

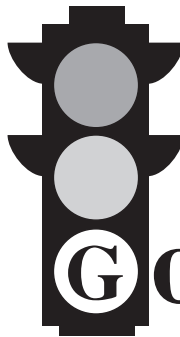
TEXAS HEALTHCARE TRUSTEES Trustee Bulletin

Ready... Set... GOVERNANCE! Summer Forum to Focus on Top Issues

Hospitals and health systems are in a race for their very survival. Trustees face challenges from all directions, but armed with the right strategies, you can reach the finish line in today's health care environment.

Learn survival tips and strategic initiatives at the Texas Healthcare Trustees Summer Forum Aug. 8-9 at the Renaissance Austin Hotel.

A must-attend event for trustees, the Forum will focus on trustee leadership, legislative happenings, workforce and other important governance issues.



Public Hospital Trustee Orientation and Refresher
August 7

Summer Forum
August 8-9

**GO Ready... Set...
GOVERNANCE!**

Mark your calendars now for the informative two-day Forum in Texas' capital city. The Forum will feature top-notch speakers and valuable

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Unlocking the Door to Strategic Governance

Hospital and health system trustees face major governance challenges that continuously test their skills, creativity and leadership. Today's health care environment requires confident, highly skilled, forward-thinking strategic leaders who consistently exhibit the leadership qualities essential to governance and organizational success.



Walker

Larry Walker, president of the Walker Company in Lake Oswego, Ore., and a repeat Forum speaker, led an informative session on these issues at the THT Spring Forum in Dallas on March 7.

Challenges to Effective Governance

"Trustees must plan for continued change, and exercise the best judgment in ensuring that transactions are not based on self-

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Trustee *Bulletin*

The *Trustee Bulletin* is produced by the Texas Healthcare Trustees in cooperation with the Texas Hospital Association.

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Strategic Governance
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interest and that the duty of care standard is not violated. Visionary leadership is required for trustees to lead during these challenging times," Walker says.

Regardless of challenges, health care trustees are obligated to fulfill fiduciary duties:

- Duty of obedience requires a governing board member to obey the law, to ensure that the hospital obeys the law and to carry out the hospital's mission and bylaws;
- Duty of care requires careful and prudent oversight; and
- Duty of loyalty requires that the trustee always put the hospital's interests ahead of personal interests of business, associates, friends and relatives.

According to Walker, strategic accountability requires that the board also understand the needs and wants of the community. In fact, he says the mission statement should include a commitment to improve the health of the community. The board should measure and evaluate performance in quality, access, efficiency and finances. An emerging trend is the communication of these results to the community.

Becoming a Successful Hospital Trustee

Successful trustees recognize the distinction between board business, management business and medical staff business. They understand market trends and major issues and their implications. Trustees serve as a bridge to the community and as participative leaders in the boardroom. Even successful trustees cannot control all factors, but all board members are called to navigate effectively through turbulent change.

"Hospitals can get into trouble when boards do not challenge assumptions, ask for clarification or ask the right questions," Walker emphasizes. Several strategic factors are potential pitfalls, according to The Advisory Board Company in a publication entitled *Avoiding Financial Flashpoints*:

- Misperception of new business opportunities;
- Failure to exit under-performing strategies;
- Lack of prioritized strategies;
- Misperception of new business threats; and
- Under-investment in core services and programs.

The ideal trustee carries a deep commitment to the organization's mission, values and vision. This trustee always acts in the overall interests of the hospital, not any constituency, a governing style that can be challenging particularly for elected boards.

Building the Trustee Team

By building emotional intelligence and common-sense ways of constructively working together, boards make better decisions. Boards must be aware of the emotions of the individual members and the board as a group. Ideally, the chemistry among board members contributes to a cycle of respect, trust and candor. In an effective team, trustees are prompted to challenge their own roles and assumptions, and to move in and out of their comfort zones. The culture should provide for open dissent, stimulating discussion, individual accountability and performance evaluation.

“Tensions should be allowed to surface, and the board chair ought to encourage all board members to speak up so that issues can be resolved through a full airing,” says Walker.

Powerful, consistent and effective board dialogue is critical to informed decision-making. Boards should identify any “dialogue killers” and initiate potential solutions.

