Leading Forward:

Considerations for Board of Directors

Jackie Gaines
Principal, National Speaker, Author


WHO'S IN THE ROOM?
DONNEL BAIRD
JOURNALIST
EMILY JACOBI
OPERATIONAL IMPROVEMENT
MEASURING IMPACT
ALEX HORNSTEIN
SOLAR
POWER GRID
SOCIAL MEDIA
SOFTWARE AS SERVICE
DATA
ESTHER WANG
INTERNET
MOBILE TECH
CULTURAL DIVERSITY
COMPUTER PROGRAMMER
NICK MARTIN
POET
COMMUNITY
ONLINE TRAINING
POVERTY
INDIGENOUS PEOPLE
JULIA WATSON
landscape architect
HUMAN RIGHTS
ENGAGEMENT
AGRICULTURE
DISASTER
MICROFINANCE
NICOLE STUBBS
ANUSHKA RATNAYAKE
MONITORING
INFORMAL ECONOMY
INTELLIGENCE
INFORMATION
JESSICA RICHMAN
NATHANIEL RAYMOND
WAR CRIMES INVESTIGATOR
COMMON QUESTIONS:
How do we parse out SIGNAL to NOISE?
COST PER UNIT
PRITI
MIND-BODY
TALK to THE CROWD
DON'T OBSESS ON YOUR PRESENTATION
UNPLUG
BENEFITS ARE LONG-TERM
TALK AMONGST YOURSELVES
BE HERE NOW
USE PROPS
ERIK HERSMAN
&
REN BANKS
STAY OFF
SENIOR FELLOW
TIPS & TR

Why Are We Here?

What do you want to get out of today?

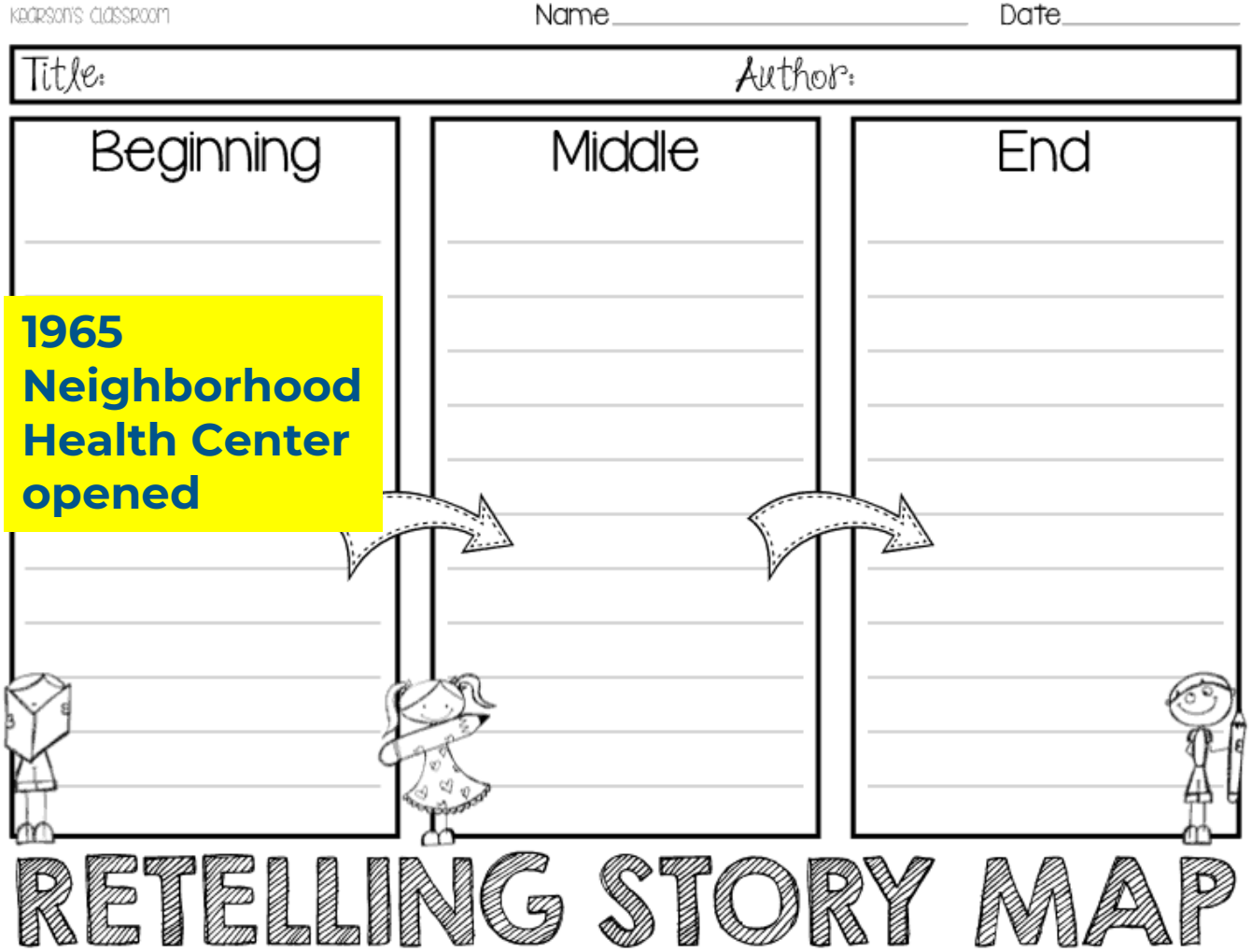
Session Agenda

1. To discuss being a Board member in today's environment
2. Offer a refresher on Board roles and responsibilities in leading "forward"
3. Discuss the power of engagement in achieving strategic priorities
4. Offer leading practices on working effectively with CEOs to drive results

How it all began...

Health Center Movement

The first Community Health Centers (originally called Neighborhood Health Centers) were funded as a demonstration project under the Federal Office of Economic Opportunity, the lead federal agency in President Lyndon Johnson's War on Poverty.



