

Kaweah Delta Health Care District Board of Directors Meeting

Health is our Passion. Excellence is our Focus. Compassion is our Promise.



May 15, 2025

SPECIAL NOTICE

The Board of Directors of the Kaweah Delta Health Care District will meet in the Support Services Building, Graduate Medical Education Conference Room 5th Floor {520 W. Mineral King Avenue, Visalia, CA} on Tuesday, May 20, 2025:

- 2:00PM Open meeting to approve the closed agenda.
- Immediately Following Open Meeting - Closed meeting pursuant to Government Code 54956.8, Government Code 54956.9(d)(1), Government Code 54956.9(d)(2), Health and Safety Code 1461 and 32155.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate at this meeting, please contact the Board Clerk (559) 624-2330. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to the Kaweah Delta Health Care District Board of Directors meeting.

All Kaweah Delta Health Care District regular board meeting and committee meeting notices and agendas are posted 72 hours prior to meetings (special meetings are posted 24 hours prior to meetings) in the Kaweah Health Medical Center, Mineral King Wing near the Mineral King entrance.

The disclosable public records related to agendas can be obtained by contacting the Board Clerk at Kaweah Health Medical Center – Acequia Wing, Executive Offices (Administration Department/Executive Offices) {1st floor}, 400 West Mineral King Avenue, Visalia, CA via phone 559-624-2330 or email: kedavis@kaweahhealth.org, or on the Kaweah Delta Health Care District web page <http://www.kaweahhealth.org>.

KAWEAH DELTA HEALTH CARE DISTRICT
David Francis, Secretary/Treasurer

Kelsie Davis
Board Clerk / Executive Assistant to CEO

DISTRIBUTION:

Governing Board, Legal Counsel, Executive Team, Chief of Staff, www.kaweahhealth.org

Mike Olmos • Zone 1
President

Lynn Havard Mirviss • Zone 2
Vice President

Dean Levitan, MD • Zone 3
Board Member

David Francis • Zone 4
Secretary/Treasurer

Armando Murrieta • Zone 5
Board Member

Kaweah Delta Health Care District

Board of Directors Meeting

Health is our Passion. Excellence is our Focus. Compassion is our Promise.



KAWEAH DELTA HEALTH CARE DISTRICT SPECIAL BOARD OF DIRECTORS MEETING

Graduate Medical Education Conference Room – West 5th Floor
520 W Mineral King Avenue, Visalia, CA

Tuesday May 20, 2025 {Special Meeting}

OPEN MEETING AGENDA {2:00PM}

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **FLAG SALUTE- DIRECTOR FRANCIS**
4. **APPROVAL OF AGENDA**
5. **PUBLIC PARTICIPATION** – Members of the public may comment on agenda items before action is taken and after it is discussed by the Board. Each speaker will be allowed five minutes. Members of the public wishing to address the Board concerning items not on the agenda and within the jurisdiction of the Board are requested to identify themselves at this time.
6. **ELEVATING PATIENT SAFETY** - Review of board education and progress report. - *Steve Mrozowski, Chartis*
7. **ADJOURN**

CLOSED MEETING AGENDA {IMMEDIATELY FOLLOWING OPEN SESSION}

1. **CALL TO ORDER**

Kaweah Delta Health Care District

Board of Directors Meeting

Health is our Passion. Excellence is our Focus. Compassion is our Promise.



2. QUALITY ASSURANCE pursuant to Health and Safety Code 32155 and 1461, report on quality assurance. - *Steve Mrozowski, Chartis*

3. ADJOURN

In compliance with the Americans with Disabilities Act, if you need special assistance to participate at this meeting, please contact the Board Clerk (559) 624-2330. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to the Kaweah Delta Health Care District Board of Directors meeting.

All Kaweah Delta Health Care District regular board meeting and committee meeting notices and agendas are posted 72 hours prior to meetings (special meetings are posted 24 hours prior to meetings) in the Kaweah Health Medical Center, Mineral King Wing near the Mineral King entrance. The disclosable public records related to agendas can be obtained by contacting the Board Clerk at Kaweah Health Medical Center – Acequia Wing, Executive Offices (Administration Department/Executive Offices) {1st floor}, 400 West Mineral King Avenue, Visalia, CA via phone 559-624-2330 or email: kedavis@kaweahhealth.org, or on the Kaweah Delta Health Care District web page <http://www.kaweahhealth.org>.



Hospital Governing Board

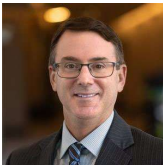
The Board's Responsibilities in Quality & Safety

May 20, 2025





Introductions



Andrew Resnick, MD

Senior Partner
Chief Medical & Quality Officer



Steve Mrozowski, MHA, FACHE

Partner, High Reliability Care



Instructions

Name, Role, and Tenure with Kaweah Health



Meeting Goals

What are you hoping to achieve?

Objectives for today’s meeting



1

Elevating Patient Safety
Education Session: The Board’s Role in Quality & Safety

2

Quality Assurance
Closed Session: Chartis quality engagement update

pursuant to Health and Safety Code 32155 and 1461, report on quality assurance.