Leadership Education

Continuing education is necessary to retain leadership. Trustees must continue to seek new ways of thinking and leading, particularly in the areas most critical to organizational effectiveness and performance.

Leadership teams must focus on potential new opportunities for growth and change, not dwell on the problems of yesterday. “The board must consider all open pathways. There are no straight lines to the future,” Walker says.

Successful hospital governing boards have the ability to meet the challenges of addressing key leadership areas, including:

- Competition and collaboration;
- Stakeholder relationships;
- Dynamic governance;
- Technology;
- Program and service development; and
- Leadership and financial growth.

High Performance Strategic Boards

Hospital boards must operate consistently at a high level in all areas to fulfill fiduciary responsibilities and to provide strong and effective leadership. With a big picture emphasis, the major functions of a high performance strategic board include a

steady emphasis on mission, values, vision and strategies, education and performance improvement, and an ability to build trust-based relationships with key constituencies.

Paramount is the ability to lead change. High-performance boards have competency in the following key areas:

- Board structure;
- Leadership effectiveness;
- CEO evaluation;
- Board membership and selection;
- Board self-assessment;
- Communication;
- Medical staff alignment;
- Performance management;
- Education and board orientation; and
- Strategic decision-making.

A strategic board focuses on setting a broad organizational direction. Members of the board are selected on the basis of expertise, talents and fit with strategic needs. Their orientation is macro and strategic, with operational authority solely vested in management. Decision-making is based on well thought-out options and alternatives gleaned from management, timely and relevant information, and a broad range of viewpoints. Trustees are called to exhibit innovative, forward-thinking leadership in response to the challenges in health care today.

To learn more about strategic governance, contact Larry Walker of The Walker Company in Lake Oswego, Ore. at 503/534-9461 or lw@walkercompany.com.

QUICK TEST: Governance Effectiveness

As Trustees:

- Are we thinking about and working on the most important issues facing the hospital?
- Do we have the necessary information, knowledge, understanding and decision-making tools?
- Do governance structures and processes enable us to lead effectively in this changing environment?
- Are our collective skills and assets sufficient to enable the board to carry out its leadership requirements?
- Is the way we govern clearly linked to our most critical strategic priorities?
- Is there a common trustee commitment to the board’s responsibilities and priorities?
- Do we have a forward-looking, market-driven long-range vision?
- Do we understand how the forces for change will impact our organization, and what we must do today to position for success tomorrow?

Source: Larry Walker, The Walker Co.

sessions. After daily Forum activities, Austin offers a wealth of dining, entertainment and recreational opportunities. Set in a picturesque greenbelt area, the Renaissance Austin Hotel is located in the heart of the Arboretum, known for its fine restaurants and upscale shopping.

The Forum features widely noted experts who will present:

- The Hospital of the Future
- Surviving in Uncertain Times
- Access to Capital
- Critical Access Hospitals: Making It Work
- Engaging Your Workforce
- Ethics as a Business Strategy
- New Roles and Accountabilities in Hospital Governance
- The 78th Legislature: In Review

Cosponsored by the Texas Organization for Rural and Community Hospitals, the THT Summer Forum promises an exciting slate of speakers on topics you don't want to miss.

Cost for THT or TORCH members is \$195. For more information or to register, call 512/465-1562 or, in Texas, 800/252-9403.

Public Hospital Trustee Orientation and Refresher Set for August

Sponsored by the Texas Healthcare Trustees and the Texas Organization of Rural and Community Hospitals, the Public Hospital Trustee Orientation and Refresher will be held in conjunction with the THT Summer Forum, Aug. 7 in Austin.

New hospital trustees and experienced veterans alike will learn what they need to know about the changing face of health care and the specific requirements of public institutions. In addition, a special session will feature information about finances for Critical Access Hospital board members.

The day-long orientation will cover topics specifically related to public hospital governance, including:

- Understanding hospital finance;
- Spending and investing public funds;
- Protecting against liability; and
- Meeting requirements of the Texas Open Meetings and Public Information acts.

In addition to specific topics such as the legal duties of

trustees, liability and insurance coverage, the full-day session will feature a primer on health care basics and the challenges facing Texas hospitals in the future. If you serve on a public hospital board, don't miss this essential orientation, Aug. 7 in Austin.

