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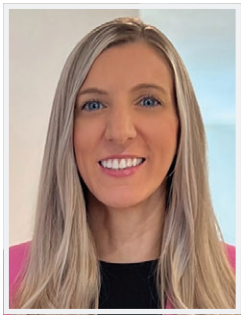

Reflect and Prepare for a New Year

Another eventful year in healthcare is coming to an end. While many topics filled the minds and hearts of hospital and health system boards and leadership teams, the greatest buzz was around the potential and risk of AI. For most, AI was unfamiliar territory in the boardroom. Now that we have talked and learned about the impacts of AI—both good and bad—in the hospital and clinical setting, there is growing comfort. But, moving forward, it is going to take asking smart (and sometimes tough) questions to truly narrow in on the evolving AI opportunities specific to our organizations.

A second area of focus that has resurfaced with some debate is the core governance responsibility of community health and advocacy. The question being asked: should health systems be responsible for improving community-level social drivers of health? In our special section, leaders at Dartmouth Health answer with a resounding "yes." This is mission-critical work, and while short-term gains can seem fuzzy, we are hopeful that hospitals and health systems will see the long-term benefits of these investments—and that leaders will be empowered to advocate in support of their communities.

Beyond AI and addressing the social drivers of health, this issue of *BoardRoom Press* touches on many of the topics boards have been grappling with this year, from cybersecurity to the move to value-based care to strategic partnerships. Navigating these issues in a new year, which is bound to be full of uncertainty, will require smart governance. We encourage boards to ask the hard questions, have the tough conversations, and be prepared for change. But also, make sure that your North Star remains: *to improve the health of your communities.*

Kayla Wagner,
Senior Editor

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AI: A Year in Review

By Kathryn C. Peisert, The Governance Institute

Kathryn C. Peisert
Editor in Chief &
Senior Director
The Governance Institute

Among the many new things we have done in 2024, a primary concentration has been how to answer the question, "What do boards need to know about AI now?" We created a new AI Resource Center on our Web site. We also partnered with Laura L. Adams, Senior Advisor of the National Academy of Medicine, to speak to our board audience at conferences as well as publishing a quarterly AI Focus newsletter that helps filter hundreds of industry articles into a short list that can help boards better understand what is happening with this rapidly evolving technology and its implications for healthcare.

As we wrap up a year of significant change, this article sums up the activity surrounding AI this year, presents a position on where we are now, and proposes next steps for boards as we head into 2025.

Major Issues and Questions

Predictive AI has been employed in healthcare for decades (think predicting patient utilization patterns to aid in workflow management). A major reason why we are talking about AI all of the time in 2024 is the power and potential of new and rapidly evolving *generative* AI tools, in addition to the upswing in predictive AI adoption in healthcare. Still today, generative AI is not yet being widely used in healthcare settings, although the use of AI scribes is spreading. The larger systems with more resources and/or financial capabilities to develop AI applications on their own or partner with AI vendors are doing innovative things in this space that can serve as case examples for others to learn from.

Some interesting examples of generative AI in healthcare include:

- Risk stratification to aid in care coordination and chronic disease management.[1]
- AI scribes that employ ambient "listening" to transcribe clinical encounters into structured content in the EHR to reduce the amount of time physicians need to spend documenting after a full day of seeing patients.[2]
- Natural language processing (NLP) is being used to extract SDOH data from EHRs for a more comprehensive understanding of patients' socioeconomic conditions, which in turn can inform better healthcare interventions.
- AI algorithms in remote patient monitoring are reducing unnecessary in-person visits by analyzing vast amounts of patient data to detect trends, anomalies, and potential issues. Doing so can help maintain continuity of care and prevent fragmentation, especially for patients with multiple chronic conditions.[3]
- Cleveland Clinic is using ChatGPT (with an "internal sandbox" that is HIPAA compliant) to interpret hundreds of thousands of voice comments from their CAHPS surveys about the ease of getting care.[4]
- UCSD Health has implemented an AI tool that can identify signs of sepsis in ED patients much sooner, enabling earlier and less costly intervention and reducing the risk of sepsis deaths in the ED to almost zero.[5]

So the question remains, what does this all mean for hospitals and health systems, and what should boards and senior leaders be doing about it?

Current State of AI

The technology and its consequences are still in early stages and there exist many potential risks for organizations that rush to apply AI without carefully doing their due diligence. The technology is in a state of almost constant evolution as it continues to improve. ChatGPT and other similar generative AI tools "hallucinate" or create responses when they cannot find the information being sought

AI tools that insert patient encounter notes into the EHR still need to be reviewed for accuracy—the "trust but verify" adage. Until these tools can be proven at a particular accuracy rate that physicians must agree is "good enough" to trust without extensive verification and editing, the potential time savings for physicians, while is not nothing, may in reality be less than promised.

Further, with so many AI tools emerging, it may be difficult to focus and choose the right AI tool(s). This brings the old familiar problem of selecting one-off things that could be easy to implement or "sound cool" but might not integrate into a bigger strategic picture. It is important to keep in mind the potential of these tools to increase fragmentation.

Finally, many healthcare leaders don't have a deep level of understanding of how AI tools work. This can open a host of unintended risks and consequences surrounding misunderstood limitations. These aspects make it challenging to monitor and govern.

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››› KEY BOARD TAKEAWAYS

Generative AI comes with both opportunities and risks:*

Opportunities:

- Operations optimization
- Improved patient engagement
- Enhanced business and patient monitoring
- Faster product development
- Higher quality and innovation
- Improved patient outcomes

Risks:

- Employee and patient trust
- Errors
- Unethical or unintended practices
- Erosion of employee skills
- Privacy and security
- Compliance
- AI project failures

*Jon Moore, *AI Governance and Strategy Alignment: Empowering Effective Decision Making,* A Governance Institute Strategy Toolbook, Spring 2024.