3

Closed Session: Open forum

Education Session: The Board's Role in Quality & Safety

The importance of understanding quality & safety today





US healthcare: A tale of two realities

The best of times: clinical advances

- Immunotherapy
- DNA sequencing and gene therapy
- Minimally invasive procedural interventions
- Vaccine science
- Advanced diagnostics

The hardest of times: care delivery

- Access
- Affordability
- Quality and safety
- Patient experience
- Caregiver experience
- Disparities

US healthcare: A tale of two realities

The hardest of times: care delivery

Access: 43% of Americans are inadequately insured leading to meaningfully constrained access.

Affordability: Today, Americans spend double the percentage of household income on healthcare vs. 20 years ago.

Quality and safety: In 2009, ~25% of Medicare inpatients reported a medical error. 15 years later it remains unchanged.

Patient experience: The national average for the “time to treat” a cancer patient is 6 weeks.

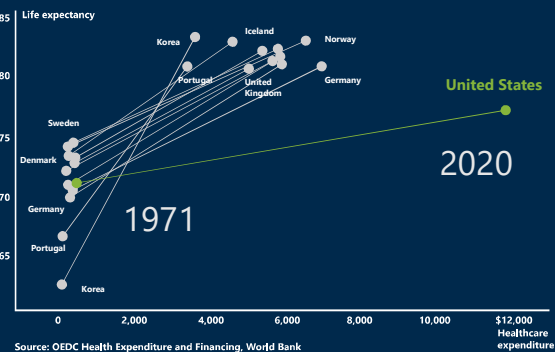
Caregiver experience: 63% of physicians manifest at least 1 symptom of burnout—up from 43% a decade ago.

Disparities: In Chicago, there is a 30-year life expectancy gap between two zip codes less than 10 miles apart.



Providing Safe, High-Quality Care has historically been hard...

The US spends more on healthcare for less benefit
Life expectancy at birth vs healthcare expenditure per capital (adjusted for purchasing power parity)



US healthcare spends 1.7 to 4 times more than that of other developed countries, yet has the lowest life expectancy at birth globally

3 in 10

Inpatients who are estimated to experience medical errors during their treatment

21% of all Americans report experiencing a medical error¹



UP TO 400k

Preventable deaths in the US annually, making this the third leading cause of death and 10% of all deaths in the US²



728

Hospitals facing Medicare HAC penalties in FY2024³

Why have we struggled?

Care is expensive and inefficient:

- Staffing challenges
- Care model changes and disruptions
- Capacity challenges

U.S. Outcomes lag behind peers:

- Lower life expectancy in US comparatively
- Increased preventable deaths and medical errors

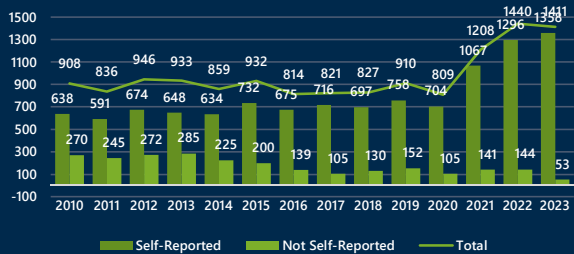
Value-Based Care is not perfect:

Continued hospital acquired complications and financial penalties

¹NORC at the University of Chicago and IHI/NPSF Lucian Leape Institute. Americans' Experiences with Medical Errors and Views on Patient Safety. Cambridge, MA: Institute for Healthcare Improvement and NORC at the University of Chicago; 2017
²Mokary MA, Daniel M. Medical error-the third leading cause of death in the US. BMJ. 2016;353:12139. Published 2016 May 3. doi:10.1136/bmj.12139
³Hospital-Acquired Condition (HAC) Reduction Program | Provider Data Catalog (cms.gov)

...and getting **harder**

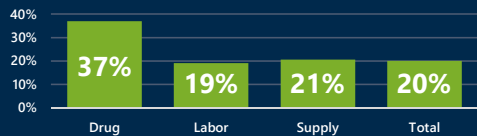
Distribution of Sentinel Events by Year by Source (2010-2023)



Joint Commission reported an **18% increase** in sentinel events over the past 2 years and a **76% increase** since the pandemic began in 2020

[Sentinel Event Data CY2023 Annual Summary \(jointcommission.org\)](#)

Increase in Hospital Expenses Per Patient from 2019-2021



Total cost per case increasing rapidly, with **20% increase from 2019-2021** and steeper rise predicted. This is inflation alone and doesn't include medical errors



45%

Increase in Physician Burnout in 2022



60%

Qualified healthcare professionals (HCPs) will leave their professions in 2023

Clinical Outcomes Worsening
2021 Data

45%

Increase
in CLABSI

42%

Increase in
Pressure Ulcers

12%

Increase
in CAUTI

Increasing
complexities,
competition,
and challenges

- Sentinel events increasing post-pandemic
- Workforce issues – Burnout, traveling nurses, retirement bubble
- New Care Models
- New Entrants into the market – Tech, Retail and Private Equity
- Suboptimized use of technology
- Cost per case increasing due to labor, supply chain, and efficiency challenges

■
The stakes are high

Case Discussion: Catholic Medical Center

"Every system is
perfectly designed to
get the results it gets."