The orientation will be conducted by health care attorneys Kevin Reed, J.D., and Fletcher Brown, J.D., shareholders with Davis & Wilkerson, P.C., in Austin. The orientation also will feature Bill Parrish, president, and Mike Oatman, vice president, of Parrish, Moody & Fikes in Waco; and Stephen Wohleb, J.D., director of legal and litigation at SETON Healthcare Network in Austin.

New and veteran public hospital trustees are encouraged to attend this full-day orientation and refresher session. The registration fee is \$100 for THT and TORCH members and \$150 for non-members and includes the *Guidebook for Hospital and Health System Governance*. For more information, call 512/465-1562 or, in Texas, 800/252-9403.

Silent Auction – Everyone's a Winner

Want a great excuse to spend a little money? Whether it's a weekend getaway, Brighton leather accessories or that new high tech toy you've been eyeing, the THT Foundation Silent Auction offers something for everyone. Held in conjunction with the THT Summer Forum, the Silent Auction can help fulfill your mission to go home with something special, and all funds raised benefit THT Foundation programs. Talk about doubling your return on investment!

Auction items run the gamut. Whether you're a sports buff or ready for a well deserved weekend out of town, be sure

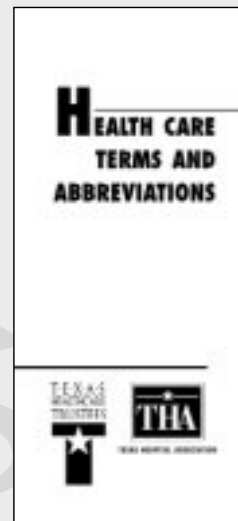
to check out this year's offerings. Maybe you're a patron of the arts or a died-in-the-wool Texan looking for just the right piece to add to your Texana collection. An assortment of leisure and fashion items will line the tables, too, so whatever your pleasure, be sure to join in on the fun.

The Silent Auction is one of the most popular events at the Summer Forum, and is well-known for bringing much anticipated levity. Remember to include this exciting event on your itinerary for this year's Forum.

The ABCs of Health Care Acronyms: New Guidebook Available

Learn the meaning of acronyms and many other health care terms and definitions in the Texas Healthcare Trustees' publication, *Health Care Terms and Abbreviations*. This newly updated practical guidebook contains a wealth of information in a handy pocket guide that can benefit new and veteran trustees alike.

This guide is available from the Texas Healthcare Trustees. To order, call 512/465-1562 or, in Texas, 800/252-9403.



Whaley Joins THT

Emily Whaley joined Texas Healthcare Trustees in January as manager of trustee relations for THT and the THT Foundation. Previously, Emily worked with Barton Creek Resort in Austin as conference services manager where she focused on meeting planning, marketing and customer service. "The skills I acquired in that position helped me greatly to prepare for the THT Spring Forum, where I really enjoyed meeting the board members and attendees," says Whaley.



Whaley

Prior to moving to Austin nearly five years ago, Whaley was a public relations major at the University of Arizona in Tucson. A Texan at heart, and native of El Paso, Whaley is the happy owner of two cats and a Golden Retriever named Dixie. When she's not busy with her many responsibilities at THT, Whaley enjoys yoga, horseback riding, swimming and reading. A fan of tropical locations, Whaley visited Puerto Penasco, Mexico, with a marine biology class and hopes to explore Bora Bora, French Polynesia, one day.

Emily Whaley can be reached at 512/465-1562.

Can the Nursing Profession Be Resuscitated?

For hundreds of years, patients have relied on nurses for comfort, care and even life-saving heroics. Yet, the noble profession of nursing is now in the midst of an acute shortage affecting hospitals and patients across the country. If something does not happen fast, America will find itself short of caregivers just when it needs them most.

From elementary schools to emergency rooms, perhaps no other profession touches every member of society like nursing. Yet, nurses are retiring or moving out of direct patient care at an alarming rate. With only a trickle of younger students to replace them, the nursing profession in Texas, and indeed, the entire country, is facing a potentially catastrophic situation.

According to the American Hospital Association, the American Nurses Association and many others, the expected supply of nurses will not meet the future need. Stop-gap measures such as the federal Nurse Reinvestment Act have placed a band-aid on a gaping wound, but much more critical aid is needed. State and federal legislative initiatives, as well as health career promotion, are vital to help alleviate this dangerous shortage.

