

Board Briefing

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Highlights from the January 2024 Leadership Conference

This discussion guide includes key takeaways and questions to consider from the speakers you heard at our January 2024 Leadership Conference in Naples, Florida. Please [let us know](#) how this has enhanced your board education experience and anything more we can do to help you with your next steps.

Two themes emerged from our January Leadership Conference to kick off this year of board education:

Hope is not a strategy! And...

It's all about relationships!

The time has passed for us to hope and pray, wait and see, or wish things would get easier. Change is here and happening all around us, so we need to change or become obsolete. The hard part is: what to change, when to change, how fast to change, and how to pay for it! The good news is that providers still retain the highest level of trust among consumers compared to other entities in healthcare. What we do with that trust in the coming year(s) will be key.

The key question for you as you read this is: What will you do differently as a result of this information?

Hope Is Not a Strategy

For our first theme, speakers updated the audience on financial challenges, systemness, quality, patients' rights, governing AI, transitioning (still!) to value-based care, and the data-driven healthcare future. Here are the takeaways.

Financial Challenges and Systemness

- Lisa Goldstein emphasized the imperative to preserve cash in order to access it quickly when needed.

- She cited the areas of rating agency focus in 2024: labor strategies, regulation impact, financial improvement, liquidity preservation, and the board's effectiveness in supporting management and succession planning.
- Paul Keckley discussed trends in five zones impacting the U.S. health system: clinical innovations, technology, regulatory constraints, capital markets, and consumers. He cautioned that systemness is the key; it will be increasingly difficult for any healthcare organization to truly thrive independently in the future.

Questions to consider:

- How will your organization be impacted if the future of the industry continues to be defined by outside players?
- Is the innovation of the healthcare industry radical or incremental? What about in your organization?
- In regard to partnerships, what is your core business and where is there a strong consumer need or demand?
- How will your hospital preserve cash in 2024?

Quality and Patients' Rights

Executing consistently high quality across multiple hospitals, all with different sets of challenges, is no easy task. Michael Pugh and representatives from St. Luke's University Health Network in Pennsylvania and Michigan Medicine narrowed down these key ingredients:

- The system CEO must treat quality as the number one priority. Culture is the thing: the CEO and board set the tone for an organizational culture of quality and safety.
- Goals must be aligned and physician and executive incentives should be connected to these goals—a must for goal achievement.
- Teamwork, teamwork, teamwork.
- Measure, measure, measure. (Including outpatient!)
- We need to intentionally hardwire safety/quality in every health profession through education and training.

Board members bring a diverse set of perspectives and may see different things in the data. Asking questions helps underscore board accountability for quality. Require root-cause analyses, listen to patients, and study up: come to board and committee meetings with a strong understanding of the data so the time spent can be on questions and discussion, rather than reviewing reports. Ask your QI Team when you have an adverse event:

- Why did it happen?
- How did it happen?

- What is being done to ensure it won't happen again?

And to round out the conversation:

- Where is the outpatient data? What are we not seeing that we should?
- How strong is the outpatient data?
- How can we improve our outpatient data?

Todd Sagin, M.D., J.D., tackled the difficult topic of patients' rights in today's legal environment. It is becoming increasingly crucial for boards to stay abreast of evolving controversies that politicians and judges act on—*these have direct implications on care decisions for patients that your physicians are having to make right now*. Healthcare workers are five times more likely to experience violence than employees in other industries. Many of these attacks happen on social media over social and political matters.

Questions to consider:

- How will your board facilitate regular and ongoing dialogue with your physician community over changes in legislation and legal rulings?
- How will your board dedicate time to discussing the changing political and legal climate?
- Does your hospital have adequate bandwidth to follow the legal volatility landscape and if not, what steps can be taken to ensure that it does?

Governing AI

Laura Adams put AI into context for boards. Here is her list of opportunities and cautions:

- Predictive AI can be used for things such as forecasting appointment no-shows, analyzing variation in patient flow, predicting negative outcomes in at-risk patients, and determining the possibility of hospital readmission.
- Unlike predictive AI, generative AI looks for patterns and structures and then creates new content. It can best be used for creative endeavors such as brainstorming various scenarios, creating hypothetical charts, and asking for possible solutions to a problem when you encounter a roadblock.
- Negative consequences of AI include a lack of privacy and patient rights, a widening of the equity divide, deepfakes, and liability issues. (Proceed with caution!)
- We should not train machines to act like humans; rather, we should use machines to do the machine-like actions so that the humans' job is more rewarding and less repetitive/mundane. Use AI to pave the way for physicians to see, hear, and listen to their patients.