- Paul Batalden, MD



CMC Case Dates

- **1997** -- Lawsuit - sutures left on pulmonary vein
- **2005** -- Independent review for high mortality rate
- **2012** -- Post-operative hemorrhage and did not return to hospital ("letter of reprimand")
- **2013** -- Tamponade and did not return to hospital (28d suspension)
- **2014** -- Vascular surgery delay ("warning letter" from board chair)
- **2014** -- CMO demoted (going outside chain of command)
- **2015** -- Revised peer review procedure (CMO influence in case selection)
- **2016** -- Cardiologist critic place on leave
- **2018** -- Concerned providers visit former diocese/trustee
- **2018** -- Health leave
- **2018** -- Local lawyers submit letter to Board of Med, hospital administrators
- **2019** -- Retires
- **2020** -- 17 claims settled

Case Discussion: Catholic Medical Center

- What went wrong at CMC?
- What parts of their process were most broken?
- What, specifically, should the CMC board have done differently?

Chartis Perspective:

Board Best Practices

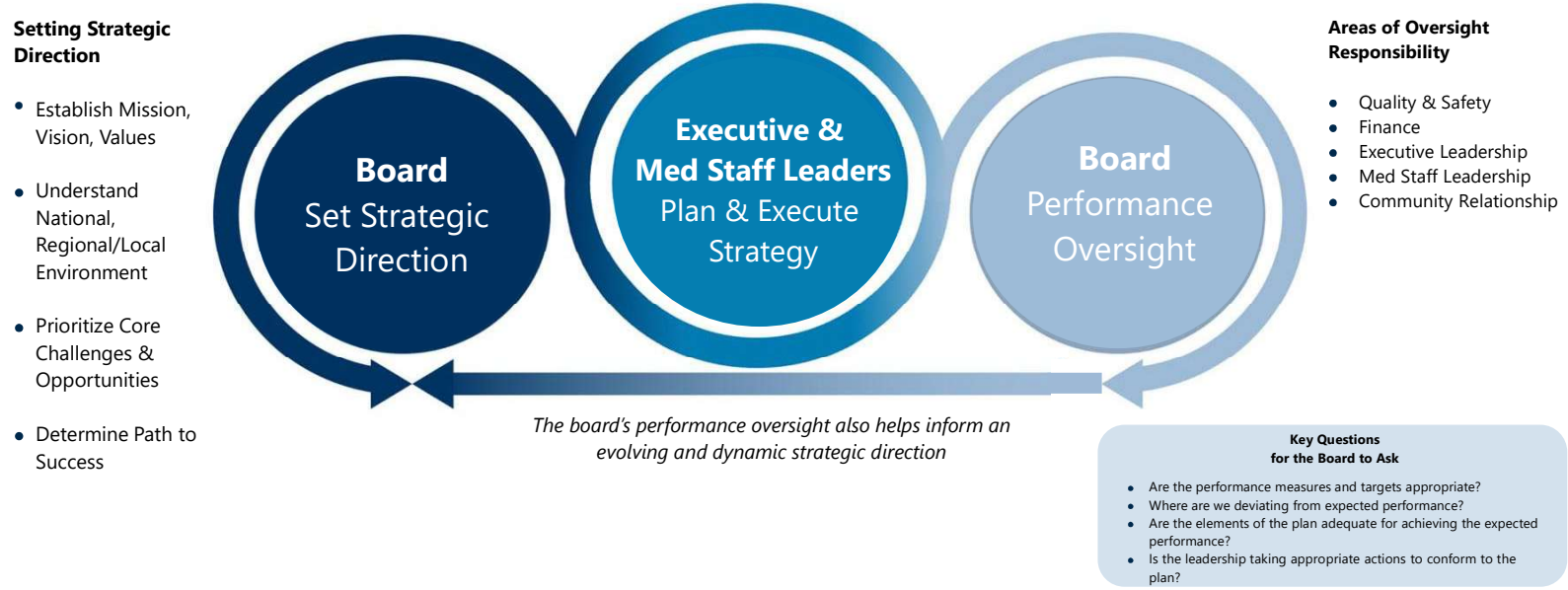
What Is the Role of the Hospital Board?

Hospital & health system boards have a critical role to play in overseeing the quality and safety of care delivered by their organizations. To fulfill this responsibility effectively, board members must understand key concepts in quality, safety, and high reliability, as well as have a basic understanding of the essential quality and safety processes owned by the stakeholders they oversee: management and the medical staff.

Effective health system boards know what data to review and what questions to ask of management and medical staff leadership to monitor the health of these essential quality and safety processes.

Activities of the Board

“What” the board must do to create accountability and uphold its fiduciary responsibilities



Hospital Boards must ensure:



Financial Viability



Effective Oversight

- Quality and Patient Safety
- Medical Staff Practice
- Regulatory Compliance



Financial Viability

To carry out fiduciary responsibilities, the board:

- Selects, retains and supports the CEO
- Assigns responsibility



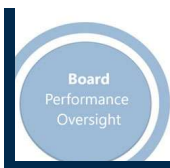
- Ensures accountability

Fiduciary Responsibilities

Governing board members must uphold certain duties in their leadership of the hospital or health system and act in ways that protect and advance the interests of the entity's stakeholders. Board members must work in a manner that protects the organization and fosters trust in the community. In a court of law, each of the following duties may be applied to determine if a board member acted appropriately:

Duty	Simple Definition	Example Actions to Uphold this Duty
Duty of Care	Board members must be fully informed before making a business decision, act in good faith, setting aside personal interest, and make decisions that are in the best interest of the hospital.	<ul style="list-style-type: none">❑ Prepare for, attend, and actively participate in board and committee meetings❑ Obtain and review relevant data before making decisions
Duty of Loyalty	Board members cannot use their board position to benefit themselves or their business. They must be objective and unbiased, free from external control or conflicts of interest, and maintain total confidentiality in all matters.	<ul style="list-style-type: none">❑ Adhere to the organization's conflict of interest policy and disclose of any potential conflicts of interest❑ Maintain confidentiality when required
Duty of Obedience	Board members must act in accordance with the hospital's mission and uphold all state and national laws, while also following all corporate bylaws, rules, and regulations.	<ul style="list-style-type: none">❑ Review and act according to the governing documents of the organization❑ Obtain regular updates from Council on legal or regulatory changes

Content adapted from "Critical Questions Every Hospital Board Needs to Answer" and "The Guide to Good Governance for Hospital Boards"



Providing Appropriate Financial Oversight

The board is responsible for the financial performance of the hospital or health system and must ensure the limited resources are used effectively to deliver care and appropriately serve the community.

Core Responsibilities:

Conduct Long-Term and Short-Term Financial Planning

- Financial planning should be derived from the organization's strategic plan and the board or finance committee must establish short and long term financial and investment goals often in the areas of growth, dept capacity, and return on equity.
- The board is responsible for approving the organization's annual operating and capital budget and ensuring management is adhering to these budgets.

Assure Accurate, Meaningful Financial Reports

- The board must regularly engage external auditors to review that the financial reports are accurately and fairly presented.

Create Appropriate Financial Policy, Compliance and Controls

- The board is responsible for setting financial and investment policies for the organization to ensure compliance with regulations and to monitor that effective business-practices and controls are in place to minimize risk.

Example Actions Boards Can Take to Improve Financial Oversight

- Identify targets for debt, liquidity, return on investments, profitability to set clear expectations and support informed decision making
- Review key financial ratios monthly and ensure there are appropriate corrective actions in place for measures not meeting targets
- Request financial reports that quickly distill the current financial performance, drivers of the performance, and highlight important trends; these reports should stimulate questions and active discussion with management around actions that may be needed
- Review the types and scope of services being offered and the implications of the services financially and to the community
- Encourage the identification and development of diversified revenue streams

Content adapted from "Critical Questions Every Hospital Board Needs to Answer" and "The Guide to Good Governance for Hospital Boards"



Effective Oversight

• Quality and Patient Safety, Medical Staff Practice, Regulatory Compliance

CMS:42 CFR §482.12

Condition of Participation: Governing Body

There must be an effective governing body that is legally responsible for the conduct of the hospital.

CMS Terminology

Centers for Medicare & Medicaid Services (CMS): Hospitals are required to be in compliance with Federal CMS requirements set forth in the Conditions of Participation (CoP) in order to receive Medicare/Medicaid payment.

Quality Assessment and Performance Improvement (QAPI): CoP that requires hospitals to develop, implement, and maintain an effective, ongoing, hospital-wide, data-driven quality assessment and performance improvement program for services provided directly and under contract/agreement in an effort to deliver safe, quality patient care and prevent adverse events and patient harm.

CMS Terminology

Governing Body: An individual or group of individuals legally responsible and accountable for the operational conduct of the hospital.

Functions and responsibilities include:

- Ensure safe, quality patient care
 - Provided directly or under contracts
- Hospital plan and budget
- Compliance with all CMS Conditions of Participation (CoP)
- Active engagement in oversight and review of QAPI program
- Compliance with state or other government agency

CMS Terminology

The Governing Body must have an ongoing commitment to:

- Create safe systems of care
- Receive reports from senior leadership on:
 - Program objectives
 - Plans
 - Personnel
 - Budget
 - QAPI activities
- Establish a culture of safety and quality
- Define importance of QAPI activities throughout the institution



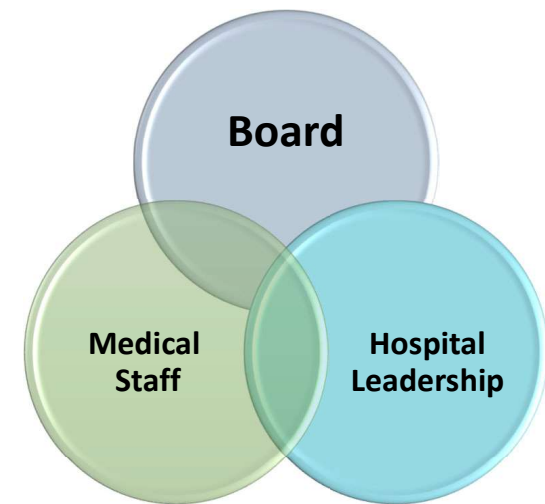
*From the CMS Code of Federal Regulations:
January 24, 2003*

The Joint Commission's Top Priority

What are **YOU** (*board/executive leadership, hospital, medical staff*) doing to become a high-reliability organization?

Governance:

What does it mean to be accountable?



Each area has distinct and independent responsibilities, but the work can't be entirely siloed, and the three must work together to build and reinforce accountability.