“With a 12 percent nursing vacancy rate, already the shortage of nurses is affecting hospitals’ ability to provide patient care services,” says Elizabeth Sjoberg, RN, J.D., Texas Hospital Association associate general counsel. “Some hospitals have been forced to

close units or reduce the number of their patients. Provision of care in emergency rooms has been impacted when patients in the ER cannot be transferred to ICU beds because there are not enough nurses.”

The outlook is even grimmer. “In only six years, we are expecting to lose 50 percent of our nursing workforce as nurses reach early retirement age.” Sjoberg continues, “We cannot postpone dealing with this important issue. This multi-faceted problem requires investment from those inside and outside the health care delivery system to solve,” she emphasizes.

It Couldn't Happen at a Worse Time

The shortage is hitting at a particularly bad time. The fastest growing segment of the population today is the elderly, the group that demands the most health care.

According to the Joint Commission on Accreditation of Healthcare Organizations, “more than 126,000 nursing positions are unfilled today, and that number is expected to skyrocket just as 78 million aging Baby Boomers begin placing unprecedented demands on America’s health care system.”



With 126,000 nursing jobs currently vacant, emergency room care is impacted when patients in the ER cannot be transferred to intensive care because there are not enough nurses.

Business Week reports the average age of nurses has risen 7 percent since 1995, to 45, while nursing school graduation rates have fallen 23 percent.

Additionally, many nurses are retiring as early as possible. “They cite the significant workplace issues,” says Sjoberg. These can include reams of paperwork, mandatory overtime and grueling hours, all of which bring up patient safety concerns.

Non-Traditional Students, Strategies

Because shortages are a problem worldwide, hiring nurses from foreign countries, a favorite tactic in past shortfalls, will not work. At this rate, hospitals will be short 800,000 registered nurses by 2015 – exactly the time most Baby Boomers will be pushing 65 and flooding the system.

Yet, mainly due to faculty shortages, nursing schools only

are able to accept a limited number of students per year. William Stewart, coordinator of admissions at the University of Texas Health Science Center School of Nursing in Houston reports significant growth in the number of applicants to the school's Bachelor of Science in Nursing program, with numbers doubling from just a few years ago. This year, nearly 1,000 students have applied, but only about 140 will be accepted.

"Funding is surely a fundamental issue," says Stewart. "As we have increased enrollment to meet the challenges before us, we find ourselves faced with having too little space, too few faculty and not enough clinical sites ... We have opened two satellite campuses to help with crowding, been loaned clinical faculty from hospitals, and have begun discussion with other organizations to utilize their facilities for clinicals. These have helped, but more innovations need to be explored."

Many students who apply are non-traditional, like Sandra Hunt. A Katy resident, Hunt, 39, graduated from the University of Texas at Austin 18 years ago – but not with a nursing degree.

Hunt says, "When I earned my first degree, nursing wasn't even on my radar. All you heard then was how badly nurses were treated. Now, with the shortage, people are realizing how important nurses are."

According to Stewart, nursing is attracting a diverse population of students. For example, UTHSC has the largest percentage of male nursing students in the country (30

percent). Stewart continues, "The number of applicants who have previous degrees has increased dramatically. This group is highly diverse in their education and work backgrounds and contains applicants with doctorates in chemistry and public health, graduates of foreign medical schools and a variety of under-graduate areas from music to business."

Additionally, other nursing students choose online courses or programs such as Project L.I.N.C. (Ladders in Nursing Careers), which allows health care workers to advance their education while staying on the job.



Eighteen years after graduating from college and working as a reporter and public information officer, Sandra Hunt, right, now is attending nursing school. Here, Hunt is shown studying with classmate Donna Collins.

What Are Hospitals Doing?

Texas hospitals have begun a variety of creative collaborations or initiatives to help stem the growing nursing shortage. In Seguin, Guadalupe Valley Hospital began a program in 1985 to train "homegrown" nurses who want to stay in the community. The Seguin hospital, in collaboration with St. Phillips College in San Antonio, hosts a nursing program that trains registered nurses and licensed vocational nurses.

"Our hospital's patient base comes from Seguin, a city of 22,000 people, and nearby rural farming communities," says Don Richey, administrator of Guadalupe Valley Hospital. "The collaborative nursing program is essential to continue our health care services," explains Richey. This year, 10 Associate Degree in Nursing students and 14 Licensed Vocational Nurse candidates are enrolled.

