

Director's Notebook

For ACHD Governing Board Members

Fall 2023

BOARDROOM BASICS

Director Advocacy Matters

Directors often become so consumed with organizational issues and challenges that they lose sight of the need to consistently connect in meaningful ways with their communities. Public district boards have an obligation to broaden their impact by ensuring that their organizations meaningfully and consistently engage with the community and stakeholders at the local, regional, and national levels.

For many boards, the advocacy conversation begins with revisiting the organization's mission and vision and fully understanding the organization's community impact. Health care organizations offer much more than direct care, and part of the board's role is to understand that impact and communicate it to the community and broader stakeholders. Board advocacy typically begins with:

- Identifying or re-defining the organization's commitment to the community.
- Understanding what is already being done to serve the community, and what more can be done.
- Understanding challenges the organization faces.

- Communicating with key stakeholders and the general public about the value the organization provides, and the challenges it faces.

When directors advocate on behalf of their organization, it is an opportunity to impact the negative-to-positive ratio of stories and statistics about health care heard by federal and state legislators, the media, and individuals in their own communities.

The Need for Director Leadership and Involvement

District board members are trusted leaders in their

communities. They also have a unique and distinctive role as impactful communicators of the benefit provided by their organization. Because they are elected volunteers, they are seen as unbiased, impartial protectors and stewards of the organization's cherished mission, values, and vision. This role is commonly referred to as "advocacy," and is a key part of every board member's responsibilities.

Despite its importance, the advocacy component of directors' jobs often isn't always prominently discussed. Advocacy is an opportunity to bring valuable information to elected officials that they otherwise would not have. Directors can offer:¹

- **A respected, independent voice** in the community and with legislators, in part because they are

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CEO's Corner



Welcome to the second edition of **Director's Notebook**, a new ACHD member benefit.

ACHD is partnering with The Walker Company to bring members this quarterly publication focused on topics of interest *specific to healthcare district directors*.

Director's Notebook will also feature content related to the broader health field, for example, trends in the care field or the current economic landscape.

This resource is in response to member feedback stating an interest in information and tools that can help them build upon their governance knowledge. **Director's Notebook** will be one more way that the Association can connect members with valuable information on governance and other important topics.

In this edition, we have focused on directors' advocacy role and the importance of governance education. In future editions, ACHD will work with The Walker Company each quarter to curate stories, tools, checklists and other information about trends, issues, ideas and new directions in health care. Issues will include stories on the various roles and responsibilities of directors, insightful information about aspects of health care, and news about current developments in the field.

We hope you enjoy this second issue! It is our vision that **Director's Notebook** will be your go-to resource for valuable information that can support you as a healthcare district leader. Please let us know at info@achd.org if you have suggestions for topics that would be of interest, and we will do our best to include them in future editions.

Sincerely,



Cathy Martin, CEO
Association of California Healthcare Districts

Upcoming Events



Save the Date

Embassy Suites by Hilton
Sacramento Riverfront Promenade

72nd Annual Meeting
September 25-27, 2024



Do you have ideas for future issues of the **Director's Notebook**?

Our goal is to provide you with the information and knowledge you need to lead your organizations forward in today's rapidly changing environment. Tell us what you think, and what you'd like to see in future issues of ACHD's *Director's Notebook*.

Email or call:

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not paid to “lobby” and have no economic stake in the outcome.

- **Practical, “real life” perspectives** into the challenges facing health care organizations and the communities they serve.
- **First-hand examples** of how potential legislation and regulations will impact local health care organizations and the communities they serve.

Leveraging Director Impact

Directors provide a fresh perspective to supplement the efforts of district CEOs, health care associations, and other membership organizations that conduct advocacy on behalf of health care organizations. Every health care organization should look for ways to maximize directors’ credibility in ways that the health care organization staff cannot do alone.

Communicate the Impact of Potential Decisions. Directors can help communicate the impact of budget cuts and other potential legislation on their districts and communities in personal

Leveraging Director Impact

- ✓ Communicate the impact of potential decisions
- ✓ Don’t just ask for more reimbursement—talk about community benefit
- ✓ Look for opportunities to tell stories
- ✓ Be engaged and knowledgeable

ways, such as the impact on patient care in district hospitals, or the impact on the organization’s workforce or local economy.

Talk About Community Benefit, Don’t Just Ask for More Reimbursement.

As past investigations and lawsuits have demonstrated, some lawmakers are skeptical about health care organizations’ true “financial needs” and whether they are deserving of their tax-exempt status. Lawmakers are increasingly interested in the amount of charity care health care organizations provide, the community benefits they offer, and the ways in which they handle patient billing and collections. Directors need to communicate a deeper message about what’s right about health care and opportunities to do even more, rather than simply focusing on needing more money.

