

Tumultuous Past, Tenuous Future: Trends and Their Impact on Health Care and Lessons for Effective Governance

Texas Hospital Trustees
Governance Conference
July 29, 2022



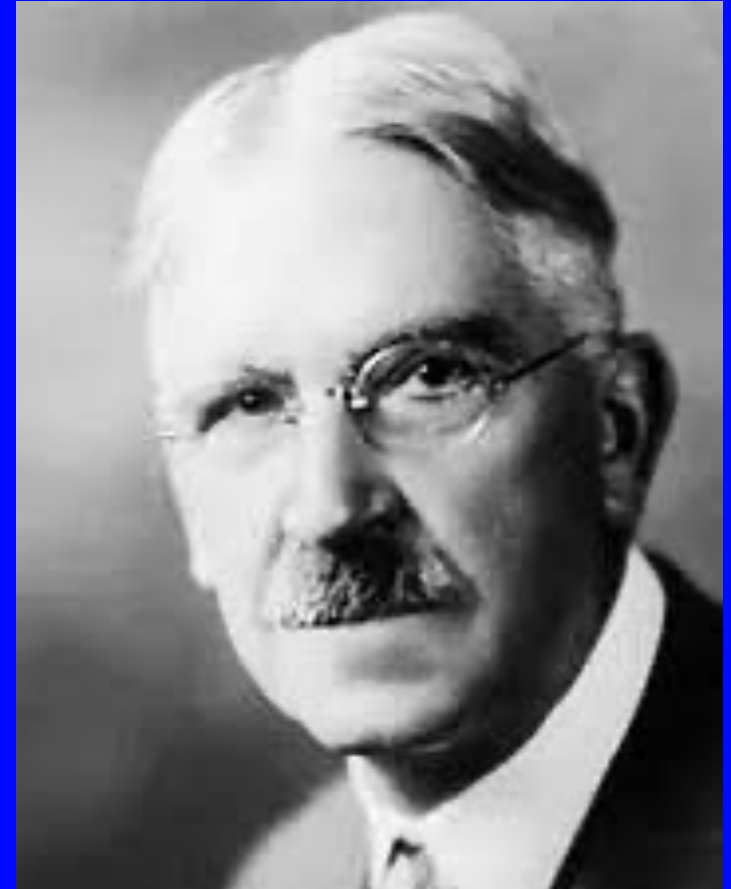
Jamie Orlikoff

**President,
Orlikoff & Associates, Inc.
4800 S. Chicago Beach Drive
Suite 307N
Chicago IL 60615-2054
773-268-8009
j.orlikoff@att.net**



We do not learn from
experience...we
learn from reflecting
on experience.

John Dewey



Johns Hopkins Coronavirus Resource Center **July 10, 2022**

Confirmed Global Cases: 555,254,411

Global Deaths: 6,350.868

Confirmed US Cases: 88,572,807

US Deaths: 1,020.852

**Fully Vaccinated : 67% of US population;
221.9 Million**

<https://coronavirus.jhu.edu/>

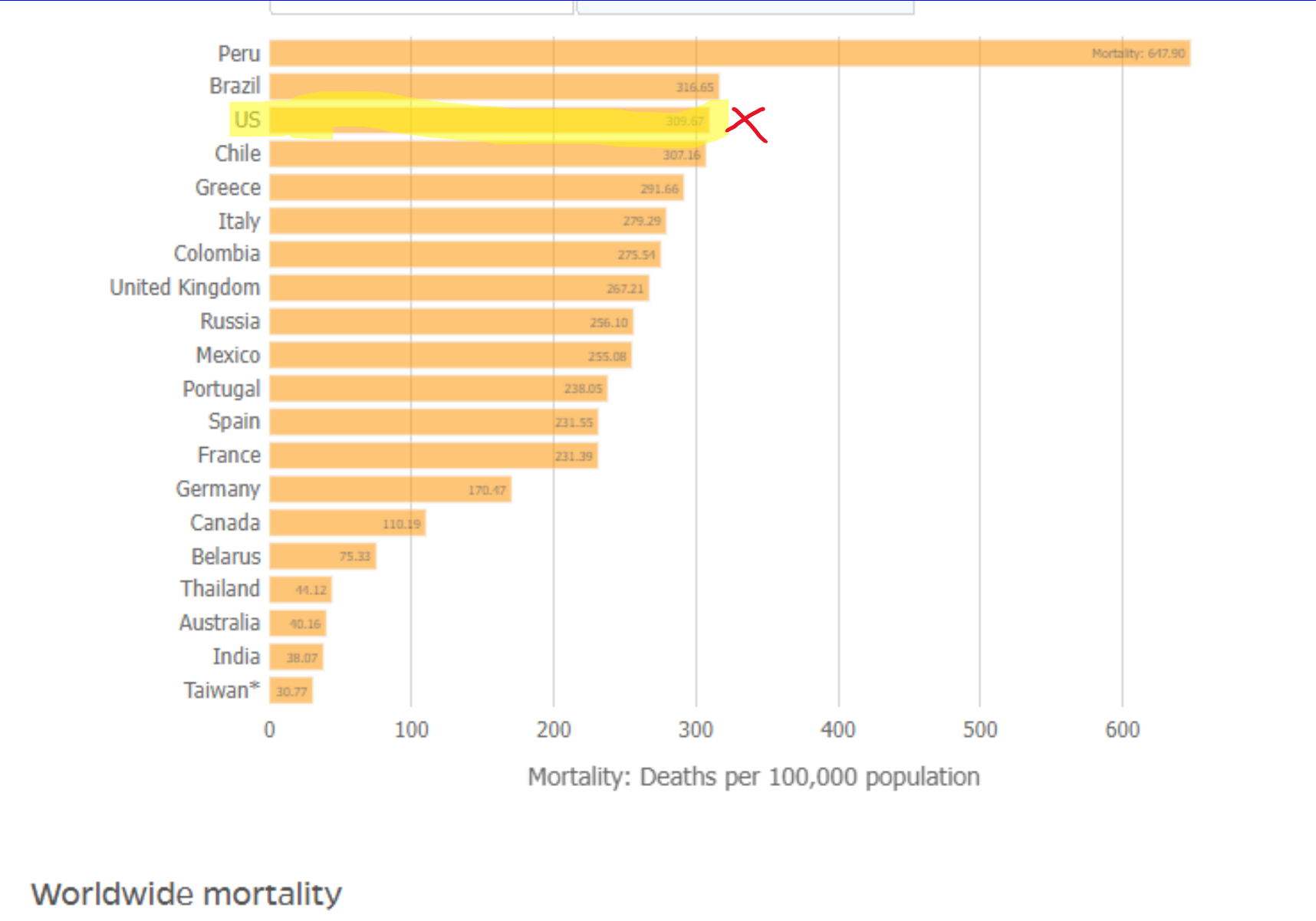
COVID Death Toll in US Hits Grim New Milestone

September 21, 2021

More Americans have died of COVID than the total number of Americans estimated to have died during the Flu Pandemic of 1918! And there was NO Vaccine then.



Covid Mortality by Country: July 8, 2022, Johns Hopkins Coronavirus Resource Center



Visual From Last Year (2021):

Whip-Saw: The New Normal?

If we continue to be too slow to vaccinate or lock-down or implement other mitigation strategies, and too quick to reopen the economy afterwards, or, if we fall behind Virus mutations...

A vicious cycle will ensue which could whip-saw health care, the supply chain, and the U.S. Economy.

Happy New Year!!

Chicago Tribune



QUESTIONS? CALL 1-800-TRIBUNE

SATURDAY, JANUARY 1, 2022

BREAKING NEWS AT CHICAGOTRIBUNE.COM

State reports record-high infections

Illinois enters 2022 with full hospitals, evolving COVID-19 risks and some hope

By Joe Mahr
Chicago Tribune

After a year of pronounced shifts in the COVID-19 pandemic related to mass vaccination, more infectious variants and the sorely tested patience of the public, Illinois is facing an even more complicated set of realities entering 2022.

The state is now seeing record

numbers of COVID-19 infections — but these cases appear less likely to cause serious illness. At the same time, Illinois' health care system is in worse shape than it was a year earlier, and the exploding case counts mean even a milder variant could further strain hospitals with COVID-19 patients.

Already, hospitals are treating more patients with fewer workers,

leading to a space crunch so severe that hospitals are again canceling nonemergency surgeries to try to free up beds. And while the vast majority of patients aren't in the hospital because of COVID-19, the odds of an unvaccinated person ending up hospitalized with the virus is notably worse than at any other time during the pandemic.

A year ago, mass vaccination was on the horizon, offering hope the virus could be extinguished through so-called herd immunity and life could return to normal.

Now researchers expect the virus and its ever-evolving variants to stick around. The hope is that vaccinations can prevent most infected people from getting too sick and that the latest wave will subside as quickly as it came.

Those adjusted expectations follow another deadly year. The Illinois Department of Public Health blamed COVID-19 for at least 11,000 more deaths in 2021, bringing the total to nearly 28,000 since the pandemic began, with an additional roughly 3,200 deaths

considered to have “probable” ties to COVID-19.

Here's where we are, as the new year begins:

Record case numbers

A year ago, the average number of new cases each day had begun to drop after soaring above 12,000 in fall 2020, and people began preparing for vaccines that leaders hoped would starve the virus out of exist-

Turn to Pandemic, Page 4

Chicago Tribune



QUESTIONS? CALL 1-800-TRIBUNE

TUESDAY, JANUARY 4, 2022

BREAKING NEWS AT CHICAGOTRIBUNE.COM

CORONAVIRUS OUTBREAK

Elective surgeries being delayed by area hospitals

State has record COVID-19 admissions

**By Lisa Schenker,
Dan Petrella
and Joe Mahr**
Chicago Tribune

Chicago-area hospitals are postponing many elective surgeries, as Illinois on Sunday set a record for COVID-19 hospitalizations.

The news of postponed surgeries comes just days after Gov. J.B. Pritzker and

the Illinois Health and Hospital Association urged hospitals to delay non-emergency procedures as needed, without risking patient harm. They issued the plea in anticipation of a post-holiday, omicron-driven surge and potential shortage of staffed intensive-care beds.

Chicago-area hospitals are stressed as they deal with influxes of COVID-19

and non-COVID-19 patients amid industrywide staffing shortages. The vast majority of hospitalized COVID-19 patients are unvaccinated, doctors say.

NorthShore University HealthSystem, which has six hospitals, has largely suspended elective surgeries for the next two weeks, said CEO and President J.P. Gallagher.

Advocate Aurora Health, which has 26 hospitals in

Illinois and Wisconsin, is delaying and rescheduling certain procedures to times and places where it has the staffing and capacity to perform them, said Dr. Jeff Bahr, chief medical group officer. It is continuing to do surgeries in situations where not performing them might result in a person needing hospitalization, or losing a limb. Advocate is

Turn to Surgeries, Page 5

Chicago Tribune



QUESTIONS? CALL 1-800-TRIBUNE

MONDAY, JANUARY 24, 2022

BREAKING NEWS AT CHICAGOTRIBUNE.COM

Canceled surgeries. Closed urgent care centers. Long waits in the ER.

The latest surge has made it hard to get basic medical care in Illinois





NorthShore University HealthSystem is resuming elective surgeries after largely suspending them earlier this month. **ANTHONY SOUFFLE/CHICAGO TRIBUNE**

Chicago-area hospitals resuming elective surgeries

By Lisa Schenker
Chicago Tribune

A number of Chica-

it actually includes a range of necessary, though none-emergency surgeries, such as certain cancer treat-