1 Shania Kennedy, "Exploring the Role of AI in Healthcare Risk Stratification," *Healthtech Analytics,* Tech Target, May 8, 2024.
2 Andis Robeznieks, "AI Scribe Saves Doctors an Hour at the Keyboard Every Day," American Medical Association, March 18, 2024.
3 HealthSnap, "AI in Remote Patient Monitoring: The Top 4 Use Cases in 2024," accessed October 14, 2024.
4 Interview with Judith Wolfe, M.D., former Associate Chief Experience Officer, Enterprise Safety, Quality, and Experience, Cleveland Clinic, August 2024.
5 UC San Diego Health, "Study: AI Surveillance Tool Successfully Helps to Predict Sepsis, Saves Lives" (press release), January 23, 2024.

Preparing for and Responding to Cybersecurity Threats

By Iliana Peters and Kayleigh Shuler, Polsinelli PC

Cybercriminals continue to accelerate in their attacks on the healthcare industry. Every day, organizations are falling victim to sophisticated attacks targeting their information sharing and management systems, including any information technology "system"[1] that may hold valuable information. The financial, reputational, and legal implications of these attacks mount quickly. This is perhaps most true with respect to the greatest cyber threat currently facing the healthcare industry: ransomware. This article highlights five key things board members and C-suite executives should know about these challenging attacks.

As litigation stemming from data breaches explodes, plaintiffs are increasingly including in their lawsuits the notion that board members and C-suite executives breached their fiduciary duty if they "allowed" a breach to occur on their watch. These suits seek to hold board members and senior leaders personally liable for these alleged failures.

1. The First Hours and Days after a Cyber Attack Are Critical

When a disruptive ransomware attack hits a hospital or health system, the organization's response must be swift but thoughtful. During the stress of the initial discovery and immediate response to the attack, missteps are not uncommon. For example, a hospital may wipe or erase systems in an effort to eliminate the ransomware infection. While that move makes some intuitive sense, unless steps are first taken to preserve the forensic evidence on those systems, the end result can be problematic from a practical and legal perspective. Without that evidence, an organization can never know how the attacker infiltrated the organization in the first place, what can be done to prevent the attacker's reentry, and whether the attacker accessed or acquired copies of any HIPAA protected health information, employee information, or other sensitive data.

Early missteps can also hurt an organization in the short term, to the extent that they lead to additional operational disruptions, as well as in the long term, to the extent that they leave an organization in the dark about how to secure the attacker's initial entry point and about whether any data may be at risk. Fortunately, the odds of experiencing these early (but potentially irrepealable) self-inflicted wounds can be reduced. Board members and C-suite executives that understand the criticality of the immediate incident response steps can better prepare their organizations by overseeing a risk management program that calls for frequent testing—and, as needed, fine-tuning—of their incident response plans.

2. Cyber Attacks Are Not Just an IT Issue

While IT will certainly be busy following a cyber attack, board members and C-suite executives should be involved as well. Questions leadership may be asked to provide oversight and guidance on include:

- How will the organization operate if critical systems are down? What systems should be prioritized when it is time to recover?
- Is there any scenario where the organization would make a ransom payment? Under what circumstances might payment be made? What is the decision-making process for making a payment?
- What will be communicated to employees, patients, regulators, or others? When will those communications be made? By whom?
- When and how will law enforcement be notified of an attack?
- Will the board weigh in on any of these issues?

The good news is, there is no reason why board members and other executives cannot think about these issues proactively, before a crisis arises. By doing so, these key stakeholders can enter any actual incident with the confidence that comes from knowing what will be asked of them and from having already grappled—if only in a theoretical way—with some of the challenges.

3. Board Members and C-Suite Executives May Be Personally Targeted in Post-Breach Litigation

Board members and senior leaders have long been considered "fiduciaries" to their organizations, as well as to the

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››› KEY BOARD TAKEAWAYS

- **The first hours and days after discovering a cyber attack are critical**. Ensure that the organization is ready to act quickly and thoughtfully. This includes having a cyber risk management program where incident response plans are regularly tested and fine-tuned.
- **Cyber attacks are not just an IT issue**. They will require strategic oversight and guidance from management and the board. Proactively discuss the board's role so it is prepared to respond should a cyber incident arise.
- **Board members and C-suite executives may be personally targeted in post-breach litigation**. Boards and executives can position themselves to argue that they did not "allow" a breach to occur by being involved in the organization's process for identifying threats and having a role in determining how to prioritize mitigation of those threats.
- **Cyber attacks often have long tails**. Ensure the organization has the resources to guard against lengthy data breach regulatory inquiries and lawsuits.
- **Threats cannot be eliminated, but proactive planning helps**. By planning for an attack, the board and senior leadership can help position the organization to respond effectively.

1 The National Institutes of Standards and Technology define a "system" as: "1) Any organized assembly of resources and procedures united and regulated by interaction or interdependence to accomplish a set of specific functions (note: Systems also include specialized systems such as industrial/process controls systems, telephone switching and private branch exchange (PBX) systems, and environmental control systems); or 2) a collection of computing and/or communications components and other resources that support one or more functional objectives of an organization. IT system resources include any IT component plus associated manual procedures and physical facilities that are used in the acquisition, storage, manipulation, display, and/or movement of data or to direct or monitor operating procedures. An IT system may consist of one or more computers and their related resources of any size. The resources that comprise a system do not have to be physically connected."

Beyond Bricks and Mortar: Addressing the Social Drivers of Health

By Joanne M. Conroy, M.D., and Sally Kraft, M.D., M.P.H., Dartmouth Health

Dartmouth Health is a partner in our One Impact Campaign. To learn more, visit www.governanceinstitute.com/oneimpact.

