BOARD MEMBERS WITH A MISSION

A System Board Makes Community Needs Its Business

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In the past, hospital board members were selected on the basis of their work, wealth, or wisdom. Board membership was a way to honor community leaders, who served as a rubber stamp for management. Today, however, society and regulators demand more of hospital boards. Board members are expected to watch out for community needs and ensure the hospital fulfills its mission to serve the community, particularly the poor and vulnerable.

THE FOCUS ON MISSION

Long before the current debate about hospital tax exemption based on community benefit, the system board of Sisters of Charity of the Incarnate Word Health Care System (SCH), Houston, knew the future would require the system to step back from the competitive model of the eighties and focus on mission.

SCH is a 5,320 bed, not-for-profit, multi-institutional system. The system owns and operates 16 acute care hospitals, nursing homes, and geriatric facilities in Texas, Louisiana, Arkansas, California, Utah, and Ireland. The religious institute's mission is further extended in areas of education and healthcare in the United States, Kenya, Guatemala, and El Salvador. In 1992 the religious institute celebrated its 125th anniversary of ministering to the needs of the poor and vulnerable.

Initially, the religious sponsor and the SCH board reemphasized the founding call of the sisters: "Our Lord Jesus Christ, suffering in the multitude of sick and infirm of every kind, seeks relief at your hands." This called for a renewed effort to identify community needs and provide services emphasizing community benefit rather than bottom line and competitiveness. Perhaps not surprisingly for a healthcare system built on faith, the greater SCH's emphasis on meeting community needs, the greater its financial suc-

Summary The system board of the Sisters of Charity of the Incarnate Word Health Care System (SCH), Houston, has been a leader in moving the system from a competitive model to one that is mission driven. By clearly articulating the mission, vision, and beliefs that are central to SCH, the board established a values-based framework for linking future challenges to tradition, thereby encouraging continuation of the original spirit and call of the founding sisters.

In 1987 the SCH board initiated the concept of systemwide community mission projects by directing healthcare facilities to develop projects that address the needs of local vulnerable populations. And in 1991 the SCH board called for the establishment of charity programs and services that directly respond to local community needs. It ordered a systemwide, multiphased community needs assessment at the local level. The mission projects that resulted focus on primary prevention, education and counseling, and information and referral services.

The board has taken other actions that demonstrate its community-centered perspective in ensuring the system's commitment to mission. For example, when an inner-city hospital in Houston closed, the board appointed a task force to determine what the community identified as its most urgent unmet need. The result is a program to address the needs of vulnerable older adults. And in 1992 the SCH board approved the appointment of a capital process review team. It now takes a more global social accountability view when allocating funding.

cess. Financial success, in turn, enables SCH to meet more needs.

How does the SCH board translate its emphasis on mission and financial health in exercising its fiduciary duties to build a healthcare system that continues to serve God's people today? These fiduciary responsibilities are the same for the SCH board and the 16 healthcare centers in the system. They are influenced by four duties common to all not-for-profit hospitals (see **Box**, right). Board members exercise these duties through individual and group action.

The Mission-driven Model

SCH began the process of moving from the competitive model to a mission-driven model by clearly articulating its mission (see **Box**, p. 34). The next steps involved articulating concise statements of vision, developing a set of system planning principles, and establishing an educational formation program for system employees. The board also created a values cross-functional team, consisting of employees at all levels throughout the system, to identify its core values and beliefs.

Vision Guided by the values cross-functional team, the SCH board approved a vision for the healthcare system: Communities of trust in partnership with God creating a healing environment. Based on this vision, the board articulated its beliefs, developed concurrently by the sponsoring religious institute and the values team. By clearly articulating the mission, vision, and beliefs central to SCH, the board established a values-based framework for linking future challenges to tradition, thereby encouraging continuation of the original spirit and call of the founding sisters.

Guiding Principles Subsequently, after analyzing the mission statement, the SCH board adopted six planning principles: contemporary ministry, interdependence, stewardship, primacy of the patient, justice, and integrated care. At both the system and local levels, these principles now shape the specific goals and objectives for all strategic planning.

"In fulfilling its duties of obedience and diligence, the SCH board adopted these measures as a way of responding to the communities served, in keeping with the founding of the congregation," said Sr. Elizabeth Ann Hayes, CCVI, SCH board chairperson. Rather than looking at a list of responsibilities specified in bylaws, the SCH board and the healthcare center boards define their responsibilities within four functional areas: mission/values, quality assurance, planning/strategy, and business. With this approach, the boards' actions remain mission driven.

