



This document includes sample pages from a typical assessWell™ board assessment report.

For more information about assessWell™, a product of governWell™, go to [governwell.net](http://governwell.net) or contact Larry Walker at 503-694-8539, [larry@governwell.net](mailto:larry@governwell.net).

# SAMPLE

## Fidelity Medical Center 2017 Governance Practices and Performance Assessment Results



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# Overview

In November 2017, the Fidelity Medical Center (Fidelity) Board of Directors assessed the board's overall governing practices and performance; measure board members' views about the governance culture; gave board members an opportunity to rate their personal contribution to governance success; and identified issues and priorities for the future. The assessment was conducted by governWell™.

## How the Governance Practices and Performance Assessment Was Conducted

The governance practices and performance assessment was conducted through an online survey. Nine board members completed the assessment.

Board members rated the board's overall performance in eight leadership areas, including:

- Mission, Values and Vision
- Strategic Leadership
- Quality and Patient Safety
- Financial Leadership
- Relationship with the CEO
- Community Relationships
- Board Roles, Responsibilities and Knowledge
- Board Meetings

Board members rated 73 total criteria in these board responsibility areas. Each criterion used the same five point rating scale, with "Level 5" representing a board performing at the highest level, and "Level 1" representing a poorly performing board.

In addition, board members rated their perceptions of the board's culture and their satisfaction with their personal governing contribution.

Finally, board members provided insights about the issues they believe should occupy the board's time and attention in the next year; their highest priorities for the board in the next year; the most critical board actions to ensure the organization is successful in achieving its goals; and actions they believe the board should undertake or cease.

## Reviewing the Governance Practices and Performance Assessment Results

Each section of the board assessment results includes an overview of the board's ratings, graphical results of the assessment, and board member comments about performance in the area. Mean (average) scores for each statement were calculated, with a maximum score of five. No points were assigned to "not sure" ratings.

The top of each section overview includes an *Effectiveness Performance Factor*, the overall mean rating for the section divided by the maximum of five. An *Effectiveness Performance Factor* of 100% would represent Level 5 ratings for each criterion.

## Rating Methodology

The following scale was used to evaluate the board's overall governing performance:

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

The board's governance culture was rated on a five-point scale from "5: Always exhibit" to "1: Do not exhibit."

The following scale was used to evaluate board members' personal governing contribution:

- Level 5: I *always* demonstrate this as a part of my directorship
- Level 4: I *usually* demonstrate this as a part of my directorship
- Level 3: I *often* demonstrate this as a part of my directorship
- Level 2: I *inconsistently* demonstrate this as a part of my directorship
- Level 1: I *never* demonstrate this as a part of my directorship.

# Assessment of Overall Governing Performance

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# Summary of Assessment Results

**B**oard members rated Fidelity Medical Center’s overall governing performance positively; however, they also perceive room for improvement in various areas.

Figure 1 (below) depicts the percentage of Level 5—Level 1 ratings for the eight leadership areas.

A significant majority (85.5 percent) of the ratings indicate that board members either “Strongly Agree” or “Generally Agree” with the statements about the board’s performance. The majority of the remaining responses reflect “Somewhat Agreement” with the statements.

Figure 2 (page 7) depicts the overall mean scores for each of the eight governing 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,” the areas with the greatest opportunities for leadership improvement.

## Issues and Priorities

The board identified issues they believe should occupy the board’s time and attention in the next year; priorities and issues for the coming year; the most critical board actions to ensure the organization is

