

Expanding the Role of Nursing in Health Care Governance

EXECUTIVE SUMMARY

- ▶ Nurses are an untapped resource for health care governing boards.
- ▶ It is essential to help nurses fulfill their potential to competently and confidently participate in the governance of our nation's health care organizations.
- ▶ Understanding the health care governance landscape is an important first step for nurses to take on the path to pursuing board service.
- ▶ Like other professionals who seek to more fully prepare themselves to take on the unique challenges of governance, nurses also have access to a range of resources such as Best On Board, a new education, testing, and certification program.
- ▶ Best On Board offers a continuum of courses designed to help both new and seasoned trustees demonstrate their understanding of board issues and responsibilities, enabling them to quickly and confidently contribute in their governance role.



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IT IS TIME THAT NURSES EXPAND their roles from caregiving and care management to health care governance. Most nurse leaders have expertise in communications, decision making, management, and leadership — skills that are as valuable in a boardroom as at the bedside. However, only about 2% of members on American health care boards are nurses. As the largest group of health care professionals and a principle interface between health care organizations and their stakeholders, it is vital that nurses move into health care governance roles.

Donald Berwick, president of the Institute for Healthcare Improvement, noted “It is key that nurses be as involved as physicians, and I think boards

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should understand that the performance of the organization depends as much on the well-being, engagement, and capabilities of nursing and nursing leaders, as it does on physicians. I would encourage much closer relationship between nursing and the board” (Board room Press, 2005).

In its 2007 report “Building an Exceptional Board: Effective Practices for Health Care Governance,” the Blue Ribbon Panel on Health Care Governance recommended that boards “Include physicians, nurses and other clinicians on the board. Their clinical competence and viewpoints are valuable to other board members and will help the board better understand the needs and concerns of several of the organization’s stakeholders.”

A recent report on a study of governance in community health systems recommended that “All boards should consider enriching their membership with greater racial and gender diversity; they also should consider the appointment of highly-respected and experienced nursing leaders as voting members of the board to complement physician members and strengthen clinical input in board deliberations.” The report also observed that “Engaging leaders in the nursing profession on hospital and health system boards has not yet become the norm, nor has it been accepted as a benchmark of good governance. However, given the importance of nursing in the provision of patient care, it seems likely that the idea of engaging nurses on boards and board committees will receive growing consideration in the future” (Prybil et al., 2009).

Clearly, nurses are an untapped resource for health care governing boards. This article is the first in the “Best On Board” series. Strategies to help nurses fulfill their potential to competently and confidently participate in the governance of our nation’s health care organizations will be presented.

Raising Awareness: A Two-Way Street

For years boards have understood the need and value of a clinical perspective in the board room. To date, this role primarily has been filled by physician trustees; about 20% of the members on the average hospital board are physicians (Margolin, Hawkins, Alexander, & Prybil, 2006).

Oliva and Totten (2007) suggest several contributions physician trustees can make by serving on boards. These include to:

- Help the board identify, clarify, and focus on the wants and needs of key stakeholders on whose behalf the board governs.
- Share patient needs and concerns and ensure they have a voice at the table as the board makes deci-

sions, thereby expanding their impact beyond the individual patient to meet the needs of a broader population (Center for Healthcare Governance, 2007).

Understanding key stakeholders, being close to patients and families, and giving voice to their needs and concerns are among the many assets that nurse leaders can bring to boards, as well. Additional qualities that make nurse leaders a natural asset to health care organization governing boards include:

- Credibility with policymakers, employees, health plan administrators, physicians, and health care executives.
- Public trust (nursing is a top-ranked profession in a recent Gallup poll of honesty and ethics).
- Assessment skills to tackle and triage problems.
- Awareness of staff issues and effective employee-retention strategies.
- An on-the-ground sense of community health issues and needs.

What nurses bring to boards is only half of the equation. Nurses also must understand the advantages of serving on boards and what it takes to get there. Board service allows trustees to:

- Set policy that guides care delivery.
- Influence resource allocation decisions in ways that maximize stakeholder benefit.
- Set strategy to help ensure the future health of a vital community resource.
- Assume a valued community leadership role.

Board service brings with it both valuable benefits and awesome responsibility. As health care boards seek to expand the diversity of their membership, they will view nurses as a ready resource to draw on as they become more aware of what nurses can bring to the board table and as nurses take the initiative and prepare themselves to become trustees.

Preparing for Board Service

Understanding the health care governance landscape is an important first step for nurses to take on the path to pursuing board service.

