In the not too distant past, board members of not-for-profit hospitals were content to attend periodic directors' meetings at which health care executives would wax poetic about the newest technology, technique, or medical advance. Then came the Sarbanes-Oxley Act of 2002,* for-profit inroads into what had hitherto been a largely not-for-profit sector of the economy, the 1997 Balanced Budget Act, discerning consumers, bond-rating downgrades, and direct physician competition.

Boards in the early 1990s usually included few people of color and few women, except, of course, in the case of Catholic organizations, where religious sisters were highly visible. Community board members often had little knowledge of their hospitals' clinical, financial, or administrative operations. They asked few questions, putting their trust instead in the hospital executive's decision-making capabilities and in the good will of the community.

Although people continue to join boards because they believe in the hospitals' mission and want to do whatever they can to help, the good old days are gone. Board members can no longer rest comfortably on a pedestal, so to speak, blindly admiring the hospital executives and being blindly admired by a grateful public. People are chopping away at that pedestal, challenging boards and hospitals as never before.

A MORE DIVERSE MEMBERSHIP

Emerging now are new hospital and system boards composed of members who represent diverse populations, professions, ages, and backgrounds. The face of the board is undergoing slow but much-needed alterations. Today, hospitals and systems are targeting their recruiting efforts so as to include members representing diverse populations. Boards are becoming increasingly diverse, not just because it's the "right thing to do" but because the excuse "We can't find any of those kinds of people" (that is, women, African Americans, Latinos, Asian Americans, Native Americans, younger executives, and others) is no longer acceptable; it is, indeed, impossible to defend.

Today's boards also are recruiting by specialty and business type. A recent article in Trustee magazine encourages boards to strengthen relationships with financial executives, probe for clearer and more in-depth explanations of financial reports, and continually monitor the organization's financial progress.1 To accomplish this, boards seek financial and business executives who can quickly come to understand the financial and operational workings of the often-complicated health care organization. Board orientations now include classes on financial, clinical, and operational management. Some boards are even considering "testing" prospective board members on their financial expertise before offering them a seat at the table.

A BROADER OUTLOOK

As hospitals reexamine, define, and communicate their fundamental values, trustees also are challenged to look deeper into what they now do, can do, and should do for their communities.

Most not-for-profit health care organizations depend to some extent on philanthropy to help fund capital projects, technologies, therapies, staff scholarships, and new programs and services. Because this is so, not-for-profits seek board members with sufficient influence to tap businesses, foundations, and individuals for the contributions necessary to keep the organization in the forefront of medical advancements.

Boards today also seek members who can give their organizations access to the business community. Because of board members' links to the Ford Motor Company, for example, Oakwood Medical Center, Dearborn, MI, was able to greatly improve the efficiency of its emergency department, one of the nation's busiest. Ford

Continued on page 57

*Named for Senator Paul Sarbanes (D-MD) and Representative Michael G. Oxley (R-OH), this legislation makes corporate executives responsible for the accuracy of their organizations' financial reporting. It was enacted in the wake of the Enron scandal.
Some board members in California are campaigning in a referendum.

engineers redesigned department procedures in a way that cut waiting time from several hours to 30 minutes.

To improve an organization’s functioning, some board members lend their expertise to their own business staffs. The trustees of Children’s Mercy Hospital, Kansas City, MO, for example, teamed up with the hospital's physicians not long ago to make personal calls on the city’s top business executives. In a typical meeting, a two-person team—a trustee and a physician—would explain to the executive Children’s Mercy’s values, services, and capabilities, and urge him or her to include the hospital among the preferred providers in his or her company’s insurance plan.

Campaigning in California

Board members can also use their influence to further health care reform. In California, for example, board members of children’s hospitals currently are campaigning to pass a referendum measure that, if successful, will provide millions of dollars for the much-needed upgrading of pediatric facilities throughout the state. The Children’s Hospital Bond Act, known as Proposition 61, would authorize the sale of $750 million in bonds, the money from which would be used to expand children’s health care facilities and equip them for the treatment of seriously injured and ill children.

If the measure is approved, its immediate beneficiaries will be eight private children’s hospitals and five children’s facilities affiliated with branches of the University of California. Together, the 13 institutions treat more than one million children a year, regardless of their parents’ ability to pay.

Trustees of the 13 facilities are traveling around the state, urging community organizations, newspaper editorial boards, and business groups to support the measure. They especially want to reassure Californians that passage of Proposition 61 will not mean raising taxes.

Strategic Importance

In some parts of the country, board members are involved in creating healthier communities. Speaking to businesses groups, chambers of commerce, service organizations, churches, synagogues, they seek to encourage incremental changes in lifestyle that add up to improved health.

These new boards can be enormously helpful both in strengthening health care organizations and in improving community health. Because this is so, the selection of board members has become a much more important part of an organization’s strategic development than it used to be.

Ms. Weiss serves on the boards of Easter Seals, the Coalition on organ and tissue Donations, and the Public Relations Society of America. She can be reached at 310-393-5183 or rweiss@memnet.org.

Note