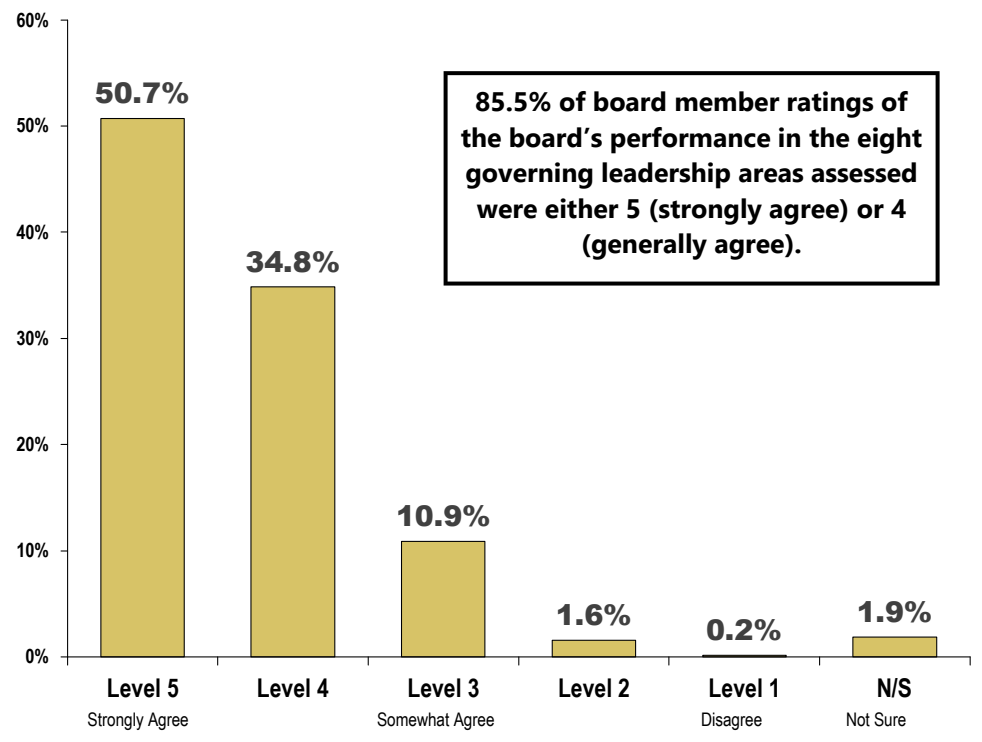
successful in achieving its goals; and any actions they believe the board should either undertake or cease.

Board members’ verbatim responses are displayed in the report’s “Issues and Priorities” section on page 32.

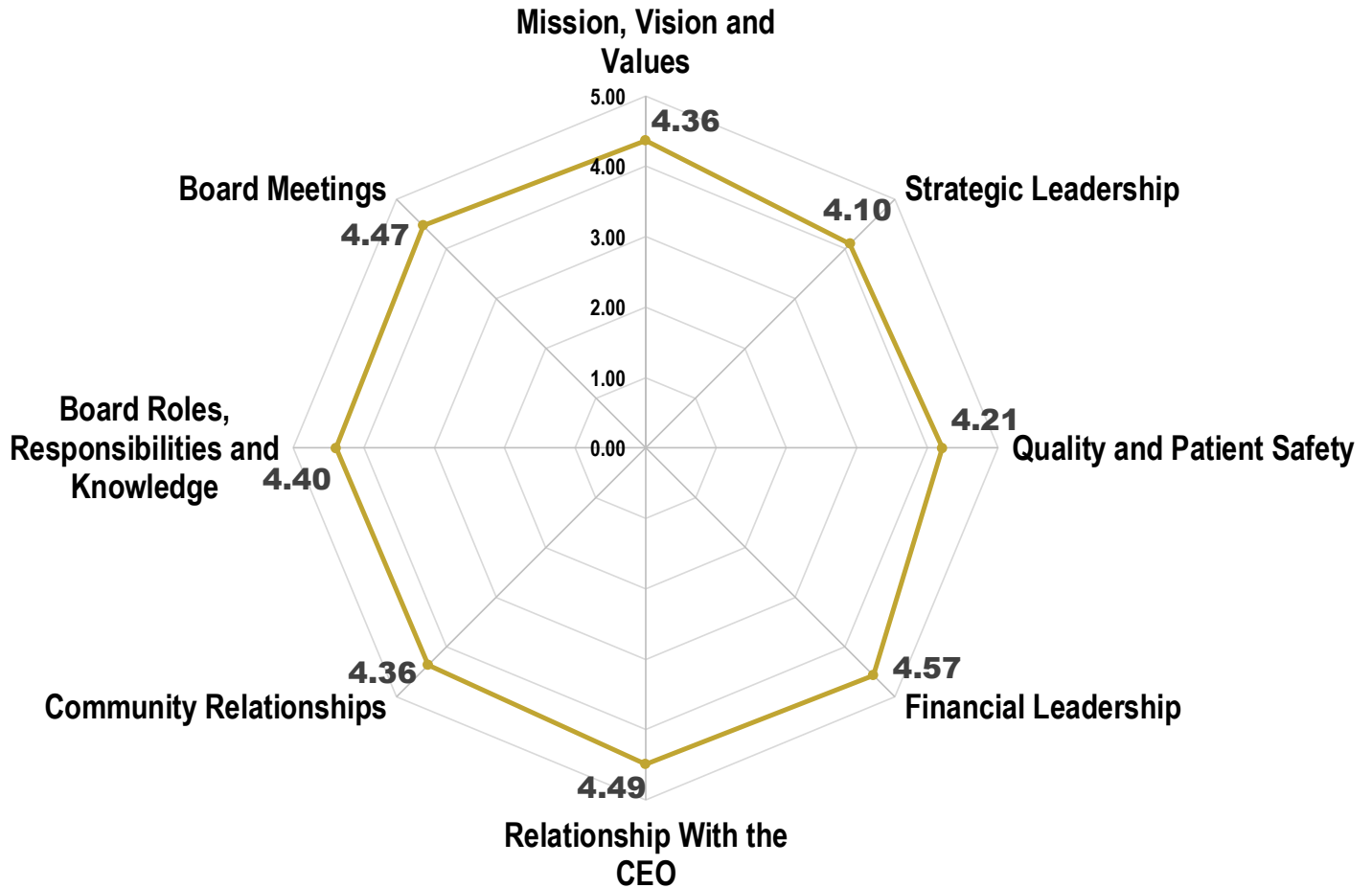
The board identified the following as issues that should occupy the board’s time and attention in the next year:

- Changing reimbursement and its impact on financial stability;
- The federal health care environment and impact of changes to the ACA;
- Improving community partnerships; and
- Increasing focus on quality and patient safety.

**Figure 1: Overall Satisfaction With Governing Performance**



**Figure 2:** Board Performance Overview: Leadership Gaps



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

- Staying informed of current trends and changes in the health care environment;
- Strengthening board member engagement and strategic thinking; and
- Increasing focus on quality and patient safety.

The board identified the following as the most critical board actions to ensure the organization successfully achieves its goals:

- Improving relationships within and outside the hospital;

- Ensuring the board is highly knowledgeable about current trends to make evidence-based decisions;
- Regularly measuring and discussing goals, ensuring they are most current to the hospital's needs with adequate resources in place;
- Increasing and maintaining ongoing board education; and
- A greater emphasis on strategic thinking.

The board identified the following as actions the board should either stop or start doing:

- Create more time on agendas for deeper discussions on quality and health issues facing the community.

## Highest Rated Areas

The higher-rated leadership responsibilities 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 up arrow.

- I understand my fiduciary responsibility of obedience, care and loyalty to the organization (5.00)
- Our board ensures an annual audit and thoroughly discusses all audit recommendations (5.00)
- Our board approves targets for important measures of financial and operating performance (5.00)
- Our board devotes time for important discussions by utilizing a consent agenda covering the routine actions that require approval (4.89)
- Our board's role and responsibilities are clearly defined in writing (4.89)
- Our board annually evaluates and compensates our CEO using pre-defined expectations tied to achievement of our mission and strategic objectives (4.89)
- Our organization has a meaningful, board-approved mission that explains our core purpose (4.89)
- Progress on financial performance measures are discussed at board meetings least quarterly (4.88)
- Our organization has a board-approved vision that defines the future we are striving to achieve (4.88)

## Lower Rated Areas

The lower-rated leadership responsibilities 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 down arrow. *It is important to note that lower rated does not necessarily or always mean low rated. As indicated earlier, board member ratings throughout the self-assessment were largely positive.*

- Our board focuses the majority of its time on strategic thinking and leadership rather than strategic plans and operational decision making (3.56)
- We explore critical strategic questions and/or engage in board dialogue that challenges conventional thinking (3.67)
- Our mission and vision drive decision making at board meetings (3.78)
- We have a good understanding of the implications of the rapidly changing health care environment (3.78)
- Our board utilizes board members as community "ambassadors" to communicate with our community on important health care issues (3.78)
- Our board education broadens board members' perspectives about the challenges our organization will face in the future (3.88)
- Our mission and vision drive organizational strategies, objectives and action plans (3.89)
- We understand critical issues and trends impacting our organization (3.89)
- New information, new ideas and new knowledge drive our strategic assumptions (3.89)
- Our board uses financial performance reports to modify assumptions and shift resources, as necessary (3.89)
- Our board discussion and decisions focus on the areas most critical to our organization's success (3.89)



