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GOVERNANCE RENEWAL: An Alternative To The Pending "War On Boards" By The *Fewer Is Better* Lobby

By Ted Ball

So, what is the role of community governance as our health system undergoes a "*transformation*" from our existing system, to the ***Patients First Integrated Delivery System*** that Health Minister **Eric Hoskins** is talking about? Should we get rid of community boards, or transform them?

Strange that Queen's Park never comes out and states their "vision for the future system".

Historically, Queen's Park has never had much faith in "local governance". Most public servants really don't get why/how governance boards exist to represent the interests of the "owners". On some level, I think that MOHLTC believes that it is really their job to represent the "owners" -- not community governance boards.

Unfortunately, the only governance boards that government meets with, tend to be from Teaching Hospitals representing Corporate Canada, rather than true "community boards" -- boards that truly represent and reflect the communities they serve.

Hopefully, our new Minister will change the MOHLTC's way of thinking -- and put a much greater emphasis on "*Community Governance Transformation*" -- as part of "system transformation" towards his vision for integrated patient-centred care at the community level.

As a grassroots community organizer, **Dr. Hoskins** will actually get why we really need authentic "community ownership" in our future healthcare services delivery system. The Minister needs to model "respect for the role of community governance" for MOHLTC, and the LHINs. If that happens, governance will rise to the challenge. But they need leadership from the Minister to become the ground swell of support that he needs.

With ***Health Links 2.0,*** and now ***Integrated Funding Model, Wave #1***, the government is encouraging the incremental development of collaborative integrated healthcare service delivery systems across the whole continuum-of-care. While they are not using the language yet, these are called "*Integrated Delivery Systems*" (IDS), and date back to the '90s. So what should governance boards and senior managers learn from the past about IDS development?

In the early 90s, **Herbert Wong** of *Quantum Solutions* of Austin Texas was inventing systems thinking tools, frameworks and simulation learning games that liberated local teams to design

and align their integrated system around their community's unique circumstances. **Stephen Shortell** wrote a lot about it (1993-2000) from an analytical and policy perspective.

In an early paper, he suggested that there are two methods of integration: *horizontal integration* -- which involves the affiliation of organizations that provide a similar level of care under one management team (i.e. hospital mergers); and, *vertical integration* -- which involves affiliation of organizations that provide a different levels of care across the continuum of health services (i.e. *St. Joseph's Health System, Mount Sinai Health System* and the *William Osler Health System)* with several boards and senior managers collaborating -- and significant **Back-Office Integration** of Finance, IT and HR across a local healthcare service delivery system.

This is the paradox where independent Health Service Providers can be collaborative interdependent partners -- when they are designed and aligned to be "**Patient First/Patient-Centred/Customer-Focused**".

While the "*Fewer Boards Is Better Lobby*" thinks health systems ought to have one Board, and one CEO, the whole concept of *Collaborative Governance* is that multiple Boards can hold their respective CEOs accountable for their silo outcomes (listed in their *Accountability Agreement);* as well as for their system outcomes, (listed in their **Local System Balanced Scorecard)**.

You remember the commercial: "*Certs* is a breath mint."… "No, *Certs* is a candy mint." In the end it turns out that: *Certs* is both -- "Two, two… two, mints in one". Well, governance is a lot like those mints! To represent the "owners", you will be concerned not just about your silo, but the whole system -- and how it functions together.

For governance bodies that are now noticing that the system is really changing -- and are now ready to consider "*Governance Renewal*" in the context of integrated systems -- here is a refresher/update on: **THE SIX ESSENTIAL GOVERNANCE BOARD RESPONSIBILITIES**:

1. Approve Strategic Direction

Is your organization part of an Integrated Delivery System (i.e. a Health Link/Health Hub/Integrated Funding Site)? If not, you will be. So, heads-up!

Boards of **Health Service Provider Organizations** represent the "interests of the owners" in their mandate to approve the strategic directions of their publicly-funded healthcare service delivery organizations. They represent the interests of the "owners" and "customers": **the citizens of the province/community,** the **patient/families** that they serve -- as well as the **taxpayers** who provide the funds for the organization and want "value-for-money"**.**

The question: Do the "owners" want integrated, seamless services that are patient-centred and cost-effective?

Since the arrival of the LHINs almost ten years ago, community boards of governance are increasingly understanding that each HSP actually shares the very same "owners": the citizens of Ontario, and the citizens of their community. The "owners" of the silos are saying there are concerned about the lack of co-ordination between the component parts of their system.

The role of governance is to ask "*wicked*" and "*probing questions*" that stimulate and provoke everyone's thinking about "how best to serve the community" – through the most leveraged use of resources available. Then they provide approval for the *strategic directions* ("ends") that they believe best reflect the community interest, and that they are convinced will achieve the organization's stated mission and vision – within the resources that have been allocated.

