

Bartlett Regional Hospital

Agenda

Governance Committee Meeting

Friday, May 21, 2021; 12:00 p.m.

Bartlett Regional Hospital – Boardroom/Zoom/Teleconference

Public may follow the meeting via the following link <https://bartlethospital.zoom.us/j/93991282351> or
call

253 215 8782 and enter webinar ID 939 9128 2351

Mission Statement

Bartlett Regional Hospital provides its community with quality, patient-centered care in a sustainable manner.

- I. CALL TO ORDER
- II. ROLL CALL
- III. PUBLIC COMMENTS
- IV. APPROVAL OF THE AGENDA
- V. APPROVAL OF THE MINUTES – April 23, 2021 (Pg. 2)
- VI. CONTINUE CONSIDERATION OF BOARD SELF EVALUATION TOOLS PROVIDED BY GOVERNANCE INSTITUTE
 - CEO Governance Committee Memo (Pg. 4)
 - Board Compass Survey (Pg. 5)
 - BSA Customization Parameters (Pg.6)
 - Honke Email (Pg 13)
- VII. COMMENTS
- VIII. ADJOURN

Bartlett Regional Hospital

Governance Committee Meeting

Minutes

Friday, April 23, 2021; 12:00 p.m.

Bartlett Regional Hospital - Zoom Videoconference/Boardroom

Called to order at 12:00 p.m. by Rosemary Hagevig, Committee Member

Attendance:

Committee Members: Brenda Knapp, Rosemary Hagevig and Hal Geiger

Board Members: Kenny Solomon-Gross

BRH Staff: Rose Lawhorne, CEO, Kevin Benson, CFO, Billy Gardner, COO, Dallas Hargrave, HR Director, and Suzette Nelson, Executive Assistant

APPROVAL OF THE AGENDA –MOTION by Mr. Geiger to approve the agenda as presented. Mr. Solomon-Gross seconded. Agenda approved as presented.

Mr. Geiger made a MOTION to approve the minutes from February 18, 2021.

Ms. Hagevig seconded and they were approved with no objections.

Mr. Hargrave summarized the materials he provided for the packet regarding the Board Self Evaluation. He reported that our committee used an evaluation process from the Governance Institute and that the hospital still retains an annual membership with them.

The committee went around the table discussing the benefits of utilizing the Governance Institute's Board Self-Assessment tools. There was conversation regarding if the committee should take part of some of the information as well as create their own process as well.

Mr. Solomon – Gross made a MOTION to propose to move forward with one more Governance meeting with the committee chair present regarding the direction to go with the current Board self-evaluation process. Ms. Hagevig seconded. There being no objections, motion was approved.

Ms. Knapp noted that she supports the new tool the Governance Institute created and believes it would be beneficial to get into their new system.

The committee briefly discussed the future of the CEO Evaluation process. Mr. Solomon-Gross thanked the chair for bringing this up and shared that there are lots of room for improvement in a way to have better measure. He is looking forward to working on it in the next few months.

Ms. Knapp shed light on the Board's use of Roberts Rules and insuring we are taking the reasonable steps to be equivalent to the CBJ assembly.

Ms. Lawhorne stated she would like the goals for herself and the Board of Directors aligned and that she appreciates the discussion regarding the future of the CEO evaluation.

Ms. Hagevig made a MOTION to adjourn. Mr. Geiger seconded and the committee adjourned with no objections.

Adjourned at 1:04 p.m.

DRAFT

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 www.bartlethospital.org

MEMORANDUM

Date: May 17, 2021

To: Bartlett Regional Hospital Board of Directors Governance Committee

From: Dallas Hargrave
Human Resource Director

Re: Board Self Evaluation Information

Recently, Ms. Knapp requested that I research information for the Governance Committee regarding a self-evaluation of the Board of Directors. I was able to determine that in 2017 the Governance Committee use the Governance Institute self-evaluation process to conduct a committee self-evaluation. I was not able to find any record of a formal whole Board self-evaluation in recent years.

Considering that the Governance Committee used an evaluation process from the Governance Institute and that the hospital still maintains an annual membership with the Governance Institute, I reached out to them for more information on their current self-evaluation process for Boards of Directors. The cost of the Governance Institute providing a self-evaluation process and an evaluation of the results for the Board is included in the annual cost of our membership.

Attached is the information I received from the Governance Institute.