The cost of healthcare isn't free—but there's an even higher price to pay when we ignore the most basic of all human needs: housing, food, transportation, employment, and parental supports such as quality childcare for those who must work. Health systems and hospitals are the cornerstones of our communities. As such, do we have a moral obligation[1] to address issues our patients and communities are facing that are not healthcare delivery related, but have a direct impact on health and healthcare delivery? The answer is yes. We must invest in the people we serve and those we employ. We are only as healthy as the communities we serve, and the economic prosperity of our communities depends on healthy populations.[2]

Depending on an individual's income, education, and zip code, life expectancy can vary by decades. The injustice is undeniable when a person's zip code matters more than their genetic code in determining their health outcomes. As hospitals and health systems, we have a responsibility to work within our communities to improve the social drivers of health to ensure healthier outcomes for our people—physically, mentally, and socioeconomically. Every town and every zip code, through socioeconomic, political, and historical forces, drives health its own way, and those local factors influence healthcare utilization. What happens there, drives healthcare.

Social injustices also impact our care teams. Unable to meet health-related social needs of patients, care teams experience a feeling of helplessness and burnout resulting from their lack of resources to address those needs. As hospitals search for ways to support burned-out staff, providing resources to meet patient's social care needs may bolster flagging teams. The bottom line is that failing to address the social drivers of health impacts workforce, patients, and community prosperity.

››› KEY BOARD TAKEAWAYS

- **What is the responsibility and accountability of a hospital or health system in reaching beyond its walls to address non-medical drivers that dramatically impact people's health outcomes?** Improving *health outcomes* means we have to address patients' health-related social risks. Doing so is a moral imperative for health systems that will both improve individual and community health while improving health system bottom lines.
- **Are health systems responsible for improving community-level social drivers of health?** Yes. We are only as healthy as the communities we serve and the economic prosperity of our communities depends on healthy populations.
- **Should leadership be responsible for tackling housing shortages, lack of transportation, childcare, and food insecurity?** Yes. Through investments in our communities in housing, transportation, food, workforce, and childcare we will address the root problem and reduce the need for expensive hospital care at the same time.
- **How do we measure success and standardize our measurement systems to accelerate learning?** We can measure the volume of screening thus measuring our ability to meet health-related social needs. But we must accelerate our learning and standardize data measurement systems to allow us to compare performance across healthcare settings and geography.
- **How do we align incentives and resources across diverse stakeholders to impact community conditions?** No single health system can address the social drivers of health in our communities. We must collaborate.
- **What role can boards play in accomplishing this goal?** Boards have a critical role to play in planning, not only for current community needs but for future needs as well. Board members are leaders. Investments in the community, supported by directors, will lead to improvements in community health, individual health, and reduce health disparities. Board members can drive innovation.

Defining the Drivers of Health

Defining what role hospital and health system boards and leaders play in addressing these social drivers of health is complicated. It is not clear cut. What is clear is that board involvement is key in driving awareness and supporting health system initiatives to address the issues.

Social drivers of health are defined by the World Health Organization (WHO) as "the conditions in which people are born, grow, live, work, and age, which are shaped by the distribution of money, power, and resources. They include income, education, employment, housing, neighborhood conditions, transportation systems, social connections, and other social factors."[3,4] If health, as defined by the WHO, is so much more than healthcare, how do we identify and meet the needs of the many diverse communities we serve? We do it in three specific ways:

1. We learn about the needs of our communities through the community health needs assessment.
2. We commit to investing in those community needs based upon the data we collect.
3. Health system leaders and boards work with community leaders to ensure that our investments are wise and impactful.

Failure to Address the Drivers Is Not an Option

While some pundits suggest that health system investments in the social drivers of health is a distraction and could result in the misdirection of precious resources that typically support clinical operations, we disagree with that assessment.[5] While there is a need for greater clarity and understanding

1 Donald M. Berwick, "The Moral Determinants of Health," *JAMA*, June 12, 2020.
2 *Community Health and Economic Prosperity: Engaging Businesses as Stewards and Stakeholders—A Report of the Surgeon General*, HHS, CDC, January 2021.
3 Hugh Alderwick and Laura M. Gottlieb, "Meanings and Misunderstandings: A Social Determinants of Health Lexicon for Healthcare Systems," The Health Foundation, University of California, San Francisco, *The Milbank Quarterly*, Vol. 97, No. 2, June 2019.
4 Social drivers/determinants of health are also now being referred to as "vital conditions"; see e.g., https://health.gov/our-work/national-health-initiatives/equitable-long-term-recovery-and-resilience/framework.
5 Sherry Glied and Thomas D'Aunno, "Health Systems and Social Services—A Bridge Too Far?," *JAMA Health Forum*, August 17, 2023.

Organization Profile

Dartmouth Health, New Hampshire's only academic health system and the state's largest private employer, serves patients across northern New England. Dartmouth Health provides access to more than 2,000 providers in almost every area of medicine, delivering care at its flagship hospital, Dartmouth Hitchcock Medical Center (DHMC) in Lebanon, NH, as well as across its wide network of hospitals, clinics, and care facilities.

DHMC is consistently named the #1 hospital in New Hampshire by *U.S. News & World Report* and is recognized for high performance in numerous clinical specialties and procedures. Dartmouth Health includes Dartmouth Cancer Center; Dartmouth Health Children's; member hospitals in Lebanon, Keene, Claremont, and New London, NH, and Windsor and Bennington, VT; Visiting Nurse and Hospice for Vermont and New Hampshire; and more than 30 clinics that provide ambulatory and specialty services across New Hampshire and Vermont.

