



SUMMARY REPORT

Anytown Community Hospital Governance Practices and Performance Assessment

Conducted by The Walker Company Healthcare Consulting for



August 2015

Our Mission

The mission of Anytown Community Hospital is to provide competent, innovative, and accessible emergency and acute care services for the residents of our community, regardless of their background or ability to pay.

Anytown Community Hospital achieves this mission through reverence, integrity, compassion and excellence.

Our Vision

Anytown Community Hospital's vision is to be the community's preferred health care provider. We will achieve our vision through a culture of caring and compassion, and a continual quest toward excellence.

Anytown Community Hospital Board of Trustees

- Cynthia Forsythe, Chairperson
- Bob Carroll, Vice-Chairperson
- Anita Riley, Treasurer
- Peter Eyre, Secretary
- David Lee
- Fred Meyers, MD
- Helen Brooks
- Jim Sanders
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- William Beer
- Robert Haglin
- Jody Knox, MD
- Jack Li
- Tia Schwartz
- Karen Townsend
- Bill Repp

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Overview

In July 2015, the Anytown Community Hospital (ACH) Board of Trustees assessed the board's overall leadership performance, how well the board exhibits ACH's values and culture, trustees' personal governing contribution, and trustees' knowledge of the implications of key transformational changes in health care. The board also identified ACH issues and priorities for the future. The assessment was conducted by The Walker Company Healthcare Consulting, a Wilsonville, Oregon health care management consulting firm.

How the ACH Governance Practices and Performance Assessment Was Conducted

The governance practices and performance assessment was conducted using an online survey. Fifteen of ACH's 16 trustees completed the assessment.

Trustees rated the board's overall performance in four leadership areas, including:

- Mission and vision
- Strategy
- Quality and patient safety
- Finance

Trustees rated 30 total criteria in these four areas.

Respondents rated a variety of statements in the four areas above, using a scale ranging from "5 (Strongly Agree)" to "1 (Disagree)." A "Not Sure" choice was also available for each statement.

Mean scores for each statement were calculated using a five point scale. No points were assigned to "Not Sure" ratings.

In addition, trustees rated how well they believe they exhibit ACH's five shared values, five cultural beliefs, and 20 characteristics of governance culture in their governance. They rated these criteria using a five-point scale ranging from "5

(Always Exhibit)" to "1 (Do Not Exhibit)." Trustees also rated their satisfaction with their personal governing contribution to ACH in 14 leadership areas using a five-point scale ranging from "5 (Strongly Agree)" to "1 (Do Not Agree)." The board rated how knowledgeable they believe they are about the implications of seven transformational changes in health care on ACH using a five-point scale ranging from "5 (Highly Knowledgeable)" to "1 (Lack Needed Knowledge)."

Finally, trustees provided insights about their highest priorities for the board in the next year; identified ways to improve the governance experience; identified the expertise required in future board members; defined the board's strengths and weaknesses; and identified board development and education opportunities in the next two years.

Reviewing the Governance Practices and Performance Assessment Results

Each section of the overall board assessment results includes information about each of the four leadership areas and its relevance to ACH; an overview of the criteria examined in each area; the results of the assessment; and highlights of the board's view. ACH trustee ratings of board self-assessment criteria are depicted throughout this report in graphs, with mean scores displayed to the right of the graphs.

The criteria in each graph are displayed in order from highest to lowest mean score. To facilitate the identification of areas that may require governance attention, each graph includes the number of "5" - "1" responses to each statement in the color-coded bars.

Responses are grouped and color coded, with "5" appearing in dark green, "4" in light green, "3" in yellow, "2" in orange, and "1" in red. "Not Sure" responses appear in gray. Longer lists of criteria have been separated into higher and lower rated sections for ease of display and analysis.

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The total percent of "5" - "1" ratings for each of the governance self-assessment areas appear in a box in the upper right hand corner of each section displaying members ratings.

Graphs also depict trustees' assessment of ACH's values and culture, personal governing contribution, and assessment of board knowledge of the impact of transformational changes.

Each section summary begins with "observations," providing an overview of high-level key themes and findings from board ratings in that section. Board member responses to all open-ended questions appear in each section, where applicable, and on pages 36-41.

Governance Practices and Performance Assessment Rating Methodology

The following scale was used to evaluate Anytown Community Hospital's overall governance performance:

- **5**: I *strongly agree* with this statement.
- **4**: I *generally agree* with this statement.
- **3**: I *somewhat agree* with this statement.
- **2**: I *mostly disagree* with this statement.
- **1**: I *disagree* with this statement.
- **NS**: Not sure.

The following scale was used for the assessment of Anytown Community Hospital's values and culture:

- **5**: We *always* exhibit this in our governance.
- **4**: We *usually* exhibit this in our governance, but not always.
- **3**: We *often* exhibit this in our governance, but not consistently.
- **2**: We *inconsistently* exhibit this in our governance.
- **1**: We *do not exhibit* this in our governance.
- **NS**: Not sure.

The following scale was used to evaluate trustees' governing contribution to Anytown Community Hospital:

- **5**: I *strongly agree* with this statement.
- **4**: I *generally agree* with this statement.
- **3**: I *somewhat agree* with this statement.
- **2**: I *mostly disagree* with this statement.
- **1**: I *do not agree* with this statement.
- **NS**: Not sure.

The following scale was used to evaluate the board's knowledge of the implications of transformational changes in health care on Anytown Community Hospital:

- **5**: I'm *highly knowledgeable* in this area.
- **4**: I'm *knowledgeable* in this area.
- **3**: I'm *somewhat knowledgeable* in this area.
- **2**: I have *little to no knowledge* in this area.
- **1**: I *lack needed knowledge* in this area to be an effective leader.
- **NS**: Not sure.



Assessment of Overall Anytown Community Hospital Governing Performance

Summary of Assessment Results

Board members rated the Anytown Community Hospital's overall governing performance positively; however, they also perceive room for improvement in various areas.

Figure 1 (below) depicts the total percentage of ratings in each of the five rating levels for the four leadership areas rated of overall board performance.

A significant majority (76.2 percent) of the ratings indicate that board members either "Strongly Agree" or "Generally Agree" with the statements about the ACH board's performance. The majority of the remaining responses are "Somewhat Agree."

Figure 2 (page 9) depicts the overall mean scores for each of the four leadership areas measured in the governance practices and performance assessment.

The mean scores were determined by tabulating the number of ratings (the number of 5, 4, etc.) in each leadership area, and calculating an overall category mean score using the same five point scale used for individual statements.

The area between the outermost line and the colored line depicts the governance "performance gap," or the areas with the greatest opportunities for leadership improvement.

Higher Rated Leadership Responsibilities

The ACH board rated its performance positively in most areas, but responses indicate that there is some room for improvement in each of the four dimensions.

