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## **INDEPENDENT COMMUNITY GOVERNANCE BOARDS IN THE HEALTH SECTOR ARE AT RISK: IS THAT GOOD, OR BAD?**

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What do you think? Could community governance help save Medicare, or are they part of the problem?

The Premier's *mandate letter* to the **Hon. Eric Hoskins** seemed to take pains to avoid acknowledging the existence of local **Community Governance Boards** in our healthcare services delivery system. Ignoring the traditional platitudes about "voluntary governance" and "citizen engagement", she tells the Minister to partner with "administrators, healthcare providers and patients" in the development of our future system.

Is it just me, or should reference not have been made to our volunteer healthcare governance boards -- who exist to represent the interests of the "owners"? Quite frankly, we have been seeing this coming for awhile. In 2007, I wrote a *Background Paper* for a *Conference on Governance Renewal*, entitled: "***How Can Local Governance Survive?***"

Back then, at the end of their first term, the McGuinty Government's circle of advisors were beginning to openly question the value of independent community governance. When they first arrived in office, the Liberals had received a highly critical confidential report on hospital governance by forensic accountant **Al Rosen**.

Despite Mr. Rosen's devastating critique about the lack of accountability in our system, the government of the day -- under Health Minister **George Smitherman's** leadership -- decided to maintain a macro-system design that continued to retain independent local community governance -- a key feature of the government's devolved health system plan, as laid out in the legislation creating the *Local Health Integration Networks*.

Their original concept was to maintain "independent governance", within an "interdependent service delivery system " -- where the Health Service Providers (HSPs) would be held accountable for agreed-upon outcomes in their *Service Accountability Agreements*, by their *Local Health Integration Network*, rather than *Regional Health Management Authorities*.

From an organizational and system design perspective, the paradox of independent HSPs operating within an interdependent system -- with linked accountabilities; integrated management system scorecards; and, supported by *Collaborative Governance* processes and practices, can definitely work -- if they are designed and aligned on both their system and silo outcomes.

But two problems had emerged by the end of the Liberal's first term in office. Following **Minister Smitherman's** departure, despite passing their legislation on devolution, in order to keep their jobs, the MOHLTC simply failed to devolve spending and allocation authority to the LHINs. Their self-preservation and self-interest was to maintain the old system -- where Queen's Park decides how/where to spend the money, and the centralized administration in Toronto gets staffed-up to play an ever-expanding role in the micro-management of each local healthcare services delivery system across the province.

So, instead of following the new law, and devolving authority to local communities, the MOHLTC grew from just 5 ADMs when the LHIN legislation was passed at Queen's Park, to today's 15 ADMs -- and the many more micro-managers and template designers that have been hired over the past ten years to expand their "command" and "control" over the service delivery system out of their different silos at Queen's Park.

While each LHIN continued to produce regular *Integrated Health Services Plans* (IHSPs) for their network of Health Service Providers (HSPs), they were never actually empowered to implement their community's IHSP. Central planners at Queen's Park also sought to micro-manage the delivery system at the local level -- by creating worst practice command & control *Accountability Agreements* between Queen's Park and each LHIN. This was done so that Queen's Park could not be blamed when things go wrong.

But imposed *Accountability Agreements* in which people are "held accountable" for things over which they have no control, are called "worst practices". Nevertheless, our LHIN Boards and their CEOs never objected to these worst practice accountability agreements when they were first imposed. Now this blame-avoidance way of thinking and behaving is ingrained in their DNA.

While LHINs are in law governed by *Community Boards Of Governance*, in practice, LHINs have not emerged as "the Minister's eyes & ears on their local delivery system", but rather, more like a line-authority to the Ministry -- and as some say, "an extension of the Ministry" -- but still with an independent and accountable *Community Governance Board*, that is also empowered in law to provide strategic direction to the LHIN, and to the HSPs that they fund.

All these complexities could be made to work together synergistically, if it weren't for the political dynamics of the various interest groups.

However, as governance has gone under repeated attacks, not many people have come to the defense of Boards -- including Boards. CEOs have also been largely silent -- which is strange because they only have their Boards as a "buffer" between themselves and the bureaucracy. While there has been mostly silence in the midst of governance criticism, the **Ontario Hospital Association** has capitalized on the growing criticism -- by opening up a new revenue-generating business called the "*Governance Centre Of Excellence*".

They package and market one-day governance seminars targeted to individual board members on a large variety of fragmented governance topics, by numerous "governance experts". These one-day/one-off workshops are designed for individual participants from many organizations, rather than for an intact Board that is undertaking an intentional in-depth **governance renewal program**.

But the bottom-line test is: has the quality and effectiveness of independent community governance improved in Ontario -- or not -- since the creation of the OHA's "*Governance Centre Of Excellence*"? It would seem... not yet.