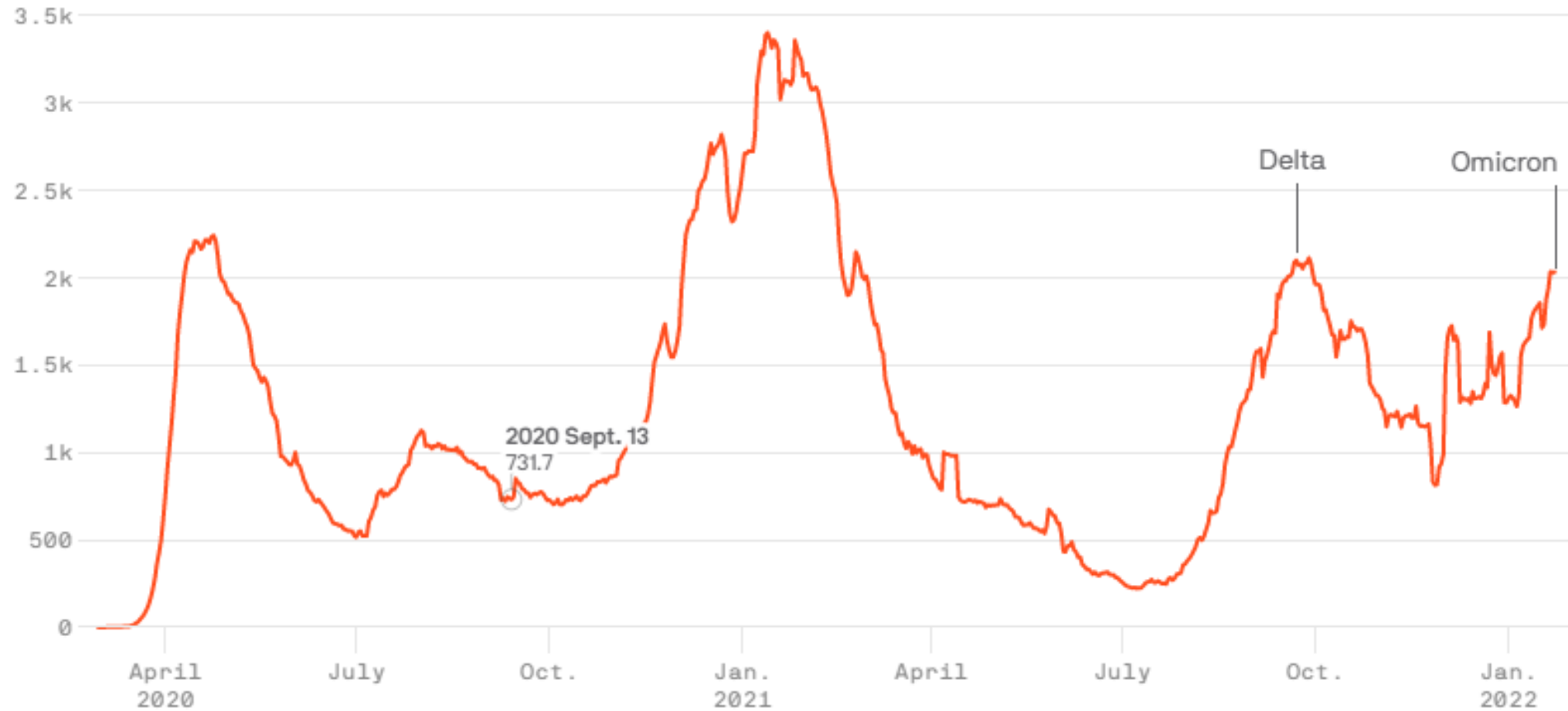
sive care unit beds available, compared with just a handful a month ago, he said.

The COVID Coaster: Managing the Whipsaw



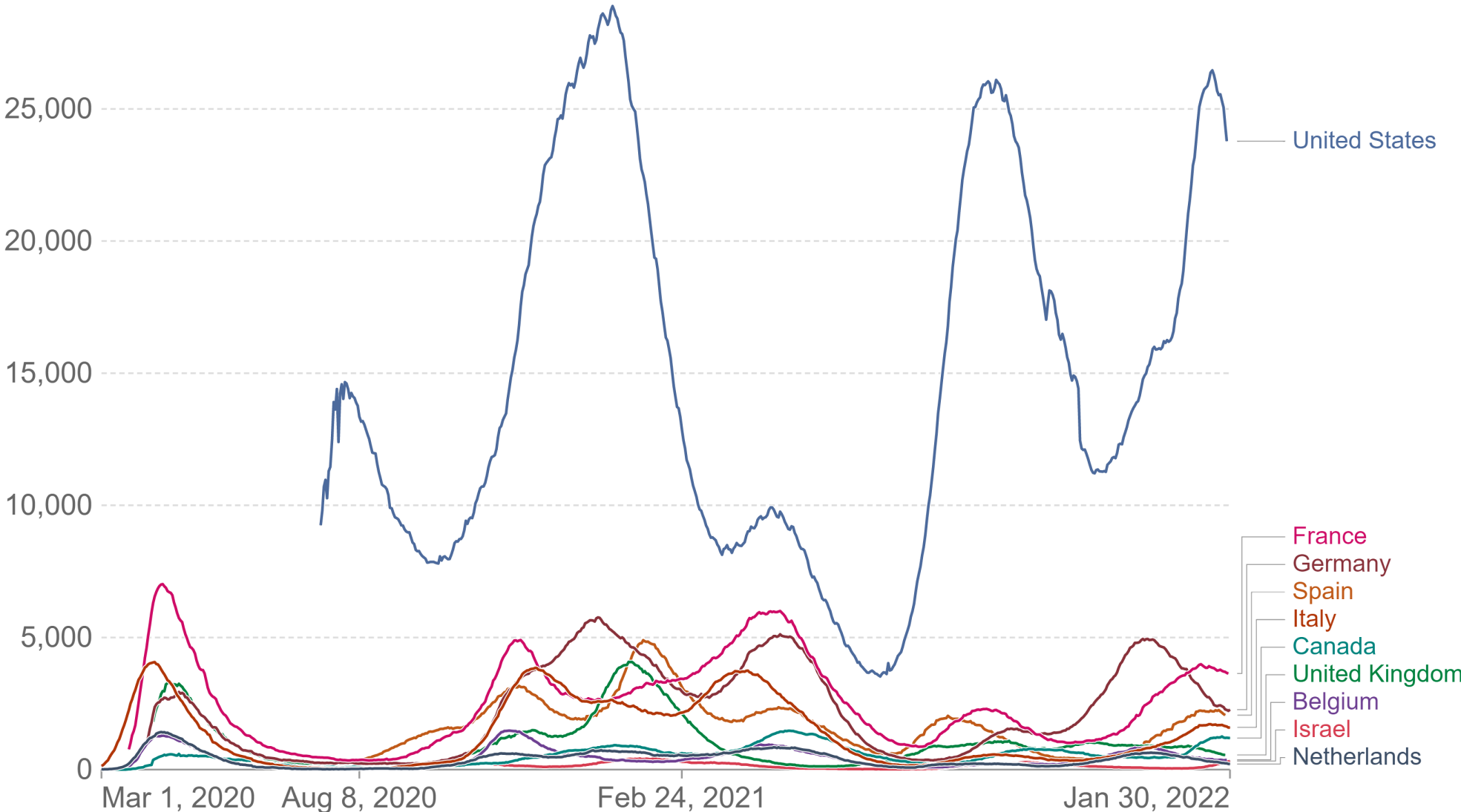
Daily COVID-19 deaths in the U.S.

Feb. 29, 2020, to Jan. 23, 2022; 7-day rolling average



Data: [Our World in Data](#); Chart: Will Chase/Axios

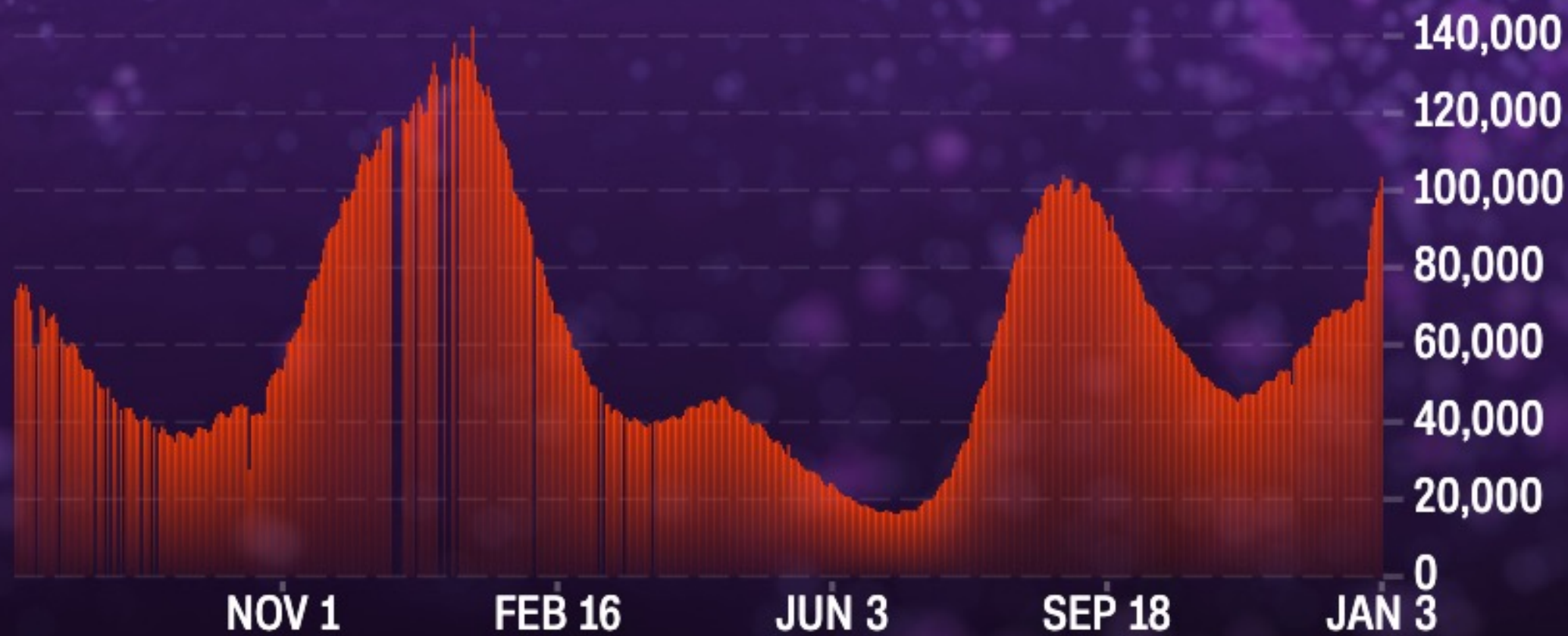
Number of COVID-19 patients in intensive care (ICU)



Source: Official data collated by Our World in Data – Last updated 30 January 2022, 17:53 (London time)
Note: For countries where the number of ICU patients is not reported, we display the closest metric (patients ventilated or in critical condition).
OurWorldInData.org/coronavirus • CC BY

