2017 Hospital Trustee Community Accountability Education Certification Program

A Process for Strengthening Trustee Leadership and Accountability



NHA Nebraska Hospital Association

The influential voice of Nebraska's hospitals

Background and Overview

Recent failures in the governance leadership of prominent U.S. companies have weakened public confidence and shaken the foundation of governance in every major sector of American business. Boards of directors, including hospital governing boards of investor-owned, not-for-profit, freestanding and government-owned facilities now find themselves in the cross-hairs of federal and state legislators, attorneys general, activist groups, the media and their communities, all of which are demanding answers and action on governance accountability.

Increased numbers of Nebraska's uninsured and underinsured population underscore the need for informed trustees to maintain a fiscally sound hospital in their community. In 2007, the Nebraska Hospital Association Research and Educational Foundation (NHAREF) developed a hospital governance education certification process, the "Hospital Trustee Community Accountability Education Certification Program," hereafter known simply as *Hospital Trustee Education Certification Program.*

The NHAREF has developed this special, voluntary trustee education certification to make a good board member great, and a committed board member an exceptional asset. This education certification is a process of verifying an individual trustee's initiative to improve personal health care knowledge, leadership effectiveness and compliance with a variety of governance best practices. Certification is a viable way of assuring various stakeholders such as community members, lawmakers, regulators, physicians, employees and other businesses that Nebraska's hospitals hold themselves to high standards and are accountable for their governing performance. Certification demonstrates that Nebraska hospitals:

- Understand and embrace the need for governance accountability.
- Govern according to a standard of excellence.
- Are willing to formally certify their adherence to governance best practices.
- Are committed to care management and coordination of resources.
- Embrace community accountability and transparency.
- Structure their community benefit and outreach programs to meet identified community needs.
- Utilize data from the NHIS (Nebraska Health Information System) to identify and address areas of need especially for the uninsured and underinsured.
- Utilize performance data to identify opportunities for improvement, and monitor progress to improve quality and safety.
- Integrate local health efforts with state programs.

This certification process has been designed for hospital trustees as part of a larger effort to hold Nebraska hospitals to a higher standard of accountability. By its use, participating hospitals are demonstrating a commitment to improving performance of their boards, encouraging trustees to pursue ongoing education and educating trustees about their responsibility in serving their community. It also provides trustees with an opportunity to move beyond the basics of governance to a forward thinking, strategic understanding of the health care environment and how to move their hospital's mission and vision to a new level.

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What is Trustee Education Certification?

The Hospital Trustee Education Certification Program is a process of annually verifying:

- The individual trustee's participation in and/or support of initiatives to improve personal health care knowledge and leadership effectiveness.
- Board of trustees compliance with a variety of governance best practices.
- Participation in a Governance Assessment Program (GAP) to improve individual and entire board performance, such as the AHA's Center for Healthcare Governance GAP Program.
- Engagement in a community health care needs assessment and health improvement process.

Trustee Board Certification Functions at Two Levels

1. Individual Trustee Education Certification

This certification includes a signed attestation by the board chair, the hospital CEO and the individual trustee that he/she has:

- Completed the program's required hours of education on health care and leadership topics.
- Met or exceeded the requirements of trustees as outlined in the hospital's bylaws and other relevant documents, such as a governance self-assessment tool.

2. Organization Certification

This certification consists of a written statement submitted to the NHA that the entire organization's board has annually adhered to specific, predefined governance standards that exemplify community accountability and outreach, responsibility for quality and safety of care to address identified needs, and the characteristics of a high-performance board.

Why Certification?

Experts contend voluntary implementation of the rules imposed as a result of increased scrutiny by government agencies and communities, as well as other "good governance" principles being imposed on investor-owned facilities, will benefit not-for-profit, freestanding and government-owned facilities. By ensuring ethical, independent and conflict-of-interest-free behavior, all hospitals will be able to provide the highest quality governance while simultaneously earning and reinforcing employee and community trust.

Certification is a viable way of assuring various stakeholders that Nebraska's hospitals hold themselves to high standards and are accountable to their communities for their governing performance.

Advantages to Trustee Certification

- Increasing knowledge and skill development of health care issues.
- Moving from a reactive to a proactive approach in regard to strategic planning.
- Understanding the roles and responsibilities of the board and the CEO.
- Increasing awareness of financial accountability and performance.
- Improving knowledge about effective governance best practices.
- Better understanding of public policy and the importance of trustee involvement in contacting their legislators and getting involved in advocacy and grassroots at their community level.

Governance Standards

- Commitment to hospital and community.
- Fiduciary duties of care, loyalty and obedience.
- Educational development.
- Adherence to conflict of interest policies.
- Participation in self, board and CEO performance evaluation.
- Board meeting preparation.

How is Certification Conducted?

In response to member requests, investigation of the expectations of various outside organizations (attorney generals in other states, bond rating agencies, etc.) and specific certification standards for trustees, the NHA developed the specific education certification criteria outlined in the Trustee Education Certification Program.

The Trustee Education Certification Program Enrollment Form enables board chairs and CEOs to certify, in writing, their board's compliance with the requirements for certification. In addition, individual trustees will certify that they adhered to specific board standards, and received education and orientation in specific relevant areas. Once completed, the forms should be submitted to the NHA for processing and certification for 2017. Forms are included with these materials and can also be downloaded from the NHA website or by calling the NHA at (402) 742-8140.

Why is Now the Time to Certify?

Evidence is emerging that future legislation may make regulatory mandates, such as those contained in the Sarbanes-Oxley Act, apply to other entities and not just for publicly traded investor-owned organizations. However, most boards see the adoption of these criteria as the best way to assure community accountability.