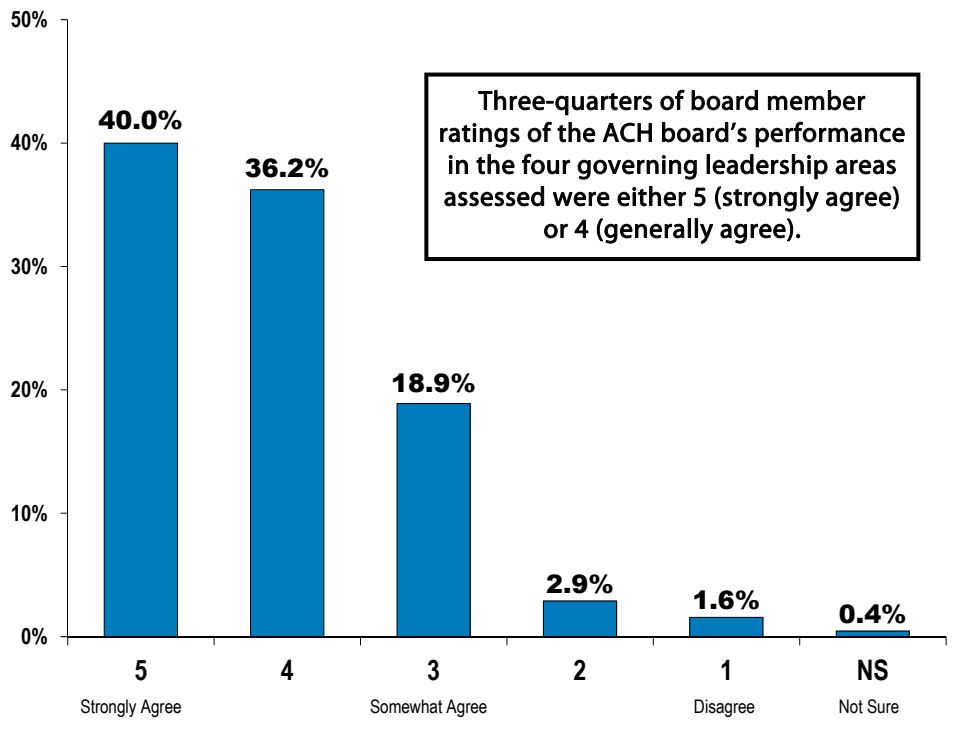
The board rated the finance category highest, with a mean score of 4.62, followed by quality and patient safety, with a mean score of 4.14.

Responses indicate that strategy is the area with the greatest opportunities for improvement.

The higher-rated leadership responsibilities, based on the mean score of board responses, are listed below in order from highest to lowest mean score. They are also identified in the graphs throughout this report with a green "H" and an ↑ arrow.

- The board approves targets for important measures of financial and operating performance (4.93);
- The board reviews and adopts an annual budget which sets revenue and expense targets and receives and discusses regular reports during the year to determine compliance (4.87);
- Financial reports highlight major financial trends and stimulate financial understanding (4.80);

Figure 1: Overall Satisfaction With Governing Performance



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- ACH has clear quality and patient safety improvement strategies, and quality and safety performance is consistently monitored (4.60);
- The board recognizes that our oversight of finances must be closely related to our quality and strategic planning oversight responsibilities (4.53);
- We have reviewed and discussed our mission statement within the last 12 months to ensure that it is current and relevant (4.50);
- Quality and patient safety are at the center of our governance deliberations (4.47);
- The board exercises appropriate oversight of ACH's compliance program (4.47);
- The board uses financial reports to modify assumptions and shift resources, as necessary (4.43); and
- Our mission and vision encompass addressing the health care needs of the communities we serve (4.43).

Lower Rated Leadership Responsibilities

The lower-rated leadership responsibilities, based on the mean score of board responses, are listed below in order from lowest to highest mean score. They are also identified in the graphs throughout this report with a red "L" and a ↓ arrow.

It is important to note that lower rated does not necessarily or always mean low rated. As indicated earlier, ACH trustee ratings throughout the self-assessment were largely positive.

- Our trustees collectively understand the implications of the evolving health care environment on the attainment of our mission and vision (3.20);

Figure 2: Board Performance Overview: Leadership Gaps



- We have a clear and comprehensive understanding of the implications of the rapidly changing health care environment (3.47);
- We fully understand our responsibilities and relationships with the medical staff and have effective mechanisms for communicating with them (3.53);
- We have a solid awareness of critical issues and trends, and their impact on ACH (3.67);
- Our trustees prepare their thinking for purposeful participation in strategic discussions at board meetings (3.67);
- The board considers various futures that may develop for ACH, and explores the implications of those potential futures (3.73);
- We receive a continual flow of new information, new ideas and new knowledge that drives our strategic assumptions (3.73);

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- The board is familiar with the planning data and assumptions that form the foundation of our strategic plan (3.80); and
- The board monitors progress toward the achievement of strategic objectives, and ensures that timely modifications to direction are made, when necessary (3.80).

Analysis of Overall Board Performance Assessment Ratings

Based on The Walker Company's analysis of the assessment results, below are observations and conclusions for ACH's consideration:

Mission and Vision

- Trustees generally agree that the mission's relevance has been discussed in the last 12 months, and that the mission and vision encompass addressing the health care needs of the communities ACH serves.
- At the same time, there is less certainty about whether the mission and vision drive decision-making, and whether progress in meeting the mission is reviewed.
- While board members rated the first two items very high, one-third of board members are concerned that the mission and vision may not reflect the transformational change occurring in health care. Further, the majority of trustees are not confident that the board collectively understands the implications of the evolving health care environment on the attainment of the mission and vision.
- The board has an opportunity to participate in education and knowledge-building about current trends in the evolving health care environment, and to engage in a robust discussion about the impact of those trends on the future of ACH, including whether transformative trends may impact the organization's mission and vision.

Strategy

- Seven of the nine lowest rated areas of governing performance appear in the area of strategy.
- While a few comments indicated that board education and dialogue is improving, overall strategy ratings

indicate a need for strengthened education, an increase in trustee understanding of the changing health care environment and its impact on ACH, and a deeper understanding of how to use that information for scenario planning.

- Trustee ratings indicate that individual board member preparation in advance of board meetings can be improved. The expectation for board members to read advance materials and prepare in advance of board meetings should be clear. In addition, board meeting packets should be reviewed to ensure ample time is allowed for trustees to review materials in advance of board meetings, and that the content is the most relevant and necessary information with action items or strategic questions for considerations included when appropriate.

Quality and Patient Safety

- Board members agree that ACH has clear quality and safety strategies, improvement is monitored, and that quality and safety are at the center of governance deliberations.
- At the same time, some ratings and open-ended comments indicate there is potential to strengthen board education about quality and patient safety, and overall board knowledge about performance at ACH.
- Board members do not fully understand their responsibilities and relationships with the medical staff, and may benefit from increased education and/or improved collaboration and communication with the medical staff about quality and patient safety.

Finance

- The board rated its performance in the area of finance highly. Six of the ten highest rated areas of governing performance appear in the area of finance, with only one finance area not falling in the top ten rated.
- A few board members are less certain about ACH's compliance effort, but overall the area was still rated highly.