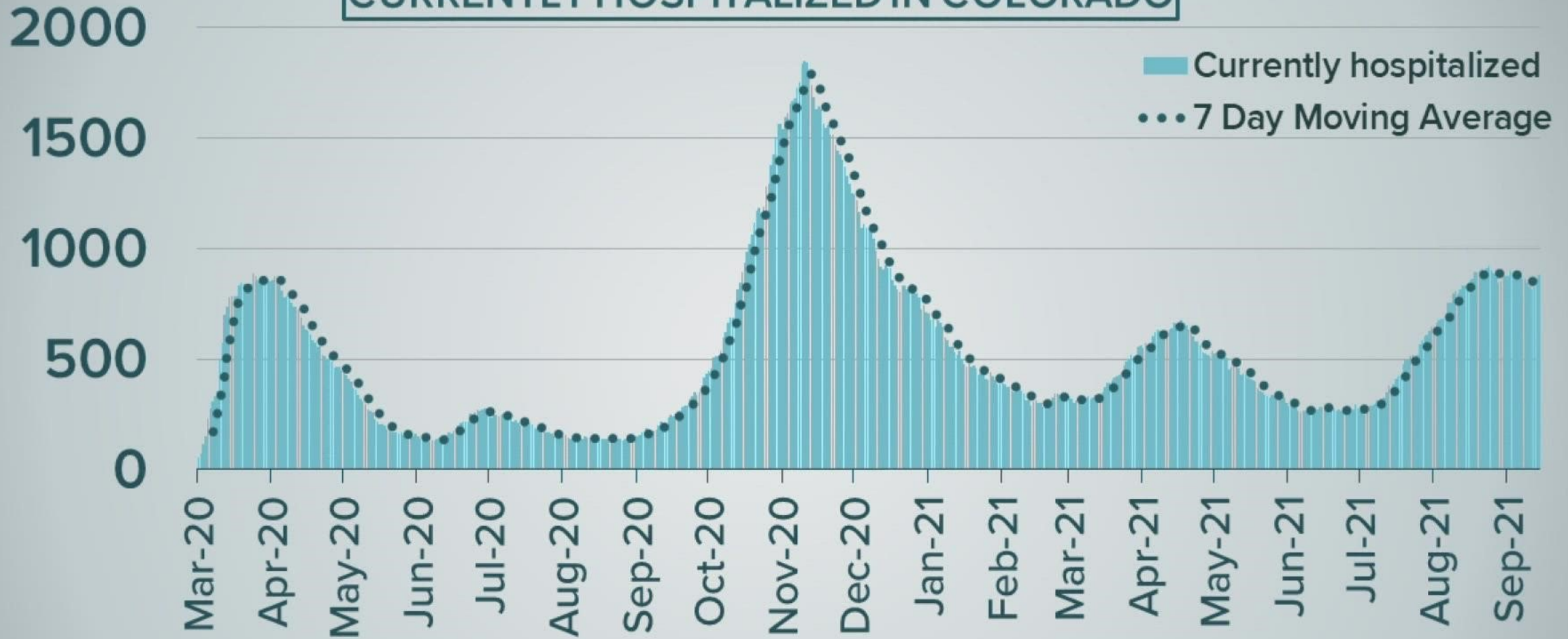
CORONAVIRUS HOSPITALIZATIONS

UNITED STATES



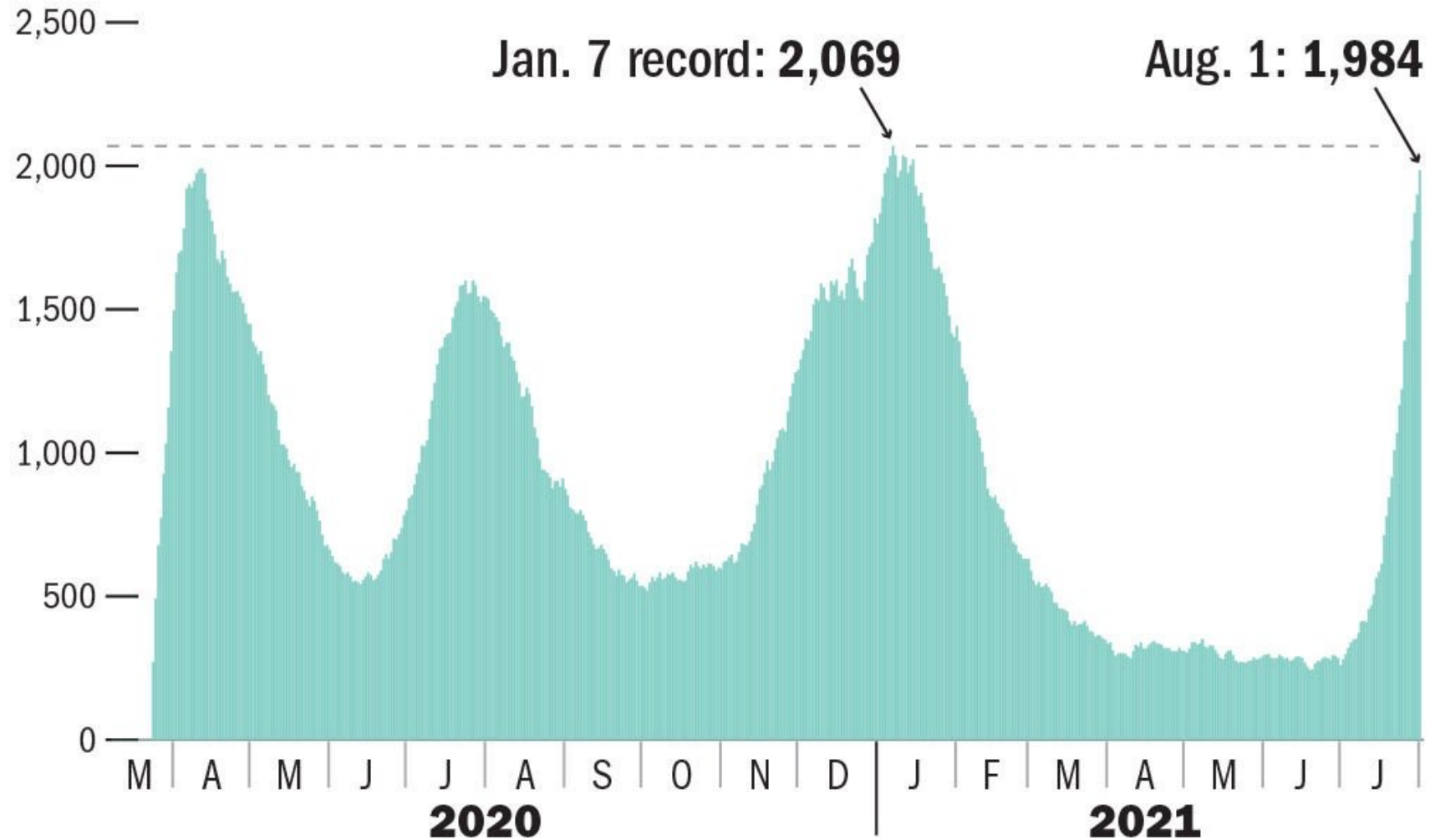
SOURCE: HHS

CURRENTLY HOSPITALIZED IN COLORADO



COVID-19 hospitalizations in Louisiana per day

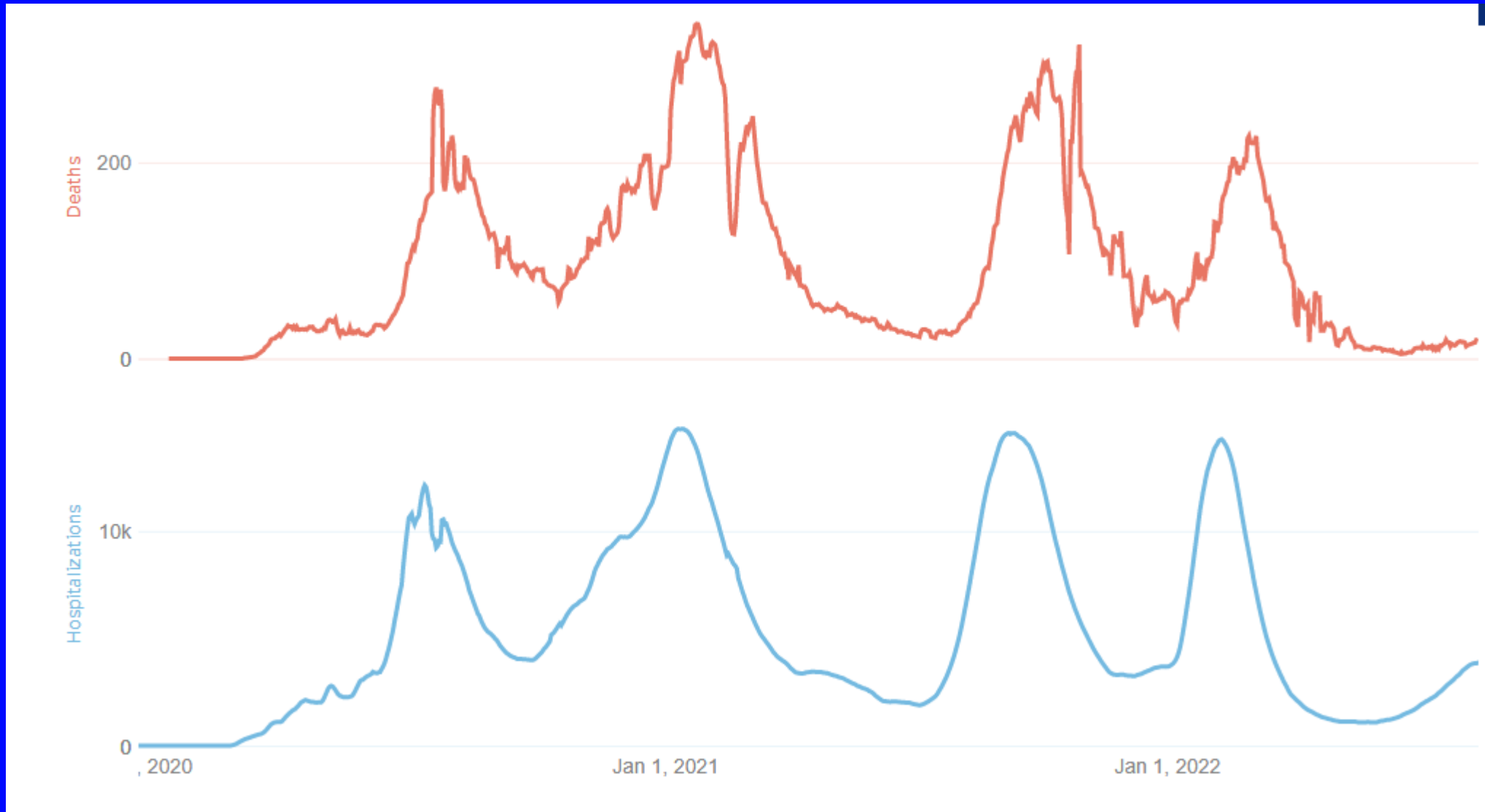
Louisiana is set to break a Jan. 7 record for COVID hospitalizations, according to health officials. A look at the daily numbers:



Source: Louisiana Department of Health

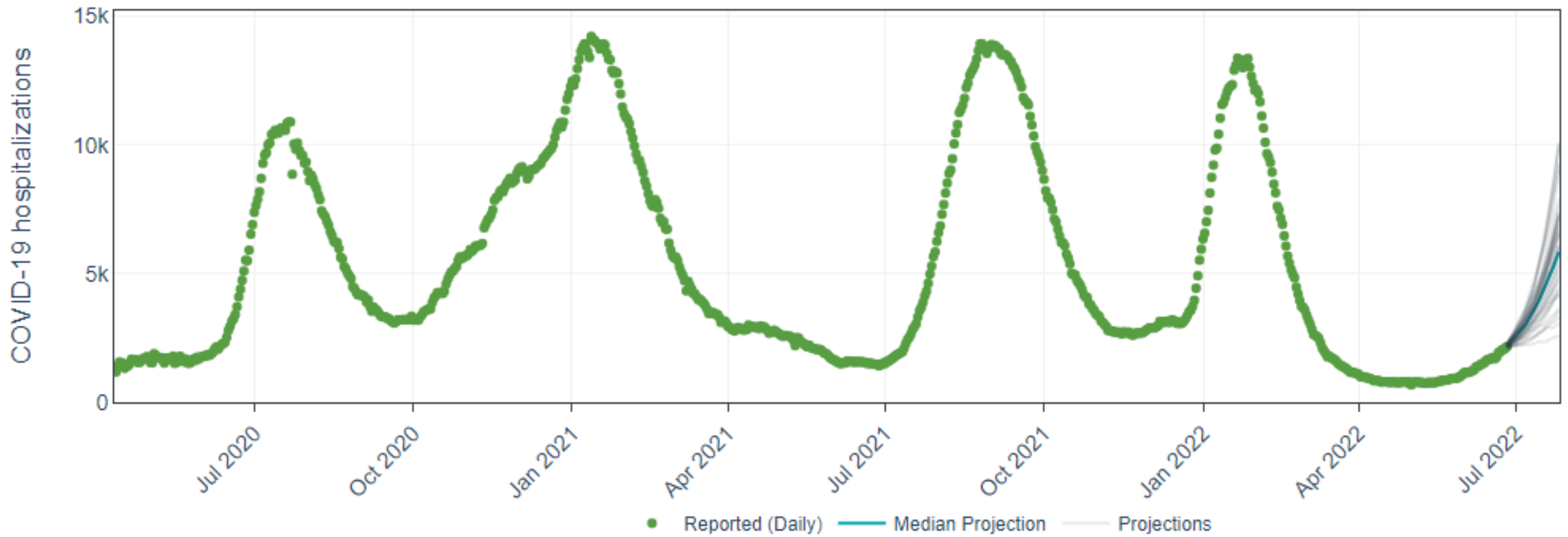
Staff graphic

Texas Covid Deaths and Hospitalizations



88,859 Deaths as of July 20, 2022. 64.2% Fully Vaccinated

Daily COVID-19 Hospitalizations in the Texas



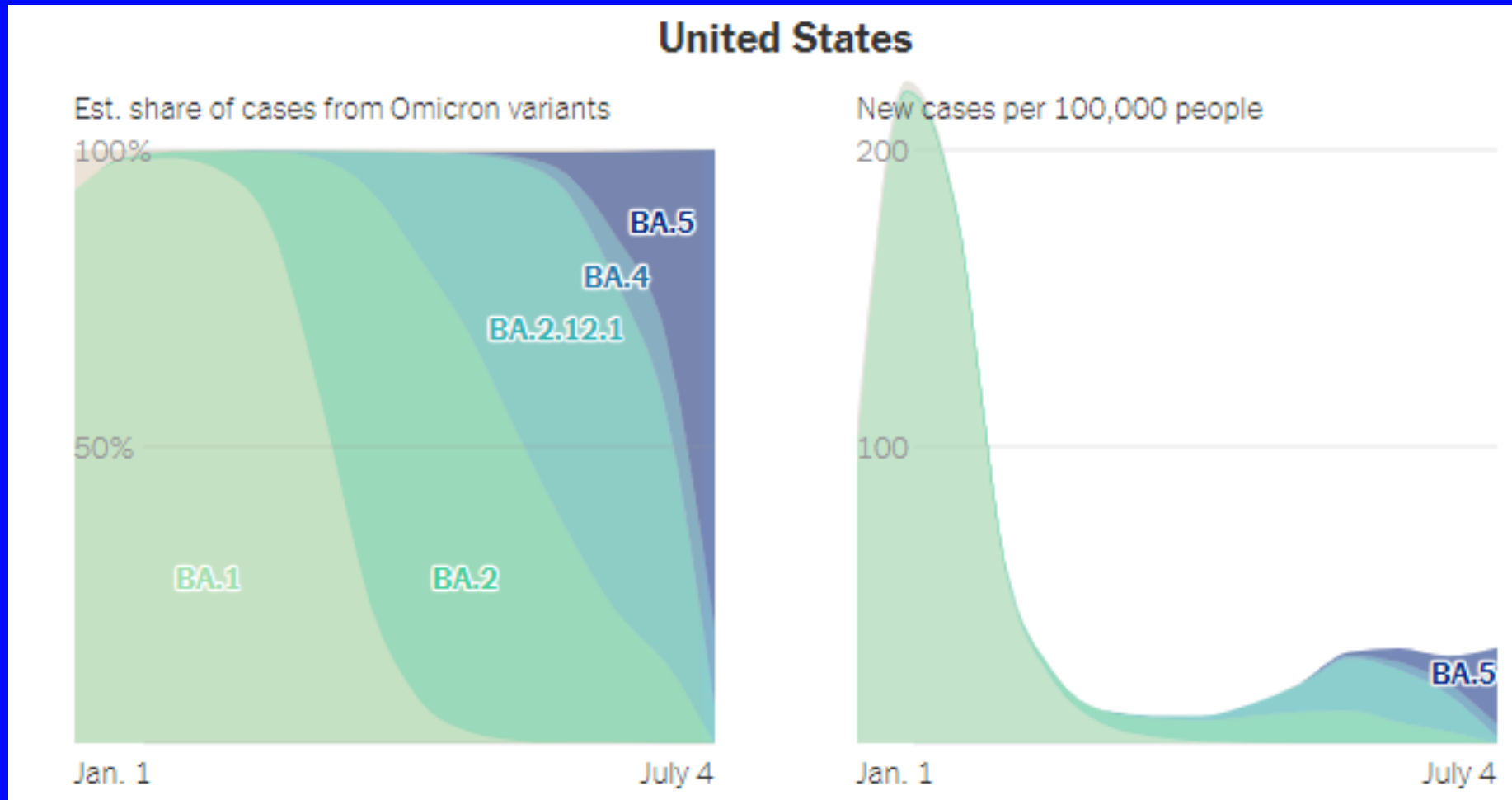
As BA.5 becomes dominant among new U.S. cases, reduced state reporting is blurring the real-time look at the virus.