Board= *Ultimately accountable for the performance of the organization and ensures that the medical staff and hospital leadership fulfill their responsibilities*

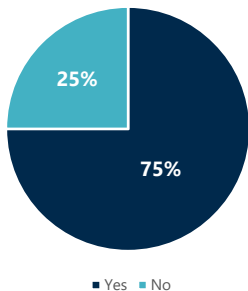
Medical Staff= *Accountable for managing individual provider performance through its peer review, credentialing and privileging functions*

Hospital Leadership= *Accountable for resourcing and maintaining the care systems and practices that enable high quality, safe care*

Management Oversight

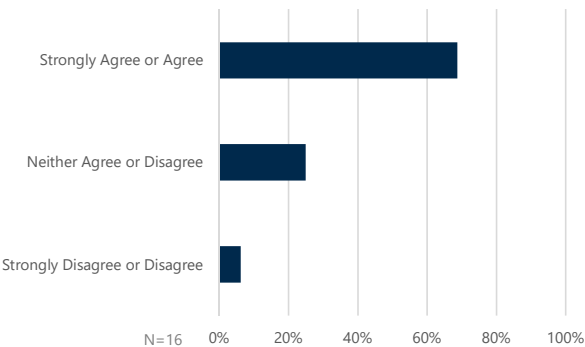
Most boards have a defined authority matrix to clarify responsibilities of management vs. governance.

Does your board have an authority matrix or policy that defines management oversight and accountability versus governance oversight and accountability for spending limits, signature authorities, when certain actions require board approval?



SAMPLE Board Assessment Survey

Board and Management: The Board understands and respects the different roles and responsibilities of the Board vs. Management.



Although most members agree that the board should not delve into management issues, the interviews highlighted lack of clarity regarding the distinction between a management vs. governance issue.

Governance:

Where did things go wrong at CMC?

“It is not only what we do, but also what we do not do, for which we are accountable.”
— Molière



- Gaps in understanding and engagement in monitoring quality and safety issues at CMC
- Did not hold hospital leadership and medical staff accountable



- Poorly functioning peer review, recredentialing and privileging processes



- Defensive and retaliatory, rather than proactive and patient centered – counter to “Just Culture,” breeding culture of fear
- Did not maintain a functioning QAPI program

Governance:

What do good Boards do to ensure quality & safety?





Building Trust within the Community

Hospital and health system boards have a responsibility to provide community benefit and build trust with their patients and stakeholders. Strengthening community ties and improving community health is critical for most organizations to achieve their mission, vision and values. Often board members are also leaders in their community and serve as key communicators of the value delivered by the hospital.

Core Responsibilities:

Define the Community the Organization Serves

- The board should have a clear understanding of the community it serves and have ways to incorporate the diverse perspectives of the community, and particularly of historically marginalized communities, into its deliberations. The board should help to build partnerships in the community to enable effective collaborative community governance.

Commission Regular Community Health Needs Assessments & Advocate for Changes to Address Gaps

- On a regular basis the board should commission an assessment of community health needs in partnership with relevant advocacy groups, policy makers and other civic organizations to build a common understanding of gaps and align action, investment and advocacy around strategies to address these gaps.

Promote the Hospital's Image to the Community

- Board members should have the tools to communicate about the positive work the hospital or health system is doing for their community. They may be asked to make presentations, participate on external task forces or join focus groups with key stakeholders to understand and help improve the hospital's reputation.

Example Actions Boards Can Take to Build Trust in the Community

- Ensure board composition reflects and represents the diverse community the organization serves
- Establish processes for eliciting community input on major decisions that will have a significant impact on the community
- Establish organizational goals related to community service and monitor progress
- Ask the hospital communications team to provide board members with communication strategies and tools to support effective, transparent messaging about major changes, issues or decisions
- Dedicate time at board meetings to education about the health needs of the community

Content adapted from "Critical Questions Every Hospital Board Needs to Answer" and "The Guide to Good Governance for Hospital Boards"



Planning for the Future

For many healthcare boards, the uncertainty in the environment makes it challenging to think about the strategic future, but it is exactly the job of the board to be forward thinking, to anticipate potential futures, and to help the organization prepare for the necessary changes ahead.

Core Responsibilities:

Define the Enduring Fundamentals – Mission, Vision, Values

- The mission, vision and values establish the strategic framework for effective oversight in the organization and all planning should start with a consideration of what the organization must do to drive closer to its mission and vision, while upholding its values.

Understand the Environment and Core Challenges and Opportunities

- The board must review environmental data on the relevant trends locally and nationally that may impact the organization and participate in dialogue with management on the challenges and opportunities that need to be addressed.

Set the Strategic Direction and Approve Major Decisions

- Develop a medium term (3-5 year) strategic plan to identify the direction the organization plans to pursue and measurable objectives it will focus on. The plan should guide the investment of resources and effort and should provide enough guidance to management to begin to shape its implementation. Recognizing that strategic documents are fluid, the board must continue to shape strategy and make major decisions in an ongoing way as circumstances evolve.