Effectiveness Performance Factor

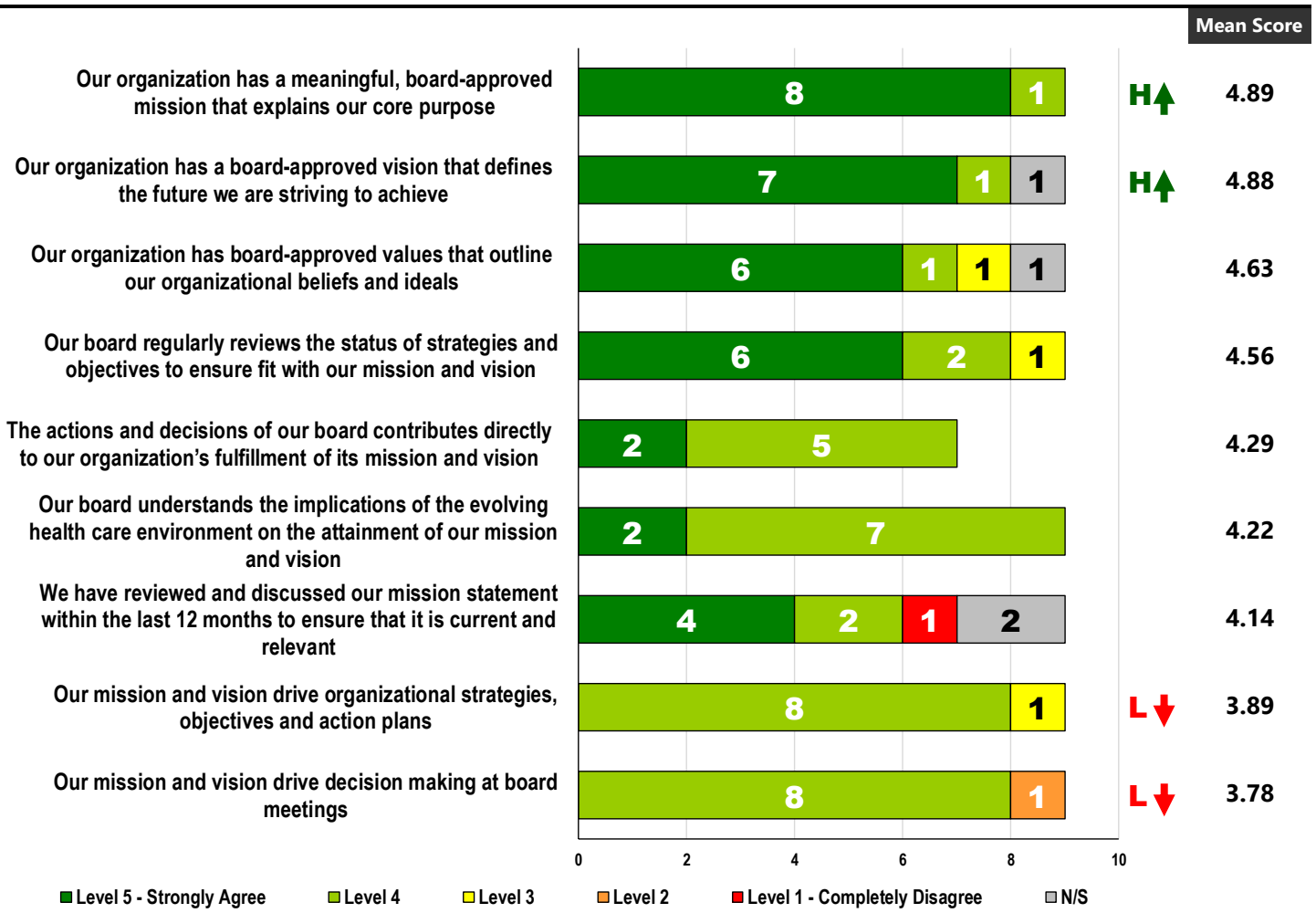
87%

The board's rating of its performance in this area (overall mean score ÷ 5)

# Mission, Values and Vision

Fidelity Medical Center board members rated their agreement with governing performance in nine leadership areas relating to the mission, values and vision (see Figure 3).