As states report less frequently, changes in the trajectory of the virus are slower to reveal themselves. –

New York Times July 7, 2022



BA.5 subvariant of Omicron is now dominant in US – CDC July 5, 2022



As the BA.5 variant spreads, the risk of coronavirus reinfection grows – Washington Post July 10, 2022

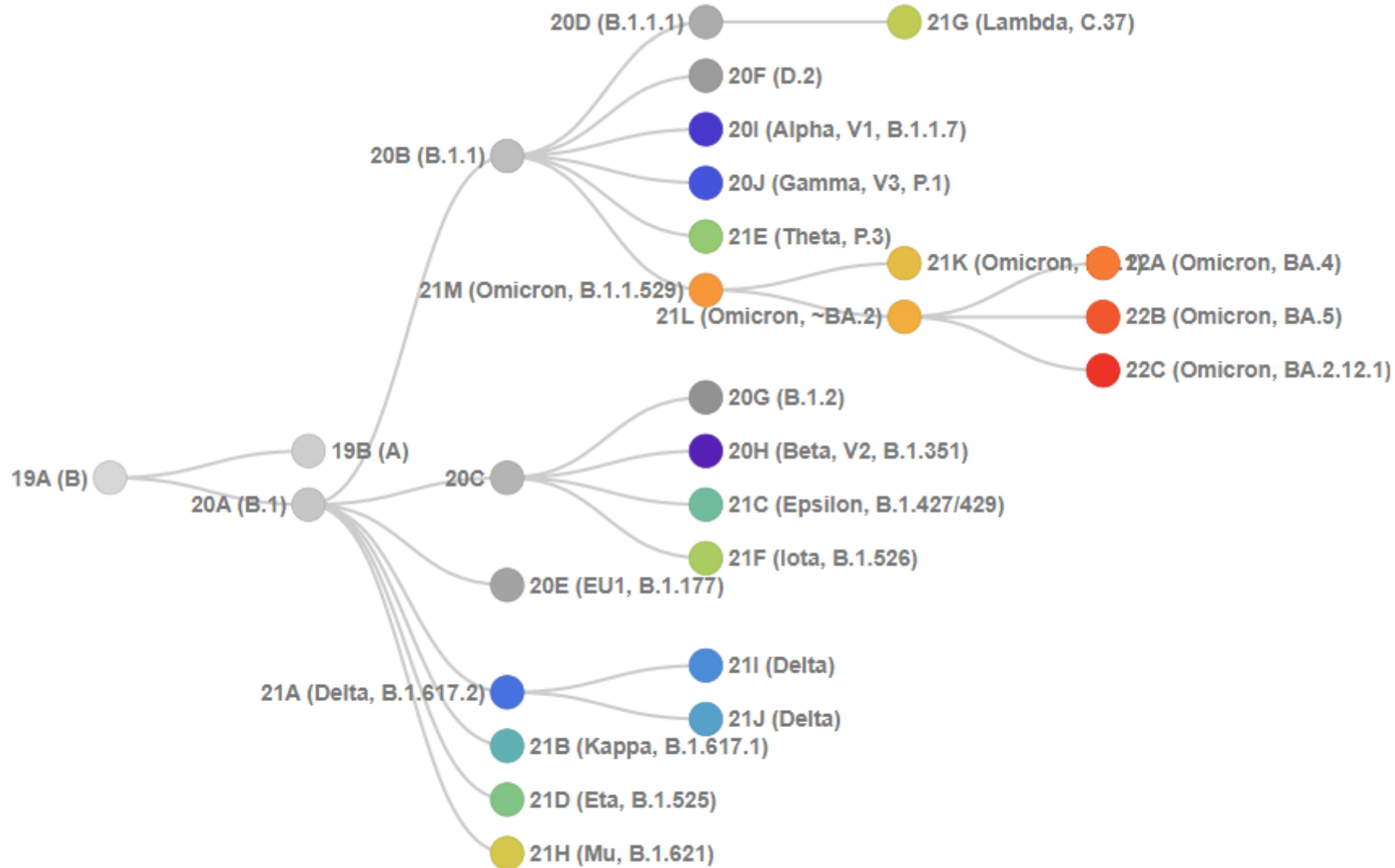
“It’s the wild west out there,” said Ziyad Al-Aly, an epidemiologist at Washington University in St. Louis.

“There are no public health measures at all. We’re in a very peculiar spot, where the risk is vivid and it’s out there, but we’ve let our guard down and we’ve chosen, deliberately, to expose ourselves and make ourselves more vulnerable.”

But there is no guarantee that these latest subvariants will still be dominant four or five months from now. The virus is not only evolving, it’s doing so with remarkable speed. **The virus may continually outrace the vaccines.**



The Enemy Family Tree – Odds of no more dangerous variants coming?

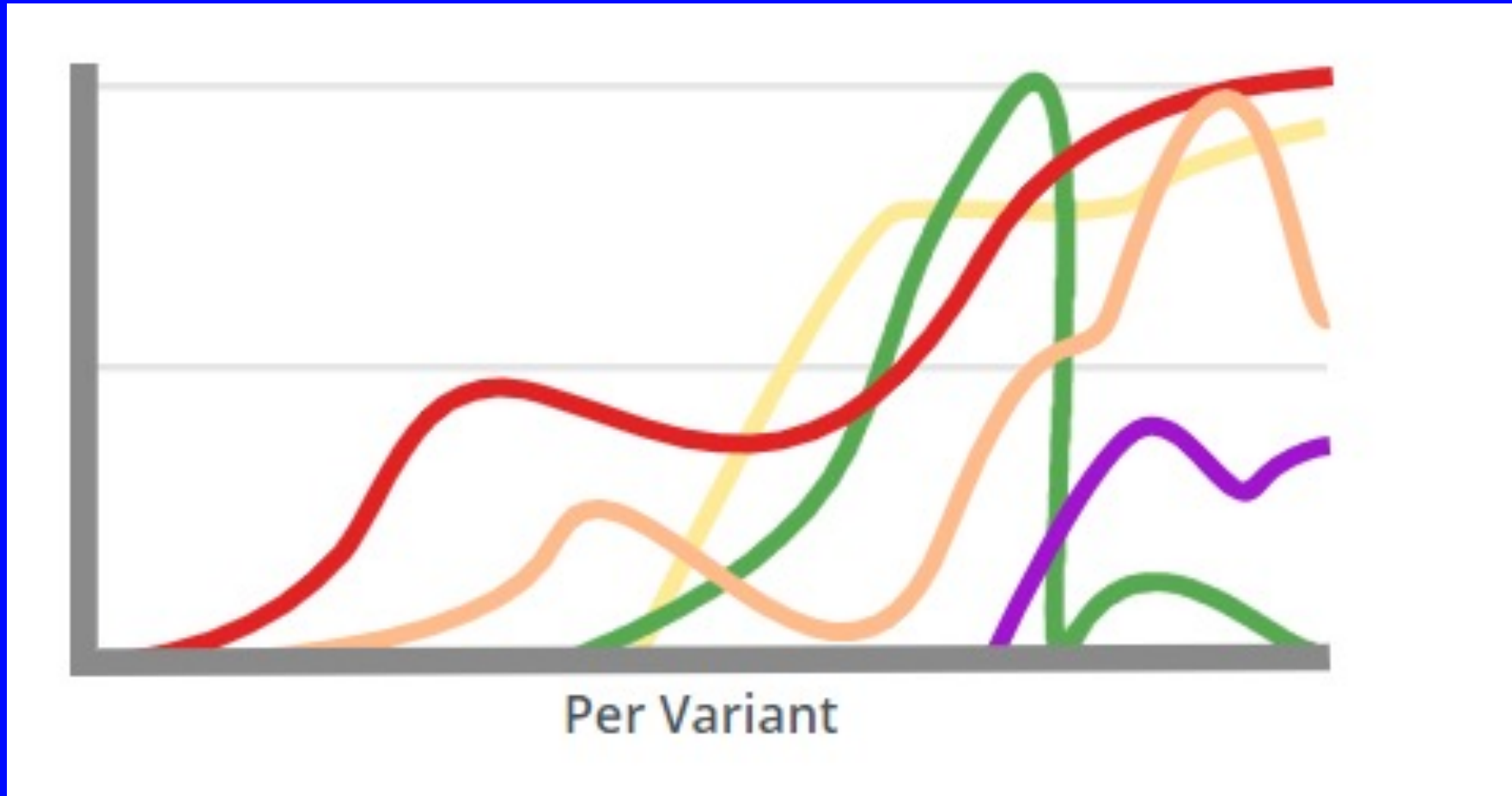


Phylogenetic relationships of Nextstrain SARS-CoV-2 clades. Please credit/link to Nextstrain if using this figure

<https://nextstrain.org/blog/2021-01-06-updated-SARS-CoV-2-clade-naming>

<https://covariants.org/>

The Covid Multiple-Variant Family Tree – Maybe a Graph is More Understandable?



<https://nextstrain.org/blog/2021-01-06-updated-SARS-CoV-2-clade-naming>
<https://covariants.org/>





(Drew Sheneman/The Star-Ledger)

EDITORIAL CARTOON



MIKE LUCKOVICH ATJ.COM © 01-21-22
The Atlanta
Journal-Constitution



‘We went from heroes to zeroes’: US nurses strike over work conditions



“All those ‘healthcare heroes’ signs were garbage ... We’re like healthcare suckers because they didn’t protect us”



The Healthcare Workforce is Crumbling

Forbes.com, December 22, 2021

- A Mayo study found that nearly 1 in 3 physicians and nurses reported a clear intention to reduce work hours, and that nearly 2 in 5 nurses and 1 in 4 physicians intend to leave their practice altogether.



WORKFORCE!!!

Communities Need Hospitals
Hospitals Need Stable **Staff!!!**

- The Great Resignation
- Staff Shortages – often focused in areas key to recapture revenue
- PTSD
- Abuse and violence against staff
- Early Retirements
- Quitting
- Specialty Shifts



Hospitals Struggle to Keep Nurses Even With Billions in U.S. Aid

Bloomberg April 7, 2022

- U.S. sees average of 194,500 unfilled nurses jobs through 2030 (Bureau of Labor Statistics)

Long-term structural problems like low pay, difficult working conditions and nursing faculty shortages mean the one-time infusion of money from Biden's American Rescue Plan is unlikely to succeed.



