Develop standardized governance documents, with input from subsidiary board chairs.
- Hold quarterly systemwide board chair meetings.
- Host all-boards forums.

Focus meetings on strategy:

- Spend more than half of meeting time discussing strategic issues as opposed to hearing reports.
- Use a consent agenda.
- Set clear reporting and presentation expectations.
- Send out background materials at least one week in advance of meetings, and set an expectation that members come prepared to address agenda items.
- Create detailed agendas, with clear timeframes and expectations for the board.

Build high-functioning committees:

- Develop detailed work plans and use these to build committee meeting agendas.
- Set clear committee charters and update them annually.
- Recruit committee chairs who have the right expertise and are committed to the role.

Continuously educate board members:

- Follow a formal orientation program for new board members, setting clear expectations for system vs. subsidiary board members.
- Educate board chairs on their unique leadership role.
- Participate in ongoing education regarding industry trends and key strategic issues facing the organization.

Recruit board members with the right skills, expertise, and level of diversity:

- Create a skills matrix to identify current strengths and gaps in membership.
- Design a plan for vetting future board candidates and filling identified gaps.
- Use a standard nominating and succession planning process and documents across the system.

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—Gregory Rakow, Board Chair

Generative Board and Committee Meetings

From the board self-assessment feedback, the Nuvance Health board implemented several governance best practices to elevate their meetings.

The system board meets quarterly and spends over half of meeting time in active discussion about strategic priorities of the organization, as opposed to hearing reports. “We got away from being the type of board where you get a report a week ahead of time, and then somebody repeats the report to the board. That should not be necessary,” Rakow said. “Everyone knows to look at the reports and come prepared with questions. We are trying to get closer to a goal of 70–75 percent of the meeting being spent on strategic discussions.”

To keep meetings focused on governance and strategy, Nuvance Health utilizes a consent agenda at each meeting, sends out important background materials through the board portal at least one week in advance of meetings, and sets an expectation that members come prepared to address agenda items. To ensure reporting does not take up too much of meeting time, the board set expectations for management and committee member presentations and reports, including the ideal format and time limits for the presentation and Q&A period.

Ensuring the organization is fulfilling its mission is a main focus of the board. It starts each meeting with a “mission moment” to keep board members grounded on the purpose of the organization. Agendas flow from the work plans and are well thought-out by the CEO and board chair. They ensure that all agenda items fall into the five responsibilities of the board: quality oversight, financial oversight, strategic direction, ensuring the board’s effectiveness, and management oversight. For each agenda item, they list a timeframe and the role of the board (e.g., to ask questions, formulate policy, approve and make a decision, etc.) so it is clear what needs to be achieved and how much time they have. “We make sure to provide an explanation of why something is on the agenda,” McKenna said. “If we are voting on something, we will have an action memo. If we are not voting on something, I’ll put in an executive summary, so they are able to read that and understand why it is being brought to the board and prepare accordingly.”

Just as Nuvance Health leadership wanted the roles of the system and subsidiary boards to be clear, they also wanted the roles and responsibilities of board and committee members to be easily understood. To ensure job descriptions and committee

charters were up to date and following best practice they reviewed each, using recommendations from The Governance Institute. The Nuvance Health board knew that meetings would be more effective if everyone was clear on their responsibilities and expectations. Because governance is dynamic, they plan to revisit and approve these annually.

All committees have work plans that guide their meeting agendas as well. Committee chairs are critical to the effectiveness of committee meetings and work, so they carefully select chairs based on their skillset and commitment. The committee chairs have all developed strong relationships with their management staff counterparts, which is a key element of their success. “We have dynamic chairs who are 100 percent committed to the organization,” Murphy said. “There is an appreciation by the board that this is where the heavy lifting gets done. There is a high degree of confidence in the effectiveness and the competence of the committees, so that we don’t rehash committee work at the board meetings.”

Continuous Education for a Complex Industry

Nuvance Health worked with The Governance Institute to develop a new board orientation program. This annual two-day orientation sets board members up to hit the ground running. The first day educates all new board members on the system, the healthcare environment, and the values and mission of the organization. On the second day, board members are oriented specifically to the oversight responsibilities of their board. For example, subsidiary board members learn about credentialing, community health needs, and quality and patient safety, while system board members focus on items such as strategy, finance, and systemwide quality efforts.

There is also a new board chairs orientation where the chair of the system board and the subsidiary chairs meet with incoming chairs. During this orientation, they discuss items such as their duties as board chair, meeting facilitation best practices, effectively working with hospital presidents, management vs. governance responsibilities, governance priorities for the year, and communication opportunities with the system board and among the hospital boards.

Continuing board education is important to the Nuvance Health board as well. Board members utilize Governance Institute resources and regularly attend conferences. “We recognize that there is a need for education,” Jabara said. “This is a complicated business, and the complexity has grown exponentially over the last few years. Education is integrated into our work plan. We trickle that down through the whole organization, so we are developing board members at the hospital board and committee levels as well. We want everyone to know what they need to know to contribute to the success of the organization.”

For example, they recently developed a plan to encourage the system board and subsidiary boards to take select Governance Institute e-learning courses. These courses cover topics such as the distinction between management and governance, the board’s role in quality, value-based care and population health management, strategic planning, financial oversight, and improving community health. The Nuvance Health board is also setting aside 10 minutes at the beginning of each board meeting to discuss one of the learning modules, with a board member assigned to facilitate the discussion. This will ensure that board members are engaged and understand the importance of this education for their role.

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—John M. Murphy, M.D., President and CEO

A Systemwide Nominating and Succession Planning Process

Another Nuvance priority from the start was building a competency-based board that is composed of the right people, with the right expertise and level of diversity. After forming the system, the Nuvance Health board tasked a subcommittee of the governance and nominating committee with reviewing the current makeup of the system board and looking for gaps in experience and expertise. This subcommittee created a matrix of the current skills and competencies and designed a plan for vetting future board candidates and filling identified gaps.

The Nuvance Health board then developed a nominating and succession planning process and documents, which the system board is rolling out to the subsidiary boards. This will ensure that everyone across the system is using the same process and materials. Some of the documents include a:

- Board skill matrix worksheet template
- Nominating committee charter template
- Board selection criteria
- Board selection process

When creating this process, as well as other systemwide governance processes, system leaders met with subsidiary board leadership for input. "We make sure that all the chairs are involved in decisions," McKenna said. "We might outline things and make recommendations, but we want to make sure before we roll it out to their boards or the system more broadly, that we are bringing them in for comment and a sneak peek. It just goes so much better that way."

Developing specific processes and spreading best practices such as this throughout the system has created a governance framework that all can continue to follow for years to come. "If you can put good processes and structure in place and really memorialize it, it outlives us," Jabara said. "Over the last three years, even with COVID and everything going on, it's just amazing the level of structure and process we have been able to give, not only at the board level but at the hospital and committee levels as well. This is something we want to continue doing throughout the organization."

This leadership support has been key to building high-performing governance structures at Nuvance Health. Since the organization's inception, there has been a strong commitment from the top to developing a unified voice and philosophy of oversight that benefits the organization. "There is no intentional governance without a willing board, a willing chair, and a willing CEO. You really need a strong commitment from all, and that rose to the top for us," McKenna said. "They recognize that there is no growth in governance without really doing the work, and they have championed these efforts."