History of the Health Center Movement

Source: Community Health Center Chartbook 2021

Today, Community Health Centers are America's largest and most successful primary care system, providing access to quality, affordable, preventive medical, dental, behavioral health and vision care to more than ***30 million Americans through more than 12,000 service delivery locations***

- ***1 in 11 people in the U.S. are served by Community Health Centers***
- ***1 in 9 children and adolescents***
- ***1 in 7 racial and ethnic minorities***
- ***1 in 6 Medicaid beneficiaries***
- ***1 in 5 uninsured***
- ***1 In 3 people living in poverty***

Health Center Overview

Mission and Vision

To provide access to exceptional, comprehensive, and integrated health care for all

To improve the health and well-being of the communities we serve; to provide an outstanding care experience; and to be an exceptional place to work and make a difference

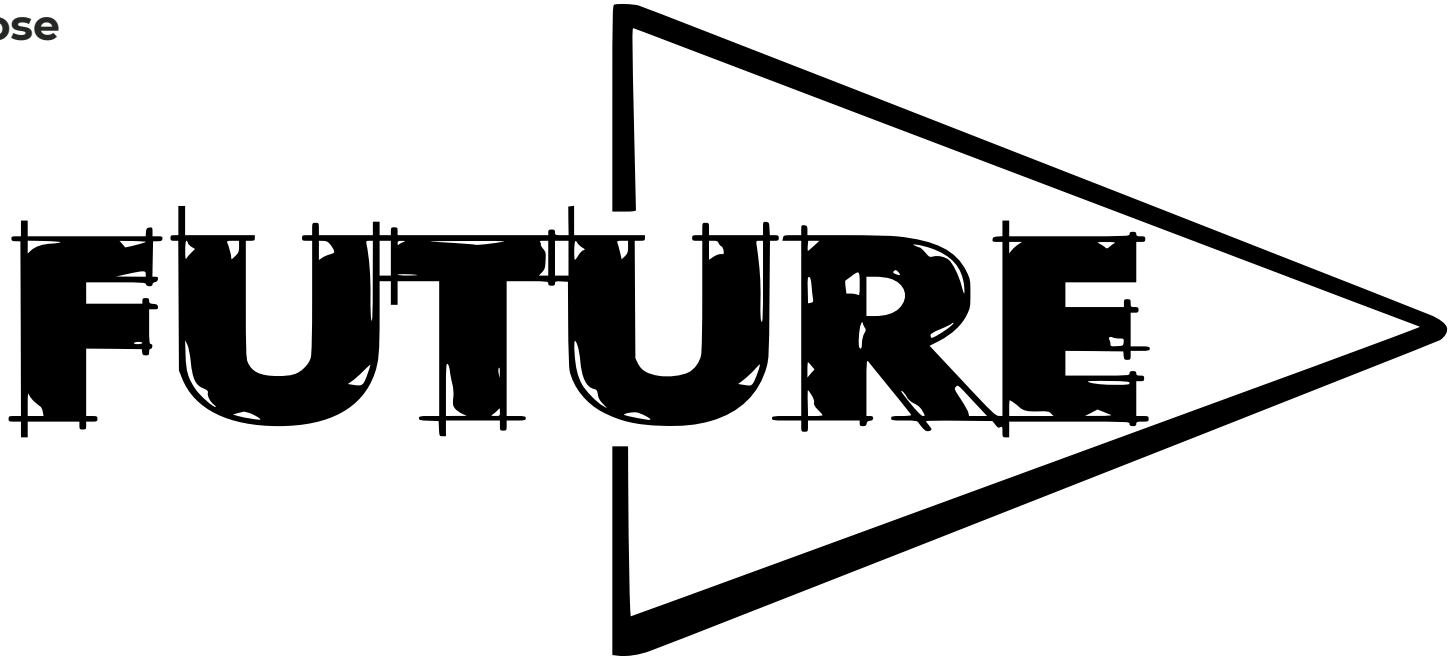
Typical services offered

- Family Medicine
- Pediatric Medical and Dental Care
- Women’s Health and Prenatal Care
- Senior Care
- Population Health
- Integrated Behavioral Health
- Medication-Assisted Treatment
- General and Pediatric Dentistry
- Oral Surgery*
- In-house lab services with LabCorp
- Access to specialty care referrals Health Center
- Enabling services: case management, health education, sliding scale fee, translation services


MAY YOU LIVE IN
INTERESTING TIMES

Board Members must lead with wisdom, agility, focus, and purpose

Organizational viability depends on it. . . we must ***"lead forward"***!



High-Performing Boards Lead to High-Performing Organizations

Strategy

- Sustainability of mission, vision, values
- Visioning and strategic direction
- Strategic monitoring
- Risk assessment and action plan
- Evaluation of opportunities
- Organizational culture

Governance Roles & Responsibilities

- Management oversight and relations
- Medical staff oversight and relations
- Accountability and service to community

Board Effectiveness

- Board self-assessment and evaluation
- Board improvement plan
- Board culture and engagement
- Board orientation and development
- Effective meetings

Leadership and Talent

- CEO selection, retention and evaluation
- CEO/Top leadership succession planning
- Board development and succession planning
- Board of the future competency mix
- Diversity, equity and inclusion

Infrastructure

- Board compact
- Structure and committees
- Board policies
- Monitoring performance

Organizational Viability Starts with the Board of Directors

You own the mission, vision and strategy.

You are responsible for strategic direction!

You have an obligation to make informed decisions.

You care about making a difference in communities served.

Essential Responsibilities of a Board

01 Determine the Organization's Mission and Purpose

02 Input on Strategic Direction and Planning

03 Select the CEO

04 Support the CEO and Review CEO Performance

05 Approve Operating and Capital Budgets

06 Provide Oversight and Monitoring of Strategic and Financial Plans and Risks

07 Enhance the Organization's Public Image

08 Assess its Own Performance

The Essence of Leading Forward

To sustain growth

Plan for the short-term **and** the long-term

By developing an actionable vision that you can translate into a strategy

Through a way of thinking and a process we call **“Leading Forward”**

What is Leading Forward?

- Looking retrospectively at our journey to date to be a high performing organization against all strategic priority areas (Quality, People, Service, Finance, Growth, Community)
- Keeping both eyes and ears open related to current variables impacting performance (real and potential) as you think strategically about the best path forward
- Embracing your role in driving the organization's mission, vision and values
- Engaging and ***LEADING FORWARD***

How Will We Lead Forward?

Let’s start with a look at the current health care landscape!

Key themes:

- Massive Change and Uncertainty
- Fear – Internal/External
- Organizational Agility

Cost and Transparency

Implementing strategies and tactics to address growth of medical and pharmaceutical costs and impacts to access and quality of care.

Consumer Experience

Understanding, addressing, and assuring that all consumer interactions and outcomes are easy, convenient, timely, streamlined, and cohesive so that health fits naturally into the “life flow” of every individual’s, family’s and community’s daily activities.

Telehealth

- Big box competition
- Consumer Experience
- Skills/Staff Proficiency
- Financing Implications- volume impact, staffing requirements
- Facility Implications

Consumer Data Access

- Electronic Health Records
- Online patient access registration, lab results, provider communication, payment options, patient education, patient experience surveys
- Artificial Intelligence (AI)

Health Care Policy

Changes in Regulations

- Dealing with repeal/replace/modification of current healthcare policy, regulations, political uncertainty/antagonism and lack of a disciplined regulatory process.
- Medicare-for-All, single payer, Medicare/Medicaid buy-in, block grants, surprise billing, provider directories, association health plans, and short-term policies.