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ACH Culture

ACH trustees rated how well they believe they exhibit ACH's 20 characteristics of governance culture. Below are observations and conclusions for ACH's consideration:

ACH's Governance Culture Characteristics

- With the exception of "accountable," there is uncertainty among several trustees about how well the board exhibits ACH's governance culture characteristics.
- Similar to the ratings of the organization's shared values, there are concerns about whether the board is collaborative and respectful in its discussions and deliberations.
- The majority of board members perceive significant opportunity for improvement in the board's ability to be flexible and farsighted. The board may benefit from education and dialogue around future-focused decision-making and strategic planning using scenario planning.
- Board diversity was rated the lowest of the 20 cultural areas. Diversity of thought, opinions, ideas, perspective and background should be included in ACH's governance succession planning.

Trustees' Governing Contribution

The ACH board rated their satisfaction with their personal governing contribution to ACH in 14 leadership areas. Below are observations and conclusions for ACH's consideration:

- Overall, board members rated their personal contribution to the Anytown Community Hospital board highly, with more than nine in ten rating their performance as a Level 4 or 5.
- Despite the high ratings, there is always opportunity for improved board performance. The three areas identified with the greatest potential for the board to focus on include strengthened dialogue and discussions, a greater understanding of health care trends, and an increased understanding and fulfillment of the board's responsibility to represent the needs of the community and to share the hospital's needs and concerns with external constituencies.

Knowledge of the Impact of Transformative Changes in Health Care

ACH board members rated how knowledgeable they believe they are about the implications of seven transformational changes in health care on ACH. Below are observations and conclusions for ACH's consideration:

- In most areas board members rated their knowledge about the impact of transformative health care trends as "knowledgeable," but not "highly knowledgeable." There is an opportunity for improved education, dialogue and discussion around all seven areas, but particularly those with lower-rated mean scores or a high number of "somewhat knowledgeable" ratings.
- Board members are most confident in their knowledge about acquisitions, mergers and various other partnership arrangements.
- Overall, board members rated their understanding of the migration from payment for volume to payment for delivering high value as knowledgeable, but few rated themselves as highly knowledgeable. This may be an area to emphasize in future board education.
- While not the lowest overall mean score, several board members indicated they lack knowledge about increasing alignment across the care continuum, the accelerated squeeze of margins, and transparency and innovation continuing to lead to organizational learning, change and improvement. These three areas should also be emphasized in future board education.

ACH Issues and Priorities

The ACH board identified a number of priorities and issues for the coming year; ways to improve the governance experience; the expertise required in future board members; governance strengths and weaknesses; and board development and education opportunities in the next two years.

Board member responses are listed under each section (see pages 36-41 for verbatim comments). In addition, ideas and comments were grouped by key theme area where possible.

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The board identified the following as their highest priorities for the board in the next year:

- Addressing the future of the hospital, including the changing landscape and how to position ACH to best serve the Eastside community;
- Exploring the potential partnership with Anycity or the university; and
- Understanding, navigating and appropriately positioning ACH in the value-based environment.

The board identified the following ways to make trustees' governance experience most purposeful and productive:

- Maximize board meeting discussion, dialogue and debate, and address inappropriate or disrespectful behavior;
- Ensure ongoing governance education and strategy sessions;
- Clear, transparent reporting of issues and the wide range of alternatives and options; and
- Timely reporting of information and key areas identified by the board.

The board identified the following areas of expertise they believe the board should seek in new board members:

- Understanding of the health care industry, health systems, and current health care issues;
- Strong financial and business acumen;
- Wide range of diverse perspectives and experience, including community leaders, officers from local large employers, and non-executives; and
- Understanding of consumerism.

The board identified the following as the board's greatest strengths:

- Engaged, seasoned leaders with a broad depth of knowledge and experience;
- Commitment to ACH and the community served; and
- A dedicated leadership team and the inclusion of the medical staff in leadership.

The board identified the following as the board's most significant opportunities for improvement:

- Ongoing education about current issues, building board knowledge and more time "out of the meeting room" to understand current issues and trends; and
- Strengthening board dialogue, interaction and cohesiveness.

The board identified the following board development and education opportunities to develop in the next two years:

- Value-based purchasing, changing reimbursement, and the impact of current changes on the future of health care and ACH in particular;
- Increased education and retreat opportunities to build knowledge, strengthen dialogue and discussion, and strengthen board relationships;
- Changes in the health care industry, including the Affordable Care Act;
- Trends in health care, both locally as well as nationally, including what is happening with regard to partnerships and changing organizational structures; and
- Several mini retreats or a longer retreat focused on specific topics.

Strategy

ACH board members rated their satisfaction with governing performance in 11 leadership areas relating to strategy (see Figures 4a-4b).

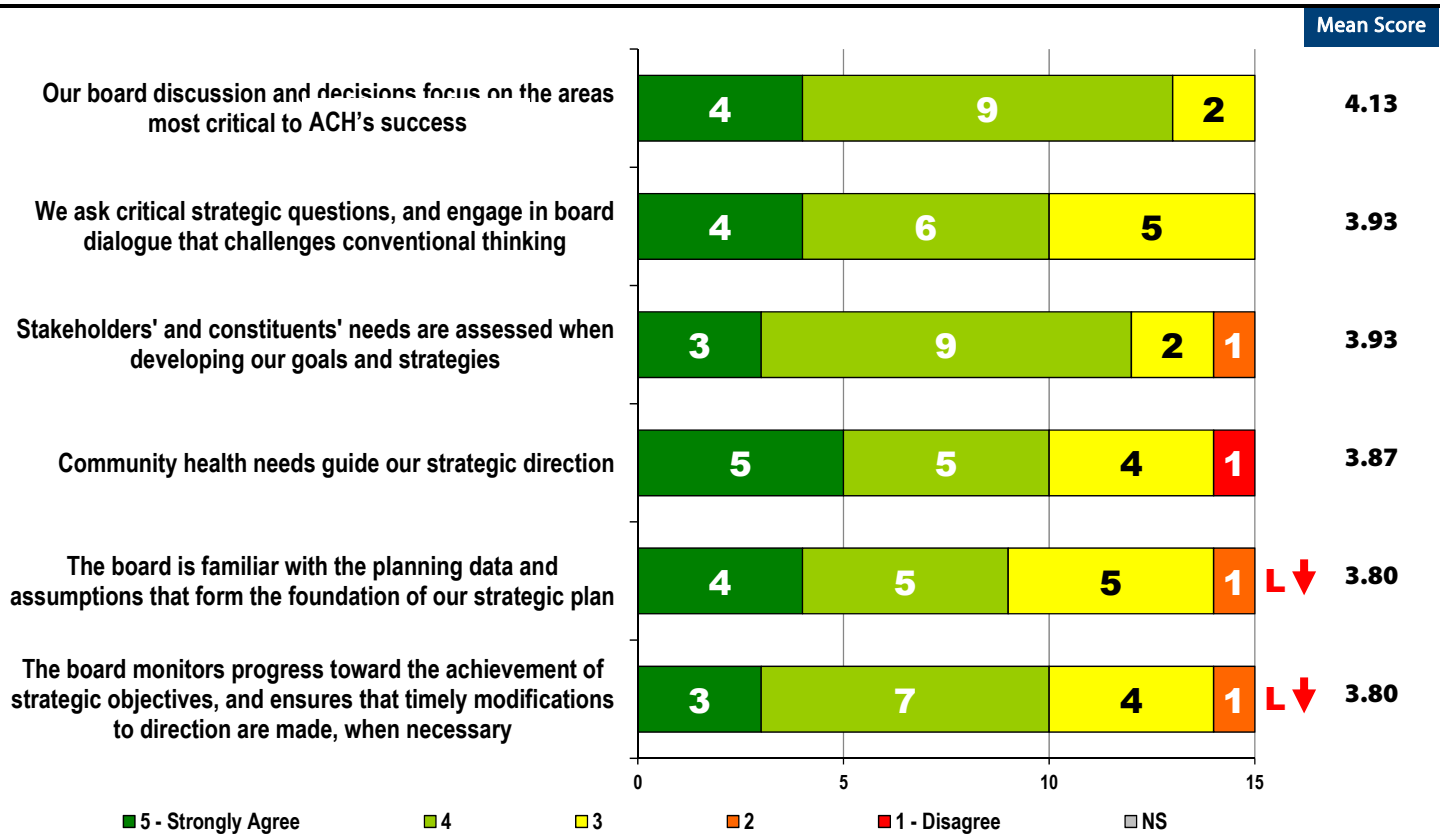
% of Total Responses	
Level 5 (Strongly Agree)	24%
Level 4	39%
Level 3 (Somewhat Agree)	32%
Level 2	5%
Level 1 (Disagree)	1%
Not Sure	0%