**Figure 3:** Mission, Values and Vision (sorted by highest to lowest mean score)



## Board Member Comments

- Not sure our board has or adheres to clear values. Our mission is clear, but we could make it a little more prominent in board discussions. There is always room for improvement in learning more about the impact of current trends and issues on our organization - there is so much to learn.
- We have a clear mission and vision, but may need to revamp our values or find ways to further promote them throughout the organization. There are board members who do not uphold our mission with their conflicts of interest, and we lack a strong focus on quality.
- We have not formally reviewed our mission statement recently to ensure that it's relevant to today's environment and the needs of our patients and community. Our mission and vision should be at the center of our board discussions. We do not connect the actions we take with either of these two important statements. Everything we do and talk about should in some way connect with our mission and vision, especially our strategies and objectives. We do not adequately link these together.
- We have a good mission statement, but we have not reviewed it for several years. Much has changed in health care over that time - maybe it's time for a mission refreshment? Also, our long range vision needs another look, too.
- We have been doing great so far in upholding our mission, vision and values. However, with the many changes in health care rules and regulations, we may need to consider updating them to evolve with the changing environment.
- We could focus more on our mission at board meetings - are our discussions really focused around our mission and how to best fulfill it? I'm not sure...
- While we do have a clear mission and vision, I'm not sure it always drives strategies. We need more focus on quality and patient safety, that should be at the heart of everything we do.
- I'm unsure what a "vision" is. I know what our mission is, but I don't think we've talked about a vision, at least during the brief time I've been a board member. Also, same comment regarding "values."

# Assessment of Personal Governing Contribution

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# Personal Performance Assessment