- An email from Kelly Honke from the Governance Institute with a recommendation for BRH
- A sample of the self-assessment questions
- A description of the survey customization that is available

After the Governance Committee discussion on April 23, 2021, the committee recommended that there be a three-step process involved with the Board self-evaluation survey:

1. Each Board member take the survey provided by the Governance Institute

2. The Governance Institute will present the self-assessment survey results to the whole Board.

3. A discussion will occur at the whole Board level regarding how to best use the self-assessment results to improve the Board's effectiveness. Ideally, a plan with action items for the Board will be developed.

BoardCompass®: The Governance Institute's Board Self-Assessment



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The essential resource for governance knowledge and solutions®

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BoardCompass[®]: The Governance Institute's Board Self-Assessment

Welcome to The Governance Institute's *Board Self-Assessment*. The following assessment represents the first step in a detailed and thoughtful review of your performance as a board.

This assessment is comprised of a variety of items asking how effectively your board performs recommended governance practices and is intended to assess the board's overall performance as a whole.

Your board will be assessed on the following categories:

- Duty of Care
- Duty of Loyalty
- Duty of Obedience
- Quality Oversight
- Financial Oversight
- Strategic Direction
- Board Development
- Management Oversight
- Community Health & Advocacy
- Board Culture

Instructions:

Indicate how effectively the board (or a committee of the board) carries out each practice. Below is a key to the intended meaning of your answer selections:

Very effective: The board or committee of the board carries out this practice consistently (all of the time) to the highest degree of effectiveness possible. (Grade: A to A+)

Effective: The board or committee of the board carries out this practice effectively some or most of the time but not consistently or all of the time. (Grade: B)

Satisfactory: The board or committee of the board carries out this practice in a manner that fulfills basic expectations or needs; acceptable though not outstanding. (Grade: C)

Ineffective: The board or committee of the board is not fulfilling basic expectations or needs; the practice is being carried out in part, not in a thorough manner, or not often enough. The board should be concerned about its level of performance in this area. (Grade: D)

Very ineffective: The board or committee of the board does not fulfill even basic expectations or needs related to this practice, or it is not performed at all and should be. The board should be very concerned about its level of or lack of performance in this area. (Grade: F)

Important: Several of the practices contain several related items that The Governance Institute believes are essential to considering a practice to be fully adopted and therefore for the board to be very effective in performing the practice (i.e., to receive a top score on the assessment). If you think that some or part of the practice is being performed but not all of the items listed are being done, your answer should be "Satisfactory."

Section I: For each question below...

Please indicate how effectively the board or a committee of the board performs the practice.

How effectively does the board or a committee of the board perform this practice?

	Very Effective	Effective	Satisfactory	Ineffective	Very Ineffective	Don't Know
Duty of Care						
1. Receives necessary background materials and well-developed agendas within sufficient time to prepare for meetings.	VE	E	S	I	VI	DK
2. Exercises due diligence in gathering unbiased information before making major decisions (e.g., financial, strategic, legal, clinical, etc.).	VE	E	S	I	VI	DK
Duty of Loyalty						
3. Uniformly and consistently enforces a conflict-of-interest policy that, at a minimum, complies with the most recent <u>IRS definition of conflict of interest</u> .	VE	E	S	I	VI	DK
4. Follows a specific definition, with <u>measurable standards</u> , of an " <u>independent director</u> " that, at a minimum, complies with the most recent IRS definition and takes into consideration any applicable state law.	VE	E	S	I	VI	DK
Duty of Obedience						
5. Considers how major decisions will impact the organization's mission before approving them and rejects proposals that put the mission at risk.	VE	E	S	I	VI	DK
6. Establishes a <u>risk profile</u> for the organization and holds management accountable to performance consistent with that risk profile.	VE	E	S	I	VI	DK
Quality Oversight						
<i>Note: The term "quality" encompasses safety, outcomes, experience, and value.</i>						
7. Approves long-term and annual quality performance criteria based upon industry-wide and <u>evidence-based</u> best practices for optimal performance	VE	E	S	I	VI	DK
8. Requires all clinical programs and services to meet quality performance criteria.	VE	E	S	I	VI	DK
9. Reviews, at least quarterly, quality performance measures for all care settings, including <u>population health</u> and <u>value-based care</u> metrics, and demands corrective action in response to under-performance.	VE	E	S	I	VI	DK
10. In consultation with the medical executive committee, participates in the development of criteria for medical staff appointments and clinical privileges, and conducts periodic audits of the credentialing process.	VE	E	S	I	VI	DK

How effectively does the board or a committee of the board perform this practice?