Privacy and Security

- Staying ahead of cybersecurity threats on the privacy of consumer and other healthcare information to enhance consumer trust in sharing data.
- Staying current with changing landscape of federal and state privacy laws.

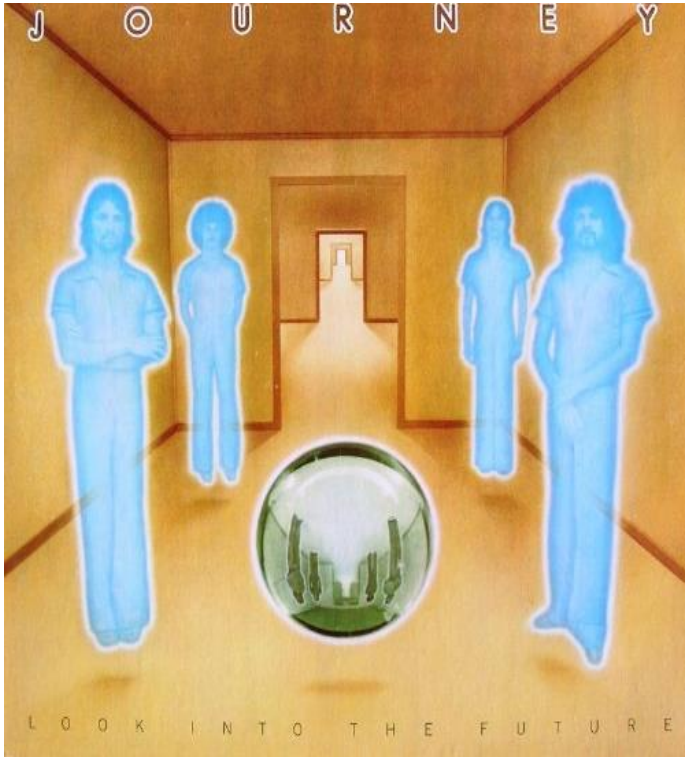
Resource: Managed Healthcare Executive; September 26, 2019

Delivery System Transformation

Increased partnerships and collaborations between healthcare and community-based organizations to overcome barriers including social determinants of health to effect better outcomes.

Data and Analytics

Leveraging data (history, labs, Rx, socioeconomic, geographic, demographic, lifestyle behaviors) to improve health outcomes, reduce administrative burdens, and support transition from volume to value and facilitate individual/provider/payer effectiveness.



Let’s Chat:

Which areas concern you most?

These external variables should inform your discernment for strategic planning.


Focus your attention and energy on the future.
LF LEADERSHIP FREAK

Board of the Future: Talent and Expertise

Given market trends, have you considered representation of these areas on your board?

- Data / Analytics / Informatics
- Technology/AI
- Consumer / Retail
- Culture Development
- Insurance
- Public Health / Social Determinants
- Talent Strategy
- Consolidation / Integration Experience
- Mergers / Strategic Alliances

Service

Improve the Health of our Patients

Quality

Build a Customer and Quality Focused Culture

People

Recruit, Retain, and Recognize a Quality Workforce

Finance

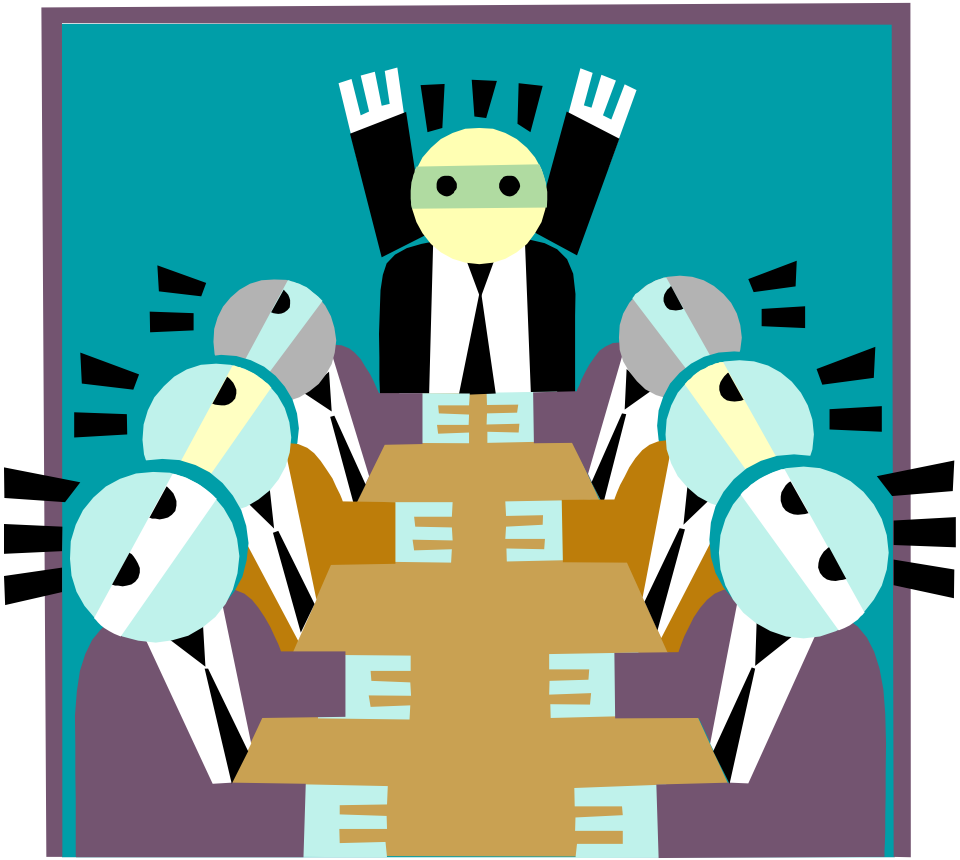
Maintain Financial Strength

Growth

Maximize Potential Growth and Opportunities


BRAND
THINK BRAND EXCELLENCE

What's The Board's Role in Leading Forward?



Boards and board members perform best when they exercise their responsibilities primarily **by asking good and timely questions** rather than by 'running' programs or implementing their own policies."

-RICHARD INGRAM, *TEN BASIC RESPONSIBILITIES OF NONPROFIT BOARDS*

An effective board accepts and supports differences, communicates openly and with respect, and works together for the common good.

Only when we work as a true performing community can we face and honestly solve the difficult issues."