Less than an hour's drive north, the SETON Healthcare Network in Austin took a different approach, focusing on recruitment and retention. Nursing services at four SETON acute-care hospitals this year were awarded the coveted Magnet Award – the highest

level of recognition that can be awarded to nursing services in health care organizations.

"Hospitals that achieve Magnet designation are organizations committed to sustaining excellence, improving professional practice and transforming the culture of a work environment," says Joyce Batcheller, SETON senior vice president/chief nursing executive. "Magnet hospitals foster an environment that

empowers nurses, values their contributions and supports nursing leadership – all particularly important given the current national nursing shortage."

Four hospitals in Houston have achieved the Magnet designation – St. Luke's Episcopal Hospital, The University of Texas M.D. Anderson Cancer Center, Texas Children's Hospital and The Methodist Hospital. Magnet

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Texas Governance: People and Places



Hospital/Health System: El Campo Memorial Hospital/West Wharton County Hospital District

Occupation: Randy M. Clapp is an attorney with Duckett, Bouligny & Collins in El Campo.

Length of service: Chairman since 1988, Clapp has served on the board for 18 years. He was named Memorial Hermann Distinguished Trustee in 2003.

Facility description: El Campo Memorial Hospital is a 49-bed acute-care facility.

Board involvement: "I was recruited by John Hancock Jr., who then was serving as president of the Advisory Board for Memorial Hospital in El Campo. At that time, our hospital was leased to and operated by Memorial Hospital Systems of Houston as one of their regional facilities."

Most satisfying: "Without a dedicated board of trustees, El Campo would have no hospital. Of this I am certain. The sacrifice and hard work of all of our board members in providing leadership and direction to a willing and generous community has created the

opposite result. We know we have made a difference."

Introduction to public service: "My grandfather, Donald M. Duson, and my father, Howard R. Clapp, were significant community leaders in El Campo. I didn't know that there was another path to take!"

Most challenging: "Survival! We face the same challenges faced by all rural hospitals, and they are difficult challenges indeed. Just when you think you have a handle on something, three new challenges come your way. We are not alone, but kindred spirits provide little comfort in this industry.

"Unique to El Campo is the presence of a 'regional' for-profit hospital and clinic in another town only 13 miles away. That 150-bed facility, which was owned by HealthTrust, then Columbia and now Triad – along with a 50-physician multi-specialty clinic, which was independent, then owned by Phycor and then independent again – has a vision of market share that includes all of El Campo and several other surrounding communities. They have been trying to close us down since 1979 and are a formidable force. Fortunately, our 10,000-member community recognizes the value of having a local, community-based, nonprofit hospital. We have fought hard, and we so far have succeeded. The local voters approved the formation of a tax district in 1995, and we have had the pleasure of leadership from a progressive, cohesive, dedicated board with no hidden agendas or 'in-fighting.' It is amazing how an external threat can pull people together and extract the best from them."

Biggest surprise: "How much time and effort it takes to do a really good job. Fortunately, it also is interesting and satisfying."

Proudest moment: "Reading letters-to-the-editor published in our local newspaper praising the care patients or their loved ones received in our hospital."

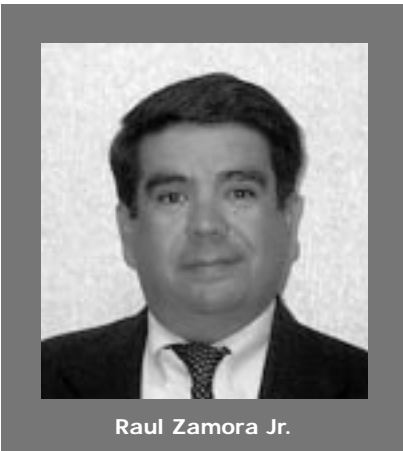
Important lesson: "A group of dedicated people with honesty, some measure of wisdom and a healthy dose of persistence and patience can accomplish the impossible. Every time. It is truly amazing, and it is this country's hidden strength."

Advice for new trustees: "Listen and be patient; it will make sense soon enough. Attend conferences and meetings for hospital leaders when these are made available to you, or ask your CEO to send you to some – THT puts on the best ones. These are the best way to become adept at governance as a hospital trustee."

