

Go Big or Go Home: A Board Framework for Strategic Planning of Big Ideas

By Ethan Feldmiller, M.H.A., and Maulik Joshi, Dr.P.H., Meritus Health

Not-for-profit hospitals and health systems have a duty to contribute in meaningful ways to the communities they serve. This greater purpose is highlighted directly within most organizational mission statements. The execution required to achieve the mission requires resources and those resources faced strain over the last two-plus years with COVID and its ramifications, which included profound staffing shortages and unprecedented burnout. Many healthcare organizations had sufficient funds built up for a rainy day, and that rainy day came in the form of the COVID-19 pandemic. In fact, there have been almost 1,000 rainy days since the pandemic started. Hesitancy to make significant financial investment is certainly understandable given the state of our world in recent years. However, despite these difficulties, many hospitals have the opportunity to make a huge impact for their community from their financial resources.

Considering the community health-oriented missions health systems have, the financial pressures that we have endured, and the greater need for health systems to not just tackle but lead community health, this begs the question: **what can we do now to drive a dramatic, meaningful impact within the communities we serve for better health?** Are there different ways and different magnitudes in which we should be utilizing our financial reserves to better achieve our missions in our communities? Carefully considering these questions is the first step for board members and leaders of healthcare organizations to reaffirm their commitments and prioritize initiatives that will serve the best interests of their communities.

Strategic Approaches to Community Investment

Big ideas do not grow on trees. Board members and healthcare leaders must take it upon themselves to aggressively pursue bold initiatives meant to improve the health of the communities we are intended to serve. In order to formulate large-scale initiatives backed by significant funds, board members and senior leaders must cohesively and strategically collaborate for the

sake of an effective output. Leadership opinions can vastly differ from each other; therefore, it becomes paramount for leaders and governance to implement an effective process that simultaneously considers differing opinions, community benefit, and financial implications.

Such a process could begin by collecting around three ideas per senior leader that would require a sizeable financial investment (in the range of \$100 million or one-third of your reserves) to dramatically impact both community health and the organization's goals. Additionally, each senior leader would need to submit a one-page proposal for each idea that highlights how they envision it impacting the mission, community health, and organizational finances. Each submitted idea would be presented amongst senior leadership and prioritized accordingly on a Financial and Community Benefit Matrix. Appropriate next steps and action plans are to be developed after thorough combined analysis by board members and senior leadership.

As senior leaders and board members, pose the question to your team: **what would you do with \$100 million to best impact community health and finances?** What seems like a massively oversimplified approach has the potential to ignite the thought process for initiatives that could aid in shaping the health and well-being of an entire community for years to come. Soliciting the input of leadership should be the first step in a collaborative effort to properly utilize rainy-day funds. The goal of healthcare organizations is to provide adequate benefit to their communities while also maintaining financial stability. In order to attain this goal, we must occasionally venture into unknown territory and step out of our comfort zones.

Case Study: Meritus Health

Meritus Health, western Maryland's largest healthcare provider, is located at the crossroads of western Maryland, southern Pennsylvania, and the eastern panhandle of West Virginia. Meritus Health's mission is to improve the health of its community of over

Key Board Takeaways

Board Strategic Planning of Big Ideas Process

- Leaders are to identify 10 to 15 *big ideas*. The big ideas must be in the magnitude of \$100 million (or about one-third of your total reserves) to be invested and with the goal to dramatically impact the organization's mission and community health.
- For each big idea, leaders develop a one-page proposal that highlights what the initiative is and how it impacts the mission, total cost, and financial benefit.
- Present each big idea among senior leaders.
- Senior leaders vote and prioritize.
- Plot the ideas on a Financial and Community Benefit Matrix.
- Share the big ideas grid at a board strategic planning meeting for discussion.
- Collectively decide on any next steps, as appropriate, to take to the next level.

200,000 people. With a team of over 4,000 people, Meritus Health includes 327-bed Meritus Medical Center, a 160-provider medical group, home health, and numerous other health and healthcare services.

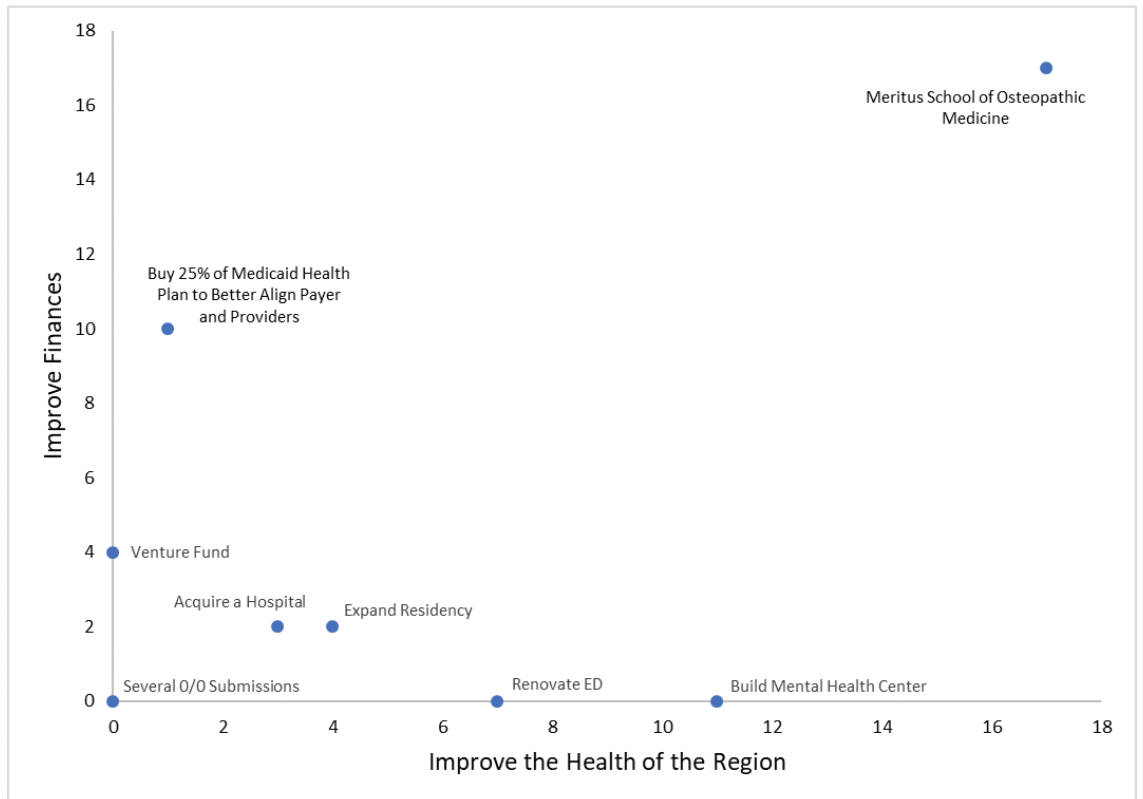
Dave Lehr, the Chief Strategy Officer for Meritus Health in Hagerstown, Maryland, conducted an exercise among the organization's senior leadership to assess potential initiatives each individual felt could provide significant benefit to the Washington county community that Meritus Health serves. Each leader was given a hypothetical \$100 million and was asked to list three specific ideas for community investment. The ideas were all collected and the rationale behind each was explained.