-MARY JO CLARK AND PAT HEINY

Health Center Program Compliance

Authorities and Responsibilities of the Board (Chapter 19: Board Authority)

- Hold monthly meetings with quorum
- Selection, approval of and termination (if applicable) of the CEO/ED
- Approval of the health center's annual budget and applications
- Approval of health center sites, locations, hours of operations
- Performance evaluation of the health center
- Establishing, adopting and evaluating health center policies
- Ensuring health center complies with federal, state and local laws
- Long-range strategic planning at least once every three years (including financial management and capital expenditure needs)

This slide is a high-level summary for training purposes. Please see Chapter 19 of the Health Center Program Compliance Manual for exact language and more details https://bphc.hrsa.gov/programrequirements/compliancemanual/chapter-19.html#titletop

Board Composition (HRSA requirements)

- 9-25 members
- At least 51% are patients served by the center
- Non-patient members are representative of the community and selected to provide relevant skills/expertise
- No more than one-half of non-patient board members derive more than 10% of their annual income from the health care industry
- Health center employees and immediate family members may not serve – Include representatives from/for each special population served

Compliance with Executive Orders: Leading a new path forward

Focus on your what is in your control

What Makes a Great Board Member?

- *Membership will look great on my resume*
- *What do I have to do?*
- *Do I have to come to all the meetings?*
- *I have a lot of other obligations*

- *How may I help?*
  - *I am really looking forward to this opportunity to serve my community!*
- *Passion & dedication*
- *Count on me, I will be there!*

Basic Requirements

Duty to Care

A Board member caries out their duties in good faith.

- *Attends meetings regularly (including reading materials before the meeting)*
- *Stays informed about the organization*
- *Exercises independent judgment when voting*

Duty to Loyalty

The Board member acts in a way that will not harm the organization.

- *No personal gain or benefit*
- *Beware of conflict of interest*
- *Maintains strict confidentiality*

Basic Requirements

DUTY OF OBEDIENCE

Board members are legally bound to the articles of incorporation, corporate policies, mission, and core values.

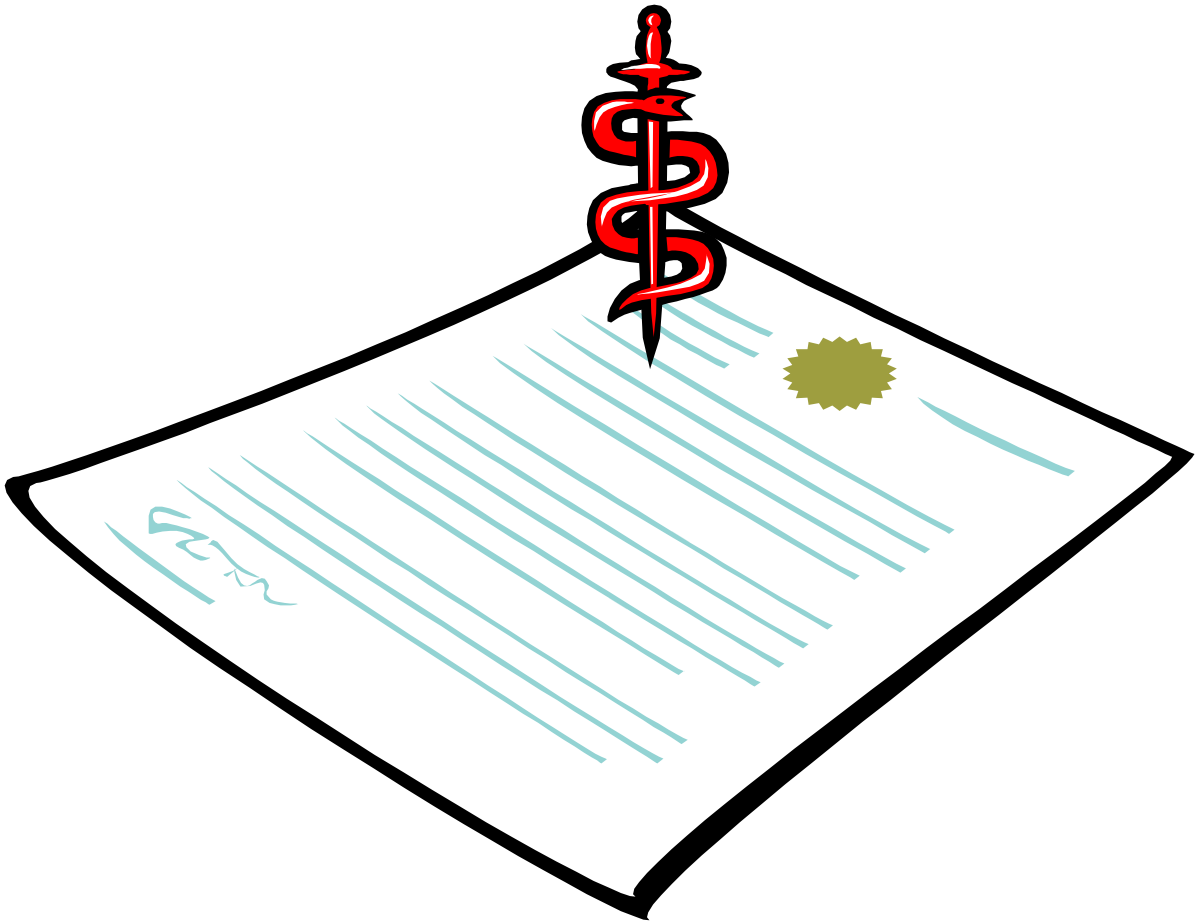
- Board members assist the organization to stay true to its mission, core values, and all legal obligations to the community served.
- This includes federal, state, and local laws as they relate to operating a cooperative living campus.

Owners Not Renters!