Hometown: "I have lived in El Campo all of my life. I left town as a kid, going off to college. I spent seven years in college and law school and four years in the U.S. Army. I returned as an adult, although it took a couple of years for the older ones to remember that I was no longer a kid!"

Family: Clapp lives in El Campo with his wife, Melba, who is a registered nurse. Their family includes six children: Lee, 25, El Campo; Michael, 23, Texas A&M; Donnie, 23, Texas A&M; Christi, 21, Salzburg College, Austria; Elizabeth, 17, junior at Bay City High School; and Walter, 15, freshman at Bay City High School.

Hobbies: A private pilot, Clapp enjoys flying, fishing, travel, reading and computers.



Hospital/Health System: Uvalde Memorial Hospital/Uvalde County Hospital Authority

Occupation: Raul Zamora Jr. is senior vice president of commercial lending for Texas State Bank in Eagle Pass.

Length of service: Appointed to the board 22 years ago, Zamora has served as secretary/treasurer, vice president and president.

Facility description: Uvalde Memorial Hospital is a rural 66-bed, acute-care, not-for-profit hospital, located 85 miles west of San Antonio. UMH serves a five-county region with a combined population of approximately 45,000.

Board involvement: "I was approached by a long-term board member and long-time friend, who was retiring and moving out of the area. To this date, I can remember his (paraphrased) sales pitch: 'Raul, there is really nothing to it. You meet once a month, have dinner and you're done.' Little did I know what I had gotten into."

Most satisfying: "Being able to contribute to the quality of life in the community. Knowing that the board's

input was instrumental in expanding services to area patients, who would otherwise go elsewhere or go without medical treatment."

Introduction to public service: "In Uvalde, public service is a way of life, a part of being raised here. I grew up expecting a better quality of life for my family. The only way I knew to accomplish this was to offer my expertise back to the community."

Most challenging: "The drastic reductions in government reimbursements during the last few years have seriously affected UMH, and hospitals in general. With the current budget deficits at the state and federal levels, health and human services once again are targeted for major reductions. We are gravely concerned about the state shifting its responsibility to local communities, local government and local employers. Hospitals cannot absorb more financial cutbacks. Something will have to be eliminated, and it likely will be services. The board will address those financial needs as it always has done when faced with a dire situation. It will prioritize the need, evaluate the cost and sacrifice as much as is possible without jeopardizing the patient's quality of care."

Biggest surprise: "The biggest surprise has been the reimbursement mechanisms. In the business world, retailers price their goods and services with 'x' profit margin to cover their operating expenses. In the health care industry, third-party payers (Medicare/Medicaid), dictate how much they will pay the health provider (hospital/physicians), for the service provided. Reimbursements often range anywhere from 50 percent to 60 percent of billed charges."

Proudest moment: "Seeing our hospital grow through various expansion phases during the last decade. To see our citizens, most especially our senior citizens, obtain quality medical care without the financial burden of travel, housing and risk of life is a reward that cannot be measured."

Important lesson: "I have learned that it takes a trusting working relationship among board members, an experienced medical staff and an administrator who is willing to work with the board and that medical staff, to accomplish the task at hand. Critical to the success of any organization is having qualified, loyal employees, such as we have."

Advice for new board members: "Get involved immediately. Attend a seminar for new board members as soon as possible. Strive to keep abreast of new issues in the field of health care and network to gain insights on the complexities of hospital management. Remember from day one that your decisions affect more than the business end of your hospital; they affect a life."

Family: Zamora, a native and third-generation resident of Uvalde, and his wife, Aurora, have been married 29 years and raised two sons. Raul, 28, is a former U.S. Navy sonar technician on board the USS Chicago, a nuclear submarine. Today, he is studying network security systems and is classified as a Ready Reserve in the U.S. Navy. Rene, 23, a senior at the University of Texas at Austin, graduates in May and will be attending UT graduate school in the fall. He is employed in UT's athletic department as manager for women's track and field.

Hobbies: Golf, cycling and collecting music memorabilia.

Ethics meltdowns, so prominent in recent corporate scandals, are not limited to capitalistic ventures and big business enterprises. They affect health care, too, and hospital/health system trustees and executives would be wise to take heed, says Emily Friedman, an independent writer, lecturer and health policy and ethics analyst based in Chicago. Friedman spoke at the Texas Healthcare Trustees Spring Forum on March 7.