Example Actions Boards Can Take to Improve Planning Processes

- Board members should understand that they don't need to know everything, and that they will never know everything they'd like to know to feel totally confident in decisions
- Processes should be nimble and flexible, able to adapt to ever changing circumstances and be a constant dialogue where new information shapes the development of new opportunities
- The board should be most concerned with the "what," rather than the "how" of strategic planning, but should be comfortable with questioning management if the assumptions are reasonable, if the plans are clear and concrete, and asking "what ifs" about potential secondary effects
- The board should establish its clear "vital signs" around the key priorities and objectives to help identify if the desired outcomes are being achieved and have productive conversations with management if they are not

Content adapted from "Critical Questions Every Hospital Board Needs to Answer" and "The Guide to Good Governance for Hospital Boards"

Governance:

What should the Board hold medical staff leaders accountable for?



Lead a Robust Peer Review Process

Must be fair and comprehensive, follow regulatory and compliance standards, and reliably (not user-dependent) follow established and unbiased screening criteria that results in a timely, effectively-executed assessment and action plan

Advocate for Comprehensive Performance Management

Fed by objective data from a variety of sources including peer review, the goal is to ensure that providers consistently deliver evidence-based care, have the feedback and mentoring to grow professionally, and have any performance concerns managed in a timely way

Ensure Stringent Credentialing & Recredentialing Processes

Must be policy-guided, fair, collegial, respectful, and rigorous; should result in patients/families and referring providers having a high degree of confidence that providers are high quality and safe

Board Consults Directly With Medical Staff

A-0053

[The governing body must:]

§482.12(a)(10) Consult directly with the individual assigned the responsibility for the organization and conduct of the hospital's medical staff, or his or her designee.

At a minimum, this direct consultation must occur periodically throughout the fiscal or calendar year and include discussion of matters related to the quality of medical care provided to patients of the hospital.

Oversight of the Medical Staff

CMS: 428.12(a)(1-10)

The governing body must:

- Ensure medical staff has bylaws and functions according to those bylaws
- Review the **quality of medical care provided to patients**
- Ensure appropriate credentialing and privileging of medical staff members

Credentialing And Privileging

The function of credentialing the medical staff is one of the **Single Most Important Quality Improvement and Patient Injury Prevention Systems** In A Hospital And It Is A **Fundamental Responsibility** Of The Hospital Board



Providing Effective Medical Staff Oversight

The board is responsible for ensuring there are appropriate processes in place to credential providers to practice at the organization and for monitoring individual provider performance in accordance with state and national regulations.

Core Responsibilities:

Approve Medical Staff Bylaws and Credential Providers

- The board must approve the written bylaws of the medical staff and ensure they are regulatorily compliant. The board serves as the final authority on all credentialing matters and must ensure that providers practice only within the scope of privileges granted and that an effective peer review process is in place to review provider performance.

Appoint a Physician Responsible for Directing the Medical Staff Organization

- In accordance with New York State laws, governing boards must consult with the medical staff and appoint a physician member of the medical staff to direct the medical staff organization. The governing board may determine if the medical staff leader reports to the board through the CEO or to the board directly.

Cultivate Constructive Hospital / Physician Alignment

- The board must help the hospital and physicians build a trusting, productive relationship. By working with the CEO and the medical staff President the board should clarify shared priorities and expectations and encourage collaboration and open communication.

Example Actions Boards Can Take to Enhance Medical Staff / Hospital Alignment

- Collect data on the needs and core issues of the medical staff through an independent survey and determine data the board needs going forward to monitor progress
- Encourage the creation of structures (below the board level) for physician/hospital partnership that foster shared input and decision-making around the goals and priorities of the organization
- Avoid jumping into the fray of management issues between the hospital and physicians. Instead, encourage them to communicate openly, invite input and share reasoning around decision making through the appropriate, collaborative channels

Content adapted from "Critical Questions Every Hospital Board Needs to Answer" and "The Guide to Good Governance for Hospital Boards"

Governance:

What should the Board hold hospital leaders accountable for?



Create a Culture of Safety

Develop a psychologically safe space for staff to identify and solve problems/risks they see in delivering patient care and model and foster an environment of truthful, respectful, honest, direct and transparent communication

Develop Highly Reliable Systems and Processes

Provide objective data to identify and monitor deviations from best practice, and provide training, technology and other support for providers and staff to deliver evidence-based care

Enable Effective Performance Management

Manage Hospital employee performance to ensure they have the right coaching, mentoring and support to deliver compliant, high-quality care



Ensuring Quality & Safety

It is the board's responsibility to ensure care is safe, efficient and effective, and they must be proactive in reviewing quality indicators and holding hospital management and medical staff leadership accountable to implement appropriate corrective actions when necessary.

Core Responsibilities:

Ensure Processes and Systems are in Place to Support the Delivery of Safe, High Quality Patient Care

- While hospital administration is responsible for the design and implementation of the processes and systems, the board must seek evidence that the systems are appropriately producing safe/quality care. Benchmarking the organization's performance on key indicators against other hospitals is a standard way for boards to do this.

Ensure Providers Practicing at the Institution Deliver Safe, High Quality Patient Care

- The board must validate that credentialing and re-credentialing processes appropriately ensure providers are who they claim to be; have been properly licensed with valid certifications, have the appropriate liability insurance, meet the minimum requirements established by the medical staff, and have a satisfactory prior performance and health history.
- The board should also ensure peer review processes are conducted using evidence-based practice guidelines and are fair and impartial; when corrective action is needed, it is applied in a standard way in accordance with the severity of the issue.