2. Hold CEO/Chief-Of-Staff Accountable For Outcomes/Not Process

While Boards of most HSPs have one employee (the CEO), in Ontario, under the **Public Hospital Act,** hospitals have two employees -- the CEO and Chief-of-Staff.

While Queen's Park and the LHINs are obsessed with process, the only thing that counts are results. Yes, you need to design and align the right processes to be successful -- but the only thing that counts are bottom-line results/outcomes.

You can read my **Blog On Accountability For Results** here: **(Redefining Accountability An Urgent Priority**) to see how the best practice approach works.

3. Ensure Leveraged Use of Resources

Boards must also ensure that resources are used effectively and efficiently to achieve the strategy that they approve. They set fiscal policy; monitor quality and safety; approve large capital expenditures; promote *Back-Office Integration*; and, are accountable for ensuring that the organization has a balanced budget. Okay, enough said. Just three more points.

4. Serve as Guardian for Compliance & Open Communication/Transparency

Boards devolve their accountabilities to the CEO (and Chief-of-Staff) and monitor their performance at regular Board meetings. Simply by holding their CEO accountable for the agreed-upon complex set of silo and system-outcomes, Boards would trigger an aligned best practice *Accountability Agreement* process that leads to strategy execution, measurement of progress, continuous improvement, strategic learning and accountability for outcomes.

Governance Boards have the potential to have a significant impact on the bottom-line performance of an organization, by what they themselves say and do.

Boards must also be the "guardians for transparency and open communications" to the greatest extent possible. They must also be aware how "compliance" is too often used -- in an unintended way -- of actually stifling innovation. Boards can add considerable value by demonstrating their

commitment to themes like "improving quality & safety"; "improving the patient experience"; "integrating care processes"; and, finding "innovative solutions".

Boards should find meaningful and visible ways of rewarding excellence/innovation/ achievement. The wisdom is: "**whatever you appreciate, you will get more of**."

Boards can have the same positive and negative impacts that parents can have on their children.

5. Provide Collaborative Governance Within The *Health Link*s

The emerging ***Patients First Integrated Delivery System*** environment will require governance boards to expand beyond their silo. Deputy Minister **Dr. Bob Bell** says hospitals have to think "beyond their walls". Boards need to put an equal emphasis on their organization's relationship to their system partners -- if they are to truly serve the interests of the "owners".

But we do not need new "Mini-System Boards" to govern *Health Links* -- nor do we need new governance for the ten new **Integrated-Funding Sites** (the **If's**). Although if communities want to do that, they should be able to, as long as they achieve all the required outcomes.

However, each of the *Health Link* partner Boards could instead hold their respective CEOs accountable for their *Health Link's Balanced Scorecard Outcomes* -- as well as for the outcomes contained in their *Performance Agreement* with the LHIN. These system-level outcomes, are in addition to each organization's silo-outcomes -- contained in their own *Balanced Scorecard*.

6. Select the CEO/Chief-of-Staff, Ensure Continuous Learning and Succession Planning

Boards select their CEOs and CofS -- and hold them accountable for achieving the outcomes listed in their *Organizational Balanced Scorecard*; their *Health Link Scorecard*; and their *Performance Agreement* with the LHIN – where the outcomes in these agreements are continuously adjusted to reflect emerging realities. The best boards nurture their organization to become true *learning organizations* and provide stewardship on succession planning in order to meet the evolving needs of the community.

However, despite the research findings of the ***Canadian Patient Safety Institute****:* that properly trained boards can have a major positive impact on safety, quality and the patient experience, the "**Fewer Boards Lobby**", nevertheless, wants less oversight by our community representatives -- and therefore more power for technocrats, bureaucrats and CEOs.

Hopefully, our Minister of Health, **Dr. Eric Hoskins,** will discover that his greatest potential ally for creating his vision for a **Patient First Vertically Integrated Delivery Systems** are: the *Community Governance Boards* of our healthcare organizations. These Boards, like our Minister, exist to represent the best interests of the "owners" of our healthcare system -- in the midst of all sorts of self-interest groups -- including the MOHLTC itself. If health sector Governance Boards,

and the Minister Hoskins, find one another, they could -- together -- guide the required system transformation in each community -- with a total focus on the "public interest".

FORWARD THIS BLOG TO PEOPLE YOU THINK SHOULD GIVE CONSIDERATION TO GOVERNANCE RENEWAL AS PART OF CREATING HOSKINS EVOLVING "*PATIENTS FIRST INTEGRATED DELIVERY SYSTEM*".