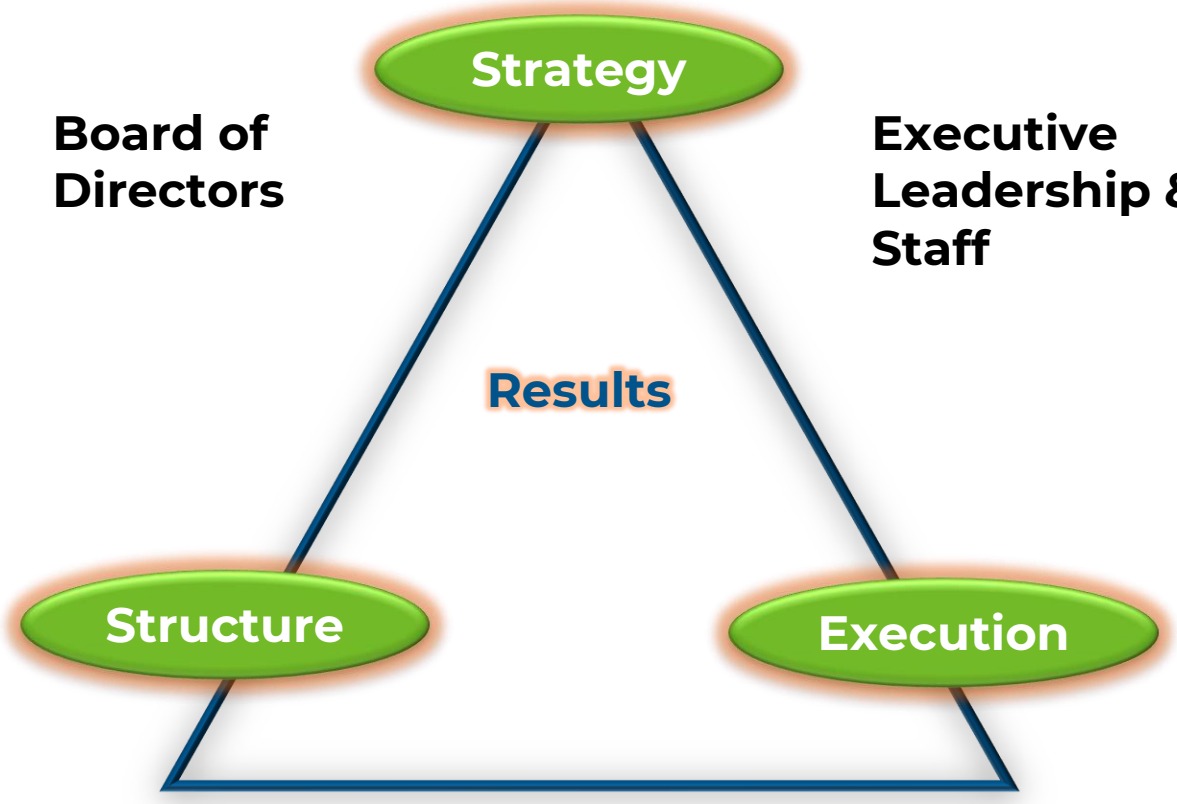
Board Roles

Approves general direction and policy but does not execute.

Adopts budget and ensures the organization has enough resources to achieve the targeted objectives.



Result Triangle



Elevating Accountability – Cascading from the Strategic Plan

1. Strategic Plan

2. Pillar Plans

Specific plans related to each pillar (service, quality, growth, finance, community, etc.) providing detail and ownership.

3. Organizational Goals

Well articulated, specific and objective outcomes for each pillar plan.

4. Cascaded Goals

4-6 specific goals cascaded to each leader, weighted to show priority areas and a range of performance that may be achieved (e.g., 1-5 rating, where 3 is meeting goal).

5. Executing the Plans and Feedback Loop:

90-Day Action Plans: identify the actions to be taken in order to accomplish goals.

Monthly Meeting Model: structured leader-to-leader meetings that allow for focus, prioritization and review of progress.

Executive and Board Reports: monthly review of organizational progress to date in a balanced scorecard format.

What's the line in the sand?

TRUE OR FALSE

When I go to the clinic for care, I should go to the front of the line because I am a Board member and have special status.

FALSE

FALSE

TRUE OR FALSE

A staff member approaches a Board member about feeling they have not been treated fairly by their boss. The Board member should discuss the situation in more detail with the staff member and try to resolve their concerns.

FALSE

TRUE OR FALSE

Board members should feel free to show up during office hours and offer advice about operations and personnel issues (hiring, promotions, terminations).

TRUE

TRUE OR FALSE

Board members should use their unique talents to advise the strategic direction and policies of the organization.

TRUE

TRUE OR FALSE

Board members and their family/friends cannot receive services for free or at a special Board rate. They may take advantage of services offered to all community members provided they meet the same criteria.

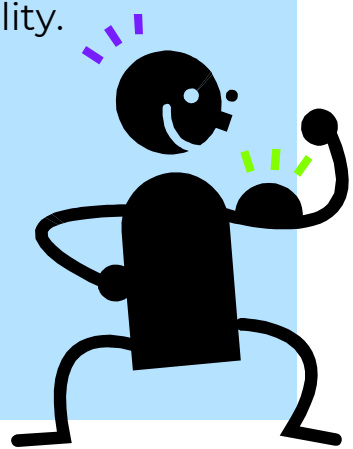
TRUE OR FALSE

A Board member is approached by an employee about a special business arrangement that was not presented or approved at a Board meeting. The Board member should go forward with it, it seems harmless.

FALSE

Strengthen Your Board Muscle!

- Recommit to the mission!
- Stay current on what's happening inside and outside the organization that may impact viability.
- Keep learning!



Are you meeting your obligations?

- **Time** – meeting attendance, participation in board activities
- **Talent** – share your special talent or skill with the organization

Engagement: The Secret Ingredient in Leading Forward

What is Engagement?

- Emotionally invested in (focused on) creating value for the organization, every day
- Giving discretionary effort – even when no one is watching

ENGAGEMENT IS A TOP DOWN PROPOSITION – STARTING WITH THE BOARD!

How do Board members demonstrate engagement?

What can we do to improve?

HURON

Evaluate Board Performance on a Regular Basis

- More than 36% of nonprofit boards never take the time to evaluate their own performance.
- There are a few ways to organize a board evaluation process. You can either do a self-evaluation, with all members participating and evaluating both themselves and each other, or select a committee to conduct the evaluation.
- Once you understand how your current board members are performing, you can begin to see areas for improvement.

Board Assessment Overview

Purpose:

- Understand the current board performance
- Identify what is working well and opportunities for improvement

Survey layout:

- The first group of questions assesses the board performance as a whole
- The second group of questions is a self-assessment on individual performance