Example Actions Boards Can Take to Ensure Quality

- Invest time in building the board's knowledge and "quality literacy"
- Set annual goals for quality and safety, and review progress regularly, holding executive and med staff leadership accountable for the outcomes
- Dedicate time at board meetings to talk about errors and near misses and the actions taken as a result
- Define what a "culture of safety" means for the organization and leadership's commitment to addressing critical quality and safety issues
- Request objective data from hospital and med staff leadership to understand from clinicians and staff across the organization the barriers they face in delivering safe, effective, high-quality care

Content adapted from "Critical Questions Every Hospital Board Needs to Answer" and "The Guide to Good Governance for Hospital Boards"



Ensuring Effective Executive Leadership

The board must cultivate a trusting relationship with the CEO so that they may partner effectively in achieving success for the organization. Qualities such as mutual respect and candor must be present to foster open dialogue and transparency around critical issues, shape shared goals, and create clear expectations for outcomes.

Core Responsibilities:

Hire, Fire and Monitor CEO Performance

- The CEO reports directly to the board, and it is the board's responsibility to make all decisions related to the CEO's employment with the organization. For CEOs who are performing well, the board should have strategies to recognize and retain the CEO in the competitive healthcare market. For CEOs who are not delivering the results the board expects, there must be candid conversations about performance improvement or decisions about exit.

Set Clear Goals and Expectations of the CEO

- The board must establish clear expectations of the CEO. All goals should be aligned with the organization's strategic plan and address the priorities of the organization. The board should meet periodically throughout the year in executive session to discuss the CEO's performance and provide feedback.

Conduct an Annual CEO Evaluation & Align Compensation

- Often the board chair takes the lead on the annual evaluation of the CEO and the compensation committee weighs in on appropriate reward or recognition based on the findings of the evaluation and in accordance with its compensation policy. For the process to be successful, the CEO and the board should agree upfront on the evaluation approach and process including the criteria to be used, who will be involved in providing feedback and how the feedback will be used.

Example Actions Boards Can Take to Build a Productive CEO Relationship

- Focus on strategy and policy without diving into the tactical details of management and hospital operations
- Maintain confidentiality of the board and avoid sharing confidential hospital information with those outside the board
- Use board meetings to set the stage for what the CEO needs to present, address or follow-up on at the next meeting, so expectations are clear
- Create a board culture where the CEO can candidly share emerging issues and barriers to success, so the board can be an asset to the CEO offering effective guidance
- Use Executive Sessions strategically and appropriately to have candid conversations with the CEO around pre-determined topics without staff in the room

Content adapted from "Critical Questions Every Hospital Board Needs to Answer" and "The Guide to Good Governance for Hospital Boards"

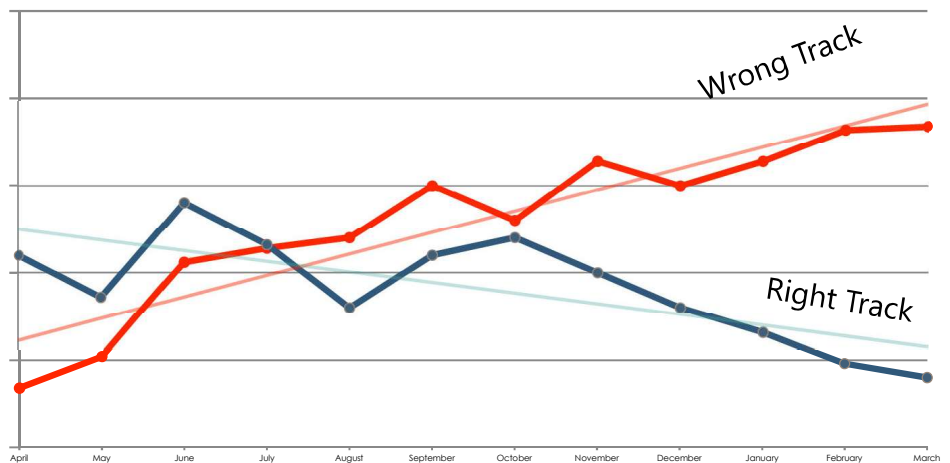
Achieving governance through data: *Getting The Straight Story*

The Board Needs Data That:

- Tells a story
- Is data driven, objective and unbiased
- Provides enough information to lead to **informed decision**-making
- Drives actions

Most Data Analysis Ultimately Comes Down To Understanding and Communicating The Following

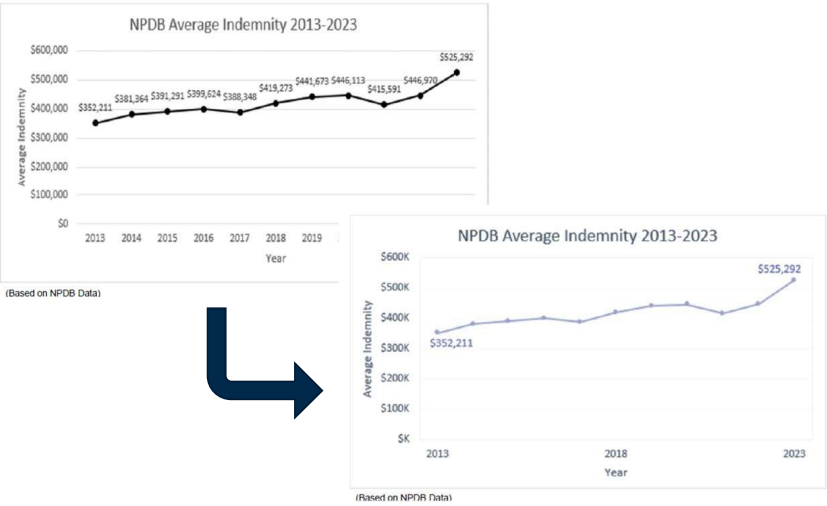
- Magnitude
- Direction
- Variability
- Rate of Change



