Inside Two Worlds

Serving on the boards of a hospital system and its health plan offers a unique governance perspective

By Cathy K. Eddy

My journey as a student of governance began 10 years ago when I attended a course on board best practices. As president of the Health Plan Alliance in Irving, Texas, I thought this would be a good way to enhance my communication with my own board, which is made up of C-level health plan executives.

In 2005, I joined the Presbyterian Health Plan board, which is part of Presbyterian Healthcare Services, an integrated, nonprofit system of hospitals, a health plan and a medical group in Albuquerque, N.M. Becoming a trustee gave me the opportunity to see board dynamics from the other side and taught me the importance of thoughtful, intentional board composition and meeting design.

Internal and External Expertise

PHS is committed to excellence in governance. The system uses a governance competency wheel as a framework for the skill sets it looks for in all of its trustees to build effective, well-rounded boards at the system, health plan and community levels [see Presbyterian Governance Wheel].

PHS also brings in outside experts for its system and health plan boards and, as a health plan leader, I am considered one of the board's industry experts. I contribute a national perspective on working with provider-sponsored and independent health plans around the country. Governing integrated delivery systems is incredibly complex, so PHS benefits from having board members who understand the cross-system dynamics of how different delivery systems, physician groups and health plans interact.

PHS' system and health plan boards work together strategically. Members who have positions on both boards have helped to push the system's thinking on health care transformation. For example, George Isham, M.D., a member of both the system and health plan boards, brings experience and a broad perspective from his role as chief health director and plan medical director at HealthPartners, Minneapolis, as well as co-chair of the Measure Applications Partnership Coordinating Committee for the National Quality Forum.

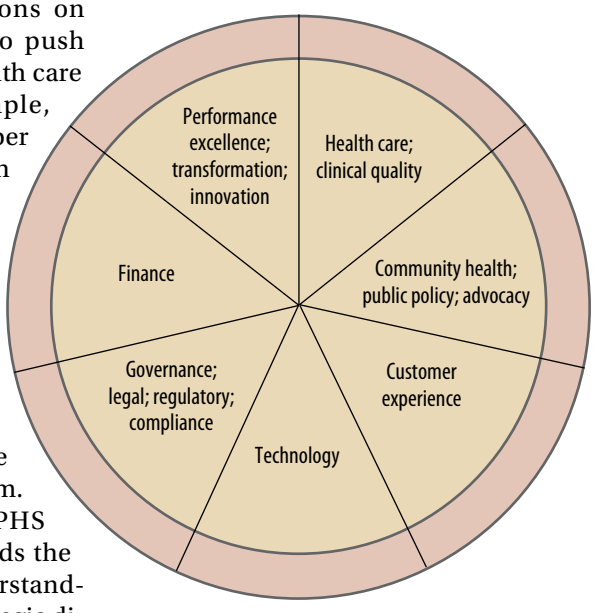
Similarly, Jim Hinton, PHS president and CEO, also leads the health plan board. His understanding of the system and its strategic direction helps to integrate the health plan within the system, and his knowledge of the health plan helps him to identify additional opportunities for the system. Hinton is also the chair of the American Hospital Association board of trustees.

Last year, I was asked to serve on the system board of Health First, Rockledge, Fla., and I am learning more about health care delivery system challenges. I am also one of two system board members also serving on Health First's health plan board. Serving on both governing bodies has helped me to appreciate the differences in how the two entities measure and monitor performance.

Health plans, for example, measure member satisfaction that is influenced by benefit design and is focused mainly on outpatient care. Delivery system boards, however, focus primarily on satisfaction with the inpatient care experience. The complexity of gathering and reporting quality data within a value-focused integrated delivery system will be an increasing challenge that all boards in systems will need to understand better.

Presbyterian Governance Wheel

Individual competency inventory



Source: Presbyterian Healthcare Services, 2014

Restructured Meetings

Effective boards ask questions that challenge the management team in a productive, strategic manner. The format of board meetings can help to facilitate these discussions or can limit the interchange.

A few years ago, the PHS health plan board convened an ad hoc group to redesign board meetings to allow more time for strategic deliberation. Instead of a two-hour evening meeting every other month that was highly structured and left little time for discussion, we now have four meetings a year that run from noon to 5 p.m. We have found that our energy level is higher at that time of day.

This new structure allows two to three hours for in-depth discussions on strategic topics, and we have tightened the time spent on consent agenda items [see a sample health plan board meeting agenda at www.greatboards.org]. Using iPads and a board portal fosters additional efficiencies and allows us to review materials and approve consent agenda items online.

Another improvement that resulted from the work of the ad hoc group is the expanded role of the board's vice chair, Larry Clevenger, M.D. Clevenger, retired from Sandia Laboratories, monitors the governance process and provides feedback on our effectiveness as a board. He promotes balanced, strategic and focused board member participation and interaction and shares his perspectives during executive sessions that follow board meetings. His observations and feedback have helped us to become a better board.

While all PHS boards come together for learning opportunities, the organization also brings together its system and health plan boards for an annual retreat to address the changing landscape of the health care field. In the past four years, both boards have looked at long-term strategies, visited the headquarters of our information technology provider to learn more about the capabilities needed to support a system, and discussed possible strategic scenarios for growth. These exchanges have strengthened board knowledge and insights, as well as our understanding of opportunities for an integrated delivery system. Additionally, they have helped our board meetings to become more focused and strategic.

Tailoring trustee competencies to the work of specific boards and capitalizing on opportunities to make meetings more productive and strategic not only benefit individual boards, but can create a platform for governing bodies in complex systems to work more effectively together. **T**

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