Through its historical partnership with Dartmouth and the Geisel School of Medicine, Dartmouth Health trains nearly 400 medical residents and fellows annually, and performs cutting-edge research and clinical trials recognized across the globe with Geisel and the White River Junction VA Medical Center in White River Junction, VT. Dartmouth Health and its more than 15,000 employees are deeply committed to serving the healthcare needs of everyone in our communities, and to providing each of our patients with exceptional, personal care.

of how improving the social drivers of health will benefit health system bottom lines, at Dartmouth Health and at health systems across the country, we are already beginning to see how community investment upstream results in tangible improvements to individual health downstream. For example, if a person is asthmatic and lives in an environment with high levels of irritants and is unable to change their living conditions or afford appropriate medications, they will become frequent visitors to the emergency department.[6]

So long as the social need for access to safe, affordable, decent housing in communities is not being met, these patients will keep coming back to the emergency departments of their local hospitals. And emergency departments, while they are superb at addressing the immediate physical injury, are not going to address the social injury these individuals face every day if their living situation is inadequate. ED care is expensive and short term. Changing community conditions requires long-term investments, working in multi-sector partnerships, and measurable improvements may not occur for years. Through investments in our communities in housing, transportation, food, workforce, and childcare we will address the root problem and reduce the need for expensive hospital care at the same time.

Dartmouth Health's investments in housing projects through the Upper Valley Loan Fund will provide very low-cost financing to housing project that will include affordable housing units. Without supplying this type of low-cost capital, developers simply will not build affordable units and will continue to develop units that are out of the price range of the average worker or they will not build any units at all. It is estimated that the fund will lead to the creation of over 250 additional rental units in the area, 94 percent of which will be affordable to people earning between $13 and $25 an hour. Moreover, Dartmouth Health's additional investments in childcare and transportation will not only benefit its patients but will also support the workforce who are caring for these patients.

The Board's Role in Addressing Social Drivers of Health and Driving Health Equity

The intersection between the improvements in the social drivers of health and health equity is where health systems can have the greatest impact, especially when supported and driven by their boards. "At the population level, health equity can be achieved by addressing SDOH [social determinants of health],[7] while at the individual level, it can be achieved by addressing social needs. Health equity benefits everyone through, for example, economic growth, a healthier environment, and national security. At both the population and individual levels, work to improve health and health equity will require cross-sector collaborations and, where necessary, enabling policies, regulations, and community interventions."[8]

The American Hospital Association suggests that board members "are in a unique leadership position for overseeing a health equity strategy for their hospitals and health systems. They are business and community leaders who can work closely with their hospital leadership to ensure that health equity is embedded in the organization's strategic plan. When a board member serves as a champion for health equity, it helps to underscore the importance of developing, implementing, and executing this plan."[9] In the same way that board members can advocate to ensure they support and oversee their health system's health equity strategy, they can ensure, as leaders, that they publicly support the health system's strategies to address the social drivers of health.

Board members should commit to learning the facts from the community health needs assessment and from that, they can determine what is lacking in each community their hospitals and health systems serve. They can commit to addressing those needs by investing in communities, which will, no doubt, create short-term pressure on the health system bottom line, but will pay long-term dividends in both community health and financial health for the institution. As the proportion of patients covered in value-based contracts increases, the incentives to keep people healthy increases, making the ROI even greater. Board members can acknowledge that while such investments may not be revenue-generating for their institutions in the short run, it is the right thing to do. Dartmouth Health is

6 Elizabeth Samuels, et al., "Mapping Emergency Department Asthma Visits to Identify Poor-Quality Housing in New Haven, CT, USA: A Retrospective Cohort Study," *The Lancet Public Health*, August 2022.
7 Dartmouth Health uses the term "social drivers of health" rather than "social determinants of health."
8 Jennifer Lalitha Flaubert, et al., *The Future of Nursing 2020–2030: Charting a Path to Achieve Health Equity*, National Academies of Sciences, Engineering, and Medicine, National Academy of Medicine, Committee on the Future of Nursing 2020–2030, May 11, 2021.
9 "It Starts at the Top: How Boards Can Prioritize Health Equity," American Hospital Association, Boardroom Brief, January 2024.

proud of the support of its directors and leadership in its designation as an anchor institution[10] and in the creation of the Center for Advancing Rural Health Equity, which brings researchers, clinicians, educators, and communities together to work collectively to improve community conditions so everyone can be as healthy as possible with input from community leaders and organizations.[11]

Catalyzing Our Anchor Mission

An anchor mission is a commitment to intentionally apply an institution's long-term, place-based economic power and human capital in partnership with the community to mutually benefit the long-term well-being of both. As an anchor institution, Dartmouth Health focuses on place-based investments and purchasing, otherwise known as "sticky" capital. We use our large economic engine to drive those local and regional investments close to home and we view our partnerships with business and community as synergistic. By using our economic power in this way, we are directly addressing poverty, racism, education disparities, housing shortages, environmental hazards, and other large "societal" challenges. We invest in our workforce and opportunities to improve equity through intentional recruiting, fair wages, and expanding career pathways. Our goal is to be increasingly intentional with local investing to decrease inequitable outcomes through improved community wealth and health.

Positioning the Board to Advance Our Work as an Anchor Institution

Boards can support a robust anchor institution framework and productive ways to connect with the community. To paraphrase an article from AHA,[12] we must understand our organization's history of being trusted or mistrusted in the community and have the skills to confront those community perceptions to address any lasting impact. We must ask to what extent has race, place, income, and other historical drivers of health inequity played a role in any mistrust that our communities may have for our organizations? Does our board understand how the organization may have contributed to this legacy of mistrust? Has our board gone through a process of understanding its own history and relationship with the community?

"Understanding the community conditions that affect health is key to addressing health equity. Does your board have public health and social needs expertise complementing traditional board competencies such as finance, legal, and real estate? Have you examined data to address inequities in your organizational policies? Do the reports that our board regularly reviews include data that has been stratified to reveal the inequities that exist in our community and our patient populations? Community needs data that is stratified by age, race, place (census tract or zip code), gender, income level, and other factors will help to delineate the inequities various populations are experiencing. Boards should have a process to evaluate this data, set strategic goals based on the data, and regularly review the data as part of the board's core quality improvement process, because equity is a key component of quality."[13] We must not medicalize social injury. Rather, we must learn from our patients and communities where our investments will be most impactful in reducing harm. It is the key to having our board members and administrative leaders support our strategic goals, beyond the bedside.