Observations

- Seven of the nine lowest rated areas of governing performance appear in the area of strategy.
- While a few comments indicated that board education and dialogue is improving, overall strategy ratings indicate a need for strengthened education, an increase in trustee understanding of the changing health care environment and its impact on ACH, and a deeper understanding of how to use that information for scenario planning.

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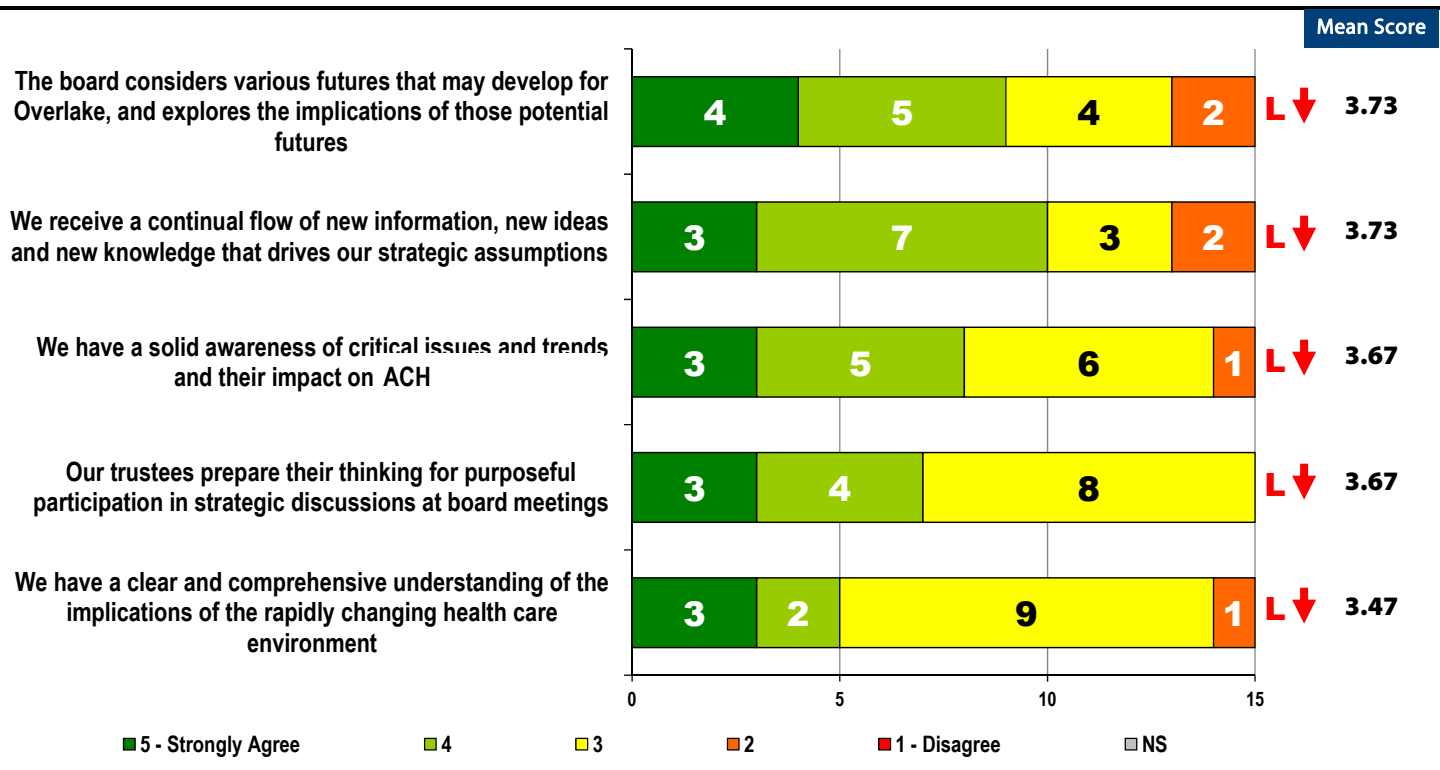
Figure 4a: Strategy - Higher Rated
(sorted by highest to lowest mean score)



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Figure 4b: Strategy - Lower Rated
(sorted by highest to lowest mean score)



(Continued from page 15)

- Trustee ratings indicate that individual board member preparation in advance of board meetings can be improved. The expectation for board members to read advance materials and prepare in advance of board meetings should be clear. In addition, board meeting packets should be reviewed to ensure ample time is allowed for trustees to review materials in advance of board meetings, and that the content is the most relevant and necessary information with action items or strategic questions for considerations included when appropriate.

Suggestions for Improvement

Board members provided the following suggestions for improvement:

- This is a tough area to strongly agree with. There have been so many changes to the needs of our community regarding health care it is hard to keep up. The past few meetings have been exceptional in allowing and expecting the board to be prepared and engage in dialogue. I do think it would be helpful to let board members know that they are expected to participate in meetings and read all prepared materials prior to meetings.
- By being more participative and involved.
- Our strategic discussions are much improved over the last few months. Having the board and committees continue to become educated and engaged is critical as we continue to make decisions in a very uncertain environment. While the understanding has continued to grow, we still have a knowledge gap on the part of the board as a whole. Management has been doing an excellent job of helping to fill this void.

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- As before, continue education on key changes in health care. Also allow more time for discussion at board meetings. Discussion at the committee level is more robust and members have an opportunity to speak and respond.
- Speaking from the view of a member in a sub-committee - my perception is that information is shaped for our consumption instead of for debate. Material is presented with themes of this is what we can do, and we can't do any of these. That should not be the case. And when things are presented like this for board members that are in different industries - while it might be viewed as helping them, I would argue that I see it as more of pushing board members that don't understand health care into a direction that is on someone else's agenda. True board engagement should be driven by unshaped data but rather raw facts without opinions.
- No one has a crystal ball into the future. Nor can we all live in the past in terms of what health care used to be versus where it appears to be headed. We need to be able to resolve these two paradigms such that we can make the best decisions possible. Political ideology sometimes seems to thwart our ability to think progressively.
- Spend more time on questions that challenge conventional thinking.
- Understand the evolving nature of the demands being placed on a "health system."
- Once decisions are made, we need to move on.