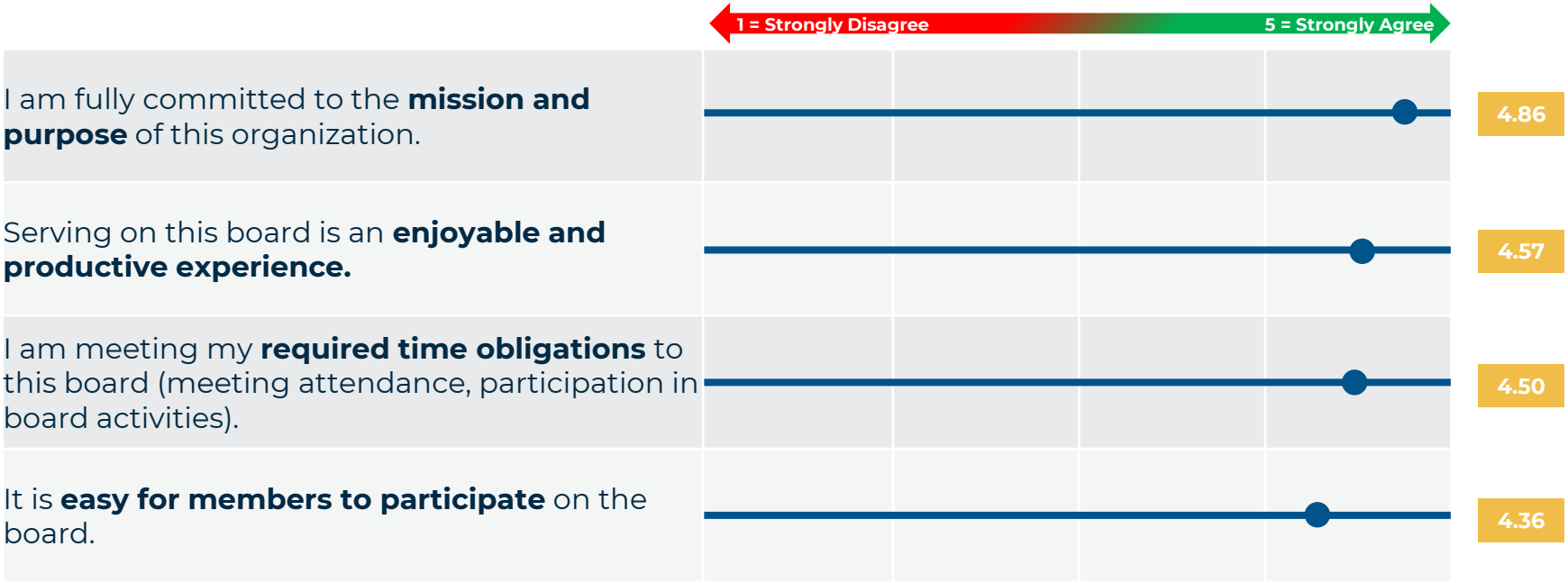
Summary of Questions –

Individual Performance

% Favorable

Board Effectiveness

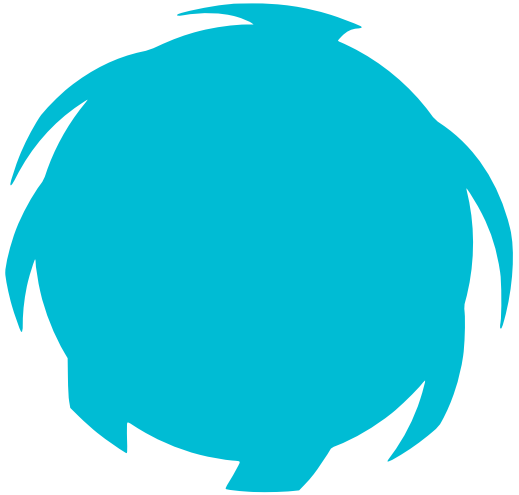
Please rate the degree with which you agree or disagree with the following statements.



Make Volunteerism an Expectation of Board Membership

You are the FACE of the Organization

- Volunteer activities that support the organization's mission give board members somewhere to meet outside the conference room as well as create a casual, social environment where board members can bond as friends, not just colleagues.
- Having a hands-on responsibility with the nonprofit will connect them on a deeper level and remind board members why they chose to become involved with the organization in the first place.



Streamline Meeting Planning and Updates

- Make it easier for members to participate on the board
- It's all about ensuring that board members have a seamless, enjoyable, productive experience.
- With the right tools in place, your board members will be more engaged – and more productive – which can increase the output and success
  - Scheduling
  - Concise agendas
  - Advanced reading to allow more discussion time at Board meetings
  - Single source of truth (Board contact/communication) to decrease variance

Cultivate a Culture of Involvement

- Active listening
- Active participation from all Board members – USE YOUR VOICE
- Respectful truth-telling
- Ask probing questions related to strategic initiatives
- Be an ambassador for the organization in the community
- Role model the power of engagement for leadership

- **Board members lead forward for the workforce!**

Working Effectively with the CEO

The Push and Pull of Leadership

Role	Governance	CEO/Management
Strategic Board Composition	Ensures its own strategic composition, including compliance with requirements of the Health Center Program	Supports board in ensuring its strategic composition, has voice in recruitment
Financial Oversight	Approves budget Monitors financials Oversees audit Approves certain policies	Prepares and proposes budget to board along with key financial staff Manages health center in alignment with financial policies and budget guidelines
Quality Oversight	Approves and revises quality assurance (QA) and quality improvement (QI) policies Ensures follow-up taken regarding quality, patient grievances	Ensures staff manage the quality program
CEO & Staff	Hires, provides oversight of CEO Establishes CEO compensation Approves certain personnel policies	Hires, manages rest of staff Coaches staff

The CEO/Board Partnership

- The CEO is the only employee who is selected by the board
- The board works with the CEO to establish annual performance goals
- Provide a routine evaluation of CEO performance
- Annually approve the CEO's compensation (in compliance with IRS requirements, note: the CEO's compensation is public information on the IRS Form 990)
- Approve the CEO's contract
- Ensure an emergency succession plan and succession policy are in place
- ***The board and CEO have a partnership based on mutual respect, trust, open communication, and shared strategic priorities***

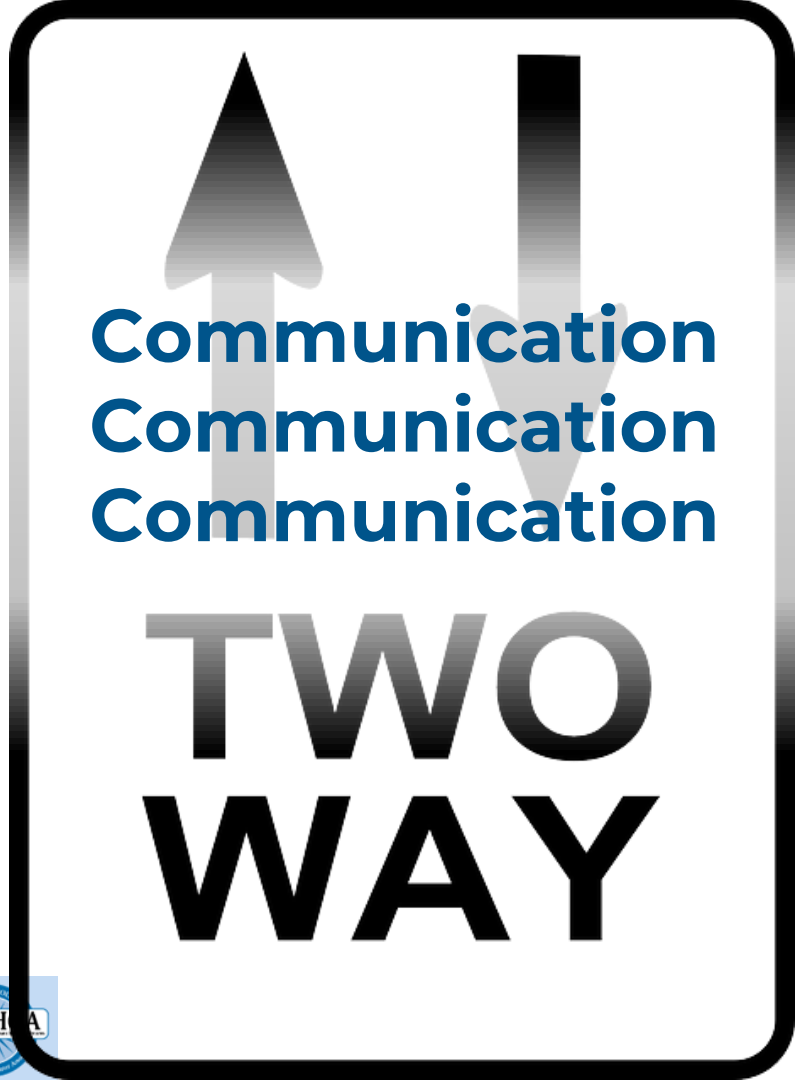
Let's Chat:

What does **respecting the chain of command** mean to you as a Board member?

What are challenges or barriers to a successful CEO/Board partnership?

Recommendations to improve? **What does right look like? Keys to success?**

Trust is earned and not given.



The starting point for an effective and high-value CEO/Board relationship is full, open and transparent communications – both ways.

The CEO sets the tone for management's engagement with the board and committee chairs, and the board's expectation is that **“there will be no surprises from management.”**

What are the hallmarks of a healthy Board/CEO relationship?

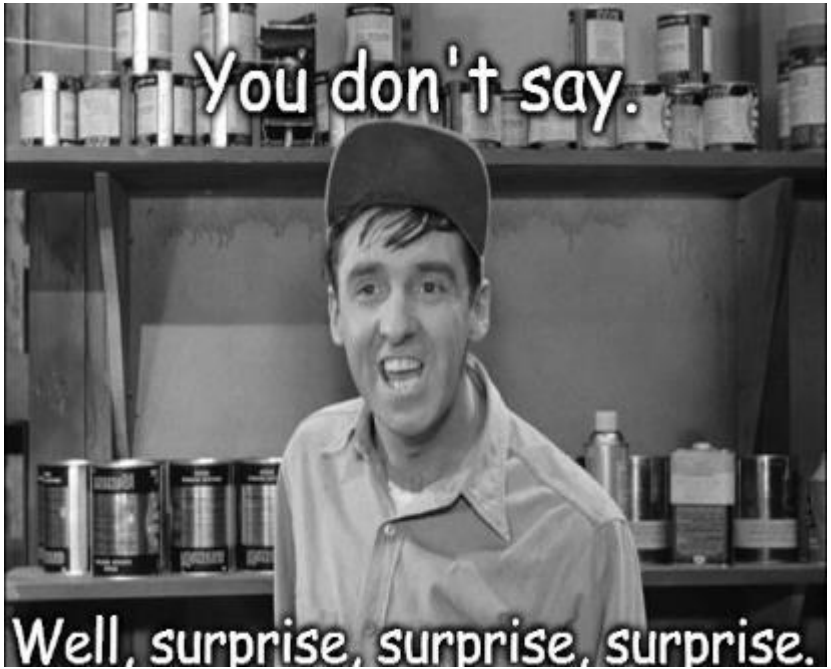
1. Candour and dealing with the facts – a culture of trust and confidence among the board and CEO and management team
2. Regular communications between the CEO and board, and especially between the CEO and the board chair
3. A continuous testing of strategy
4. Free flow of information between the CEO/senior management and the board chair, and between senior management and their respective committee chairs
5. Good boardroom dynamics, as well as confidence in the board chair and committee chairs that the collective views of the board are being heard and considered
6. A healthy relationship between the board chair and the CEO – where both want the same thing, for the organization to be successful – and both recognize that “this is business” and consider the optics

Elevating Trust

No Surprises from CEO or Board!

To help ensure open and productive discussions, the board chair should draw-out any concerns directors might have and communicate those issues to management before the board meeting

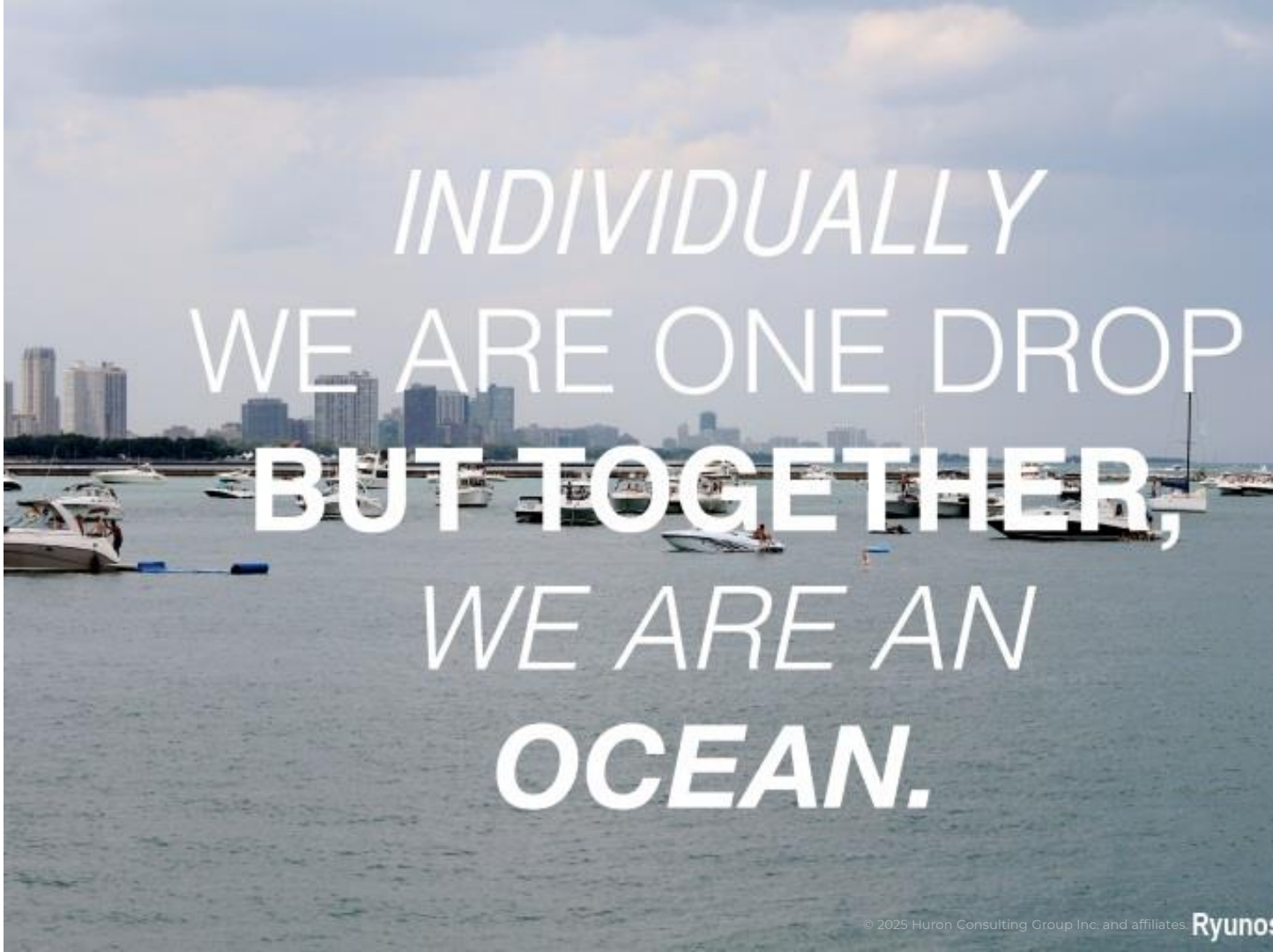
That gives management an opportunity to address the issue in an informed way, rather than being “ambushed' in the boardroom