Conclusion

Health systems have become increasingly aware of how non-clinical factors affect the health of the patients they treat. These social risk factors are where we must direct our attention both inside and outside our walls. Health system and hospital board members, along with administrative and clinical leaders, must not focus exclusively on world-class healthcare for individual illnesses, but instead, focus on treating their communities with the same level of care. Boards have a critical role to play in developing and supporting that strategy. Investments in the community, supported by directors, will lead to improvements in community health, individual health, and will reduce health disparities. Board members are respected leaders with a megaphone that can reach beyond the boardroom. Using their collective voice in support of our communities will matter.

Dartmouth Health's Center for Advancing Rural Health Equity

The center's mission is to ensure that people in rural areas have the chance to live healthy lives, by learning and acting together in our rural communities. We accomplish this mission through strong partnerships supported by community wisdom, data, health expertise, continuous learning, and open communication to inspire change so that each person can be as healthy as possible. The center brings together four pillars of work—healthcare redesign, research, community action, and education—with the goal of making sure everyone has a fair shot at a healthy life, no matter who they are or where they live. Health systems must learn to be good partners in the community, weaving the wisdom of the community through its work to improve the conditions that shape health. The center was co-created by members of the community and the academic health system to develop the infrastructure for learning and acting together.

> *Board members are respected leaders with a megaphone that can reach beyond the boardroom. Using their collective voice in support of our communities will matter.*

TGI thanks Joanne M. Conroy, M.D., CEO and President of Dartmouth Health, President of Dartmouth Hitchcock Medical Center and Dartmouth Hitchcock Clinics, and Professor of Anesthesiology at the Geisel School of Medicine, and Sally Kraft, M.D., Population Health Officer for Dartmouth Health and Assistant Professor of Medicine at the Dartmouth Institute, Geisel School of Medicine, for contributing this article. They can be reached at joanne.m.conroy@hitchcock.org and sally.a.kraft@hitchcock.org.

10 Joanne Conroy and David Zuckerman, "Leadership Dialogue Series: Investing for Impact with Healthcare Anchor Network," AHA Advancing Health Podcast, March 24, 2024.
11 For more information on Dartmouth Health's Center for Advancing Rural Health Equity, see www.dartmouth-health.org/carhe.
12 Somava Saha, Dora Barilla, and Karma Bass, "10 Questions Boards Can Answer to Advance Equity: Now Is the Time to Take a Step Back and Look at COVID-19's Impact," AHA, January 2022.
13 *Ibid.*

Improving Community Health through Advocacy

By Kayla Wagner, The Governance Institute

Advocacy is an increasingly important responsibility of hospital and health system board members. Many public policy issues affect healthcare organizations daily: declining reimbursement rates, health equity, access to care, workforce shortages, cybersecurity, and patient rights, just to name a few. How these issues are handled can have a tremendous impact on a hospital or health system, its patients, and the community at large.

Yet, in The Governance Institute's biennial survey, community benefit and advocacy consistently ranks as one of the lowest-adopted and lowest-performing core board responsibilities.[1] While board members may appreciate the benefits of advocacy, they are often unclear of their role and how to rank advocacy initiatives among their growing list of priorities. This article highlights board members' key leadership role in advocacy and the powerful influence they can have in their communities.

››› KEY BOARD TAKEAWAYS

- Set a culture of advocacy from the top by sharing how leadership is invested in advocacy aimed at improving community health.
- Make advocacy a standing agenda item at every board meeting.
- Conduct a relationship inventory with the board to identify any connections they have that could help advance advocacy initiatives.
- Utilize advocacy to drive the organization's mission and strategic plan.
- Prioritize causes that are the most meaningful to the organization and community, and where the board and senior leadership feel they can have the biggest impact.
- Educate board members on their role in advocacy as well as why the organization is taking a stand on specific issues.

Set a Culture of Advocacy

Advocacy is the act of "taking a position on an issue, and initiating actions in a deliberate attempt to influence private and public policy choices."[2] While lobbying might be the first activity that comes to mind for boards,[3] advocacy efforts go far beyond this to include educating others, relationship building, forming and joining coalitions, and communicating about meaningful issues.[4]

Creating an organizational culture of advocacy sets the tone for prioritizing this work and the impact it can have on community health. This starts with leadership, according to Amanda Pears Kelly, Chief Executive Officer of Advocates for Community Health. "The C-suite needs to be in agreement that advocacy is a priority," she shared. "If you don't have a top-down approach, meaning if your senior leadership hasn't fully bought into the need to prioritize advocacy, it's not going to go anywhere." The CEO plays a critical role here, not only in advocating themselves, but in encouraging board members to regularly discuss and engage in these efforts.

Pears Kelly also recommends having advocacy as a standing agenda item at every board meeting, so it is always top of mind. This provides reoccurring opportunities to discuss current advocacy efforts and any new issues where the hospital could have a positive influence. Many board members are leaders in the community, so someone sitting around the table may even have a connection they can reach out to or an event they are attending where they can build relationships or highlight the hospital's work around a specific cause.

Link Advocacy with the Mission and Strategic Plan

Considering advocacy as a driver of the organization's mission puts it front and center as a key board activity. If the hospital's mission focuses on offering high-quality care, improving community health, and/or providing equitable access, that provides a foundation for advocacy efforts.

The board should also consider how advocacy connects to the strategic plan. "Advocacy should be a part of achieving the organization's strategic plan," Pears Kelly said. "If you think about where the organization is headed and what the things are that are going to be necessary to achieve that, advocacy is typically one of them. Then you need to take it a step further and decide what that means for your organization. Does that mean you are trying to influence policymakers? Does that mean developing more relationships? Many different tactics go underneath it, but you have to have that roadmap, that North Star, with advocacy as a part of it."