A Worrisome Drop In The Number Of Young Nurses

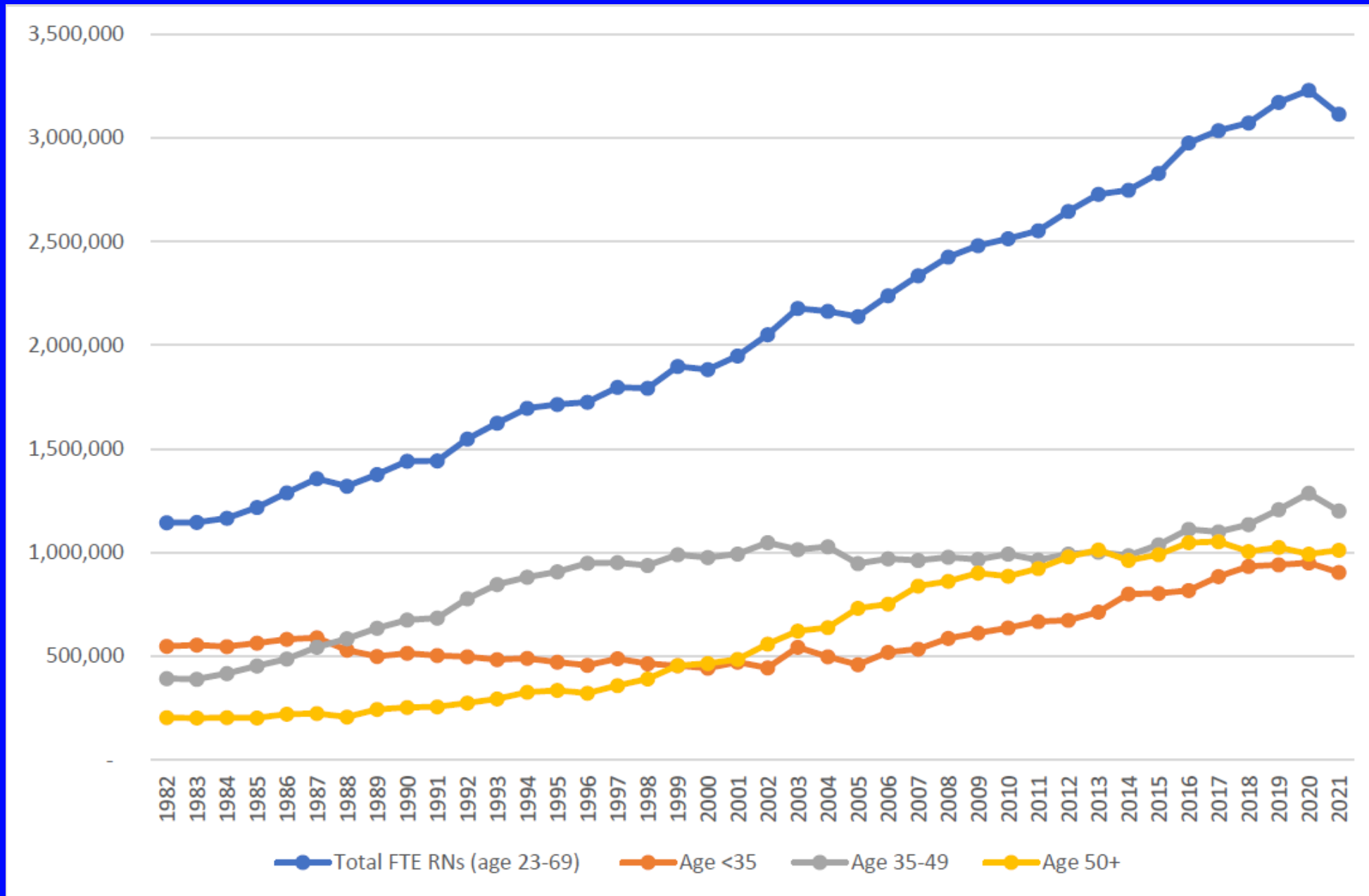
Health Affairs, April 13, 2022

The total supply of RNs decreased by more than 100,000 in one year—a far greater drop than ever observed over the past four decades.

The decrease stemmed not as much from RNs older than age 50 but **rather primarily from younger RNs**. Compared to 2019, just before the pandemic, the total workforce size decreased 1.8 percent through 2021, which was composed of a 4.0 percent reduction in the number of RNs younger than age 35, a 0.5 percent reduction in the number of RNs ages 35 to 49, and a 1.0 percent reduction in the number of RNs older than age 50. The overall reduction also varied by employment setting. **The 1.8 percent overall supply reduction was entirely due to a reduction in hospital employment (3.9 percent), which was offset by a 1.6 percent increase in employment in other settings.**

“These reductions are even more striking compared to what we had expected in 2021 for total nursing supply absent the pandemic. For example, our model projected total workforce supply growth of 4.4 percent from 2019 to 2021 rather than the observed reduction of 1.8 percent, **a difference of nearly 200,000 (-6.2 percent) RNs from expectations. This differential was even larger, in percentage terms, among RNs younger than age 35 (-8.8 percent, or 80,000 fewer RNs than expected).**”

Number of Registered Nurses (FTEs) in Practice, 1982-2021



Chicago Tribune



QUESTIONS? CALL 1-800-TRIBUNE

TUESDAY, DECEMBER 28, 2021

BREAKING NEWS AT CHICAGOTRIBUNE.COM

CDC Cut isolation
from 10 to 5 days
on December 27,
2021

Updated rules for isolation, quarantine

CDC shortens its
recommendation
from 10 to 5 days

By Mike Stobbe
Associated Press

NEW YORK — U.S. health officials on Monday cut isolation restrictions for Americans who catch the coronavirus from 10 to five days and similarly shortened the time that close contacts need to quarantine.

In-hospital COVID-19 transmission in the US



US Department of Health and Human Services

“Sharp drop in patient safety, infection control amid pandemic: 3 new findings ”

February 12, 2022 New England Journal of Medicine; February 14 Becker’s Hospital Review

1. Central-line associated bloodstream infections in U.S. hospitals increased 28 percent in the second quarter of 2020, compared to the second quarter of 2019, according to CDC data. In the five years preceding the pandemic, central-line associated bloodstream infections had decreased by 31 percent.

<https://www.nejm.org/doi/full/10.1056/NEJMp2118285>

https://www.beckershospitalreview.com/infection-control/sharp-drop-in-patient-safety-seen-amid-pandemic-3-findings.html?origin=QualityE&utm_source=QualityE&utm_medium=email&utm_content=newsletter&oly_enc_id=1350G1923223J0F



Sharp drop in patient safety

2. A study of 148 HCA Healthcare-affiliated hospitals through 2020 found central line-associated bloodstream infections, catheter-associated urinary tract infections, and methicillin-resistant staphylococcus aureus bacteremia all increased as the COVID-19 burden increased.

Increases for the following infections over the first seven months of 2020:

- **Central line-associated bloodstream infections:** 60 percent increase
- **Methicillin-resistant Staphylococcus aureus:** 44 percent increase
- **Catheter-associated urinary tract infections:** 43 percent increase



<https://www.nejm.org/doi/full/10.1056/NEJMp2118285>

https://www.beckershospitalreview.com/infection-control/sharp-drop-in-patient-safety-seen-amid-pandemic-3-findings.html?origin=QualityE&utm_source=QualityE&utm_medium=email&utm_content=newsletter&oly_enc_id=1350G1923223J0F

Some of Chicago's largest hospital chains ease hiring standards to weather nursing shortage

Chicago hospitals are easing hiring standards, sometimes accepting associate degrees or less, as they work to prop up shrinking nursing teams.

Crain's Chicago Business July 20, 2022

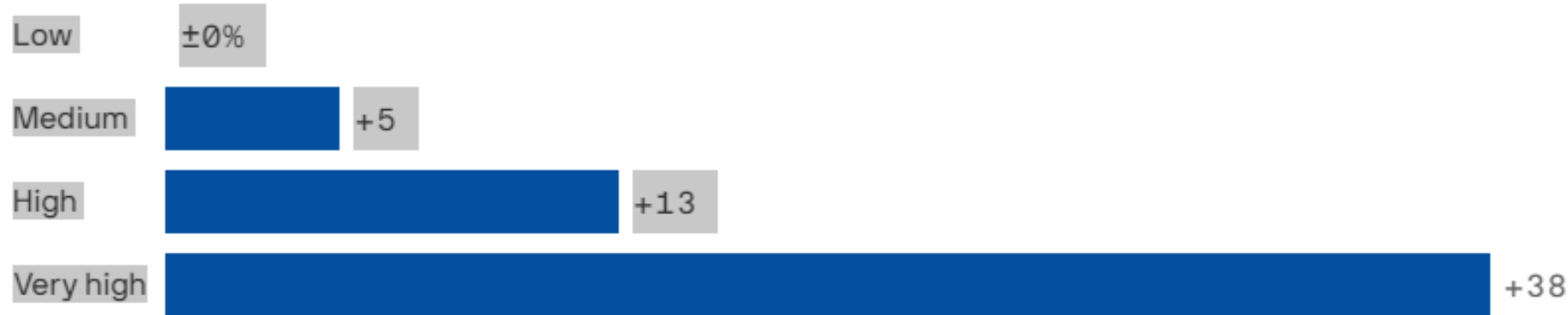


More patients died after surgery at hospitals with high COVID burdens [JAMA Network July 18, 2022](#)

Study of 2.9 Million adults who had inpatient surgery at 677 hospitals between March 1 and May 31, 2020 in the First Wave of Covid. Found a 38% greater risk of mortality after surgery in hospitals with more than 25% of patients with COVID. (Low = <5%; Medium = 5.1% - 10%; High = 10.1% - 25%; Very High = >25%)

Likelihood of post-surgery mortality in hospitals, by COVID-19 burden

Burden defined as the share of hospital patients with COVID-19; Percentage likelihood above low burden baseline



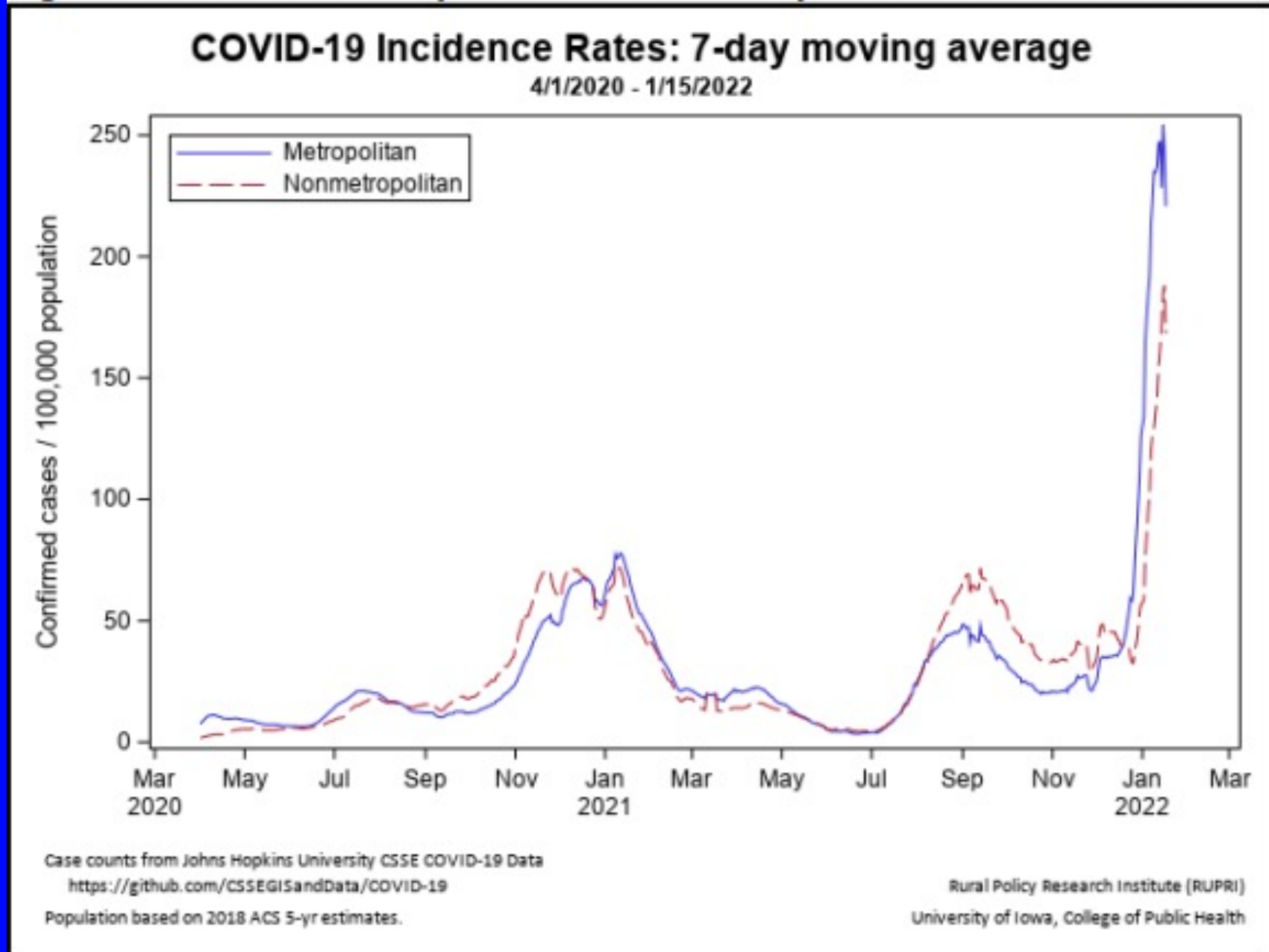
Data: Glance, et al., 2022, "[Association Between the COVID-19 Pandemic and Insurance-Based Disparities in Mortality After Major Surgery Among US Adults](#)"; Chart: Kavya Beheraj/Axios

COVID is Killing Rural Americans at twice the rate of people in urban areas **Kaiser Health News, September 30, 2021**

Since the pandemic began, about 1 in 434 rural Americans have died of covid, compared with roughly 1 in 513 urban Americans, the institute's data shows. And though vaccines have reduced overall covid death rates since the winter peak, rural mortality rates are now more than double urban rates — and accelerating quickly.