Look for Opportunities to Tell Stories.

People tend to take for granted the great work that health care organizations do, and they need to be reminded. Lawmakers, key stakeholders, and the general public need to hear stories about what their local health care organizations are doing to save patient lives, improve individuals’ quality of life, contribute to new research and development, and make a difference in the health of their communities - stories such as those included in nominations for ACHD’s annual District of the Year Award. Without health care organizations



taking the initiative to ensure these stories are heard, the public may only hear the negative stories about health care that tend to dominate the news and personal conversations.

Be Engaged. Boards need to be engaged and knowledgeable about their organization’s community benefit activities and charity care so they can effectively communicate it with legislators and key stakeholders. The more directors are engaged, the more they will be able to communicate their organization’s story on a personal level.

Director Advocacy Provides Stability

Successful advocacy is highly dependent on relationships. It involves building ongoing relationships that include regular interactions and communications, not just seeking out a lawmaker or community representative when the organization wants something.

Directors Can Form Lasting Partnerships. When forming deep and long-term relationships in the

Stand for Your Mission: A Valuable Resource

“Board members can serve as powerful champions for our missions, using a combination of passion and influence that can powerfully accelerate your organization’s voice.” -Stand for Your Mission

The Stand for Your Mission campaign challenges nonprofit decision-makers to advocate on behalf of their organizations and communities. The campaign provides a five-step guide to help boards become better advocates.

- **Step 1: Define a shared vision for the future:** Some health care organizations have a comprehensive understanding of and commitment to their vision. Others may need a special board meeting or retreat to re-evaluate the organization’s mission and vision and ensure clear goals to achieve them.
- **Step 2: Understand the ecosystem in which you operate:** For health care organizations, the “ecosystem” includes changes in payments and reimbursement, knowledge of regulatory challenges, ongoing organizational challenges such as workforce shortages, identifying community needs, understanding social determinants of health, and more. Health care organizations operate in a complex ecosystem, and regular board education is essential to laying the foundation for meaningful advocacy.
- **Step 3: Identify opportunities and threats:** Before directors engage with stakeholders they must understand the greatest opportunities and threats to the organization’s mission. This includes local, regional, and national factors such as policy changes, regulatory requirements, changes in federal and state reimbursement, and social movements.
- **Step 4: Prioritize advocacy:** At the local level, board members can commit to advocating and telling the organization’s story in the community. Directors also have an opportunity to participate in broader advocacy activities, including partnering with state and national organizations advocating for health care organizations.
- **Step 5: Leverage the board’s unique value:** Serving as an ambassador and advocating for the organization should be part of every board member’s job description. As volunteers representing their organization and community, directors bring a unique and valued perspective.

For the campaign’s comprehensive resources, go to <https://standforyourmission.org>.

community, an experienced director with a personal interest in the community is the best voice to form lasting partnerships that can benefit the organization.

As directors work to form long-term relationships, they should look for opportunities with politicians at every level - city, county, state, and federal. In many cases, forming relationships with a lawmaker’s legislative staff can be just as important as forming relationships with lawmakers directly, since most rely on their staffs to provide them with research, information, and perspective on issues.

Join Existing Opportunities. One way to form relationships with state and federal legislators is to take advantage of opportunities that already exist. When possible, seek out legislators or their staff members at social gatherings or civic meetings to begin forming relationships. Host legislator visits to your District and take them into the community to see the community benefit work you’re doing.

ACHD holds advocacy days and offers support for directors who want to visit the state capitol to meet with legislators and key influencers. In addition, the American Hospital Association regularly organizes

advocacy opportunities and trips to Capitol Hill.

Grassroots Advocacy: Building Community Connections

Successful advocacy is about more than establishing relationships with legislators. One of the most important roles of the board is to maintain strong and vibrant community relationships that build community understanding and loyalty to the organization. Directors play a vital role in securing strong public perceptions of the organization and raising its profile as a

premier community financial, health care, and social services asset.

