

# Board Briefing

October 2024



The Governance Institute

## Highlights from the October 2024 Leadership Conference

### **Hospitals, health systems, boards, and caregivers are increasingly under attack.**

**Todd Sagin** brought together several issues with both regulatory/compliance implications and implications for the delivery of care now and in the future, including reputational, litigation, and physical risks, and the rights and confidentiality of both patients and clinicians.

Social media has become a place to air grievances and pursue personal agendas; such attacks are largely meant to degrade the reputation of specific doctors and hospitals.

Violence in the medical workplace continues to be at a much higher rate compared to other professions—two nurses are assaulted every hour in the U.S.—this is now considered an epidemic impacting the ability to provide safe and effective care.

There are active attempts to gain access to patient records from hospitals—even across state lines—to challenge the care provided in court. Prosecutors are going after providers. Providers are turning to hospitals to provide clarity as new legislation in many states is confusing.

Most importantly, these issues are impacting the well-being of practitioners; in particular, moral distress is resulting from external limitations on practitioners' ability to make their own care decisions.

Boards need to spend time at board meetings discussing these issues to prepare a response. Dr. Sagin proposed the following ideas:

**“The board’s  
collective  
commitment  
toward mutual  
respect and  
consideration in  
a constructive  
way will serve as  
a role model for  
the community  
about how to deal  
with contentious  
issues.”**

*—Todd Sagin, M.D., J.D.*

- Ignoring or taking a reactive position will increase the potential for both risk and harm to your organization and patients. Getting out front proactively, in as many ways as possible, is crucial.
- Use social media to proactively enhance your organization's and providers' reputations and aggressively promote achievements. Have a crisis PR firm ready to assist when the time comes.
- Encourage staff to come forward to report incidents of abuse, threats, intimidation, and violence. Have a clear plan for how to respond.
- Ensure IT focus on patient confidentiality concerns and proactively consider hospital response to demands from third parties for protected health information (PHI).
- Set up a task force to have ongoing dialogue with the physician community about these issues. Involve legal counsel to help define the gray areas.

Questions to consider:

1. Under what circumstances will your organization support physicians who treat patients in accordance to accepted medical standards but that opens the door to legal challenges?
2. Boards are also under attack about vaccine and masking mandates, DEI programs, gender medical services, addressing misinformation, and more. How will you as a board respond?
3. Do you need to reinvigorate the ethics committee to provide guidance to the board, management, and physicians on these and other emerging issues?
4. If and how will your organization play a leadership role to publicly combat misinformation?
5. What can you do now to proactively strengthen messaging about the organization's position in supporting the community, patients, and clinicians?

**An AI tsunami is coming.** Laura Adams made the case that AI will ultimately become the “operating backbone” of healthcare and, as a result, no aspect of the healthcare ecosystem will be untouched. It has the potential to help us solve some of our most intractable problems. The biggest board-level challenge right now is having the requisite knowledge of and discernment about the relevant technologies to separate the hope from the hype around all things AI.

Adams walked through some of the “hope” of AI including reimagining patient experiences, enhancing care delivery, removing machine-like tasks from humans, better detecting cyber threats, optimizing the insurance claim process, enhancing strategic planning—the possibilities seem endless and it will be difficult for organizations to narrow

**“Truly personalized care is about patients being seen, heard, and given a sense of belonging. AI cannot replicate or replace human connection.”**

*—Laura Adams*

down the options. Adams also noted that as the literal lifeblood of AI is unimaginably enormous amounts of data, hospitals and health systems are sitting on a potentially lucrative revenue source. And while this aspect of AI holds real economic potential, healthcare leaders and boards will need to be extremely careful as they proceed.

Adams quoted from Michael Millenson, “If data is the new oil, then privacy and patient rights are climate change.” With AI comes risks and tough decisions, and AI is not a “set it and forget it” technology. All of that said, Adams was emphatic that now is the time for healthcare leaders and boards to “lean in” on AI. She also suggested that while “your organization is not behind, if your hospital or system has not begun to explore and (prudently) experiment with AI, today is the day to start.”

Questions to consider:

1. What are some low-risk AI opportunities that we can start with and potentially scale? (Adams provided the promising example of ambient AI scribes to generate structured clinical encounter conversation summaries in the EHR.)
2. What would we need to know to develop a consistent and intelligent approach to AI
3. in our healthcare organization?
4. When it comes to AI in our hospital or health system, what are our “known unknowns,” and what are our “unknown unknowns”?
5. How do we see the use of our organization’s patient data in the era of AI?
6. As board members and executives, how are we preparing to lead and govern in the age of AI?

**There is ample opportunity to right the scales and envision a new healthcare system.** Tom Koulopoulos encouraged boards to build a new narrative for healthcare leadership, starting with having authentic conversations about the value healthcare provides for our long-term social and economic infrastructure. While there is much friction for consumers in navigating healthcare, start by looking at the things that should not change: things that make up the essence—the essential core of healthcare—that need to be amplified and reinforced, which are the human aspects of healthcare.

Koulopoulos believes the fundamental shift will be away from economies of *scale*, which are inherently inefficient and dehumanizing, not behaviorally focused nor patient-centered, emphasizing size but not intimacy and understanding. Rather, the shift will be toward economies of *scope* (involving deeply rooted, intimate partnerships between players that each have a core competency in what they do).

The opportunity now is to rethink the role of the hospital. All of the technology changes from the last 60 years will be eclipsed by the changes in technology we will see in the

“When it comes to change in healthcare, the most frequent thing people think about is technology. This is not a technology conversation. It is a core part of it, but as important is how we amplify what should not change: the humanity of healthcare.”

—Tom Koulopoulos

next 10 years. The challenge is projecting the way behavior will change as a result of using new technology, and the value that will be gained. The amount of data we have at our fingertips is endless. How will the data and technology inform and enhance our lives? This piece is crucial to how we reimagine healthcare. "It's a wonderful thing but it is also terrifying, because data dehumanizes things very easily," Koulopoulos said.

Questions for boards to consider:

1. What are the essential aspects of our organization and healthcare system that we must keep, amplify, enhance, and expand?
2. How do we envision the future of healthcare, and how do the aspects from question 1 fit into this vision?
3. What does the concept of "economies of scope" mean to us and how can we start building strategies that enable us to build on this concept?