	Very Effective	Effective	Satisfactory	Ineffective	Very Ineffective	Don't Know
Financial Oversight						
11. Is sufficiently informed by management and discusses the multi-year strategic/financial plan and the organization's capital and operating budget before approving them.	VE	E	S	I	VI	DK
12. Monitors financial performance against targets established by the board related to <u>liquidity ratios</u> , profitability, activity, and debt; and demands corrective action in response to under-performance on financial metrics.	VE	E	S	I	VI	DK
Strategic Direction						
13. Holds management accountable for accomplishing the strategic plan by requiring that major strategic projects or initiatives specify both <u>measurable criteria for success</u> and those responsible for implementation.	VE	E	S	I	VI	DK
14. Follows board-adopted policies and procedures that define how strategic plans are developed and updated (e.g., who is to be involved, timeframes, and the role of the board, management, physicians, and staff).	VE	E	S	I	VI	DK
15. Spends more than half of the meeting time during most board meetings in active deliberation, discussion, and debate about strategic priorities of the organization, as opposed to hearing reports.	VE	E	S	I	VI	DK
16. Evaluates proposed new initiatives on factors such as mission compatibility, financial feasibility, market potential, impact on quality and patient safety, community health needs, and adherence to the strategic plan before approving them.	VE	E	S	I	VI	DK
17. Establishes a strategy for aligning the clinical and economic goals of the hospital(s) and physicians.	VE	E	S	I	VI	DK
Board Development						
18. Participates at least annually in education regarding its responsibilities to fulfill the organization's mission, vision, and strategic goals.	VE	E	S	I	VI	DK
19. Follows a formal orientation program for new board members that includes education on their fiduciary duties, core responsibilities, and information on the industry and its regulatory and competitive landscape.	VE	E	S	I	VI	DK
20. Enforces minimum meeting preparation and attendance requirements.	VE	E	S	I	VI	DK

How effectively does the board or a committee of the board perform this practice?

	Very Effective	Effective	Satisfactory	Ineffective	Very Ineffective	Don't Know
21. Selects new director candidates from a pool that reflects a broad range of diversity and competencies (e.g., race, gender, background, skills, and experience).	VE	E	S	I	VI	DK
22. Sets annual goals for board and committee performance that support the organization's strategic direction/plan.	VE	E	S	I	VI	DK
23. Uses the results from a formal self-assessment process to establish board performance improvement goals at least every two years.	VE	E	S	I	VI	DK
24. Applies <u>competency-based governance</u> principles to assess board members and facilitate board development and board leadership succession planning.	VE	E	S	I	VI	DK
Management Oversight						
25. The board and CEO mutually agree on the CEO's written performance goals prior to the evaluation (in the first quarter of the year).	VE	E	S	I	VI	DK
26. Requires that the CEO's compensation package be based, in part, on the CEO's performance evaluation.	VE	E	S	I	VI	DK
Community Health & Advocacy						
27. Holds management accountable for implementing strategies that meet the needs of the community, as identified through the community health needs assessment.	VE	E	S	I	VI	DK
Board Culture						
28. Demonstrates a clear understanding of the difference between the responsibilities of the management team and the board, and avoids getting into operational matters.	VE	E	S	I	VI	DK
29. Has a culture that allows for active participation, candid communication, and rigorous decision making; board members voice opinions/concerns regardless of how sensitive the matter may be.	VE	E	S	I	VI	DK
30. Engages in constructive dialogue with management.	VE	E	S	I	VI	DK

Section II: Overall Board Rating

On a scale of 1–10, with 10 being the highest, please rate the effectiveness of the board (only circle one number):

1 2 3 4 5 6 7 8 9 10

Section III: Open-Ended Questions

1. What do you believe to be your most important obligations as a member of the board?

2. On a scale of 1–10, with 10 being strongly agree, rate how much you agree with the following statement:

I have the opportunity to effectively influence the organization's strategic direction, culture, and/or performance.

1 2 3 4 5 6 7 8 9 10

Comments:

3. On a scale of 1–10, with 10 being strongly agree, rate how much you agree with the following statement:

My experience on the board is positive, meaningful, and engaging.

1 2 3 4 5 6 7 8 9 10

Comments:

4. What is the single most important improvement the board could make to be more effective in the upcoming year?

5. What suggestions do you have for ongoing board education topics?

System Module:

Note: "Subsidiary" refers to local, community, affiliate boards, etc.