Additional Comments

Board members also provided the following comments:

- I'm not sure anyone can have a "clear" understanding of the transformations occurring in health care, but I am pleased with the level of discussion. Our board has come a long way in terms of preparation, discussion and critical thinking. The transformational issues on the table have sparked even greater interest and participation, in addition to controversy. We need to have the courage to look at alternatives that allow us to continue to meet our mission - to provide the highest level of tertiary services to our Eastside residents and to do it in a way that allows us to continuously improve our value and our market share.
- I am not confident that all information that is relevant for decision making is provided to us (i.e., information is provided that will lead us to a certain decision).



Assessment of Anytown Community Hospital's Culture

ACH's Governance Culture Characteristics

% of Total Responses	
Level 5 (Always Exhibit)	25%
Level 4	42%
Level 3	28%
Level 2	4%
Level 1 (Do Not Exhibit)	1%
Not Sure	0%

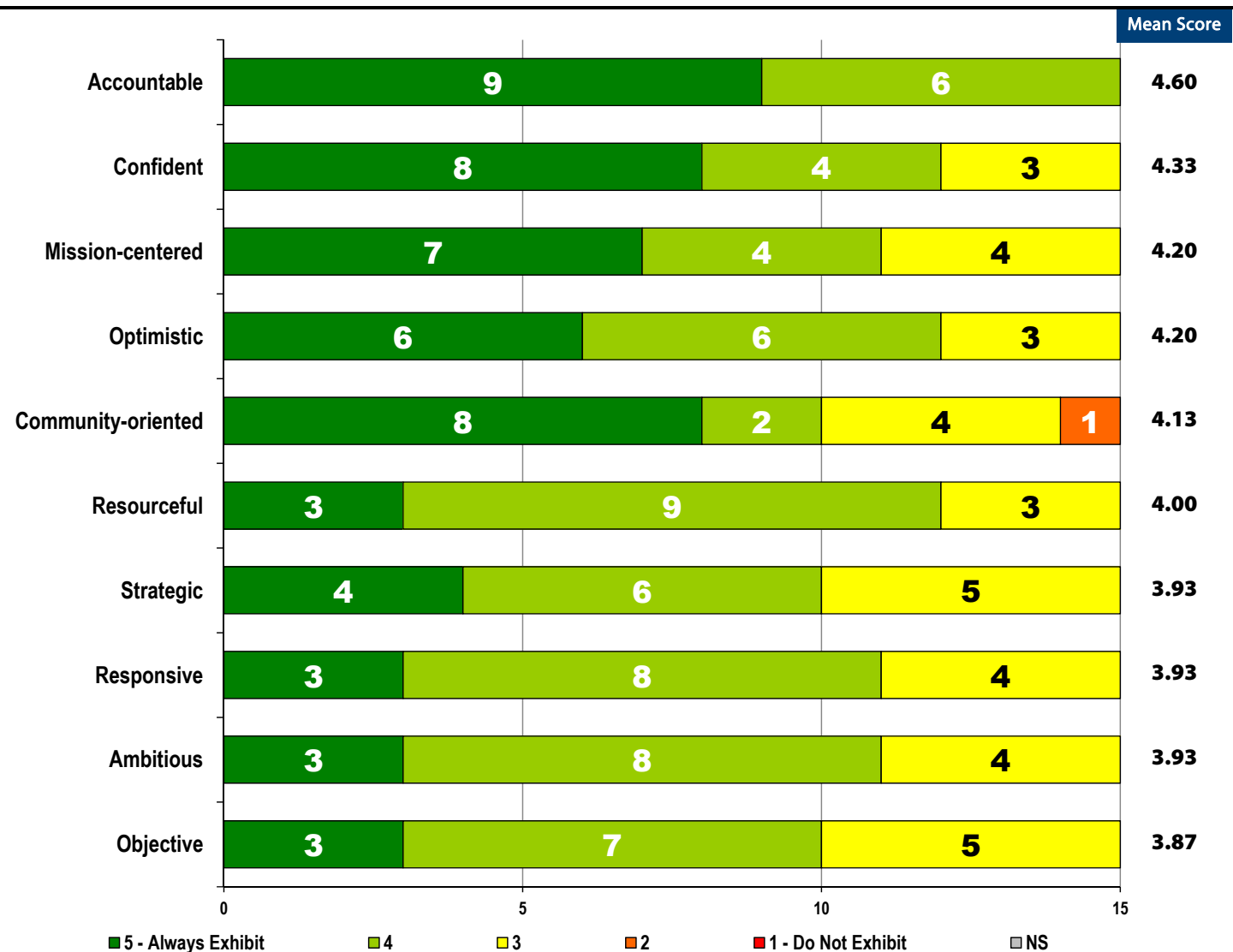
ACH board members rated how well they believe the board exhibits 20 traits of ACH's governance culture (*sees Figures 7a—7b*).

Observations

- With the exception of "accountable," there is uncertainty among several trustees about how well the board exhibits ACH's governance culture characteristics.

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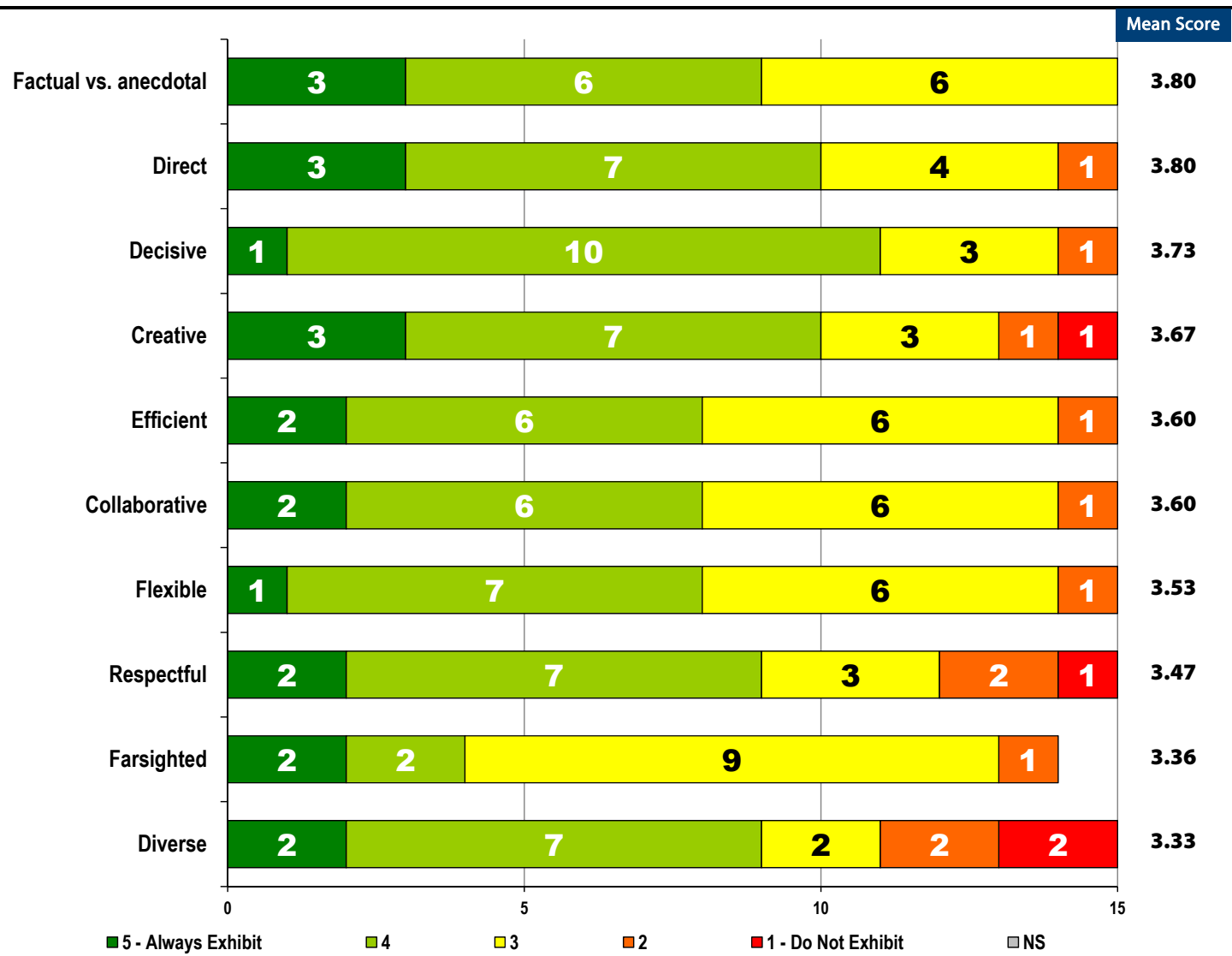
Figure 7a: ACH's Governance Culture - Higher Rated (sorted by highest to lowest mean score)