Here we are in 2014 -- seven years since my original paper -- and the voices of discontent about the quality and effectiveness of healthcare governance across the province have grown even louder, despite the thousands of governors who have sat through "how to" workshops at the *Centre Of Excellence*.

So, what is the future of healthcare governance now? Was the absence of any reference to healthcare governance in the Premier's letter a "good", or a "bad" thing? Am I being over-sensitive about the exclusion of community governance from the ***Minister's Mandate Letter***, or is community governance actually at risk?

While there is a tiny lobby for patient-centred governance reform and several advocates for *generative governance*, the loudest, best-connected lobby -- with the most momentum -- is the "*Fewer is Better*" group. They are convinced that the real problem in our health system isn't the "poor quality" of our community governance boards -- they think that there are: "just too many Boards".

In the months ahead, these advocates will be pushing for lots of mergers in the munchkin community health and social services support sector to achieve their goal of "fewer boards" -- under the assumption that merged organizations are cheaper and better. The advocates offer no evidence for their claim that "*Fewer is Better*"; and, they simply shrug-off the hard-evidence that hospital mergers in the 90's did not ever result in "more efficient", or "higher-quality" organizations; and, they ignore vital issues like the potential loss of hundreds of millions of dollars in volunteer-time.

There is also some support for **Tim Hudak's** proposed *Hospital Hub & Spoke Model* -- where the hospital's governance membership expands to include the CCAC, the LHIN, and other service provider/spokes within a region. These hospital sector and *Regional Health Authority* advocates say that the community sector's governance ought to be replaced with our better-managed and governed hospitals. While the acute care hub and spoke model advocates say "fewer is better" for Boards, they also say "bigger is better" for expanded hospital hubs.

Their arguments also have no data to back them up.

On the other hand, there are a number of emerging examples of self-organized clusters of service providers who are evolving interesting new local health & community support

system designs they call "**Rural Health Hubs**". These diverse local system designs have emerged bottom-up over many months and sometimes years of dialogue and discussion at the local level. These are organizations who are responding to their unique environments in similar, yet very different ways.

Indeed, there is lots of evidence that says that in complex adaptive systems, bio-diversity leads to thriving, self-organizing environments -- where innovation flourishes. But the community governance board critics say that "silo-boards get their CEOs to fight for a bigger piece-of-the-pie for their silo -- rather than playing nicely and collaboratively with their peers to design and manage a better healthcare services delivery system."

These critics suggest that most *Community Governance Boards* simply act as "silo-cheerleaders" for their organizations -- and that despite a decade of criticism about Boards failing to generate accountability in their organizations, they say that most boards have still not improved their accountability systems, structures and processes -- yet another a key priority listed in the Minister of Health's initial *Mandate Letter* from the Premier.

While there is lots of evidence that says governance can play a valuable role in creating a better system focus on quality, safety and the patient experience, unfortunately, many of the legitimate criticisms that have been leveled at governance have not been adequately addressed in the past ten years. So, which way should we go: generate another wake-up call for local Community Boards to create **Collaborative System Governance** in their *Health Links*, or, merge community health service providers into single-board/single-CEO **Hospital Hubs**? Which way should we go?

Normally, before major structural changes are made, there is some sort of public debate. So, let's start talking about "our future health system".

Where do you stand on these issues? Should *Community Governance* in our health sector be transformed, reduced, or eliminated? If you think governance should be transformed -- rather than reduced or eliminated -- what can you do to advance the health reform agenda in your community? Major assumptions that some are holding about governance need to be surfaced and openly discussed -- at the *Health Link* level -- among local Boards, and among senior managers/CEOs within a local community.

Topics at these **Community Dialogues On Healthcare Governance** ought to include:

- What is each Board's role in a redesigned system?
- Who does each Board "represent"?
- Who are the "stakeholders" that the Board needs to consider?
- How can each of the Boards govern their silo -- while also holding their respective CEOs accountable for appropriate "system outcomes"?

- How can Boards across the delivery system ensure that their organization is focused on improving quality, safety, and, the patient experience -- particularly at the "hand-off points" within HSPs, and across the continuum?
- How can Boards support collaboration and provide strategic direction to CEOs on developing a *Health Link System Balanced Scorecard*?
- How can each Board utilize their *Health Link System Scorecard* in their *Integrated Accountability Process* with their respective CEOs?
- Without alignment on outcomes across the system, and without common frameworks and metrics, there will be no change. So, how can each Board, and their CEO, develop/renew their **CEO/Board Accountability Agreements** -- in ways that incorporate best practices for balancing accountability and empowerment for the CEO/Chief-of-Staff -- as well as for senior and middle managers -- for both their silo and system outcomes?