In the wake of Enron, WorldCom and even Martha Stewart, America's corporate ethical standards have taken

improvement, to keep setting the bar higher still." How can health care trustees accomplish this?

Get Back to Basics

Hospitals are not standard business organizations, Friedman says, and face different issues than other operations. There are resource allocation issues, access to coverage dilemmas and budget problems.

Yet, Friedman reports, "First, the primary duty of any health care executive, trustee or employee is to provide the best possible care to the people who seek it ... Patients come first," she emphasizes.

E is for Ethics

"The business community needs a refresher course on ethics. And don't think the health care industry is above it all."

— Emily Friedman, Health Policy and Ethics Analyst



a well-deserved hit. According to Friedman, a Chicago Tribune poll conducted last summer found that 66 percent of the public believed that "compared with 10 to 20 years ago, ethical standards of major corporations have changed for the worse."

Admittedly, ethics can have some murky areas, but health care leaders "must expect more" and "set the bar continually higher, strengthening organizations and employees," Friedman explains. "Health care organizations must meet a much higher standard; and in keeping with the philosophy of continuous quality

Going back to the basics is the answer, Friedman says. She offers suggestions to operating ethically:

- Put patients first. Continually try to improve the quality of services you offer. "Treat trust like gold and understand how fragile it is," she says.
- Find an ethically acceptable balance between duty to stockholders and duty to patients.
- Because of their tax-favored status, nonprofit organizations should place the provision of care to the uninsured poor as paramount among their services.

- Select trustees wisely. They should be on the board because of their expertise, intelligence, personal honor and a strong sense of community.
- Avoid impropriety. All investment, banking and purchasing practices must be aboveboard.
- Avoid conflicts of interest. As a trustee, recuse yourself from a potential conflict of interest situation or get other people involved and work it out together.
- Make fair decisions. "That means trustee decisions should be weighted toward what is best for

the community ... Even if decisions have unhappy consequences, the fact that you tried to be fair will be remembered," Friedman adds.

- Set standards for personal behavior and enforce them.
- Remember that compliance with the law does not constitute ethics success. "We all must obey the law. Health care organizations should have systems in place that will detect ethics lapses before further harm is done, to meet a much higher standard."

Finally, ethics meltdowns cannot be allowed to happen in health care,



Speaking at THT's Spring Forum, Emily Friedman discussed some of the ways health care leaders can set the bar higher on ethics standards.

Friedman asserts. "The stakes are too high and the possible harm too great. We do not deal in stocks and bonds; we deal in human lives. People trust us. And in a wounded society, being able to retain faith in those whom you have honored with your trust is not just desirable. It is essential – for us, and for those we serve," she says.

Nursing, continued from page 7

status is awarded by the American Nurses Credentialing Center.

The Texas Hospital Association, working with the Texas Nurses Association, also has responded with workforce initiatives that include:

- Increasing state and federal funding for health education;
- Increasing the number of graduates from nursing and other allied health profession programs;
- Promoting health careers;
- Reducing vacancy rates where shortages exist; and
- Encouraging retention by resolving workplace issues.

Approaching a Danger Zone

Health care is facing a nursing shortage like no other, and there is no easy cure. Yet, action must be taken before life-threatening situations occur. The Joint Commission adds that already "the growing shortage of nurses in America's hospitals is putting patient lives in danger and requires immediate attention." Nurse staffing problems contribute to a wide range of health care delivery problems, including:

- Emergency department overcrowding;
- Cancellation of elective surgeries;
- Discontinued clinical services; and
- Limited ability of health systems to respond to any mass casualty incident.

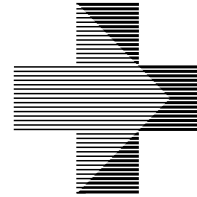
In addition, 90 percent of nursing homes report an insufficient number of nurses to provide even the most basic of care, and some home health agencies are being forced to refuse new admissions.

In the next decade, an estimated 40-50 percent of the nation's nurses will reach retirement age – just as the Baby Boomer generation's health needs increase. This shortage will affect not only the health care of this aging generation, but also of all Texans who seek health services.

— by *Diana Smith*

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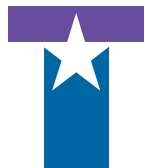
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