In the future, lenders, bond rating firms, governmental agencies and others are likely to increasingly consider governance-related factors when dealing with hospitals. This certification will address some investors' belief that hospitals and other not-for-profit organizations issuing bonds should be strictly held to publicly-mandated governance requirements because their bonds are publicly traded.

Rating agencies are increasingly feeling the pressure to evaluate and identify governance problems in public organizations. As a result, investors' services, bond rating companies and insurance agencies are researching methods to improve evaluation of organizational governance practices.

Who Benefits From Certification?

The benefits of certification can be significant to your hospital's community and the publics it serves. Hospital boards may benefit by having consistent standards and an ability to communicate compliance with those standards to build reputation, confidence and loyalty, and be better prepared to address the health care needs of special populations, such as the uninsured, chronic disease, etc. The education requirements of the certification program will assist hospital trustees to have a better understanding of expectations for individual and overall governing leadership excellence, and to have a structure for improving their individual knowledge and leadership potential.

What Factors are Critical to the Success of the Initiative?

The active participation and commitment of the NHA's members to good governance practices will ensure success of the initiative. It is important that hospital boards and trustees are willing to dedicate the time and effort to respond to surveys of governance practices,and participate in quality education programs sponsored by the NHA and others.

The NHA's Role

The NHA will register trustees in the program and send brochures and marketing materials of approved upcoming educational programs directly to the enrolled trustees. The NHA will also track the trustee's progress in meeting the requirements and completing the required educational components.

How Do I Participate?

To participate in the 2017 calendar year program, complete the Trustee Education Certification Program Enrollment Form and return it to the NHA by March 31, 2017. Forms are provided or can be downloaded from the NHA website: (nebraskahospitals.org/education/trustee_education.html) or call (402) 742-8140. There are **no fees** to participate.

***After the required number education hours have been met, enrolled trustees must fill out the Trustee Education Certification Program Certification Form, along with the documentation of the programs attended (a program agenda that includes the times), and return to the NHA by Dec. 31, 2017.** You will then be mailed a certificate stating you have achieved individual trustee education certification for 2017. The program enrollment materials sent to you in the current year allow you to have up to 12 months to achieve the needed education hours to be certified for the next year.

If your organization would like to take the certification to the next level and become a NHA Board-Certified Hospital, send a statement that your board has complied with the requirements shown on the next page.

Trustee Education Certification Program Curriculum

New and experienced hospital trustees seeking NHA trustee education certification for the first time are required to complete 12 hours of approved course work to meet the requirements for the Trustee Education Certification Program. Eight of these hours may be from a trustee orientation program completed in a previous year. Second-year certified trustees are required to complete eight hours of continuing board education. Every two years, at least four of these hours must be at a face-to-face program.

Three or more year-certified trustees also complete eight hours of continuing board education, but they may count committee time as part of these eight hours. Qualifying committee meetings include hospital committees or another organization/community committee where they are representing the hospital or serving due to their role as hospital trustee.

Approved Face-to-Face Education

Listed below are Nebraska Hospital Association and American Hospital Association (AHA) programs that are approved by the NHA Research and Educational Foundation board of directors to meet certification requirements:

- NHA Annual Convention (approx. 12 hours)
- Western Regional Trustee Symposium (approx. 8 hours)
- NHA Mid-Year Meeting (approx. 6 hours)
- NHA Advocacy Day (approx. 3 hours)
- American College of Health Care Executives (ACHE)
- The Governance Institute™
- AHA Center for Healthcare Governance Annual Meeting
- AHA Center for Healthcare Governance Trustee Community Accountability Program
- AHA Annual Membership Meeting
- AHA Annual Leadership Summit
- NHA trustee education-related webinars (approx 1.5 hours)

Listed below are organizations that may offer educational sessions relevant to hospital trustees during 2017. If you have a program presented by one of these organizations that you would like to submit for approval, send the program brochure with agenda to the NHA prior to attending the program. Submit information to Kim Larson, director of marketing, klarson@nebraskahospitals.org, fax to (402) 742-8191 or mail to 3255 Salt Creek Circle, Suite 100, Lincoln, NE 68504.

- Baird Holm Law Forum
- ENHANCE Health Network
- Governance Institute
- Heartland Health Alliance
- Healthcare Financial Management Association (HFMA)–Nebraska Chapter
- Mid-America Hospital Alliance (MAHA)
- Nebraska Assisted Living Association
- Nebraska Association of County Officials
- Nebraska Center for Nursing
- Nebraska Health Care Association
- Nebraska Minority Public Health Association
- Nebraska Rural Health Association
- Nebraska State Chamber of Commerce
- Prairie Health Ventures
- Public Health Association of Nebraska
- State Association of County and City Health Officials
- Internal education sessions presented at the hospital

Look for this symbol for programs that are "pre-approved" NHA events that are eligible toward trustee education certification:



NHA Board-Certified Hospital

Hospitals and health systems that want to take certification to the next level can become a "NHA Board-Certified Hospital" by submitting a letter from the CEO or board chair detailing how your hospital has complied with the following yearly requirements:



- Each board member has met the requirements for the NHA trustee education certification program.
- Hospital shows a commitment to trustee education certification with annual budget for trustee education.
- Demonstrate a commitment to care management and coordination of resources.
- Give examples of community accountability and transparency.
- Give examples of community benefit and outreach programs to meet identified needs.
- Integrate local health efforts with hospital programs.
- Include a report on quality and safety at each regular board meeting.

Save the Date! The 21st Annual Western Regional Trustee Symposium will be held at Hilton Santa Fe Buffalo Thunder in Santa Fe, New Mexico, June 7-9, 2017. Visit trusteesymposium.org

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RESEARCH AND EDUCATIONAL FOUNDATION

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