

Kentucky Trustee

For Kentucky Hospital Governing Board Members

Summer 2018

BOARDROOM BASICS

Three Dominant Forces Changing Our Workforce

The heartbeat of a hospital or health system is the people who work there. They care for patients, comfort families and are the face of the organization every day. Their stories, big and small, are heroic. Recognizing the critical importance of its people to fulfilling a mission to care for the community, many boards make “people” a pillar in the foundation of their strategic plan. But today’s environment includes factors that can undermine the organization’s efforts if leadership isn’t paying attention to changes and the consequences they may have for the organization and its workforce.

Demographic Diversity

Diversity and Inclusiveness Drive Better Results.

As diversity - whether age, gender, race or ethnicity - increasingly defines our workforce, research is showing that diverse and inclusive teams:¹

- Are significantly more likely to make better business decisions;
- Are more efficient, making decisions twice as fast with half the meetings; and
- Their decisions deliver 60 percent better results.

The Generations’ Impacts. Many hospitals and health systems have three or even four generations represented in their workforce. Each generation has experienced different events, including wars, assassinations, cultural revolutions, natural and manmade disasters, and economic environments that have influenced their perspectives, preferences and expectations in significant ways. The

differences each generation brings to the workplace are valuable, but also have the potential to challenge smooth working relations and ultimately detract from the organization’s ability to achieve its goals.

Baby boomers are not only aging, their life expectancy is increasing. Many are choosing to work well into what were once considered the “retirement years.” Those years are now referred to by some as the “encore” or “unretirement” years. Looking for greater flexibility or control over both their work and their schedules, older workers are increasingly finding that independent contracting or “gig” work offers flexibility and enough financial security to make it appealing.²

Already the largest generation in the workforce, by 2025 millennials will make up three-quarters of the workforce. Known for their focus on teamwork and social issues,

millennials are expected to push for stronger workplace collaboration, value-driven cultures and corporate philanthropy. However, millennials’ digitally driven focus may undermine their appreciation for the importance of face-to-face communication in building trusted work relationships.³

The Gender Inequities at Work. Women not only continue to increase their participation in the workforce, they are more often the sole, primary or equal wage earners for their families. More than 70 percent of mothers with children under 18 are part of the workforce, and in more than 40 percent of those households women contribute at least half the household income. Yet, women’s earning power falls short of men. For example: U.S Department of Labor statistics for 2014 show that female physicians and surgeons earned 72 percent of what their male counterparts earned; and female pharmacists (the highest earning occupation for women) earned less than 88 percent of what their male pharmacist counterparts earned. Further, fewer women are represented in leadership. In

(Continued on page 3)



PRESIDENT'S NOTEBOOK

In this era of health reform and major changes in the health care delivery system, health care organizations are being challenged as never before. Boards must be prepared to meet these challenges and to continue serving the needs of their communities. Self-assessment is a way for boards to ask themselves how well they are prepared to confront these obstacles.



Michael T. Rust
President

The Kentucky Hospital Association is always looking for new ways to support our member hospitals and their governing boards so you can achieve your goals. Thus, KHA is excited to offer a Board Self-Assessment tool that can help a hospital board identify where its strengths lie as well as where improvement may be needed. Self-assessment is an important function that should be an ongoing part of serving on any hospital or system board.

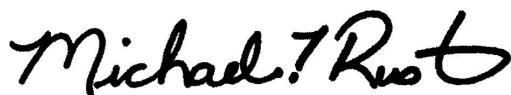
There are two sections to the assessment tool – board assessment (to allow each board member to answer a set of questions about the board as a whole) and personal evaluation (to provide each board member a better understanding of their own strengths and weaknesses as a contributing member of the board). The survey can also be customized to meet your board's specific needs.

The Board Self-Assessment tool provides feedback reports not only to give you a better understanding of your board, but to allow for benchmarking against your peer group and boards across the nation.

If you are interested in learning more about how this tool can help your hospital or health system board, I urge you to contact Chuck Warnick or Melanie Moch here at KHA (502-426-6220).

As always, I and every member of the KHA staff are here to serve you.