Prioritize Where to Focus

The board and senior leadership should focus on areas of advocacy where they feel they can truly make a difference. Key causes to target could include:

- Climate change and its impacts on health
- Health equity
- SDOH/community health needs specific to their organization and communities
- Substance abuse disorder
- Mental/behavioral health access and affordability

Along with picking topics that align with the mission and strategic goals of

1 Kathryn Peisert and Kayla Wagner, *Think Bold: Looking Forward with a Fresh Governance Mindset*, The Governance Institute's 2023 Biennial Survey of Hospitals and Healthcare Systems.
2 Sana Loue, "Community Health Advocacy," *The Journal of Epidemiology and Community Health*, June 2006.
3 501(c)(3) organizations are subject to a limitation on their lobbying activities. For more information on this, see *Advocating Legally: Privilege or Curse?*, Elements of Governance, The Governance Institute, 2006.
4 Community Commons, "An Introduction to Advocacy as a Change Strategy for Non-Profits."

the organization, the board can look to the community health needs assessment, which has already identified the most-pressing community health concerns and gaps, backed by data and community insight.

Dr. Archelle Georgiou, a physician, consumer advocate, consultant, and the immediate past chair at Children's Minnesota noted the need for boards to zero in on the topics and outcomes that matter most. "The board, along with the executive team, needs to come forward with focused objectives for their advocacy efforts. You have to really pick your priorities," she said. She agrees that the CEO can be an empowering influence. For example, years ago, the Children's Minnesota CEO came forward with a passion for health equity and he brought this to the board with a rationale for why this was important to address—highlighting that it was the right thing to do but there was also a strong business case for these efforts.

The board and CEO aligned around advocating for health equity, and the CEO brought in an experienced executive leader to create the operational infrastructure to move these efforts forward. "Advocacy doesn't start and stop in the boardroom," Georgiou said. "Advocacy and a commitment to health equity and social equity is wired throughout the organization." There is a team that monitors, measures, and is the voice of health advocacy but execution of programs spans throughout the organization.

At the governance level, the Children's Minnesota board does discuss advocacy at every meeting. Leadership provides a report addressing progress around advocacy and equity efforts and the board reviews the health equity dashboard. This ensures the board is always part of the advocacy conversation and can do its part to support this work.

To gain clarity on and comfort with their role in advocacy, board members need regular opportunities for education. Advocacy education should start during orientation and then continue with deeper dives on specific areas of advocacy, how those connect to the hospital and community, and where the board can help make a difference. Georgiou highlighted that education is especially important with advocacy around hot-button issues, such as gender-affirming care or gun control. She recalled when their board first started discussing the need for advocacy around gun control: "There were both board questions as well as employee questions about why the CEO of the organization was taking on a political issue. But our CEO really stepped up and addressed the questions very publicly at all levels of the organization, including the board, and shared data about how guns are one of the biggest risks to the health of children. When he reframed why he was taking that on, everybody was aligned. And it wasn't a political issue. It was a health of children issue."

Take Action

Once it is clear what to advocate for, there needs to be a plan for how to get the message across. Every organization's advocacy plan will vary but board support is key. For some this may mean direct involvement or backing the CEO and other stakeholders in everything from engaging with policymakers to working with local partners to sharing the organization's efforts with the media or at community events.

Board members can be powerful messengers for sharing the organization's community health initiatives and also telling the organization's advocacy story and connecting that to fundraising. Pears Kelly highlighted two areas where the board can play a valuable role here:

1. In addition to telling the organization's story, board members can tell their personal story about their connection to the hospital. Why are they serving on the board? Why is it important to them?
2. Involve the board in collecting stories and identifying individuals who have powerful stories to tell that help support advocacy causes and may compel others to fundraise or give to the hospital.

Community events are one example where this opportunity exists. "Community events are great for raising awareness around community health initiatives, but they can also be an opportunity to say, 'This is the advocacy work that the hospital is doing. Did you know that, and would you like to participate?'" said Pears Kelly.

Boards can also work behind the scenes to support advocacy efforts. For example, Children's Minnesota regularly advocates for access to mental health services for its pediatric population. "While mental health is not the biggest moneymaker in healthcare, and especially pediatric healthcare, the board supported a big investment in expanding pediatric mental health services with an inpatient unit in our Saint Paul hospital," Georgiou said. "It did that because there was such a need for better access and to advocate for that. We have to be financially healthy, but we absolutely invest in those areas where there is a lack of access, and that lack of access disproportionately affects individuals that are disadvantaged."

> *"The C-suite needs to be in agreement that advocacy is a priority. If you don't have a top-down approach, meaning if your senior leadership hasn't fully bought into the need to prioritize advocacy, it's not going to go anywhere."*
>
> *—Amanda Pears Kelly, CEO, Advocates for Community Health*

Board members have the power to help drive their organization's advocacy efforts. Through this work, boards can support and amplify visibility around the issues that matter most to the organization and will ultimately have a positive impact on the health of their communities.

TGI thanks Amanda Pears Kelly and Archelle Georgiou for sharing their insight and experience for this article.

AI: A Year in Review

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Our Recommendations for Next Steps

Involving clinicians early in decision making about AI is key. Ask your clinicians what their concerns are about AI, and what they are optimistic about when it comes to these new tools. Include them in selecting low-risk opportunities to implement AI and engage them in developing guardrails for all clinicians and healthcare decision makers regarding acceptable uses of AI in your organization.

Consider creating a temporary board committee to oversee AI strategy and implementation; engage your physician and nurse leaders on this committee so that they have a voice in an appropriate venue to help shape your organization's AI strategy.