	Very Effective	Effective	Satisfactory	Ineffective	Very Ineffective	Don't Know
31. The full board participates in establishing the organization's strategic direction including creating a longer-range vision and approving the strategic plan.	VE	E	S	I	VI	DK
32. Reviews its subsidiary board and committee performance at least every two years to ensure charter fulfillment, effective coordination between committees and boards, and effective reporting to the system board.	VE	E	S	I	VI	DK
33. Communicates adopted strategic goals and clear expectations of the role(s) of the subsidiaries in meeting those goals.	VE	E	S	I	VI	DK
34. Follows a governance authority matrix that clearly delineates board responsibilities and ensures that the subsidiary boards understand their responsibilities within the context of the matrix.	VE	E	S	I	VI	DK

Subsidiary Module:

	Very Effective	Effective	Satisfactory	Ineffective	Very Ineffective	Don't Know
35. Demonstrates a clear understanding of the system's strategic goals and the role(s) of the subsidiary board in meeting those goals.	VE	E	S	I	VI	DK
36. Follows a governance authority matrix from the system that clearly delineates board responsibilities and understands the subsidiary board's responsibilities within the context of the matrix.	VE	E	S	I	VI	DK

Assessment Customization Parameters

The new BoardCompass® allows for customization based on which questions are applicable to the individual board given its role (e.g., system, independent hospital, public hospital, subsidiary/local hospital, advisory board). We have also included some specialized questions for system boards and subsidiary boards. We understand that not all boards will have implemented all of the practices included in this assessment, and thus recommend that your board chair and/or governance support professional go through the assessment, question by question, with your Customer Success Manager to determine which ones are applicable to your board, and which ones should be removed.

- We encourage you to avoid changing the individual wording of a question as much as possible because when that happens, it erodes our ability to compare your board's results against our national benchmark. Given that we went through a very careful and iterative process to ensure that the wording of each question has been selected for good reason and taken into account survey strength and validity considerations, the primary wording changes we would consider are those that are due to internal nomenclature such as changing the terms "board member" to "trustee," or "subsidiary" to "affiliate" or "community board," or changing names of committees to be specific to individual organizations. Changes such as these do not change the content or nature of the question and thus do not affect our ability to include your board's results in the benchmark.
- Part of the learning process when undertaking an assessment is to take a critical look at the questions you may be removing from the survey and have a discussion with your governance/development committee about whether the board should consider adopting those practices. The key question to ask is, "Why is this question not applicable to our board?" In many or most cases it will be because the board is a public board or a subsidiary/local/advisory board within a system, and thus those practices either don't apply or are being taken care of at a different level of governance within the organization. For independent hospitals/boards that do not report to a higher fiduciary governing body, removing questions should be the beginning of a very important discussion of this nature.
- You may add up to five custom multiple choice questions and open-ended questions



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Governance Institute Assessment Update/Information

Kelly Honke <khonke@nrchealth.com>

Fri 4/9/2021 8:54 AM

To: Dallas S. Hargrave <dhargrave@bartletthospital.org>;

Cc: Anita L. Moffitt <amoffitt@bartletthospital.org>; Teresa Costello <tmcostello@nrchealth.com>;

2 attachments (404 KB)

BoardCompass Survey_2021.pdf; BSA Customization Parameters.pdf;

Good morning Dallas,

I wanted to back track on what we discussed a bit. After speaking with my team, our new assessment tool is much further along than I realized. Since you don't have historical data that we need to include since this is the first time your board is assessing in a significant amount of time, I think it will set you up for greater success in the future if we just begin on the new tool. We will eventually sunset our legacy assessment, so even that won't give us year over year comparison beyond this year. For this reason, I'm only adding information on questions and customization parameters for the new assessment tool. I do apologize that I'm changing directions – I think this will make for a much more streamlined approach as we continue in our partnership.

Attached you will find the following regarding the board self-assessment:

- New Assessment Questions SAMPLE
- Customization parameters

One note about the new assessment tool – because our members are only beginning to take this assessment, we do not currently have a national benchmark. Once we have at least 30 organizations complete the assessment, we will be able to establish that benchmark. However, we can re-run the report when the benchmark is available so you can see the comparisons. I think we will have a benchmark by Fall or end of Q4.

Thank you for your patience as we work through this transition of tools – I know the new assessment will give us some excellent insight to help you and your team create effective and efficient change with your board. Let me know what questions you have.

Happy Friday!

Kelly Honke

Customer Success Manager

The Governance Institute

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