Governance reform activities in the for-profit and nonprofit sectors over the past decade are demanding increased performance and accountability for governing boards. The American Hospital Association's blue ribbon panels on health care governance and development of trustee core competencies and an expert panel convened by BoardSource to determine principles that empower exceptional governance are examples of efforts that provide guidance to help boards respond to these demands.

Voluntary trustee certification programs now in place or being developed in 12 states offer a variety of board education and governance performance criteria aimed at providing a foundation for raising the bar on governance in hospitals and health systems. Insurers in Massachusetts and South Carolina are providing incentives to hospitals if their boards complete specifi-

ic education programs to help trustees gain the knowledge and skills they need to capably govern on behalf of patients, communities, and other stakeholders. Moving beyond the voluntary arena, the state of New Jersey has mandated 7 hours of education for every health care organization trustee.

These efforts make it increasingly clear that unless the health care industry leads the way in improving governance, legislative and regulatory solutions will be imposed that may or may not result in better trustee and board performance. It is also important to note that current trustee certification programs are largely based on varying performance criteria and attestation, instead of objective evidence, of knowledge and skills.

While the buck stops with the board, governance at its best is a team sport. Good governance relies on board members, executives, and clinical leaders working as a team to understand key issues and problems facing the organization and to collaboratively develop alternatives and solutions to address them. In reality, board members, executives, and clinical leaders often come to the table with very different perspectives. They also are educated in diverse ways in different settings and often don't have the opportunity to learn together.

A New Learning Model

The good news is that, like other professionals who seek to more fully prepare themselves to take on the unique challenges of governance, nurses also have access to a range of resources. Best On Board, a new education, testing, and certification program, is one example. Best On Board offers a continuum of courses designed to help both new and seasoned trustees demonstrate their understanding of board issues and responsibilities, enabling them to quickly and confidently contribute in their governance role.

Participants begin with Best On Board's *Essentials of Healthcare Governance* course, which offers education in six areas (see Table 1). The *Essentials* course is offered both onsite and online and, unlike other governance certification programs, allows participants to demonstrate their learning through an integrated education and testing process. Participants who pass the test receive certification from Best On Board for 3 years and then become eligible to recertify. In 2010, several state hospital associations will offer their health care board members, executives, and physician and nursing leaders certification in the *Essentials* course through Best On Board. Individuals interested in serving on boards also can take the course through Best On Board by visiting www.bestonboard.org.

Best On Board also will offer more in-depth education and testing in key areas of board responsibility, such as oversight for quality and finance, and provide learning opportunities for trustees who desire to become board leaders.

Table 1.
Best On Board Essentials of Health Care Governance

I. The Health Care Environment and the Board's Fiduciary Role
Section 1: Health care Issues and Trends Section 2: The Board's Fiduciary Role Section 3: The Board's Core Legal Duties Section 4: New Governance Requirements
II. Mission, Strategy, and Stakeholders
Section 1: Governing on Behalf of Stakeholders Section 2: Stewardship of Mission, Vision, and Values Section 3: The Board's Role in Strategic Planning
III. The Board's Role in Finance
Section 1: Basics of Hospital Finance Section 2: Roles and Functions of Board's Audit and Finance Committees Section 3: Monitoring Financial Performance
IV. The Board's Role in Quality and Patient Safety
Section 1: Building a Culture of Quality and Safety Section 2: Monitoring Quality Performance Section 3: The Board's Role in Medical Staff Credentialing and Emerging Trends
V. The Board-CEO Relationship
Section 1: Understanding the Board-CEO Relationship Section 2: Overseeing CEO Performance and Compensation Section 3: CEO Succession Planning
VI. Governance and Leadership Effectiveness
Section 1: Building the Board Section 2: Educating and Developing the Board and Leadership Section 3: Evaluating Board Performance

The Essentials of Essentials

To understand the context for health care governance and gain an understanding of key board fiduciary responsibilities, participants begin with the first module of Best On Board's *Essentials* course. "The Healthcare Environment and the Board's Fiduciary Role" explores trends in a number of key areas including patient demographics, hospitals and physicians, insurance and finance, technology, and quality and patient safety. Participants learn about what it means to be a fiduciary and review key duties and obligations that define the foundation of trusteeship. This course module provides a thorough review of the three core legal duties of board members: the Duty of Care, the Duty of Loyalty, and the Duty of Obedience, and discusses requirements of each duty and actions

the board can take to fulfill them. This module also reviews new governance requirements, such as those imposed by the revised IRS Form 990, to help boards understand how to function more effectively in the current environment of heightened board performance and accountability.

Watch for a discussion of health care organization "Mission, Strategy, and Stakeholders" in the next issue of *Nursing Economic\$*. \$

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