As a part of organizations' grassroots advocacy efforts, every community has a broad range of key constituencies or stakeholders who should be communicated with and influenced by the organization. The board is the ideal conduit between the organization and these community groups, sharing what's happening at the organization and asking about challenges community organizations face, and looking for synergies and potential partnership opportunities. Community organizations directors may build relationships with on behalf of the organization include:

- Community spokespersons or health advocates
- Other community-based organizations and non-profits
- Insurers and other payers
- Patients and families
- Legislative and regulatory bodies
- The news media (printed, radio, online, and social media)

Director Advocacy: Questions for Your Board

- Have we defined the community benefit we provide, and are board members prepared to briefly explain it without any notes or prompting?
- Do all board members understand the primary challenges the organization faces to fulfilling our mission?
- Do we seek opportunities to tell our organization's story?
- Do we strive to understand community challenges and look for potential partnerships to address those challenges?
- Are we aware of existing opportunities to advocate as a part of regional, state, and national efforts? How have we participated?
- Civic groups, religious leaders, business owners, and educational institutions

Defining Director Roles

Every board member brings unique skills and perspectives to their directorship. Some individuals are well-suited for public speaking, while others are at their best when attending social gatherings or hosting business leaders. Typical advocacy roles are defined below, and can be used as a starting point for considering director involvement.

Advocate: Taking the organization's message to legislators through lobbying or delivering testimony at hearings, representing the community's interests.

Educator: Speaking on issues facing the district at local

groups, appearing on local media and social media to discuss health care, and highlighting what the organization is doing to contribute to the community's healthy well-being.

Conduit: Participating in public forums to discuss issues facing the organization, sharing what the organization is doing in the community, and learning about community opinions or health care needs.

Ambassador: Representing the organization at important community social gatherings.

Host: Presiding over visits of legislators, business leaders, and others to the district to help them learn about available services and to hear about their interests or needs.

Sources and More Information

1. Stern, Andrew. The Trustee's Role in Advocacy: Telling Your Hospital's Story. American Hospital Association. October 2017. <https://trustees.aha.org>.
2. The Board's Role in Advocacy. Stand for Your Mission. BoardSource. Accessed June 2023. <https://standforyourmission.org/advocacy-your-board>.



GOVERNANCE INSIGHTS

Good Governance Starts with a Commitment to Education

The world is becoming increasingly fast-paced, and health care is no exception. What directors needed to know ten years ago is no longer sufficient in today's health care environment, where governance "knowledge capital" is one of a health care organization's most valuable assets.

It's possible in boardrooms today to just "get by" on what you know. But committed, knowledgeable, deep-thinking boards can change the trajectory of an organization and the community it serves.

Education vs. Knowledge and Intelligence

Governance education is a continual process, not an end result. Education is the vehicle for improved governance knowledge. The end result is greater knowledge, understanding, and heightened leadership intelligence that ensures directors are fully-prepared to engage around critical issues and make evidence-based decisions rather than "gut"-based decisions.

Well-planned and well-focused governance education builds the "knowledge capital" the board needs to ensure that the right decisions will be made, using meaningful information and data.

Working with Individual Directors to Assess and Meet Education Needs

Director knowledge-building must take place continuously, and through a variety of venues. Many boards engage in targeted education at every board meeting. In addition, sources of information between meetings include ACHD resources; such as webinars,

Governance education is a continual process, not an end result.

conferences and the Trustee Toolbox; reading and absorbing information and ideas in trade journals; and reviewing reports and studies available online, including resources from the American Hospital

Association, HealthLeaders, Kaiser, Health Affairs, and more.

The key to success is to develop director knowledge that enables governance leaders to put the bigger issues and challenges into a local market framework,

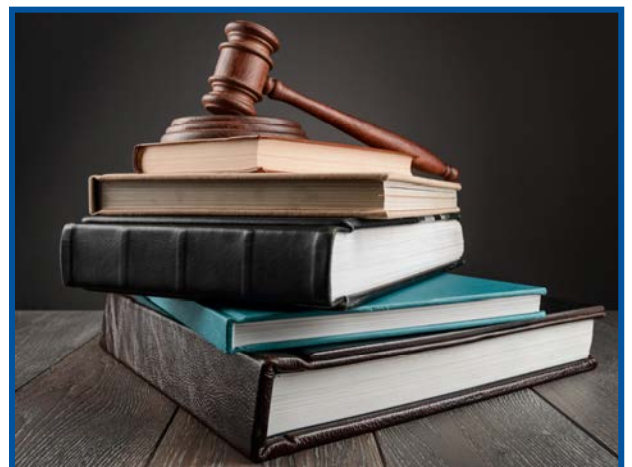
identify market implications, and lead with confidence.

A well-planned and financially well-supported focus on education results in:

- Better decisions based on better knowledge and insights.
- An improved capacity to be a well-informed advocate for the organization and its community.
- Increased capacity to engage in challenging and productive governance dialogue.
- An ability to think beyond "conventional wisdom."

To be successful in evaluating director education needs and ensure a successful education process, several factors are critical.

The board must invest in knowledge building, both financially and intellectually. The board should define for exploration several months in advance the issues and topics that are most critical for board members to



understand in order to engage in robust discussion and decision-making.