Come from the mindset of first identifying the most important problems to solve, and then assessing whether an AI solution is the best option to solve a problem, rather than starting by asking what problems a particular AI solution might solve. Bring these questions to your next board meeting or a retreat focusing on AI and technology innovation:

- How are we currently using AI in our organization, and are these tools predictive or generative? Are we using them according to "best practice" protocols widely used in other healthcare organizations?
- What new uses of AI have we deployed or may be considering deploying and why?
- Who has the authority to decide what AI tools are used and how? Do we know how our physicians (employed and independent) are using AI?
- What other healthcare organizations have deployed AI in new ways and what can we learn from their experiences?
- How can we better leverage our existing predictive AI tools to enhance clinical workflows and alleviate staff burnout?
- What regulatory and ethical considerations should we be discussing? Do we need to expand the role of our ethics committee?
- What should be included in an integrated AI strategy and risk management framework? Is the senior leadership working on this now and how should the board be involved?
- What needs to be included in an AI use policy for the organization, and an AI governance policy for the board? Should we consider appointing a dedicated AI oversight committee?

The primary strategic concern with AI is finding the right balance between fast decision making and implementation against risk management. Boards and senior leaders must find that delicate balance between speed and agility vs. guardrails around safety, equity, quality, and ethics in order to responsibly adopt AI. The more board members can educate themselves about the evolving AI opportunities, the more they can understand the related risks and rewards and inform better decision making.

Refer to our toolbook by Jon Moore of Clearwater, AI Governance and Strategy Alignment: Empowering Effective Decision Making, for information for boards on how to integrate AI into strategy and effectively oversee and monitor AI at the governance level. Find new resources and issues of our quarterly AI Focus *in our AI Resource Center.*

Preparing for and Responding to Cybersecurity Threats

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individuals that their organizations serve. Among other things, this relationship requires a fiduciary to inform itself of all material information reasonably available to the fiduciary prior to making a business decision. While that principal is not new, its application in the cyber breach context may be considered novel. In particular, as litigation stemming from data breaches explodes, plaintiffs are increasingly including in their lawsuits the notion that board members and C-suite executives breached their fiduciary duty if they "allowed" a breach to occur on their watch. These suits seek to hold board members and senior leaders personally liable for these alleged failures.

While many of these types of claims have been dismissed to date, boards and executives can position themselves for the best result. This preparation likely includes their involvement in the organization's process for identifying threats and having a role in determining how to prioritize mitigation of those threats.

4. Cyber Attacks Often Have Long Tails

After a breach, the federal Department of Health and Human Services (HHS), the Federal Trade Commission, the Department of Justice, State Attorneys General, and international regulators may have jurisdiction to open an investigation into an organization. In fact, HHS will automatically do so for any breach that involves 500 or more individuals' HIPAA protected health information. These investigations can be detailed and time-consuming, and it may take months or even years for them to reach final resolution. In the private context, class action litigation is likewise common and time-consuming. All of these efforts involve significant resources. Careful budgeting, including for a robust cyber insurance program, may be needed to guard against the potentially lengthy lifespan of data breach regulatory inquiries and lawsuits.

5. Threats Cannot Be Fully Eliminated, but Proactive Planning Helps

Boards and C-suite executives should not wait until faced with an actual cyber attack to revisit their data governance programs, incident plans, cyber insurance policies, and other policy and procedure issues raised above. With proactive efforts, an organization can position itself to respond effectively, not if, but when, faced with an attack.

TGI thanks Iliana Peters, Shareholder, and Kayleigh Shuler, Associate, Polsinelli PC, for contributing this article. They can be reached at ipeters@polsinelli.com and kshuler@polsinelli.com.

Smart Governance…
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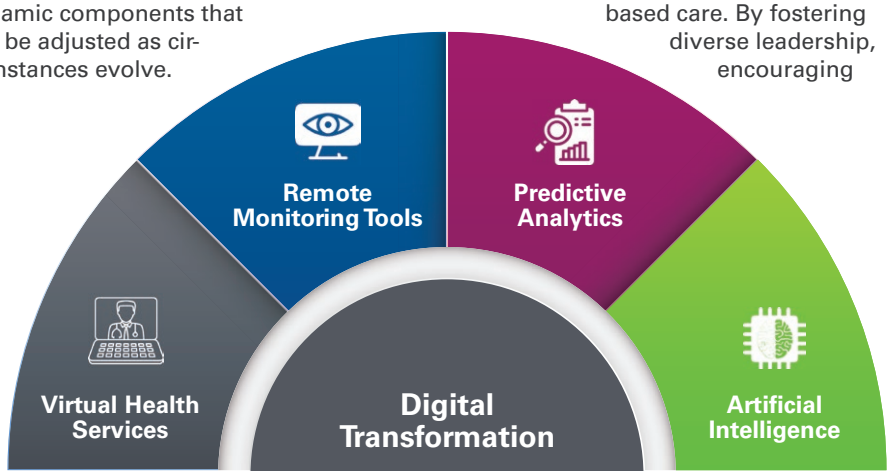
remote monitoring tools. Generative AI is poised to play a transformative role in healthcare. AI-powered solutions are already being used to streamline administrative tasks like medical coding, note-taking, and revenue cycle management. In clinical settings, AI holds promise in diagnostics, personalized medicine, and predictive analytics. However, leveraging these technologies requires robust governance frameworks to address data privacy, security, and ethical concerns.

To manage financial pressures, healthcare organizations are exploring new revenue diversification strategies. Relying solely on traditional hospital-based services is no longer sustainable, especially as healthcare shifts toward outpatient care and virtual health solutions. Many providers are pursuing mergers, acquisitions, and partnerships with non-healthcare organizations, such as venture capital firms and technology companies, to expand their service offerings and generate new income streams.

In addition to strategic partnerships, healthcare organizations are building innovation capabilities and exploring new business models, such as the commercialization of shared services. These efforts reflect the growing need for agility and resilience as providers navigate an uncertain economic landscape. Organizations that successfully diversify their revenue sources will be better positioned to weather market turbulence and invest in future growth.

Smart Governance Strategies

Smart governance is essential for healthcare organizations to thrive in an ever-changing environment. Governance frameworks must combine stable core elements—such as mission, values, and leadership principles—with dynamic components that can be adjusted as circumstances evolve.