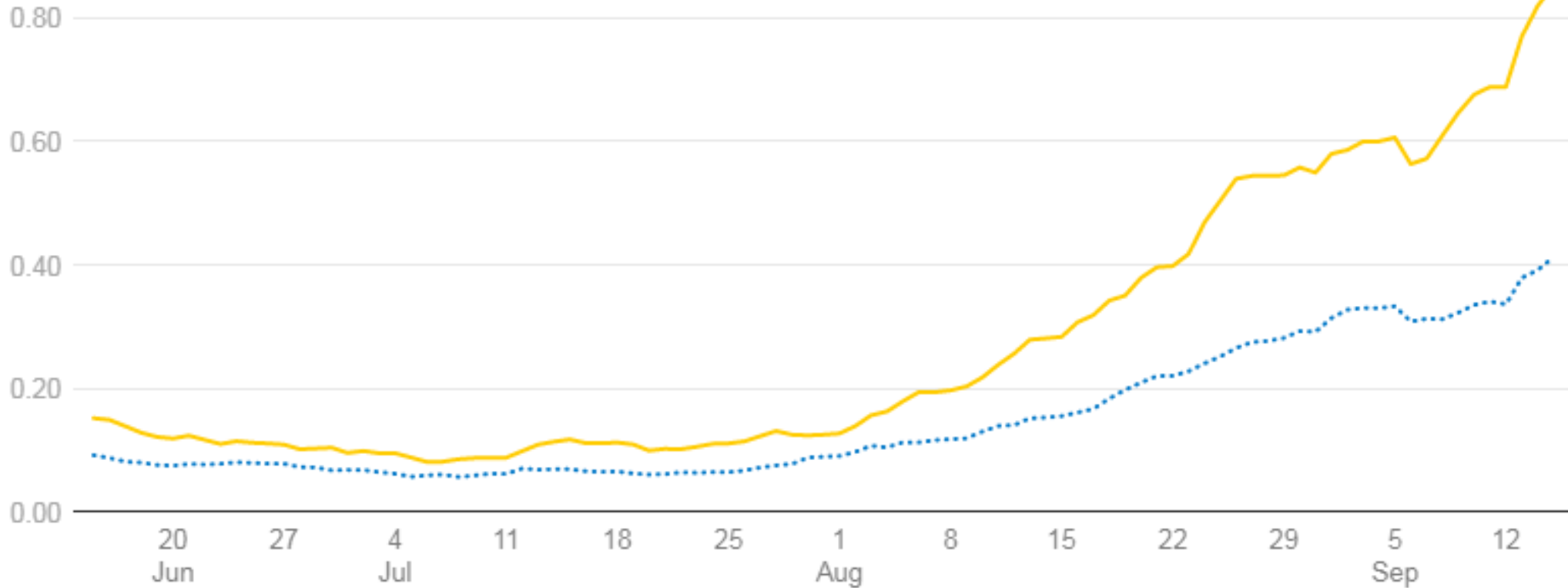
Figure 1. COVID-19 Metropolitan and Nonmetropolitan Incidence Rates



Rural Covid Death Rates Are Double Those of Metro Areas

Covid-19 mortality rates per 100,000 people, as measured in seven-day moving averages, are accelerating quickly in nonmetropolitan areas compared with metropolitan, or urban, areas.

..... Metro rate — Nonmetro rate



NOTE: Population based on five-year estimates from the 2018 American Community Survey

CREDIT: Lydia Zuraw/KHN

SOURCE: [Rural Policy Research Institute](#); Johns Hopkins University CSSE COVID-19 Data • [Embed](#)

KHN

Rural patients are dying at record rates while waiting for beds in Kansas hospitals
KWCH/Gray News January 24, 2022

'This is bad': Rural Indiana hospitals busier than ever amid latest COVID-19 surge fox59 News December 23, 2021

**Rural Wisconsin hospitals 'burning on the inside' with COVID-19 surge
Wisconsin State Journal December 20, 2021**

Texas' "maternity deserts" grow as staff shortages close rural labor and delivery units –
The Texas Tribune January 20, 2022

Shuttered hospitals, soaring Covid-19 deaths: Rural Black communities lose a lifeline in the century's worst health crisis
Stat News May 26, 2021 - Georgia

Overwhelmed by Covid-19 Patients, Alaska's Doctors Make Life-and-Death Decisions – Wall Street Journal October 3, 2021

Strain on NC rural hospitals about to get worse with omicron
News Observer January 20, 2022



Effective October 22, 2020

HOSPITAL CLOSED

NO EMERGENCY SERVICES AVAILABLE AT THIS LOCATION

IN CASE OF EMERGENCY, **CALL 911**

“More than 180 rural hospitals have closed since 2005. Closures were already occurring at an accelerated rate over the last decade, and now 21 have shut down since the start of the pandemic.

They won't be the last.

Close to half of rural hospitals in the United States are now operating in the "red" or at a loss.”

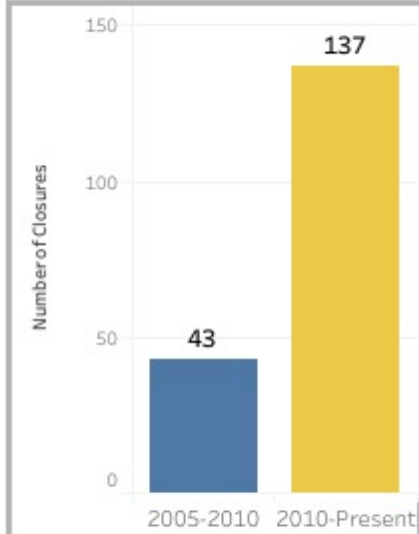
<https://khn.org/news/article/rural-hospital-closures-georgia/>

<https://www.cnn.com/2021/07/31/health/rural-hospital-closures-pandemic/index.html>

Rural Hospital Closures Maps, 2005 – Present

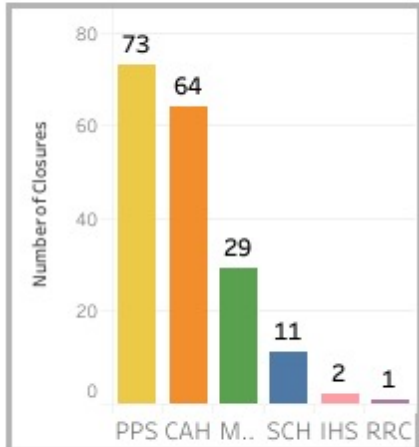
- Closures by Era
- Closures by Medicare Payment Classification
- Closures by Rurality
- Complete vs Converted Closures
- Closures over time

Closure Era
■ 2005-2010 ■ 2010-Present



Rural Hospital Closures Maps, 2005 – Present

Closures by Era	Closures by Medicare Payment Classification	Closures by Rurality	Complete vs Converted Closures	Closures over time
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“How did you go bankrupt?”
Two ways. Gradually, then
suddenly.”

— Ernest Hemingway, The Sun Also Rises



Tipping Points to Closure

Figure 3: The three years prior to a rural hospital's closure show a steady decline in key metrics between month 36 and 12. The decline accelerates once the timeline passes 12 months.



The first month of 2022 was **devastating** for hospitals and health systems nationwide as they were hit full force by the Omicron tidal wave. COVID-19 cases and hospitalizations peaked at record levels in January due to rapid spread of the highly contagious variant.

Hospital margins declined dramatically as many providers temporarily halted nonurgent procedures, the numbers of inpatients requiring longer hospital stays rose, and expenses continued to climb due to widespread staffing and supply chain issues. The median Kaufman Hall Operating Margin Index for the month was **-3.68%, without CARES. With the federal funding, it was -3.3%**

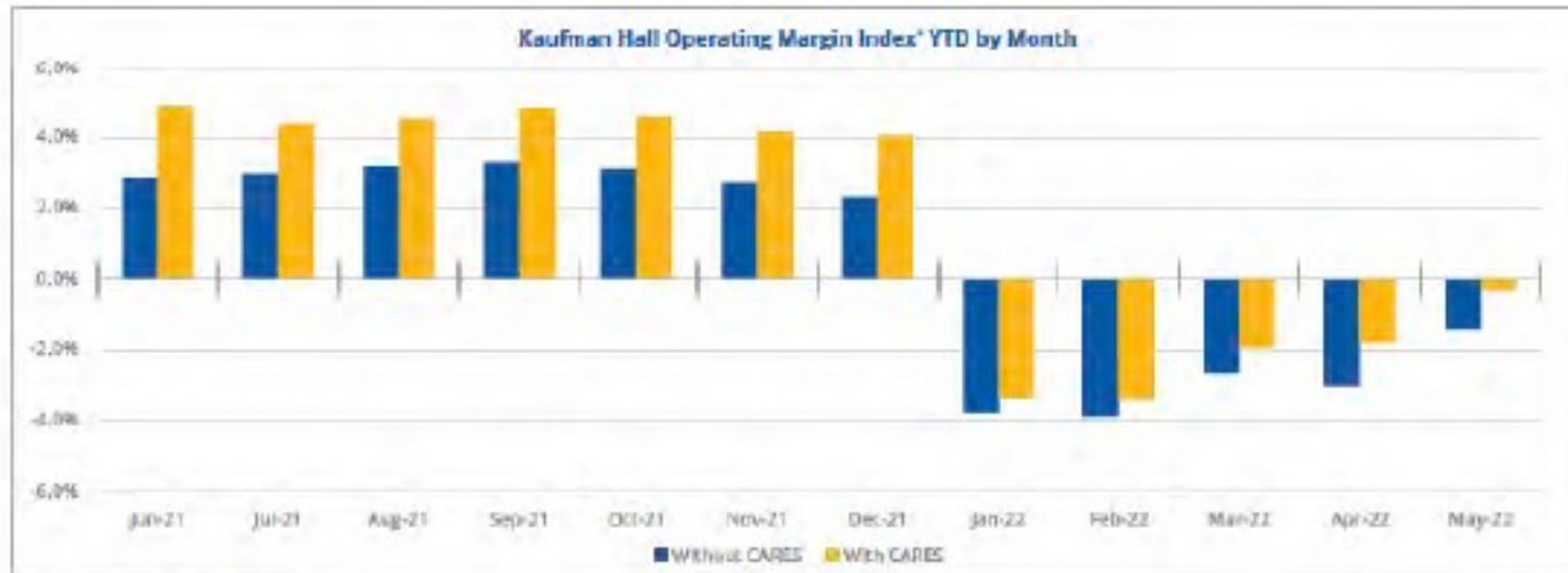
Hospitals: "Devastating" Financial Performance in First Quarter 2022

National Margin Results

MARGIN % CHANGE	Budget Variance	Month-Over-Month	Year-Over-Year	Year-Over-Year 2020
Operating EBITDA Margin Less CARES	-28.5%	14.6%	-39%	37.1%
Operating Margin Less CARES	-59.0%	19.1%	-49.0%	-46.3%

Unless noted, figures are annual and results are expressed as percentage change

MARGIN ABSOLUTE CHANGE	Budget Variance	Month-Over-Month	Year-Over-Year	Year-Over-Year 2020
Operating EBITDA Margin Less CARES	-489.0	147.0	-459.9	404.2 bps
Operating Margin Less CARES	(-481.5)	159.8	-485.9	546.4 bps



Source: MedNet Hospital Pulse Report (June 2022)

* Note: The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are compared to the national median of our dataset adjusted for allocations to hospitals from corporate physicians and other entities.

The Perfect Storm!!

Skyrocketing Labor Costs; Decreasing Patient Volume; Decreasing Revenues; Competition for Profitable Services; Labor Shortages; ...Another Covid Surge Coming?