These topics should be drawn from the forces and factors that are driving organizational success in achieving the mission, vision, and strategic objectives. Available resources for delivering the education (meetings, publications, webinars and other online resources, directors themselves, consultants, etc.) should then be determined.

Once topics are defined and the sources are determined, the board can set a basic education strategy with objectives and outcomes. Success should be evaluated periodically, and new opportunities should be incorporated into the educational development effort as changes occur in the market.

Education should not be a one-time event. Instead, it is an institutionalized commitment to ensuring that the governing board has the knowledge resources necessary to make strategic decisions and be a highly-effective leadership body.

Participation should be mandatory as a condition of directorship, not a “suggestion.” Health care districts owe it to their patients, staff, and communities to ensure that governance decisions are made and directions are set as a result of vigorous scrutiny and informed intelligence. This means that every board member must have a

common level of understanding of critical issues and developments, and their implications for the organization.

Requirements for governance participation should be expressly discussed in new director orientation.

Governance education requirements should not be a surprise to new directors after they begin serving on the board. Board members should be fully informed in advance about

Governance education should be viewed by directors not as a requirement, but as an opportunity to best serve the organization and the community.

education requirements, which should be presented as an avenue to best serve the organization and the community. New directors should embrace the importance of health care education in their development as a valuable leadership asset.

Education planning should be directed, where possible, by directors themselves. Directors may be asked to research certain topics or issues and present the findings, implications, and possibilities to the entire board. This level of involvement not only brings credibility to the importance of education, but also results in deeper director understanding of the most critical topics.

Education should be individualized and customized. Every director is in a different “place” with their level of awareness and knowledge of the issues discussed and the decisions made at board meetings. However, every director has the same fiduciary

Successful Board Education Requires:

- ✓ Board understanding of the importance
- ✓ Board dedication to knowledge building
- ✓ Participation by every director
- ✓ Clearly stated education expectations
- ✓ Director involvement in the process
- ✓ Education that is customized to unique board and director needs

obligation and the same responsibility to be well-informed. Efforts should be made to understand the knowledge needs of each director, and plans should be developed for providing each individual with the information they need to be active, engaged, and productive participants in the governance process.

Designing an Effective Governance Education Process

Below is an outline of how a board may design a process to ensure optimum development of leadership knowledge and effectiveness.

1. Define the board issues about which every director needs to have a common understanding in order to be a high-performance board member. Subjects may include, but are not limited to:

- Health care payments and reimbursement

- Health care regulation and current state and federal activity
- Current trends and issues impacting the organization or community
- Workforce issues and challenges
- Quality and patient safety
- Transparency of quality and costs
- The board's role in CEO compensation and evaluation
- Factors impacting access to care
- Understanding social determinants of health
- Meeting community needs and building community partnerships
- Communicating community benefit
- Advocating on behalf of the district

The district's current strategic plan should serve as a basis for determining the most critical board education topics and current health care trends to focus on.

2. Assess each individual director's awareness and understanding of the issues and situations likely to come before the board in the coming months. This may be done through a board self-assessment, a simple survey, or in causal one-on-one conversations, typically between individual directors and the board chair and/or CEO. The individualized knowledge assessment is not a "test," and should not be intimidating. Instead, it is a conversation to help determine the areas where pinpointed education should be focused to most quickly get

directors "up to speed" on the issues and decisions for which they are fully responsible.

3. Assign an experienced board colleague to work closely as a "mentor" with newer directors to help them understand issues, questions, nuances, etc.

4. Develop a 12-month or longer "curriculum" of topics that are essential to effective governance, and determine the most appropriate resources to assess or deliver the information. Ensure that directors are actively involved in the selection of topics, and that the methodology for presenting the information is conducive to director learning styles. Delivery methods may include in-person presentations, facilitated discussions, online presentations, reading materials, and more.

5. Leverage the improved director knowledge not only for board discussion and decision-making, but also through coordinated outreach. This may include legislative advocacy and building connections with the local community through director involvement in community activities, formal and informal community discussions, and presentations about the organization and the challenges it faces.

6. Continuously refine and improve the process. Conducting a regular board self-assessment is one method to measure

The Governance Education Development Process

1. Define the issues all board members must understand
2. Assess each individual director's education needs
3. Assign board mentors to newer directors
4. Develop a 12-month curriculum
5. Leverage improved director knowledge for dialogue and decision-making, advocacy, and director involvement
6. Continuously refine and improve the process

improvements in board understanding and education effectiveness, and determine potential "knowledge gaps" that still exist.

Building expectations for growth and development of the board's knowledge capital will result in better dialogue, better decisions, and knowledge-based leadership that will drive future governance performance and organizational success.

