

2012 Hospital Trustee Community Accountability Education Certification Program

A Process for Strengthening Trustee Leadership & Accountability



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 the governance accountability front.

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 entitled "Nebraska Hospital Association Research and Educational Foundation Hospital Trustee Community Accountability Education Certification Program," hereafter known simply as **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 to 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.

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 ... to improve personal health care knowledge, leadership effectiveness and compliance with governance best practices.

What is Trustee Education Certification?

The 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

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.

Organization Certification

This certification consists of a written statement submitted to 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, 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 NHA for processing and certification in 2012. Forms are included with these materials and can also be downloaded from NHA's website at www.nhanet.org 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 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 NHA and others.

NHA's Role

NHA will register trustees in the program and send brochures and marketing materials of approved upcoming educational programs directly to the enrolled trustees. 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 2012 calendar year program, complete the Trustee Education Certification Program Enrollment Form and return it to NHA by **March 16, 2012**. Forms are provided or can be downloaded from NHA's website at www.nhanet.org or by calling (402) 742-8140.

Trustee Education Certification Program Curriculum

New and experienced hospital trustees/board members seeking NHA trustee education certification for the first time are required to complete twelve 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 (8) 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 (NHA) and American Hospital Association (AHA) programs that are approved by the NHA Research and Educational Foundation (NHAREF) 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

Listed below are organizations which may offer education sessions relevant to hospital trustees during 2012. 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 NHA prior to attending the program. Submit information to Jon Borton, vice president, educational services, jborton@nhanet.org, fax to (402) 742-8191 or mail to 3255 Salt Creek Circle, Suite 100, Lincoln, NE 68504-4778.

- Healthcare Financial Management Association (HFMA)- Nebraska Chapter
- 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
- 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” trustee education certification events:



Certified Organizations

Organizations that want to take certification to the next level can become a “NHA Board-Certified Hospital” by showing compliance with the following yearly requirements:



- Each board member has met the requirements for trustee education certification.
- 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.
- Utilize data from the NHIS (Nebraska Health Information System) to identify and address areas of need especially for the uninsured and underinsured.
- Integrate local health efforts with hospital programs.
- Include a report on quality and safety at each regular board meeting.
- Provide D&O insurance for hospital trustees and indemnify trustees for legal actions.

NHA Nebraska
Hospital
Association

RESEARCH AND EDUCATIONAL FOUNDATION

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Lincoln, NE 68504-4778
Phone: (402) 742-8140 • Fax: (402) 742-8191
Laura J. Redoutey, FACHE, President
www.nhanet.org



For participation in 2012, enrollment forms must be submitted to the NHA by March 16, 2012.

The following Nebraska hospital trustee would like to enroll in the 2012 Nebraska Hospital Association Research and Educational Foundation (NHAREF) Hospital Trustee Community Accountability Education Certification Program:

Name _____

Title _____

Hospital/Health System Name _____

Mailing Address, City, State, ZIP _____

Telephone Number _____ Fax Number _____

E-mail Address _____

Please answer the following questions:

1. The NHAREF Trustee Education Certification Program is an annual program that must be completed by Dec. 31, 2012. Do you plan to complete the certification program by this date?

Yes No

2. Please indicate which best describes your status as a trustee/board member:

New Hospital Trustee

New hospital trustees/board members seeking trustee certification for the first time are required to complete twelve hours of approved education to meet the requirements for the NHAREF Trustee Education Certification Program. Up to eight of these hours may be from a trustee orientation program completed during a previous year. How many additional hours do you anticipate needing to complete in 2012 to comply with the required twelve hours of trustee educational credits this year? Number of remaining hours _____.

Second-Year Certified Hospital Trustee

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.

Third or More-Year Certified Hospital Trustee

Third or more year-certified trustees complete eight hours of continuing board education, but they may count committee time as part of these 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 a hospital trustee. Every two years at least four of these hours must be at a face-to-face program.

Please return this form by March 16, 2012 to:

Jon Borton, Vice President, Educational Services
Nebraska Hospital Association

3255 Salt Creek Circle, Suite 100, Lincoln, NE 68504-4778

Phone: (402) 742-8147 | Fax: (402) 742-8191 | E-mail: jborton@nhanet.org

Trustee Name _____

Hospital/Health System Name _____ City _____

SECTION I: Preparation and participating standards for board and committee meetings

Basic Standards

- Participate in new board member orientation program
 - Demonstrate basic knowledge of:
 - Hospital services
 - Board member selection process
 - Hospital mission, vision and history
 - Hospital bylaws
 - Community health status
 - Attend board and committee meetings as required by hospital bylaws
 - Attend board retreats and participate in strategic planning sessions with stakeholders and medical staff
 - Review all board materials distributed prior to and at board meetings
 - Assure that there is a standard agenda item to discuss pertinent items such as quality and safety
 - Demonstrate knowledge of issues presented before the board
 - Participate at board and committee meetings
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SECTION II: Meeting the fiduciary duties of care, loyalty and obedience, and governance obligations to bylaws, accreditation standards and laws

A. Ethics and Conflicts of Interest

Basic Standards

- Sign conflict of interest policy at intervals required by hospital bylaws
- Comply with conflict of interest policy and abstain from voting when appropriate
- Act at all times in the interest of the hospital
- Maintain strict confidentiality in compliance with hospital bylaws/policies

B. Commitment to Quality of Patient Care

Basic Standards

- Review hospital bylaws periodically
- Demonstrate basic knowledge of licensure, accreditation and Medicare certification standards
- Represent consumers and the community served, including uninsured and underinsured
- Review state and national quality improvement efforts, and be familiar with hospital and community specific results regarding health, quality and safety data
- Act on medical staff credentialing recommendations

- Monitor key indicators and ensure the hospital has proper procedures in place to adequately address the following areas:
 - Quality improvement
 - Patient safety
 - Sentinel events
- Review periodic reports and ensure the hospital has proper procedures in place to adequately address the following areas:
 - Medical staff activities
 - All other committee reports at each board meeting, i.e. standing committees (either regular or ancillary), special committees, task forces or other similar bodies reporting or bringing business before the board

C. Commitment to the Organization's Financial Health

Basic Standards

- Review and analyze annual operating and capital budgets
 - Monitor key financial indicators
 - Review and analyze financial statements
 - Review annual audit report
 - Be familiar with Medicare/Medicaid reimbursement practices and procedures
-

SECTION III: Commitment to governance educational development

Basic Standards

- Participate in board education
 - Participate in self-education by regularly reading health care governance periodicals
 - Report to the board on individual continuing educational activities
 - Complete at least six continuing board education (CBE) units per year
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SECTION IV: Participate in performance evaluation of self, the board and the CEO

Basic Standards

- Conduct self-assessment annually
 - Participate in assessment of board annually
 - Participate in annual CEO evaluation (if applicable)
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SECTION V: Participate in advocacy efforts on behalf of your hospital and health care in Nebraska

Basic Standards

- Be a personal advocate for your hospital in your community as appropriate
- Introduce yourself to your local elected officials and state senators as a board member of your hospital and contact them as requested by hospital CEO or when appropriate
- Introduce yourself to your U.S. congressperson and Nebraska's two U.S. senators and their health aides as a board member of your hospital and contact them as requested by the hospital CEO or when appropriate

Use the space below to provide explanations of exceptions as necessary.

By my signature, I certify that the information provided on this form is accurate to the best of my knowledge.

Hospital/Health System Trustee _____

Date _____

Hospital/Health System CEO _____

Date _____

Hospital/Health System Board Chair _____

Date _____

Please log all hours of continuing board education and submit to the NHA before the end of 2012.