This approach ensures that organizations remain true to their purpose while staying responsive to new challenges and opportunities.

Effective governance also requires clear criteria for selecting leadership and board members, as well as transparent charter statements that define the organization's goals and principles. Regular review and updates of governance policies are critical to maintaining alignment with market conditions and industry trends.

In an era of rapid change, governance plays a critical role in helping healthcare organizations achieve stability while remaining flexible enough to embrace innovation. Smart governance frameworks enable organizations to align their operations with emerging trends, integrate new technologies, and transition toward performance-based care. By fostering diverse leadership, encouraging collaboration, and promoting continuous learning, healthcare providers can build resilient systems that deliver high-quality care while managing financial and operational risks.

> *In an era of rapid change, governance plays a critical role in helping healthcare organizations achieve stability while remaining flexible enough to embrace innovation.*

Ultimately, smart governance is a strategic tool that empowers healthcare organizations to navigate uncertainty, capitalize on new opportunities, and create a more sustainable and effective healthcare system. As the industry continues to evolve, organizations that adopt adaptable governance practices will be best positioned to meet the challenges of the future and improve the health outcomes of the communities they serve by balancing the right mix of acute services with other models.

TGI thanks Brian Silverstein, M.D., Chief Population Health Officer, Innovaccer, and Governance Institute Advisor, for contributing this article. He can be reached at brian.silverstein@innovaccer.com.

Smart Governance: A Path to Stabilizing Healthcare

By Brian Silverstein, M.D., Innovaccer

Healthcare systems are facing unprecedented challenges due to shifting market dynamics, increasing healthcare costs, and rapid technological transformation. The current revenue model based upon sick care has seen cost increases exceeding what the market is willing to pay. In this volatile environment, healthcare organizations must adopt governance strategies that balance stability with adaptability. Smart governance offers a framework for health systems to remain resilient, promote sustainability, and drive innovation. This article examines the challenges confronting healthcare today, the industry's revenue transition, the role of digital technologies, and how governance can create a stable yet flexible foundation for future growth.

Healthcare organizations must carefully balance both payment models while building the infrastructure needed to support value-based care, such as care coordination systems, data analytics, and performance measurement tools.

Current Hurdles

Chronic diseases continue to rise at alarming rates, creating significant challenges for healthcare systems. Conditions like heart disease, cancer, diabetes, and obesity have become more widespread, with nearly 60 percent of Americans now living with a chronic illness. This trend has placed enormous pressure on healthcare providers, as these illnesses require continuous and often complex care. The prevalence of obesity has increased significantly in recent years, further compounding the risks of related conditions like diabetes and cardiovascular disease.

Despite medical advancements, chronic disease prevalence shows no signs of slowing. The rising burden of these conditions strains hospitals, clinics, and long-term care facilities, underscoring the need for sustainable healthcare models that emphasize prevention and health management rather than reactive care. Although this increased disease burden ironically creates business, the margins on this type of care are low or even negative. Also, many of the services these patients need are not reimbursed creating additional pressures.

The U.S. healthcare system is characterized by high costs and subpar outcomes compared to other developed countries. Despite spending more per capita on healthcare, the U.S. ranks poorly in life expectancy and overall health outcomes. A significant portion of healthcare resources is allocated toward acute care, particularly hospital services, which account for 30 percent of total healthcare spending. However, much of this spending addresses advanced stages of illness, with limited investment in preventive care or social determinants of health that influence long-term wellness. This care can be life-changing and lifesaving to those that receive it.

However, there are few resources allocated to the underlying factors that impact diseases for larger populations. The focus remains on "sick care" rather than proactive health management, resulting in costly hospitalizations and treatments that might have been preventable with early intervention. To address these inefficiencies, healthcare organizations should consider shifting their focus toward preventive care and population health strategies. To do this effectively requires a revenue model that pays differently.

The Revenue Model Transition

For a decade, healthcare systems have begun transitioning from fee-for-service models to performance-based care. The traditional fee-for-service model rewards providers based on the volume of services delivered, which results in systems and processes focused on managing the problems rather than creating infrastructure to support patients with different systems and models that focus on disease management, care coordination, and behavior change.

Payment models such as bundled payments, shared savings programs, and accountable care organizations (ACOs) are slowly gaining traction. These models incentivize providers to focus on quality and efficiency, rewarding them for keeping patients healthy and minimizing unnecessary interventions. Additionally, the rise of Medicare Advantage plans reflects the broader trend toward healthcare arrangements that align reimbursement with outcomes rather than service volume. While there is recent news of health systems going out of network with Medicare Advantage plans, that's by in large with specific plans that are problematic and is unlikely to impact the overall enrollment.

This shift, however, has been gradual, and fee-for-service remains a dominant model in many areas. Healthcare organizations must carefully balance both models while building the infrastructure needed to support value-based care, such as care coordination systems, data analytics, and performance measurement tools.

Digital Technologies, Strategic Partnerships, and Innovation Capabilities

The healthcare sector is undergoing digital transformation although relying on transaction engines has limited innovation and operational efficiencies. Technology is reshaping how care is delivered, from virtual health services to

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››› KEY BOARD TAKEAWAYS

As healthcare systems navigate market turbulence, leaders must address several critical questions:

- How can organizations remain aligned with their mission and values in a changing environment?
- What aspects of the industry will remain stable and which will evolve?
- How can existing frameworks be adapted to manage unforeseen disruptions or "wildcards"?
- What governance strategies will ensure that organizations remain agile and responsive to new opportunities?

Answering these questions requires a forward-looking approach to governance. Healthcare organizations must develop frameworks that allow them to monitor progress, evaluate outcomes, and make adjustments in real time. Governance structures that prioritize clarity of purpose and continuous improvement will be best positioned to succeed in an unpredictable market.