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Figure 7b: ACH's Governance Culture - Lower Rated
(sorted by highest to lowest mean score)



(Continued from page 23)

- Similar to the ratings of the organization's shared values, there are concerns about whether the board is collaborative and respectful in its discussions and deliberations.
- The majority of board members perceive significant opportunity for improvement in the board's ability to be flexible and farsighted. The board may benefit from education and dialogue around future-focused decision-making and strategic planning using scenario planning.
- Board diversity was rated the lowest of the 20 cultural areas. Diversity of thought, opinions, ideas, perspective and background should be included in ACH's governance succession planning.

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(Continued from page 24)

Suggestions for Improvement

Board members also provided the following suggestions for improvement:

- White, divided, reactive.
- Divided, in some cases disrespectful, not cohesive.
- Honest, proud.
- Invested/engaged - regardless of beliefs, I do believe everyone wants what is best for our mission to serve our community.
- Loyal, concerned.
- I think the above is very comprehensive.

Additional Comments

Board members provided the following comments:

- Encouraged that more people are finding a voice and we are beginning to challenge each other in a positive way. We can't avoid conflict - conflict is necessary, but it has to focus around issues, not people. When we "fight," we need to fight fairly. Not personalizing issues, plotting conspiracies, or making up data to support our point of view. I feel we are beginning to turn the corner on this type of behavior.



Assessment of Personal Governing Contribution

Governing Contribution to Anytown Community Hospital

% of Total Responses	
Level 5 (Strongly Agree)	58.5%
Level 4	34%
Level 3	6.5%
Level 2	0%
Level 1 (Do Not Agree)	0.5%
Not Sure	0.5%

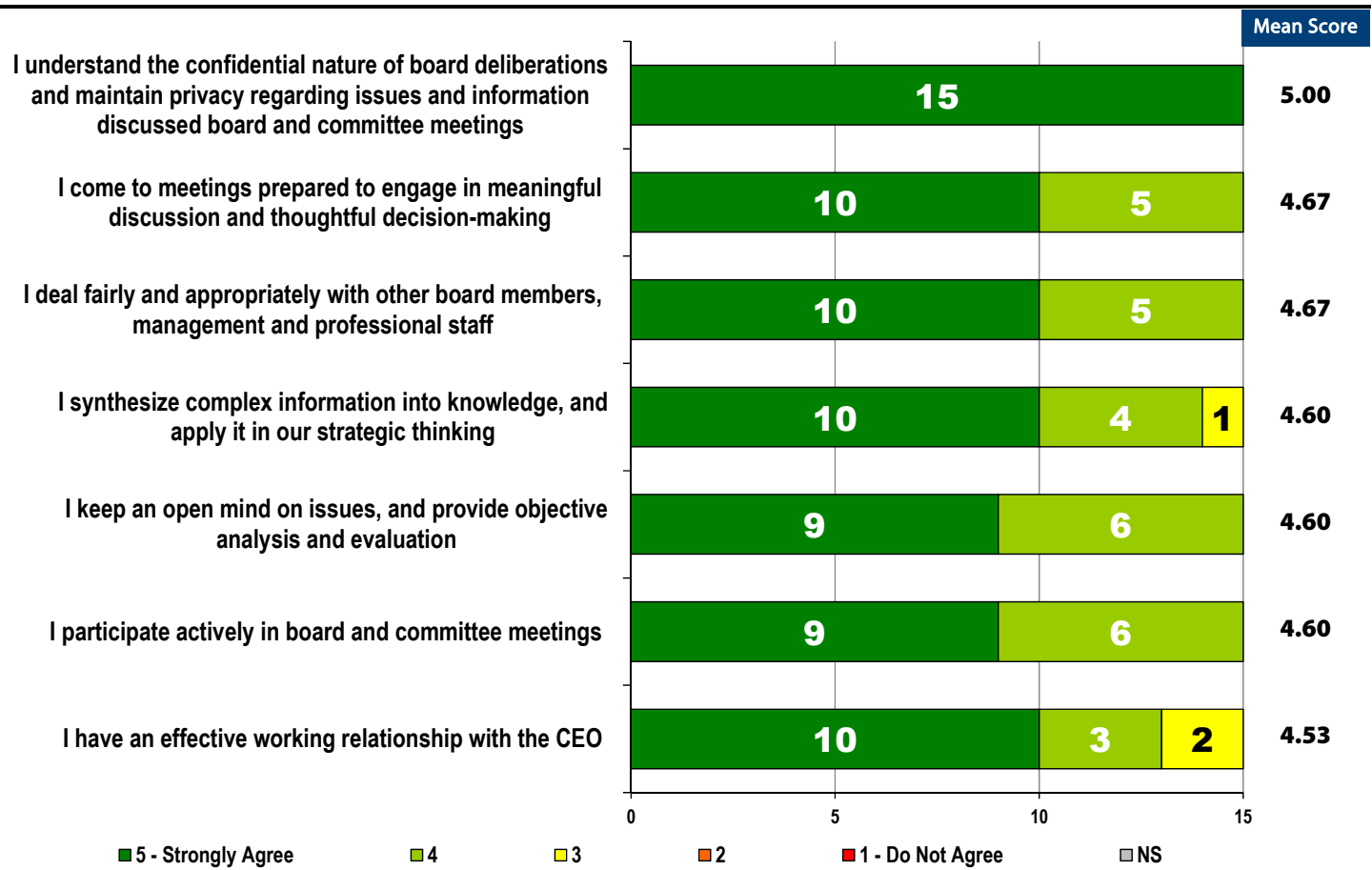
A CH board members rated their satisfaction with their personal governing contribution to ACH in 14 leadership areas (*see Figures 8a – 8b*).

