

THE EFFECTIVE BOARD

Realizing Our Full Potential

by Barry S. Bader

What is your organization's full potential? What does that term even mean when it comes to meeting the expectations of patients and communities for clinical excellence and customer service? Has your board talked about what it means to be a place of realized potential? Even better, has it crafted a vision statement and plan to get there?

A governing board has no more important role than ensuring that the organization delivers high-quality care and outstanding service. However, three barriers typically hold back the board from fully engaging its expertise and creative thinking on these issues:

- First, as described on page 2, most hospitals don't connect metrics with improvement. The board does not approve a high-level set of improvement goals or use the measures to track progress. Examples from Duke Children's, Morton Plant Mease and Adventist Healthcare illustrate how boards can use metrics to drive improvements, but they are the exception.
- Second, performance improvement and statistical reports themselves are too long and detailed and often obscure important information. Unlike a financial statement highlighting significant variances from budgets, typical performance improvement reports challenge directors to find what's meaningful.
- Third, the expectations for what the

board can achieve through its work on quality and performance improvement are too modest. Meeting accreditation requirements should be a floor, not a ceiling. Boards need to set a higher standard for themselves and their organization.

Realizing Our Full Potential in Healthcare

Max DePree, Chairman Emeritus of Herman Miller Inc. and member of many volunteer boards, suggests such a higher standard in his book *Leading Without Power*. He calls it "realizing our full potential." "The driving force in our organizations, both for-profit and not-for-profit, ought not be goal

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achievement or asset management or quantifiable growth, important as these are," writes DePree. "Rather, our society badly needs organizations and people that move relentlessly toward realizing their potential."

DePree's concept could very well revitalize the way the hospital or health system board addresses quality and performance improvement. Achieving this year's targets of a 2 percent reduction in medication errors or scoring 95 or better on the JCAHO survey becomes not an end in itself but a

small part of a much larger and exciting picture.

What is the Healthcare System's Full Potential?

There is little question that hospitals and health systems, indeed the entire healthcare system, have barely scratched the surface of realizing their full potential. A few examples:

- **Preventable hospitalizations**. An estimated 3.7 million Americans are admitted to hospitals each year unnecessarily for acute flare-ups of conditions such as asthma, congestive heart failure and diabetes. This problem will grow as the number of people with chronic illness grows to 157 million by 2020, consuming some 80 cents of every dollar of healthcare spending. The solution lies with disease management programs in which chronically ill patients are educated about diet and medications and closely monitored at home to maintain their compliance, but such programs reach a fraction of those who could benefit.
- **Medical errors**. The Institute of Medicine has estimated that more people die in one year from medical errors in hospitals than from motor vehicle accidents, breast cancer or AIDS. Medication errors account for an estimated 7,000 deaths a year. Computerized physician order entry systems could make a huge dent in these numbers, cutting medication errors by as much as 50 percent. Few hospitals have such systems.
- **Use of best practices**. Repeated studies have shown that physicians

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often don't use the best demonstrated practices for diagnosis and treatment. For example, breast-conserving surgery has been shown to be safe and effective for most women with early stage breast cancer, yet there is a 30-fold variation in its use from hospital to hospital, according to the *Dartmouth Atlas* and the Institute for Health Care Improvement.

- **Patient's role.** Studies show that patients want more information and greater involvement in their treatment decisions, but the doctor-patient relationship hasn't caught up. In one study, physicians interrupted patients 11 seconds after they began describing their problems.

A New Vision for Healthcare

Hospitals and health systems need to take a fresh measure of their vision statements against a new, higher standard: realizing their full potential.

The Institute of Medicine has offered a benchmark worth considering in its report, *Crossing the Quality Chasm*. IOM paints a comprehensive vision of a healthcare system that is safer, relies on best-demonstrated practices and is far more caring, accessible and affordable than what exists today.

This is the kind of vision healthcare leaders can get excited about. It's a "BHAG, a big, hairy audacious goal," to use the term from James Collins and Jerry Porras' book *Built to Last*, about companies that have thrived over the long term.

Achieving this vision won't be easy. The current payment system, workforce shortages, fragmentation among providers and the infant state of information system technology are among the major obstacles to creating a better healthcare system.

On the other hand, public and payer pressure to improve healthcare is growing, and providers may have no better time than the next few years to capitalize on widespread support for innovation and improvement.

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**Max DePree,
Leading Without Power**

Many vision statements set the bar for quality too low. Their goal is, "We will be the provider of choice." What's so great about being number one if every player on the field falls short of the public's real needs and expectations? Most strategic plans focus on financial and business initiatives, important to be sure, but they're light on improving quality in its many dimensions.

The board can be a launching point for the process of creating a new, shared vision that aims higher. Here are a few questions to ask on the journey to creating a new vision.

What would becoming a place of realized potential mean from the perspectives of the organization's key stakeholders: patients, com-

munity, physicians and employees?

- What would a place of realized potential do for the single mother needing healthcare for her children while managing a full-time job?
- What would a place of realized potential do for the person and extended family living with a chronic but ultimately terminal illness?
- What would a place of realized potential do to not only treat disease but also to dramatically reduce the incidence of preventable illness in the community?
- How would a place of realized potential make itself a compelling workplace so challenging and rewarding that it's the employer of choice in a tight labor market?

How will we measure our progress toward being a place of realized potential?

- What are the key metrics for a health system of realized potential?
- How will we use metrics to propel the vision?

What are the barriers to our becoming a place of realized potential, and how will we overcome them?

Visions without realistic plans are nothing but dreams. The visioning process should lead to a clear strategic direction and a plan with priorities, goals and sufficient financial resources.

"A place of realized potential opens itself to change, to contrary opinion, to the mystery of potential, to involvement, to unsettling ideas," writes DePree. Creating a new vision of healthcare with bold board leadership is a good place to start. *BSB*