There are clearly several major strategic issues at stake here. What will our new system "be like" and "look like"? *Boards of Governance*, within local communities, need to step-up to address these critically important macro system design issues. If people want Medicare to survive, they need to take action at the community level to create the required changes. But do our Boards understand what is at stake here?

A high-level *Roadmap* -- rather than a vision -- is being used to guide the unfolding of our future healthcare system. The **Wynne/Hoskins/Bell Team** will be guided by an initial *Minister's Mandate Letter* that says the evolving system must be "patient-centred"; "transparent" and "accountable". These are certainly the right strategic directions for our healthcare delivery system. Now leaders need to focus on how to deliver on these themes.

The **Institute for Health Improvement** (IHI) refers to this type of model as: "an overall system design where every aspect of the system must revolve around the patient – where the patient and family, in partnership with the system, drive everything." The future could be promising...we just might even get it right.

So, what's the big deal about governance boards not being mentioned in the *Mandate Letter*? Perhaps it was just an oversight... or maybe simply a comment on the current "status" of *Community Governance* in Ontario. Nevertheless, we really ought to have our community governance people -- who represent the "**owners**" (citizens, patients, taxpayers) -- at the table. They also ought to be the Minister's and the Premier's "best friends" -- who can provide the required local leadership as the system transforms.

Hopefully, the exclusion of governance in the Premier's *Mandate Letter* will be a "wake-up call" for Boards to become more relevant to the future.

I personally don't think that there will be a lot of support for the *Anti-Community Governance Lobby*. I can't see a circumstance where MPPs or Cabinet Ministers would say: "*Great idea -- getting rid of local community governance*" -- or supporting the idea of reducing the number of boards because "there are just too many of them."

That does not mean there should not be any mergers of health service provider organizations over the next few years. To be very clear, I'm not opposed to mergers. I trust the **Wynne/Hoskins/Bell Team** and our *Local Health Integration Networks* to actually encourage mergers -- where it improves services, or saves money.

However, "*Mergers*" are not a method that should be taken lightly -- since about 80% of mergers fail. **Steve Lurie's** paper [Getting To Integration](#) provides important insights on why the merger failure rates are so high -- and how to get in the **20% Club** for "successful mergers/integrations".

As for the "**Fewer is Better**" lobby, they really need to check out the research conducted by the *Canadian Patient Safety Institute (CPSI)* demonstrating that properly skilled and educated community governance boards have a proven capacity to have a significantly positive impact on patient care -- quality, safety and satisfaction. If that's true: **Why would we want fewer Boards?**

What if our focus was "better governance" -- where silo-focused Boards are actually transformed? In *Collaborative Governance*, for example, each silo-board at the *Health Link Partnership* level would hold their respective CEOs accountable for: (a) outcomes in the organization's silo-balanced scorecard; (b) outcomes in the *Health Links* approved **Business Plan** and **Scorecard**; and, (c) the service outcomes listed in their *Accountability Agreement* with the LHIN -- including appropriate delivery system objectives in the **Integrated Health Service Plan**. *Collaborative Governance* is often viewed as the better and wiser route to enhanced system integration than the single/Board/CEO option.

It is the **Wynne/Hoskins/Bell Team's** mission to mobilize the hearts and minds of the system to actually transform into the high-quality, patient-centred, transparent and accountable integrated health services delivery system that they are seeking to create over the next four years. Recent surveys @ **TedBall.com** indicate that most healthcare leaders are optimistic that the combination of our new Premier, Minister and Deputy have the capacity, values and courage to lead our healthcare system in the right direction.

But as capable and competent as the **Wynne/Hoskins/Bell Team** may be, they can't save the healthcare delivery system all by themselves. They need several dollops of community courage, vision and leadership to emerge at the grassroots community level. People need to step up, and help in this common cause for "best practice health system transformation".

*Community Governance* can help, by demonstrating leadership, and by agreeing to transform themselves -- as their local delivery system is transformed. In **Board Work: Governing Healthcare Organizations**, authors **Pointer** and **Orlickoff** have argued that

for governance to effectively lead healthcare into the future, new mindsets, structures and skills will be necessary. They point out that “effective governance is not a happy accident. Rather, it is the result of an integrated process of planning, coordination, implementation and evaluation”.

They say that “when a Board is governed by chance or tradition, (or simply reacts to whatever situations arise), it abdicates its responsibility for leadership and contributes to organizational atrophy.” If Boards in Ontario are to continue to survive, they need to decide on their role and function in a transformed system.

**IF YOU THINK INDEPENDENT LOCAL COMMUNITY GOVERNANCE  
BOARDS OUGHT TO JOIN THE DEBATE ABOUT THEIR FUTURE -- SEND  
THIS BLOG TO SOMEONE YOU KNOW IN HEALTHCARE GOVERNANCE.**