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For now, the most important thing boards can do is read up and ask questions. Most AI applications in healthcare now are administrative; the clinical applications will take more time to figure out.

Questions to consider:

- Is your organization considering implementing the use of AI in the health system and if so, are there low-risk options for getting started?
- How can you help senior leaders prepare for the future of AI in the organization?
- What are some possible tasks throughout your organization that would be made easier with the integration of AI? What are some things that cannot be replaced by AI?

Accelerating Value

Dr. Brian Silverstein focused on the board's job of accelerating value at the right pace for your market. His key takeaways:

- **Change is slow.** Continue to work with your communities to improve overall health on a broader level—moments spent in the healthcare environment are not enough to do this.
- **Location matters.** Life expectancy can be drastically different by zip code. It is important that your board is aware of this and related governance implications.
- **Make technology work for you.** Your EHR may need additional layers of technical capabilities to be useful and efficient for your workforce and patients.

Questions to consider:

- What are our health goals?
- Is digital a separate strategy? (Hint: the answer shouldn't be yes.)
- Are we making the right investments?
- How should we approach performance-based risks?
- From a governance/management perspective, have we set up our organization for success?

Data Will Drive the Future

Tom Koulopoulos drew a compelling picture of how consumers will be using healthcare data in the future, and how technology will alter the healthcare workforce, with knowledge workers and digital workers in an ambient digital ecosystem. The equation to consider is "keep it vs. shred it," and where/when to partner along the way in order to build a truly integrated delivery system with technology at the center.

While this seems like a distant future state, boards can begin now to pave the way. Tom cited several examples of how today's leaders tend to hang on too tightly to "keeping yesterday alive a little longer." The key now is to work towards an integrated digital strategy that considers how technology impacts every piece of the delivery model, and how to bring disparate technologies together into a unified user experience.

It's All about Relationships

For our second theme, speakers pinpointed the importance of trust. Ken Hughes said that healthcare is in the "life" business. To "defibrillate" our purpose, we need to invest in customers *and* employees to deliver the experience that is expected by consumers and that is needed to differentiate against disruptors. How is your board and senior leadership thinking about:

- Trust?
- Honesty?
- Authenticity?
- Intimacy?

Often providers talk *at* people rather than engaging in a two-way conversation with the patient as partner. In our lines of work, what are we bringing to the relationship, and how can we do better?

Ryan Donohue said we need to do more with the trust we have with our consumers and patients, because if you aren't actively working to keep and deepen that trust, it leaves a vacuum others (outside disruptors!) will rush to fill.

A lot of it is about telling your story. Are you "innovating quietly"? Do consumers know about what you are doing to improve their experience/health/lives?

Sven Gierlinger continued on the relationship theme comparing patient experience to places like the Ritz-Carlton. While hospitals don't need to become luxury hotels, there are some real-life applications that are relatively simple, low-cost, and make a meaningful impact on patient experience and loyalty:

- Genuine care and comfort should be our highest mission.
- Can we provide personal service?
- How can we fulfill unexpressed wishes and needs?
- Through those things, we can instill wellbeing.

The key takeaways:

- Again, the CEO must lead the charge.
- You need to act and believe that you are in the customer service business.

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- Reputation matters.
- Your patient experience strategy must include culture, care delivery, hospitality, and accountability.

Steps to consider:

- 1. Innovate your marketing and public messaging.** It's time to hold the marketing team accountable to a different expectation. Relying on your annual community benefit report to get the message across just isn't going to cut it. Awards and recognitions may not set you apart. How do different demographic populations want to receive your messages and which messages do they need to receive to build and retain trust? Do you have the data you need to do this right?
- 2. This is where boards come in—advocacy.** Build a strategy for telling your organization's story in a way that matters to consumers. Consider who you should be talking to in your community to make the message heard louder and further. Brainstorm ideas to help patients know who to talk to and how to connect with your organization when they need to, via *their* preferred method. Help find ways to reach patients before those patients wonder what to do next.

Gierlinger closed with this question: when you consider all of the information you are tracking about a patient in the EHR, are you including things that are important to them personally, that would be important to translate to their next care setting? How can we do a better job making that connection?

Finally, Tom Koulopoulos reminded us that change is about making decisions. We're setting the bar too low.