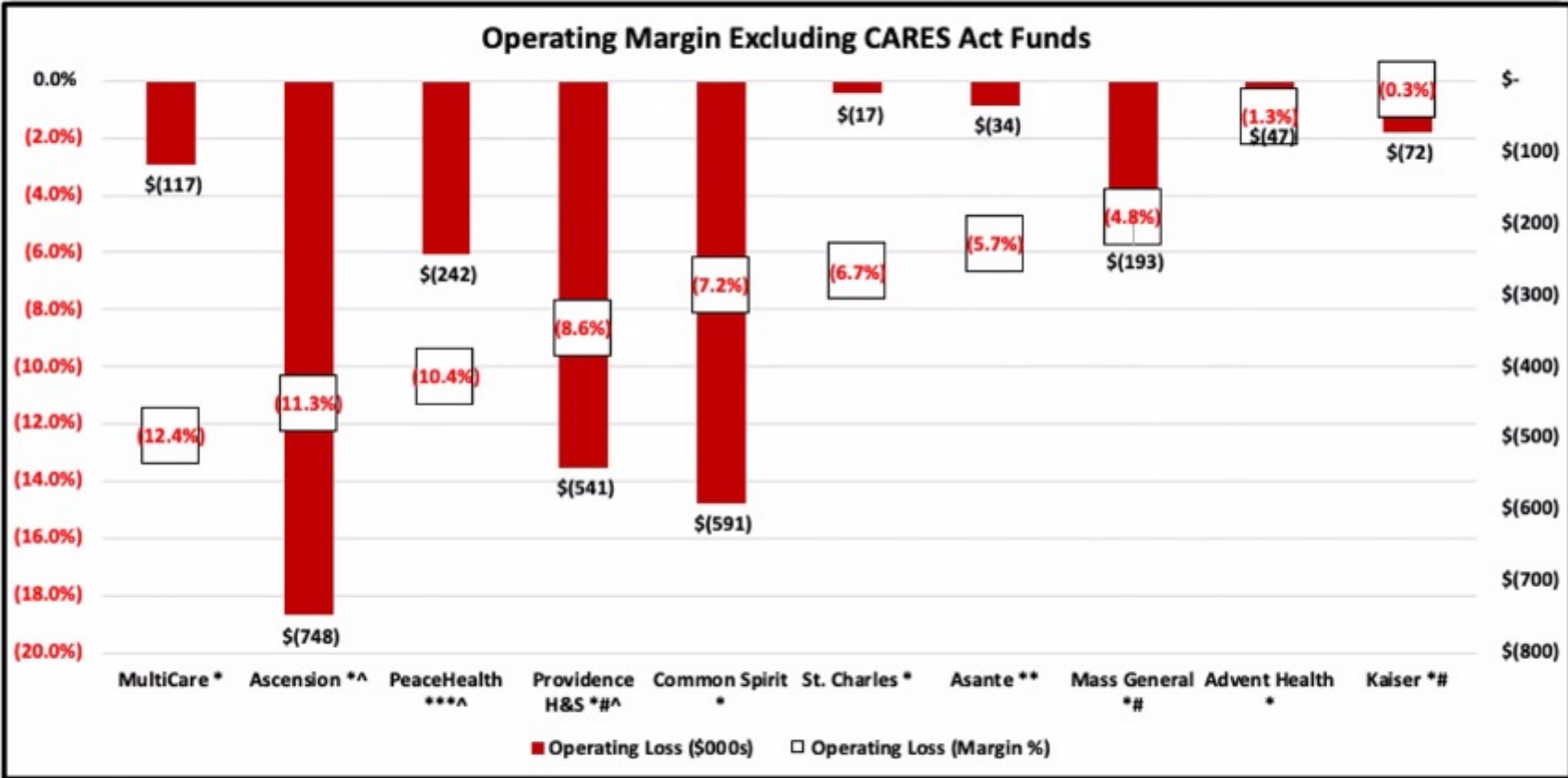
Labor expenses in hospitals have risen by more than one-third from pre-pandemic levels, a May 11, 2022 Kaufman Hall report found.

This equates to a 37 percent increase per patient between 2019 and March 2022, from \$4,009 to \$5,494 per adjusted discharge.

Median hospital operating margins were negative for the first three months of 2022. The median hospital operating margin in March was -2.43 percent, up from -3.99 percent in February and -4.52 percent in January.

AND revenues DECLINED by 7% in April!!

Misery Loves Company – First Calendar Quarter 2022 Operating Losses Nationwide



*3-months, **6-months, ***9-months
 #significant insurance operations
 ^ CARES Act Funds Excluded

In Minn. town, 2 visions of US clash

Associated Press January 29, 2022

“The easy part is speaking truth to power.
The hard part is speaking truth to your community.”

-Reed Anfinson, Publisher Swift County Monitor-News, Benson, MN



Pedestrian deaths jump in pandemic

Nationwide flare-up of reckless driving behind grim trend

By Simon Romero
The New York Times

ALBUQUERQUE, N.M. — After a festive evening spent viewing a display of holiday lights, Aditya Bhattacharya and his family were crossing a street to head home.

Then a driver blew past a red light, slamming into him and his 7-year-old son, Pronoy.

“I took one step, that’s the last thing I remember,” said Bhattacharya, 45. “When I regained consciousness, all I could hear was my wife sitting on the sidewalk, screaming, ‘Pronoy’s dead.’”

The boy’s death at a crosswalk in December, and the seven-week manhunt to find the driver, jolted many people in this part of the West to the grim count of pedestrian deaths, which



Dr. Deepshikha Nag Chowdhury and one of her sons at their home in Albuquerque. A driver ran a stop sign in December and killed her 7-year-old son, Pronoy. The driver fled and surrendered to U.S. Marshals on Jan. 31. ADRIA MALCOLM/THE NEW YORK TIMES

residents say they can go years without seeing drivers pulled over for violations of any kind.

After the boy’s death, readers flooded The Albuquerque Journal with emails assailing local authorities after having witnessed lawless driving on a daily basis.

Across the country, overall traffic fatalities — not just crashes killing pedestrians — are also rising at a record pace.

Nearly 32,000 people were killed in vehicle crashes in the first nine months of 2021, a 12% increase from the same period in 2020, according to the National Highway Traffic Safety Administration. It was the highest number of fatalities during the first nine months of any year since 2006 and the highest percentage increase during the first nine months in the reporting system’s history.

In the crash that killed

The plague marked the beginning of a decline to greater lawlessness in the city. People were more willing to dare to do things which they would not previously have admitted to enjoying, when they saw the sudden changes of fortune...so they thought it reasonable to concentrate on immediate profit and pleasure....No one was willing to persevere in struggling for what was considered an honorable result....What was pleasant in the short term, and what was in any way conducive to that, came to be accepted as honorable and useful. No fear of gods or law of men had any restraining power....No one expected to live long enough to have to pay the penalty for his misdeeds: people tended much more to think that a sentence already decided was hanging over them, and that before it was executed, they might reasonably get some enjoyment out of life.

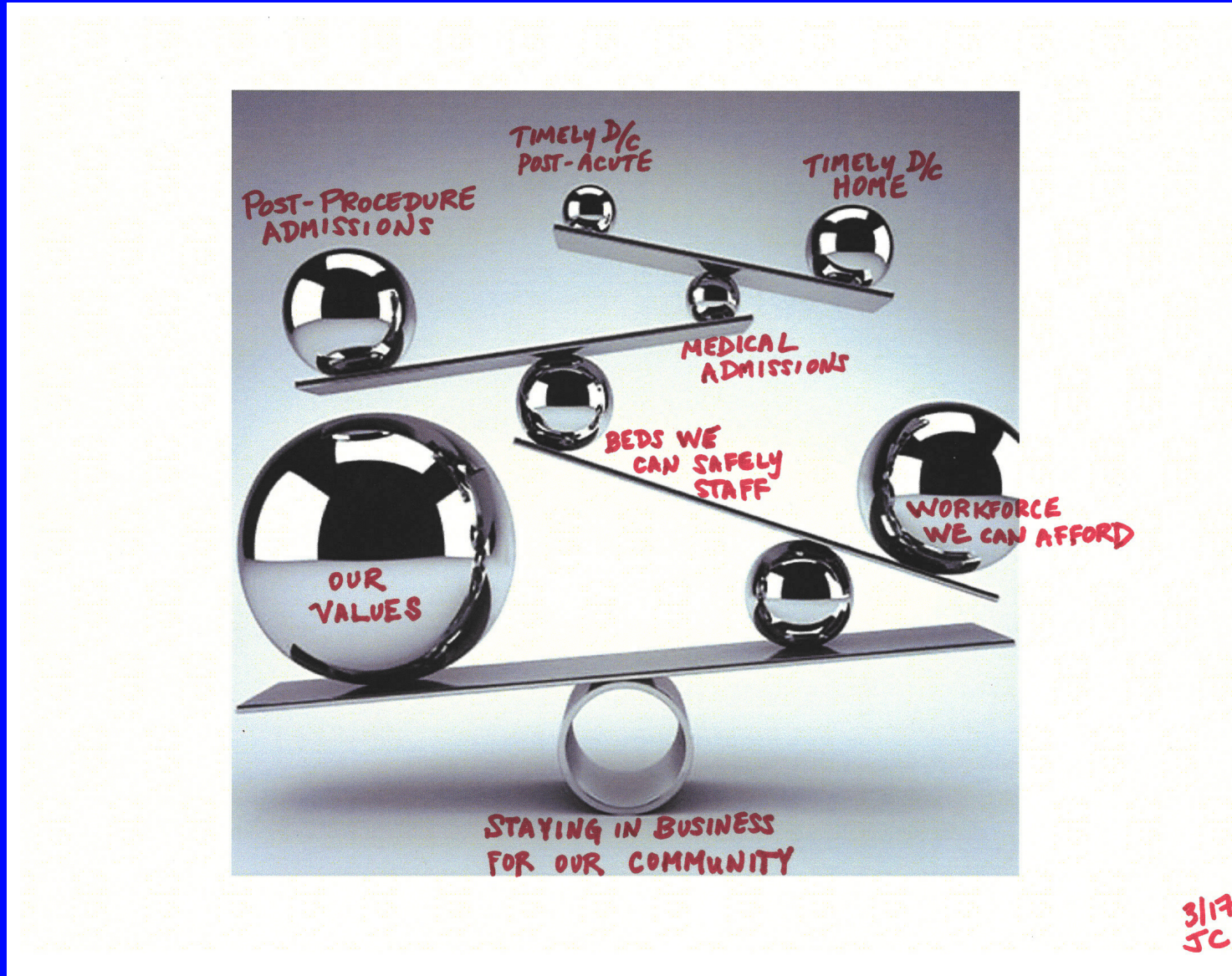
Thucydides – Athenian historian in The Peloponnesian War.
Fifth Century BC 2,600 years ago

The Quality of Governance that was Sufficient to Get
your organization where it is Today will be
Insufficient to Get It Where It Needs to be Tomorrow



The Governance Balancing Act:

Complicated interdependencies; Resistance to adaptive change; Messaging to caregivers & public



Thanks to Joan Ching, VP Chief Nursing Executive, St. Charles Health System.

The Role of Governance is Different and More Critical Due to the Crisis!

To Recap: The crisis was caused by an unprecedented and unpredictable confluence of pandemic related factors combined with sharp reversals of broader economic trends. These factors included:

- Workforce Shortages
- Skyrocketing Labor Costs
- Declining Revenues
- Disruptive Competition Accelerated by the Pandemic
- Persistent Supply Chain Disruptions and Shortages
- The Politicization of Covid, and Health Care
- Significant General Inflation
- Higher Interest Rates
- Volatility in Capital Markets
- War in Ukraine Distracting the Feds
- Years of Cost Pressure, Payment Reductions, Disruptive Competition

Wait, Wait... What About Micro-Management?!

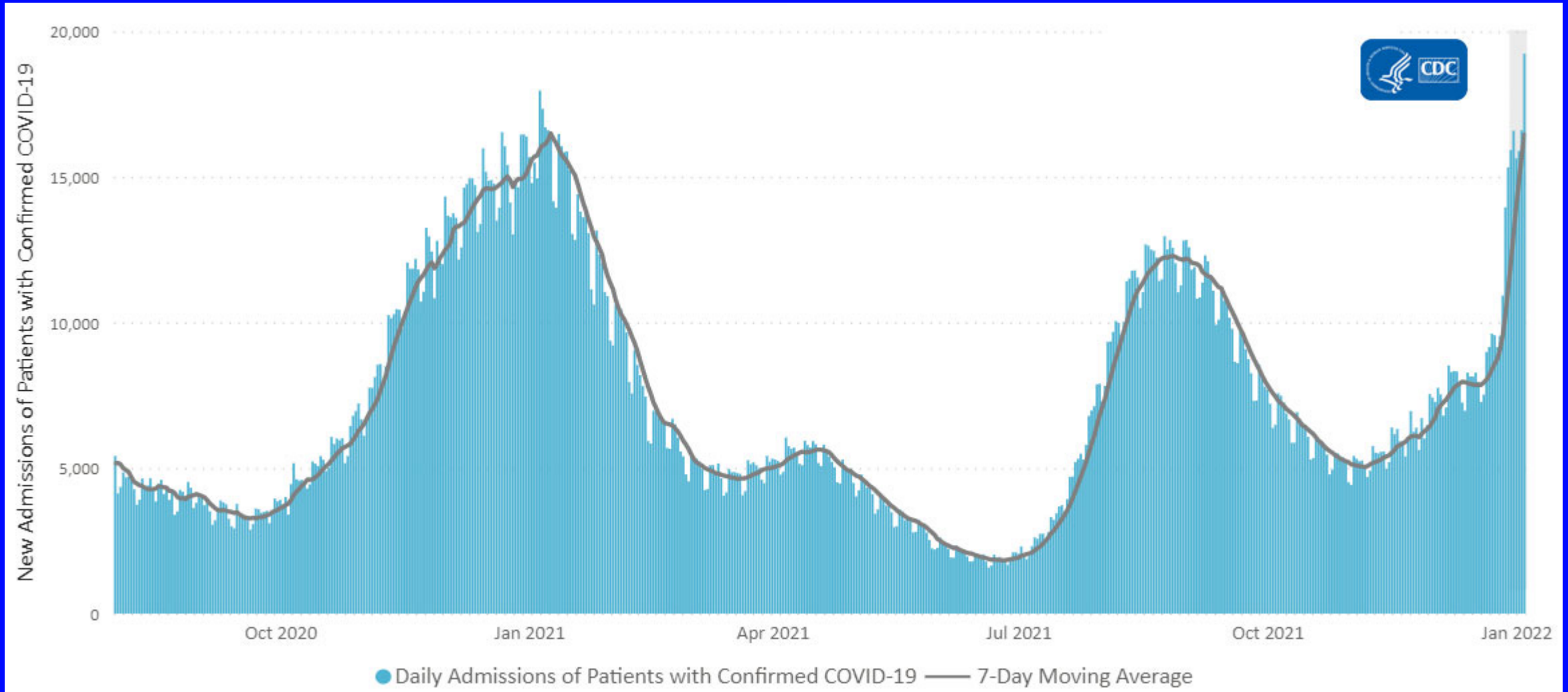
Recovery to financial stability will be a long, painful process for many hospitals and health care systems; for many others this is nothing less than an existential crisis.