Educational Formation The SCH board adopted a comprehensive educational formation program that is expected to have a great impact throughout the healthcare system. Currently, managers from throughout the system spend a week learning about the SCH founding, history, traditions, values, and beliefs. They also study ethical decision making and formulate ongoing personal development plans to carry out at the healthcare centers. The bonding and forming of a "community of trust" for participants in a retreat setting helps clarify the concept of being mission driven. Over a two-year period about 650 managers will participate. The SCH board believes this investment in people will help the system achieve its mission. Already, the system is seeing renewed commitment to SCH's mission.

How Mission Guides Actions

To ensure that business and quality goals are aligned with the mission, the SCH board defines goals that are responsive and proactive in addressing the needs of various communities. Then the SCH board and local healthcare center boards hold administrators accountable for developing

FIDUCIARY DUTIES OF NOT-FOR-PROFIT HOSPITAL BOARD MEMBERS

Obedience or Intra Vires
Compels board members to keep the activities within the powers conferred by statutes, regulations, articles of incorporation, and bylaws

Diligence or Due Care
Compels board members to maintain a responsible and prudent person standard; to conduct activities in good faith based on reasonable belief, in the best interest of the corporation, using common sense, practical wisdom, and informed judgment

Loyalty
Demands that allegiance to the system prevail over personal interest and advantage; prohibits self-dealing, conflicts of interest, and usurping corporate activities; requires confidentiality regarding internal and external communications

Statutory Requirements
Forbids dividends, loans to directors and officers, distribution of assets without adequate consideration; compels board members to maintain records, including financial records, and forbids self-dealing; prohibits inurement and private benefit

strategic and operational plans that adequately address these goals.

In fulfilling their fiduciary duty of obedience, the SCH board members annually adopt a charity budget. The charity care target usually equals 40 percent to 50 percent of net gain from operations (before deducting the cost of indigent care) based on current performance. In 1992 the level was 52 percent of net gain from operations.

The SCH method of measuring social accountability does not include Medicare shortfalls or the costs of community service and public benefit initiatives. Therefore it is more conservative than the method recommended by the Catholic Health Association in its *Social Accountability Budget* (1989). The three elements of SCH's social accountability measurement are:

1. Cost of voluntary free care
2. Unreimbursed cost of providing services to Medicaid or MediCal patients
3. Cost of other activities directed primarily toward the poor and underserved

In 1992 this amounted to $65.6 million, of which $17.3 million was voluntary care, $45.7 million unreimbursed Medicaid costs, and $2.6 million other activities directed toward the poor and underserved.

Prototype Community Mission Projects

In 1987 the SCH board initiated the concept of systemwide community-oriented mission projects. The board directed the 16 SCH healthcare centers to develop projects to address the needs of local vulnerable populations. One exemplary project targeted the healthcare access problems encountered by immigrant Southeast Asians in Long Beach, CA. In 1990 another board-initiated project focused on the needs of immigrant Hispanics in southwest Houston. These earlier board-initiated projects were the precursors of the current models of how SCH healthcare centers establish innovative, collaborative community partnerships to address unmet community needs.

Southeast Asian Health Education Project St. Mary Medical Center in Long Beach developed the Southeast Asian Community Health Project (SAHEP) to educate newly arriving Southeast Asian immigrants about the importance of receiving early prenatal care and to help them overcome their fear of utilizing the American health-

SCH VALUES-BASED FRAMEWORK

Mission Statement

The mission of SCH, as part of the Church, is to continue the healing ministry of Jesus Christ in such a way that both givers and receivers of health care within our system experience God's love and compassion. At every level of the system, persons work together in interdependence to provide the service of health care as it is shaped by the philosophy, tradition, and values of The Sisters of Charity of the Incarnate Word. We commit ourselves to show respect for the human person at every stage of life, especially in sickness, suffering, and death, which we see as possible occasions of experiencing God's presence. In these moments, we strive to offer hope, healing, justice and peace.

The Gospel values underlying our mission challenge us to make choices which respond to the economically disadvantaged and the underserved with health care needs. The growth and development of SCH is determined by the health care needs of a community, our available resources, and the interrelationship of those serving and those being served. Responsible stewardship mandates that we search out new effective means to deliver quality health care and to promote wholeness in the human person.