Observations

- Overall, board members rated their personal contribution to the Anytown Community Hospital board highly, with more than nine in ten rating their performance as a Level 4 or 5.
- Despite the high ratings, there is always opportunity for improved board performance. The three areas identified with the greatest potential for the board to focus on include strengthened dialogue and discussions, a greater understanding of health care trends, and an increased understanding and fulfillment of the board’s responsibility to represent the needs of the community and to share the hospital’s needs and concerns with external constituencies.

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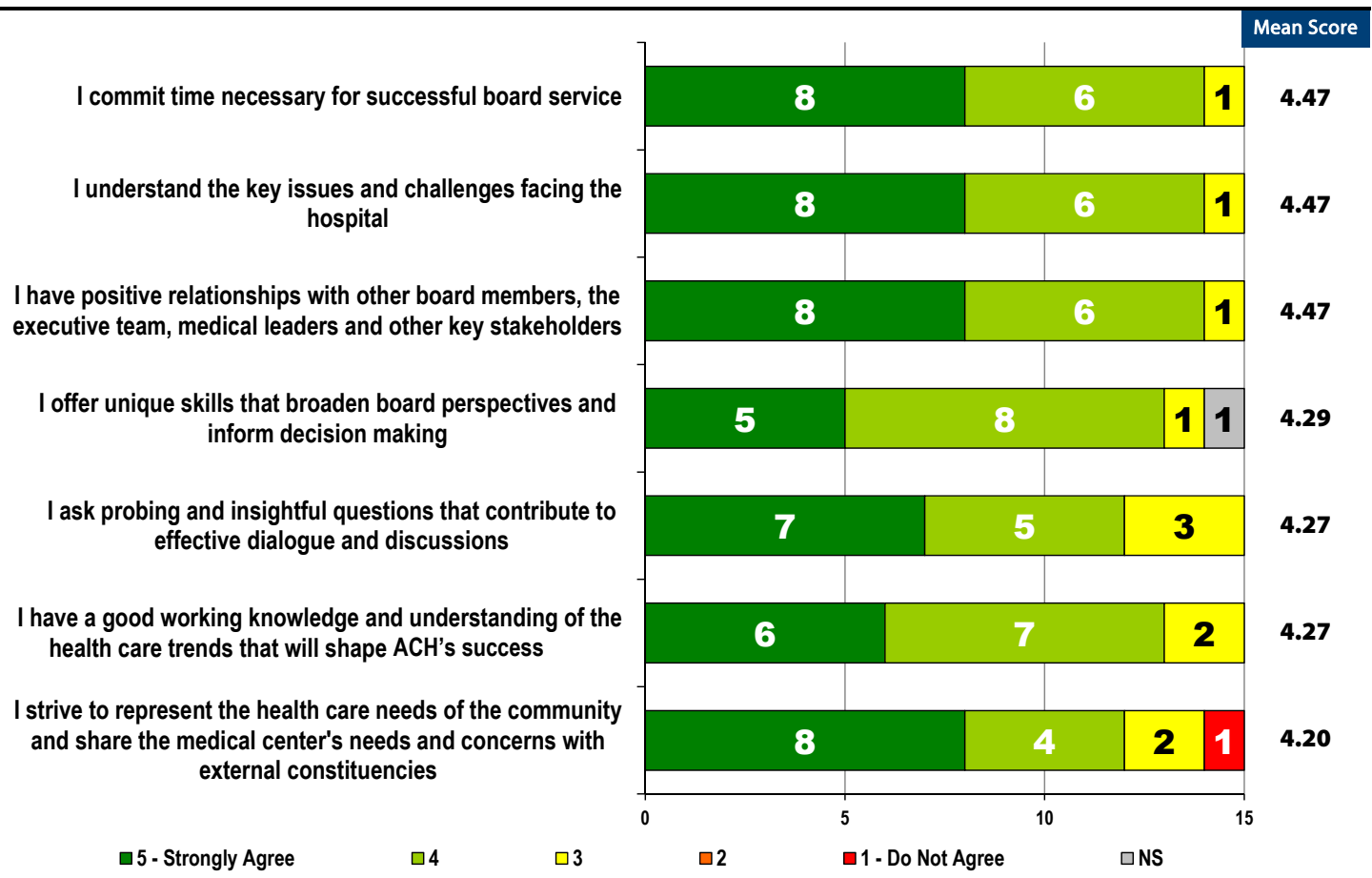
Figure 8a: Governing Contribution - Higher Rated (sorted by highest to lowest mean score)



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Figure 8b: Governing Contribution - Lower Rated
(sorted by highest to lowest mean score)



(Continued from page 27)

Suggestions for Improvement

Board members also provided the following suggestions for improvement:

- Becoming more educated on the emerging trends in health care and how they will impact ACH. Also becoming more knowledgeable about other service providers in the Anycommunity and how they are evolving.
- I could study up and ask more questions regarding health care trends.
- I can participate more actively in board meetings.
- I can improve, but I can only work with the information I am given or ask for.

Additional Comments

Board members did not provide additional comments.



Assessment of Knowledge of the Impact of Transformative Changes in Health Care

Knowledge of the Impact of Transformative Health Care Changes

% of Total Responses	
Level 5 (Highly Knowledgeable)	32%
Level 4	53%
Level 3 (Somewhat Knowledgeable)	14%
Level 2	1%
Level 1 (Lack Needed Knowledge)	0%
Not Sure	0%