Because of this, boards must become more involved in the oversight of the financial turnaround of their organizations than they did in past periods of lessor financial challenge. This may involve a board monitoring levels of detail that would have previously been inappropriate. **But, when a hospital or system is facing an existential threat, it becomes a governance issue, and it is appropriate and necessary for a board to engage more deeply than it did in the past.**

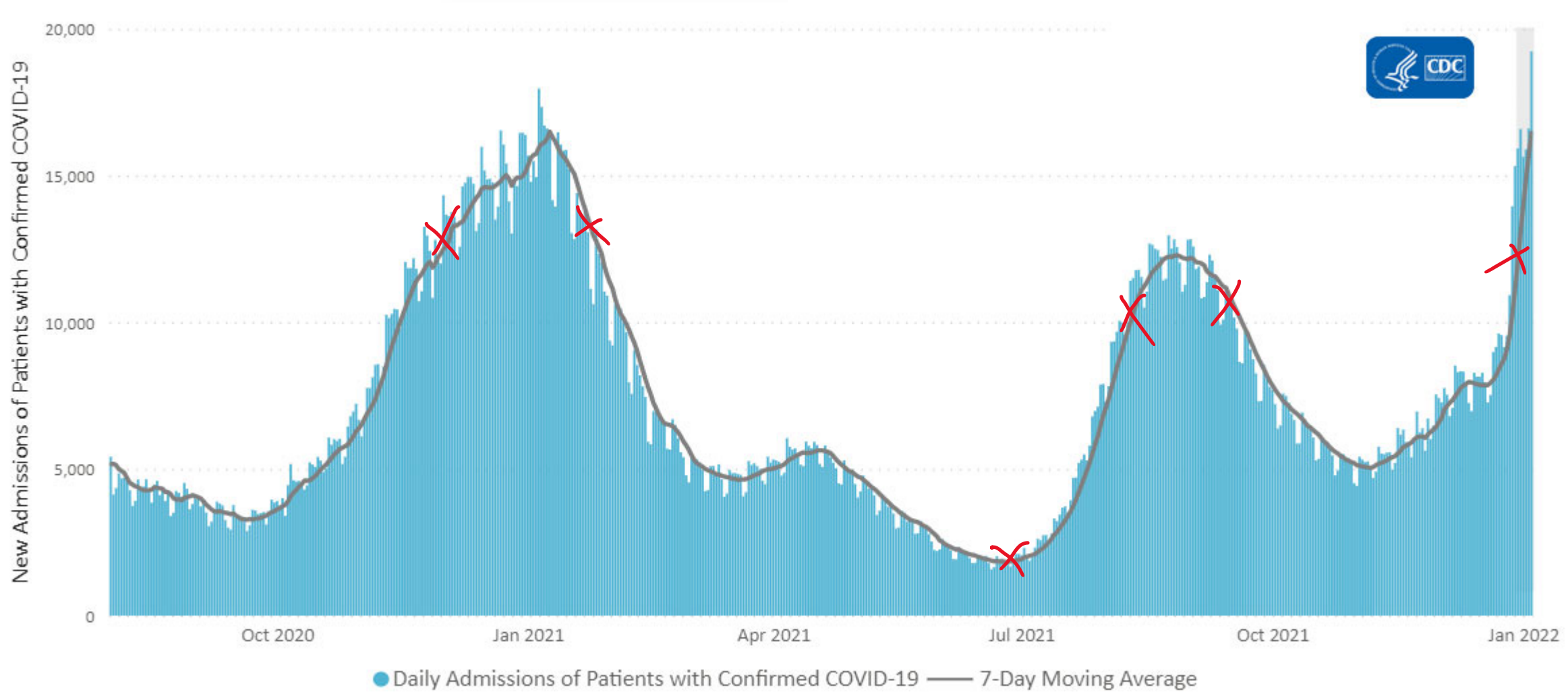
The COVID Coaster: **Governing** the Whipsaw



Learn to Manage the Peaks and Valleys of the Whipsaw



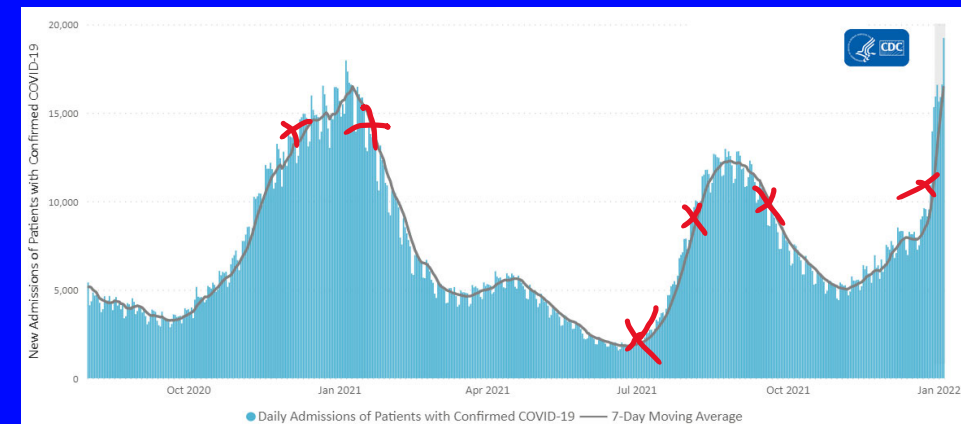
Learn to Manage/Lead the Whipsaw: Create thresholds for decisions at pre-defined points



Create thresholds for decisions at pre-defined points

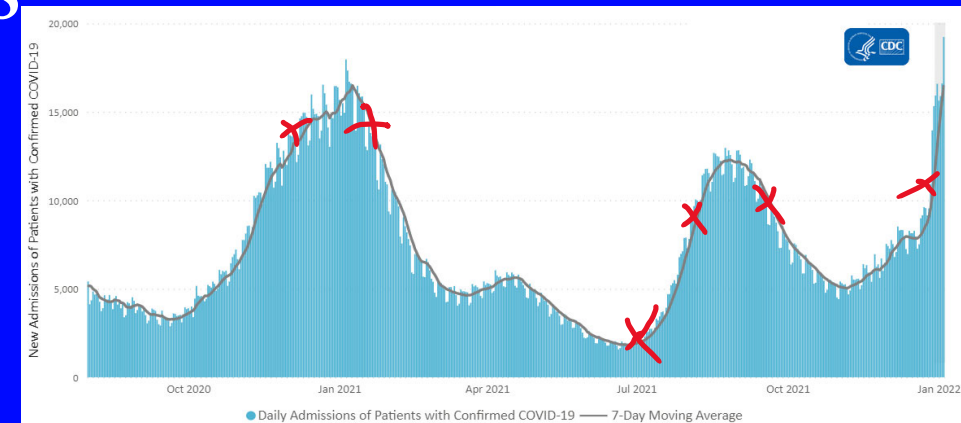
On the Ascent – Climbing the Wall of a Surge;

- Embrace Predictive Analytics, but don't over rely on them
- Suspend Elective/Scheduled Procedures
- Restricted Visitor Policies
- Implement Crisis Standards of Care
- Modify or Develop New Crisis Standards of Care
- Call in the Guard/Help



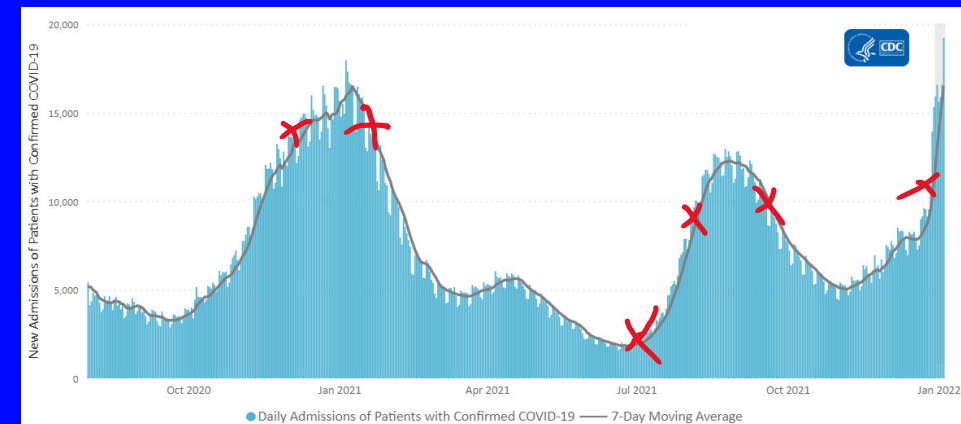
On the Ascent – Climbing the Wall:

- Raise CEO discretionary spending limits
- Realtime Workforce metrics/decision to reduce services due to capacity constraints
- Governance Approvals – Provide Top Cover
- Suspension of in-person Board and Committee Meetings
- Cancellation of Board Meetings to lessen burden on CEO and Clinical Leaders



Learn to Manage/Lead the Whipsaw: On the Descent – Over the Peak:

- Realtime Workforce Metrics for capacity assessment
- Re-start Elective Procedures (How aggressively, can we do it **Safely**, Workforce Stability in focused areas)
- Contract labor
- Assess/Build Back Door Capacity
- Safety capacity assessment and measures prior to and during
Revenue Recovery



Govern the Whipsaw with Anticipation and Preparedness

- Think Ahead of the Curve you are currently on.
- Think the Unthinkable
- Develop Curve-Specific Decision Thresholds to help control the environment during the crisis

This will help you control the Immediate environment, and your Future in what seems to be an Uncontrollable situation.



The New Role of the Board in Overseeing a Financial Turnaround

- Do Not Rush to Blame Management
- Do Not Expect Management to Have Easy Fixes
- Prepare to Make the Most Difficult Decisions your Board has Ever Made
- Ask About Commercial Revenue – Its All About Rates.



“All who know where the blame will go raise your hands.”



It's ALL About RATES!



A New Phase of Negotiations: Inflation, Survival, Mission, Public Impact

The New Role of the Board in Overseeing a Financial Turnaround

- Expense Reduction via Layoffs
- Identify Underperforming Services and Facilities and Close Them
- Ask About the Revenue Cycle
- De-emphasize Money Losers and Emphasize Money Makers
- Have Accurate Assessment of Capacity and Focus on the “Back Door”

An Overlooked Challenge of Board Diversity

A Real Benefit of Diverse Board Membership is that Diverse Boards tend to Make Better Decisions than Homogenous Boards.

Why??

An Overlooked Challenge of Board Diversity

The diverse perspectives of the different board members will generate tension or even conflict within the board, and - assuming the board and its governance processes can handle this tension/conflict- it will generate better board decision making.

But only IF the board has defined processes for making decisions and for integrating and depersonalizing tension, and to effectively use creative conflict. Most boards do not.

So, developing such necessary governance processes is a prerequisite for having diverse board composition that works.

Focus on Positive and Productive Board Culture – Create a “Safe Space” Culture of Performance and Accountability.



1. The “Ceiling” Create a Desired Future State of Governance – A Governance Vision Statement

2. The “Floor” Have the Ability (criteria and mechanism) and Willingness to Remove Board Members Who Behave Inappropriately/are Toxic

Sample Governance Vision Statement

We aspire to a healthy culture of mutual trust, transparency, and confidence that our board works together as an effective team in partnership with the CEO and Clinical Leaders. We aspire to a governance culture where we embrace:

- The Authority of the Board Derives from the Whole –we Balance the Governance Power Structure
- The Board is the Boss of the CEO
- Humble Inquiry
- **Productive Disagreement. We “Argue with Love.”**
- Follow Defined, Clear Decision-Making Processes. **Non-Unanimous Decisions are OK!**
- Having the “Real” Conversations at the Board Meetings
- Role Clarity
- Goals and Objectives for the CEO, the Board and its Committees, and its Members
- Performance Evaluation and Feedback – for the CEO, the Board and its Committees, and the Board Members
- Accountability – Board Officers and Members are Held Accountable to Our Defined Principles and Criteria

Removing a Bad Board Member

- To create a great governance culture the board must also define board member behaviors that are *clearly unacceptable* and create a standard process to immediately address them if exhibited by any board member.

Removing a Bad Board Member

A common misconception is that for a board to be truly effective, *all* its members must be high performing, superstars. While ideal, it is not necessary for effective governance.

A board with a robust culture of performance and accountability can function well with a mix of high-performing, good, and a few non-performing members.

But even a single **dysfunctional or toxic** board member can derail a board's performance. What is the difference?

TRUSTEE TEAM TARGET



The BIG Leadership Lesson from COVID:

It Ain't Over Till It's Over! And even then, it won't be over!

- Just because we all *WANT* Covid to be over does not mean that it is!! Or, that it soon will be!
- Hope is NOT a Strategy! Leaders cannot let it be by hoping that everything will return to “normal.”



“Never Let a Good Crisis Go to Waste!”

*it's an opportunity to do things you
thought you could not do before!*