Vision Statement

Communities of trust in partnership with God creating a healing environment

Belief Statements

1. We believe in a personal and loving God whose presence in all persons is the source of human dignity.
2. We believe that God gives us in Jesus Christ a model for our relationship with persons.
3. We believe that the power of our tradition energizes us to create and shape the future of the SCH healing ministry.
4. We believe that justice and compassion demand of us a commitment to respond to the health care needs of the poor and underserved.
5. We believe that we must form communities of trust for persons to develop to their fullest potential.
6. We believe that we are responsible for the care of the earth entrusted to us by God.
7. We believe that our future ministry depends on our stewardship of resources which have been handed on to us.
8. We believe that during life's journey all persons have opportunities to heal and be healed.
9. We believe that persons within our system are called to compassionate service of the whole person.
10. We believe that hospitality is our means of opening relationships to a healing potential.

care delivery system. Also, the project staff worked with hospital personnel to increase their awareness of and sensitivity toward the Southeast Asian community. This ministry was undertaken in partnership with a local Cambodian community-based organization. Today, as SAHEP completes its third year as a federally funded demonstration project, the program has extended its services to vulnerable older adults. Through diverse external funding sources, the project continues to exemplify how a hospital can reach out beyond its walls to advocate culturally appropriate healthcare delivery.

Southwest Community Health Clinic In 1990 the SCH board requested that the SCH planning staff conduct a targeted community needs assessment in a transitional southwest Houston community being settled by recent immigrants from Mexico, Guatemala, and El Salvador. Public health and social services were not readily available in this once upper- and middle-class community. Preventive healthcare services for women and children were nonexistent.

Recognizing that several other community groups were working to bring preventive healthcare services into this sector of the city, SCH joined a newly formed health advocacy coalition. When the city of Houston health department decided to privatize its new clinic in southwest Houston, SCH was the only coalition member with the human and financial resources to respond to the request for proposals. The SCH board evaluated its options in light of its fiduciary duties and submitted a proposal for the establishment of this clinic. In May 1991 the Sisters of Charity Southwest Community Health Clinic opened its doors as the first privatized public health partnership in the history of Houston.

The Social Accountability Connection

In 1991, based in part on the success of the prototype projects, the SCH board called for the establishment of charity programs and services that directly respond to local community needs. The board ordered a systemwide, multiphased community needs assessment process at the local level. This process stressed reaching into communities to identify unmet needs and establish innovative strategies to address specified concerns.

The process approved by the board included giving responsibility for community needs assessment to cross-functional teams at each healthcare center. Besides designing and conducting the assessment, teams were responsible for building community coalitions to foster collaboration. By the end of fiscal year 1992 each healthcare center had developed a community-based project that addressed an unmet need. The mission projects focus on primary prevention, education and counseling, and information and referral services (see **Box**, below).

COMMUNITY NEEDS ASSESSMENT-BASED PROJECTS

Education and Counseling

Parenting Re-Entry Program
Parent/Teen Resource Center
St. Bernardine Medical Center
San Bernadino, CA

Project Access
(community advocate training)
St. Joseph Hospital
Houston

Project Communicate
St. Elizabeth Hospital
(psychosocial counseling)
Beaumont, TX

Project Parenting
St. Frances Cabrini
Alexandria, LA

Primary and/or Preventive Healthcare

Children's Health Screening
St. Mary Hospital
Port Arthur, TX

Bishop Dubuis Clinic
(primary care)
St. Mary's Hospital
Galveston, TX

Shots for Tots
(school-based immunization program)
St. Mary Medical Center
Long Beach, CA

The Spirit of St. Michael
(mobile health van)
St. Michael Hospital
Texarkana, AR

Frail Elderly Outreach Programme
Carrigoran House
Newmarket-On-Fergus
County Clare, Ireland

The Kid's Clinic
(primary care)
St. John Hospital
Nassau Bay, TX

Information and Referral

The Good Neighbor Network
(telephone information and referral)
St. Joseph's Nursing Home
Monroe, LA

"Silver Threads"
(newsletter)
St. Joseph Villa
Salt Lake City

I C.A.R.E.
(telephone information and referral)
St. Patrick Hospital
Lake Charles, LA

Centerpoint
(telephone information and referral)
Schumpert Medical Center
Shreveport, LA

Outreach Visitation

Care and Prayer Visitation
Regis/St. Elizabeth Centers
Waco, TX

As a result of the SCH board's leadership and advocacy, the systemwide community *needs assessment process* (which must be updated at least once every three years) is now a key component of all strategic planning initiatives and fully integrates the planning principles adopted by the SCH board. The community needs assessment report and evaluation of community-oriented projects are periodically reviewed by local boards and annually reviewed by the SCH board. A process for reporting community service programs, not included in the social accountability budget, is being developed.