Each senior leader was given a total allotment of 12 points that were to be split evenly between the categories of "improving finances" and "improving health of the region." Leaders were then instructed to assign their points to the ideas collected. Once the divvying of points was complete, each idea was arranged into a grid with financial improvement measured along the y-axis and health status improvement measured along the x-axis (see **Exhibit 1**). The Financial and Community Benefit Matrix findings would go on to be presented before the strategic planning committee for further discussion.

Exhibit 1: Subset of Meritus Health Financial and Community Benefit Matrix (November 2021)

The development of the Financial and Community Benefit Matrix provides a simple yet effective way for healthcare organizations to evaluate priorities and illustrate what leaders within the organization feel will bring the most prosperity to the community. Ideas, opinions, and economic factors are in constant flux; therefore, these types of exercises should be conducted on a regular basis (perhaps every two years) to emphasize forward, agile thinking. Each healthcare organization is driven by their mission and it is our responsibility to illustrate this drive to our communities.

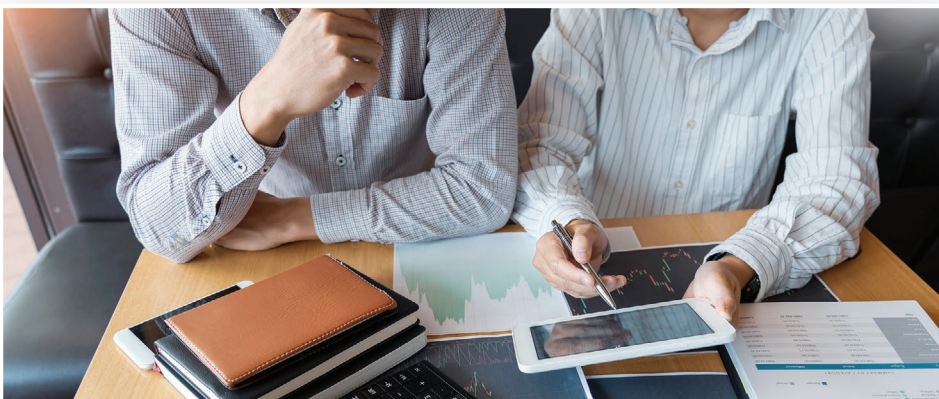
For Meritus Health, the Financial and Community Benefit Matrix yielded an initial discussion in the development of Meritus Medical School. The school received the most points among the senior leaders and, as evident in the matrix, was thought to have the most benefit on each axis—community benefit and finances. This process and framework facilitated by the utilization of the Financial and Community Benefit Matrix provided a tremendous accelerant to thinking big and different. One year after this strategic planning process, Meritus Health is investing \$160 million to build Meritus School of Osteopathic Medicine to train physicians to serve rural underserved areas like our community.



Conclusion

Regularly evaluating the thought processes behind the implementation of bold community initiatives should remain at the forefront of board members' thinking as we steadily emerge from the trials and tribulations thrown at us over the past few years. In an effort to raise up the communities we serve, there must make haste to create positive momentum that dramatically impacts those we are intended to serve. Thomas Jefferson once said, "With great risk comes great reward." Taking a leap

of faith with significant organizational funds always presents undeniable risk. Understanding this risk brings about the necessity to look back on lessons learned throughout the pandemic, internalize them, and implement innovative exercises to strategically brainstorm, communicate, and initiate high-priority initiatives with the highest degree of benefit. Healthcare organizations must collectively emphasize our commitment to the communities we serve, just as they did to us amidst the COVID-19 pandemic. Again, what would you do with \$100 million? Rainy days do not last forever, and the time to act is now.



The Governance Institute thanks Ethan Feldmiller, M.H.A., Administrative Fellow, Meritus Health, and Maulik Joshi, Dr.P.H., President and CEO, Meritus Health, and Adjunct Faculty, University of Michigan School of Public Health, Department of Health Management and Policy, for contributing this article. They can be reached at ethan.feldmiller@meritushealth.com and maulik.joshi@meritushealth.com.