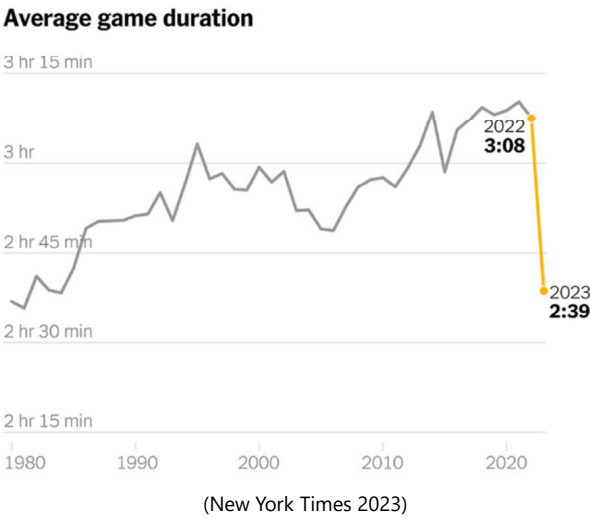
What you should expect and look for

It's your job to ask for data to be presented in a way that makes sense and is actionable

Clean and Simple



Highlight what's important



QUALITY DATA: MAGNITUDE

How Much?

- Number of Falls
- Average Severity of Each Medication Error
- Length of time in the Emergency Room
- Ratio of Nurses to Patients
- Is it too much or too little?
- How does it compare to others?

Think: limits, goals, benchmarks

QUALITY DATA: DIRECTION

Direction – Increasing or Decreasing?

- Fewer Falls
- More Medication Errors
- Waits getting longer in the Emergency Room
- Ratio of Nurse to Patients getting worse

Think: Are We Going In The Right Direction?

QUALILTY DATA: VARIABILITY

Variability – Is it under control?

- Nice Steady Improvement
- Predictable vs. Random
- Out of Control – Bouncing all over the place
- Smooth or Spikes
- Under Control
- Out of Control

Think “Control Charts”

QUALITY DATA: RATE

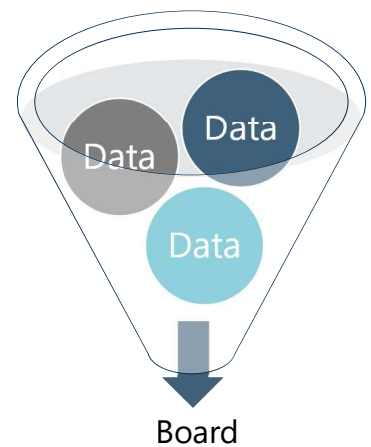
How fast is it changing?

- Slow & Steady vs. Sharp Change
- Do we have plenty of time or is this an emergency?

Think Trends and Slopes

But What Is It You NEED To See?

- Regulatory Report Outcomes
 - State Agency, CMS deficiency reports, accrediting agency reports
- National Reporting Outcomes
 - Value Based Purchasing
 - Core measures
 - Hospital acquired conditions
- Ongoing Hospital Defined Outcomes
- A Synopsis of:
 - Significant Adverse Events (Never/Sentinel Events)
 - Root Cause, Apparent Cause and Common Cause Analyses



Results of Non-Compliance

Civil Monetary Penalties

■ EMTALA

- Physicians—including on-call physicians—who violate EMTALA may be subject to a civil penalty of \$129,233
- Hospitals that violate EMTALA are subject to civil penalties of \$64,618 to \$129,233 per violation, lawsuits for damages, and/or exclusion from Medicare.

■ HIPAA

- Penalties ranging from \$137 to \$68,928 per violation, depending on the level of culpability

Threats of Termination

■ TJC





- Termination of deemed status and accreditation
- As discussed earlier, this places the facility under the purview of CPPH/CMS

■ CMS

- Termination from the Medicare/Medicaid Program
 - Directed Plan of Correction (costly)
 - System Improvement Agreement (VERY costly)

Synthesizing the Core Challenges & Opportunities

Preliminary Priorities

-  Continue to **improve quality** and patient safety
-  Ensure **financial viability**, including evaluating opportunities for partnerships or integration
-  Establish and maintain a relationship between **Executive and Medical Staff leadership**
-  Cultivate an effective **operating model and unifying culture** that supports Kaweah Health

For Discussion:

What other priority areas need to be considered for Kaweah?

OVERARCHING PRINCIPLES

- Leadership – Not Management
- Expect and Require Robust Data
- Ask The Hard Questions, Challenge Assumptions
- Make Sure Questions Are Answered
- Ensure Multiple Avenues For Information Flow
- Acknowledge Conflicts Of Interest And Take Actions
- Avoid Passivity And “Rubber Stamping”



— Thank *you* —



Agenda item intentionally omitted