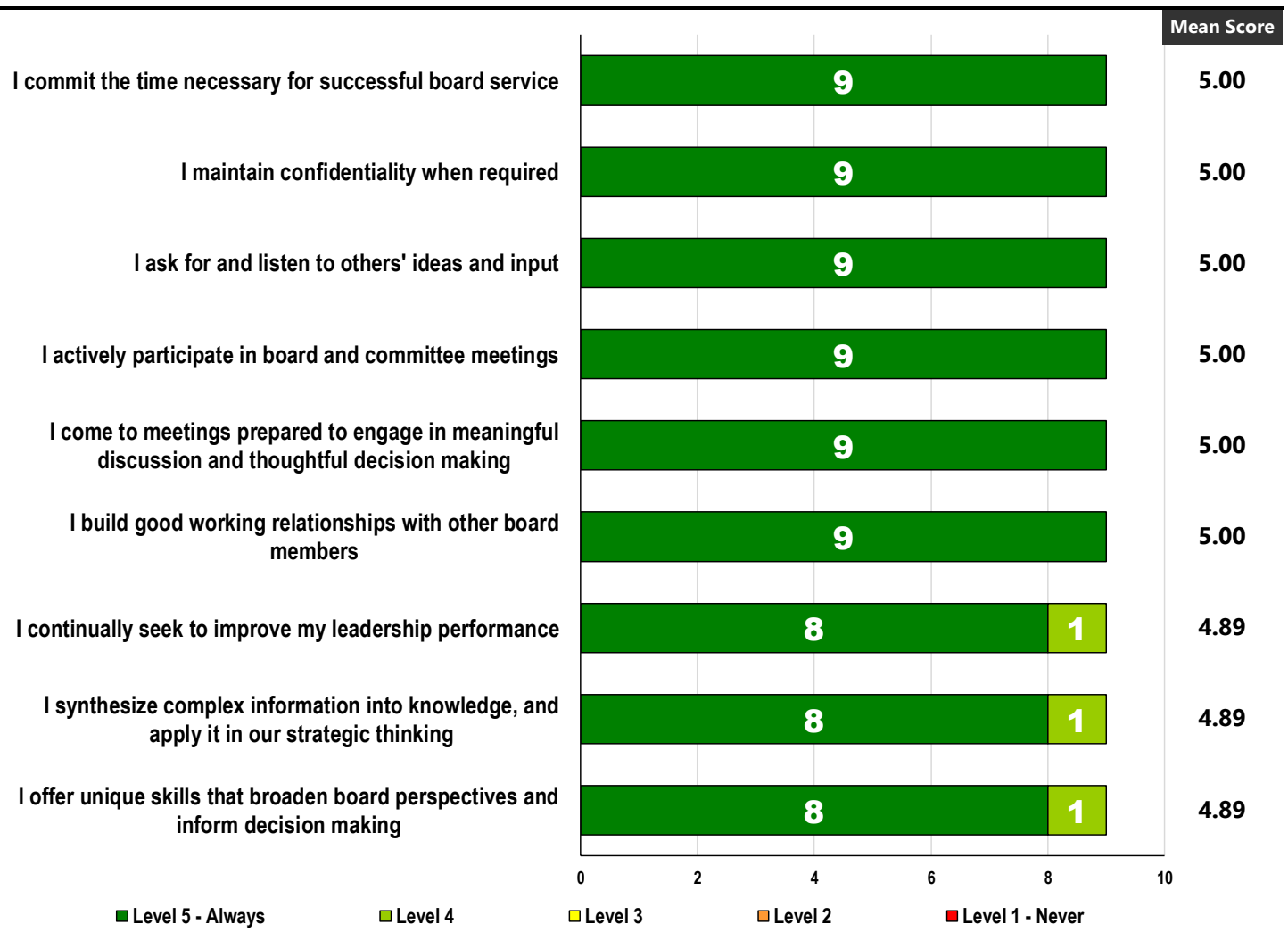
Effectiveness Performance Factor

# 96%

The board's rating of its performance in this area (overall mean score ÷ 5)

Fidelity Medical Center board members rated their own personal performance as directors in 17 areas (*see Figures 12a - 12b*). The highest rated criteria appear below. Lower rated performance criteria appear on the following page.

**Figure 12a:** Personal Performance Assessment - Highest Rated (sorted by highest to lowest mean score)



# Issues and Priorities

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# Issues and Priorities

Board member verbatim responses to four open-ended questions about the board's issues and priorities are listed below, grouped by key theme when possible.

## Issues That Should Occupy the Board's Time and Attention in the Next Year

### *Changing Reimbursement and Its Impact on Financial Stability*

- Changes in reimbursement (2).
- Better understanding of how payment changes will potentially affect our financial performance, and thereby affect our ability to continue to achieve our mission.
- How insurance changes are impacting our patients and ultimately our bottom line.
- Decreasing reimbursement.
- Changes in Medicaid reimbursement.

### *The Federal Health Care Environment and Impact of Changes to the ACA*

- How federal health care reform (however it develops) may affect our financial condition and ability to successfully compete in the market.
- What may happen with the ACA. Medicaid coverage is a big deal for our patients.
- What's happening in Washington D.C.?
- Impact of changes to the Affordable Care Act.
- Federal health care environment.

### *Improving Community Partnerships*

- What partnerships can we expand upon or what new partnerships can we form to better serve the community? Are there opportunities we are missing out on because we aren't partnering? Are there opportunities for economies of scale if we work with other community organizations?
- Improved community partnerships and relationships.

### *Increasing Focus on Quality and Patient Safety*

- Quality and patient safety.
- Quality and patient safety improvement.

### *Other*

- Shift from inpatient to outpatient - how well-situated are we for this change? Are we leaning into it so we can shift our customer base, or are we continuing to rely on inpatient income in a way that isn't sustainable in the long-term?
- Ensuring a board-wide understanding of the most important factors that will affect our success, and a commitment to focus on those factors throughout our governance discussions.
- Improved physician relationships.

# Recommendations for Governance Gain

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# Recommendations for Governance Improvement

Conducting a governance practices and performance assessment is a critical first step to improving board performance and ultimately elevating the organization's ability to achieve its mission and vision. The real power resulting from the governance assessment is what the board does with the results—how it uses board members' input to advance the board's governing performance.

The board should set aside time at a board meeting or schedule a special meeting to review the assessment results, allowing opportunity for board members to discuss their interpretation of the findings and to develop "governance gain" action plans to address low-performing areas and areas of opportunities for improvement.

To enable your board to be productive and effective, governWell™ recommends a careful review of the ratings and comments provided by board members that appear throughout this summary report. In addition, below are governWell™ governance improvement initiatives for your consideration, based on more than two decades of governWell™ experience working with hospital and health system boards.

## Mission, Values and Vision

Hospital and health system leaders develop mission, values and vision statements, but don't always make meaningful strategic use of these critical statements. Successful governing boards know that these statements, when properly developed and used, are the primary driver for every governance discussion and decision.

### Mission, Values and Vision: governWell™ Suggestions for Governance Gain

- Ensure that the mission, values and vision are prominent elements of decision making at all board meetings.
- Test all policy and strategic decisions by asking how/if they will strengthen the ability to achieve the mission and vision.
- Review the mission, values and vision annually at a board retreat, challenging the assumptions in place at the time the mission and vision were developed, and making modifications based on the realities of today's environment.
- Dedicate time to reviewing the values and how the board can further promote them throughout the organization.
- Regularly review the status of strategies and objectives, and ensure fit with the mission and vision.
- Ensure a well-defined, board approved system is in place to measure progress toward achieving the mission and strategies, and take timely corrective action when necessary.