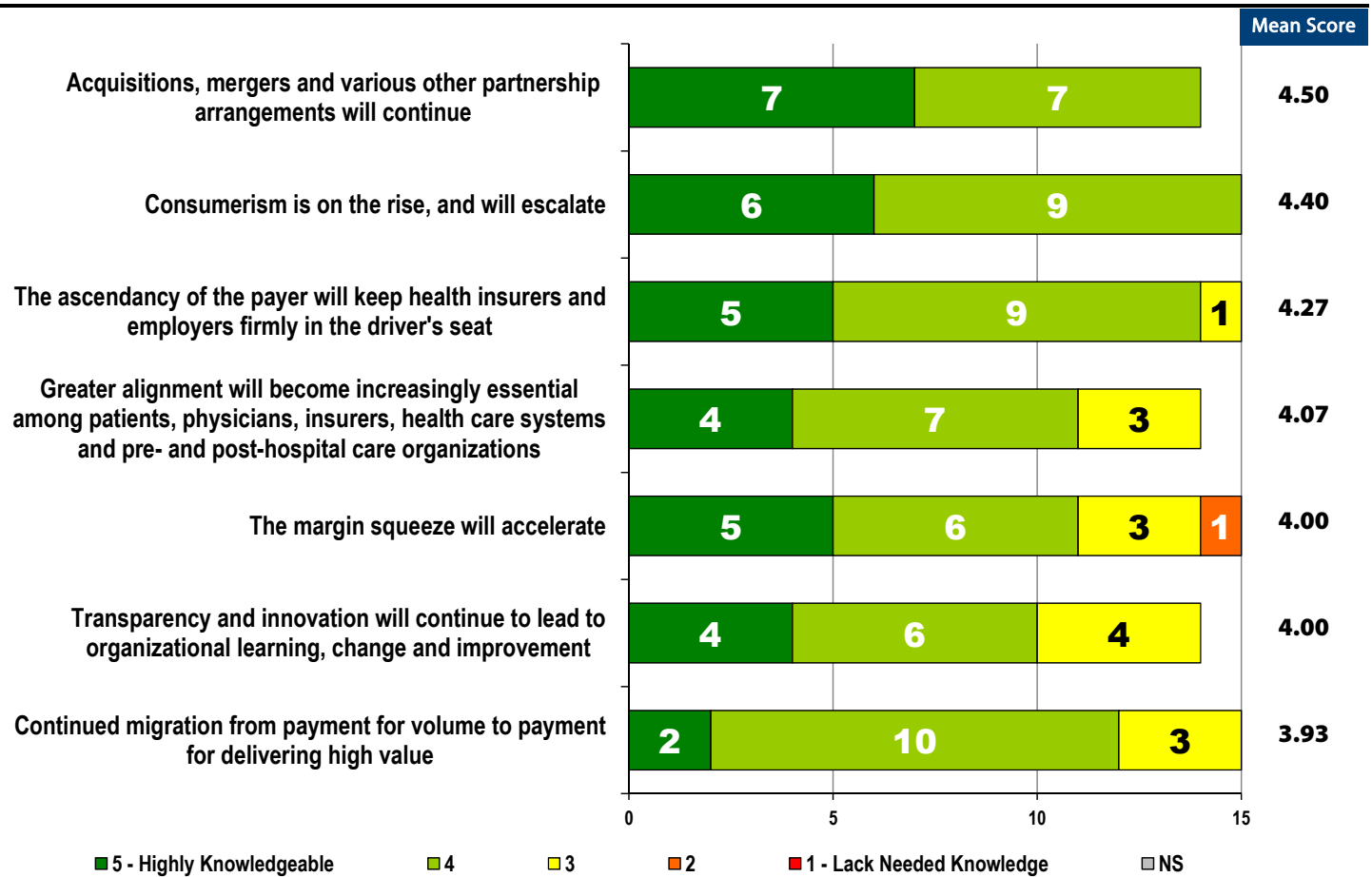
A CH board members rated how knowledgeable they believe they are about the implications of seven transformational changes in health care on ACH (*see Figure 9*).

Observations

- In most areas board members rated their knowledge about the impact of transformative health care trends as “knowledgeable,” but not “highly knowledgeable.” There is an opportunity for improved education, dialogue and discussion around all seven areas, but particularly those with lower-rated mean scores or a high number of “somewhat knowledgeable” (yellow) ratings.

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Figure 9: Knowledge of the Impact of Transformative Changes (sorted by highest to lowest mean score)



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- Board members are most confident in their knowledge about acquisitions, mergers and various other partnership arrangements.
- Overall, board members rated their understanding of the migration from payment for volume to payment for delivering high value as knowledgeable, but few rated themselves as highly knowledgeable. This may be an area to emphasize in future board education.
- While not the lowest overall mean score, several board members indicated they lack knowledge about increasing alignment across the care continuum, the accelerated squeeze of margins, and transparency and innovation continuing to lead to organizational learning, change and improvement. These three areas should also be emphasized in future board education.

Impact of Changes on ACH's Future

In addition to rating their knowledge about seven transformational changes currently taking place in health care, board members were asked how they believe each change will impact ACH's future. Below are board members' responses to each transformational change category, grouped by key theme where possible.

Acquisitions, mergers and various other partnership arrangements will continue.

Increased collaboration and partnerships will be necessary to be successful in the future

- Absolutely necessary to remain successful. We cannot do it all alone.
- Inevitable and necessary. In order to reform health care we need to end the 'arms race' of needless hospital expansion. Strategic relationships between hospitals and physicians who are competitors today will be important. It doesn't necessarily mean change of control acquisitions, but better collaboration across regions.
- ACH will not be able to continue as a stand-alone health system. We need to consider the alternatives.

Increased partnerships have the potential for a positive impact on ACH, and the organization should be flexible and keep its options open

- We will have greater partnerships in the future. It is not yet clear what direction this will take but we will have to be flexible and nimble in this regard.
- Positively, if we understand our patient base and the community's needs, and totally research the options before implementing an imperfect course of action.
- We need to be more open and heads-up about exploring external opportunities that can improve our service, while continuing to focus on near-term execution.
- We will need to keep our options open and carefully investigate potential arrangements with others that are consistent with our mission.

Consumerism is on the rise, and will escalate.

The facility and quality of care provided must be elevated and differentiated from competitors

- Why choose ACH? We have much work to do here. While we provide excellent care, our campus is in desperate need of a face lift - quickly. Patients want to be comfortable and feel special while hospitalized.
- ACH will need to address all the parameters used for reporting quality of hospitals. We need to provide comprehensive care in an up-to-date facility. Education, rehab and amenities will become more important.
- We need to differentiate based on things like quality and safety.



Summary of Open-Ended Comments

Issues and Priorities

The information below includes verbatim answers to six open-ended questions about ACH issues and priorities. Responses are grouped by key theme when possible.

Highest Priority for the Board in the Next Year

Addressing the future of the hospital, including the changing landscape and how to position ACH to best serve the Eastside community

- The changing health care environment and what, specifically, we need to do to ensure we can take care of the eastside community.
- Addressing the future of the hospital. Must we change, and if so, what are our options? Making sure we have the best medical staff and performance in the area.
- A well-thought through assessment of our growth options.
- Understanding and assessing the changing landscape of health care and what the opportunities are for us to align in a way that allows us to meet our mission and needs of the community.
- Positioning the hospital to effectively serve the Eastside community for the long term. Includes a focus on internal execution/organic growth while concurrently exploring external partnerships that can strengthen us.

Exploring the potential partnership with Anycity or the University

- Make a decision on potential partnership with Anycity and/or the university.
- Determining whether or not a strategic partnership with Anycity is viable, and if not, what is the best path forward.
- Defining relationship with Anycity Hospital.
- Exploring a partnership with Anycity.

Understanding, navigating and appropriately positioning ACH in the value-based environment

- Navigating the value versus volume strategic tension.
- If Value = Quality + Service / Cost, study the components of value, what is needed to deliver and measure the components.
- Learning about the changing financial incentives and how that change effects our investments and strategic plan.

Other

- Continue to focus on improving quality and safety.
- Accomplishing the infrastructure changes that have been submitted and building out the facilities for those services we are focused on.
- Financial strength through outstanding performance in providing all forms of patient care.
- To expand our ability to influence referrals to ACH. This should strengthen our volume concerns. This will also help us identify providers/partners we will want alongside us on the road to value.
- There is no single highest priority. It is imperative that we deal with a number of competing priorities.



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