A Unified Front

Ensure the CEO and the board agree on how the organization will be run

- Mission, Vision, Values
- Standards of Behavior
- How are decisions made?
- Growth strategy?

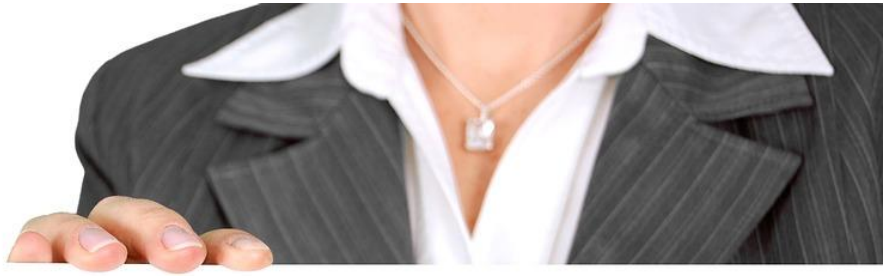


Remember Communication is the Key!

All Kinds, All Ways, Often!

No one will “HEAR YOU” Emotionally

Evaluating the CEO



CHIEF EXECUTIVE OFFICER

The CEO Game Plan – Cascading from the Strategic Plan

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2. Pillar Plans

Specific plans related to each pillar (service, quality, growth, finance, community, etc.) providing detail and ownership.

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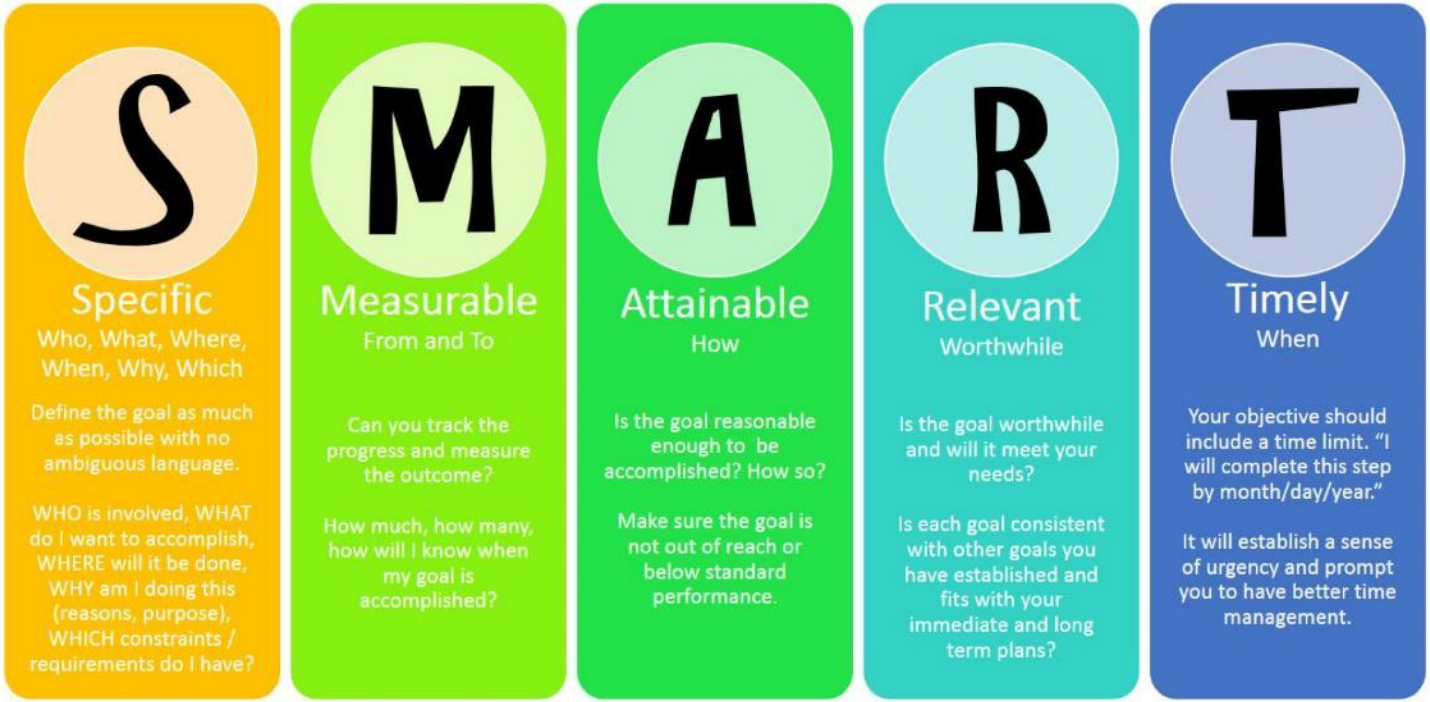
Clarity of Expectations: #1 Job to Drive Results

6-8 Annual Goals

Quarterly updates to the Board on outcomes to date

Compensation based on outcomes- objective not subjective



> A performance management system is the foundation of performance excellence in an organization and therefore it should be simple, straightforward, intuitive, aligned with organizational goals and have flavors of organization values.

– Kaustubh Sonalkar, Author

Moving from Strategy to Goals to Results

We prioritize what we value!

Questions?

One key take-away?

Jackie Gaines

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