SCH now takes a more global social accountability view when allocating funds.

Commitment to Mission

In addition to initiating the community needs assessment process, the SCH board of directors has taken other actions that demonstrate its community-centered perspective in ensuring the system's commitment to mission.

Project CAPABLE When the SCH board approved the closure of an inner-city hospital in Houston because of underutilization of services, it concurrently reiterated SCH's ministerial commitment to serving the vulnerable populations residing in this ethnically diverse and economically disadvantaged area. The board appointed a task force to determine what the community identified as its most urgent unmet need. Three board members served on the task force.

After obtaining and cross-validating community input, the task force determined that a project addressing the needs of vulnerable older adults was of highest priority. SCH's Mission Direction Division staff analyzed both sociodemographic and service delivery data and proposed a three-phased project. Project CAPABLE (Community Advocacy Providing and Bridging Lifelines for Elders) provides case management for fragile older adults, community health education and promotion for healthy older adults, and respite care and training for care givers. In July 1992 the SCH board committed $500,000 as seed money to implement this innovative, culturally sensitive project to enhance older adults' capacity for independent living. The monies committed to this project are included in SCH's social *accountability budget.*

Capital Process Review In 1992 the SCH board approved the appointment of a capital process review team to improve on the capital planning process for fiscal year 1994. As a result of the team's recommendations, SCH now takes a more global social accountability view when allocating funding. For example, while capital allocations are now formula driven, each healthcare center's base capital pool is calculated based on a balance among depreciation, net income, reported social accountability expenditures, and mission direction. Allocating capital dollars based in part on mission achievements underscores the board's commitment to a mission-driven system.

An Evolving, Expanding Process

Clearly, this process of focusing the system on mission, vision, and beliefs will evolve along with the needs of the system, its various communities, and healthcare in general. What will remain constant, however, is the system's commitment to the founding call of the original sisters.

Another constant is the SCH commitment to values education. Internally, through educational formation programs, administrators and staff learn the importance of the system's "roots" and the gifts each person brings to the whole. Externally, through community projects such as SAHEP and community coalitions, individuals and groups come into contact with the SCH mission and the system's commitment to the greater community healthcare needs. They learn the importance of collaboration in creatively solving community problems. An offshoot of these efforts is growing support for the leadership of SCH healthcare centers in these communities.

Through the choice, foresight, and leadership of a "new breed" of SCH board members, the lessons learned in the early days of the sponsoring congregation help guide the system's facilities and planning processes. The focus is not only on the bottom line but also on respectfully providing for the needs of communities served. □

MISSION CHALLENGES

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Leaders, like others, experience the pain and stress change can bring. Sponsors and board members must support executives struggling in a chaotic environment.

IDNs' MISSION-ENHANCING POTENTIAL

Many aspects of IDNs support the mission and goals Catholic healthcare has traditionally espoused: care of the poor; holistic, person-centered care; and stewardship of resources.

- In an effective, truly integrated health system, the poor and underserved will receive better care.
- IDNs will have incentives to keep people well and demonstrate improvements in community health status. Thus they will focus on providing a holistic continuum of primary and preventive interventions.
- Collaboration rather than competition will be the appropriate approach in an integrated system.
- Stewardship of resources should be enhanced in IDNs. Integrated delivery will serve social justice by making it possible to allocate resources equitably to all people and to society's many needs beyond healthcare. And an emphasis on high-quality, nonfragmented care should control costs and better meet individual and community needs.

Can Catholic sponsors and organizations take advantage of these opportunities and challenges? The Commission on Catholic Health Care Ministry suggests it is imperative they do so: "These challenges constitute a crisis which, if not boldly met, will lead to the diminishment of an essential element of the church's mission and to the virtual end of a long history of service to the suffering and the needy." With discernment of their mission, integrated community assessment, transitional planning, and committed leaders, they can strengthen their ministry. They can achieve the vision of *A Time to Be Old, a Time to Flourish; Catholic Health Ministry: A New Vision for a New Century*; and, most important, their founders. □