Sincerely,



Michael T. Rust, FACHE
President
Kentucky Hospital Association

Governance Notebook

KHA Trustee Conference – September 21

KHA will host a Trustee Conference on September 21 at Churchill Downs in Louisville. Save the date for insightful trustee programming and a fun day of horse racing at the track! Karma Bass, an expert in hospital board training, will be the speaker.

Watch the KHA website and your inbox for more information.

Kentucky Hospitals' Circle of Friends Political Action Committee – Online Contribution Form Now Available!

As you know, health policy and advocacy are profoundly important. Decisions made in Frankfort and in Washington, D.C., directly impact health care for more people than ever before.

KHA's political action committee, Kentucky Hospitals' Circle of Friends, is important to every hospital in the state because it provides an opportunity to educate officials about health care legislation that impacts hospitals.

We ask all Kentucky hospitals' board members to make a personal contribution to help move Kentucky hospitals' legislative agenda forward. It is even easier to make your contribution now with the Circle of Friends online contribution form. Visit <https://www.kyha.com/circle-of-friends-information> today and log in with your email address for more details.

To learn more, please contact Ashley Peterson of KHA at 502-426-6220 or apeterson@kyha.com.

Do you have ideas for future issues of the *Kentucky Trustee*?

Our goal is to provide you with the information and knowledge you need to lead your hospitals forward in today's rapidly changing environment. Tell us what you think, and what you would like to see in future issues of the *Kentucky Trustee*.

Write or call:
Ginger Dreyer

Kentucky Hospital Association
2501 Nelson Miller Parkway, Louisville, KY 40223
502-426-6220 or 800-945-4542
gdreyer@kyha.com

Demographic Diversity: Actions the Board Can Take

- Ensure the board itself has a diversity of age, gender, race and ethnicity;
- Ensure the organization’s leadership and workforce represents the diversity of its community;
- Include diversity training in trustee orientation and governance education programs;
- Ensure diversity is an active component of the organization’s workforce training programs;
- Promulgate policies and practices that set a tone of leadership, equity and support for diversity;
- Proactively address harassment and hostile work environments;
- Ensure conduct of wage surveys and wage equity;
- Ensure development of career, leadership and succession plans that support a diverse workforce culture; and
- Identify strategic plan goals that will strengthen the organization’s diversity and cultural competency.

(Continued from page 1)

2014, only 28 percent of hospital trustees were female, an increase of only five percent since 2004. The American Hospital Association’s 2018 National Health Care Governance Survey should indicate whether there’s been any change since then.^{4, 5, 6}

Everyone is a Minority Group. The fastest growing population group in the U.S. is the “two or more races” population, followed by the Asian population, and then Hispanic populations. The majority population of the U.S. is non-Hispanic white. However, the U.S. Census Bureau projects that this group will drop below 50 percent of the population in 2044, at which point there will no longer be a racial or ethnic group in the majority. The U.S. will become what is being termed a “majority minority” nation.⁷ Currently, the most recent census results indicate that minority populations represent nearly half the total population in the Western region of the United States, 40 percent in the South, nearly one-third of the population in the Northeast, and about one-fifth of the population in the Midwest.⁸

Ensuring Cultural Competency. The diversity of communities across the country is changing, which has the potential to cause disparities and inequities in health care. It is trustees’ role and responsibility to ensure their hospitals and health systems deliver high quality care that meets the needs of everyone in their

communities. Achieving this requires recruiting, promoting and supporting a diverse governance, leadership and workforce that are responsive to the population in the service area; and educating and training those groups in culturally and linguistically appropriate policies and practices on an ongoing basis.⁹

Workforce Shortages

Citing aging baby-boomers, longer life expectancies and increases in chronic conditions, the U.S. Bureau of Labor Statistics projects that five of the ten fastest growing occupations from 2016 – 2026 will be in health care and its associated support occupations. Among the top ten fastest growing occupations are home health aides, personal care aides, physician assistants, nurse practitioners and physical therapist assistants.¹⁰ However, as the population ages and demands for care increase, the size of our workforce is

declining. While many in the Boomer generation are working longer, others are leaving the workforce, including many retirement-age physicians and nurses. Couple that with smaller sized generations that follow, and the fact that the youngest (ages 16-24) are staying in school longer, and one can begin to understand why hospital CEOs ranked personnel shortages third in an ACHE survey of issues that most concern them. Specifically, they’re concerned about shortages of registered nurses, primary care physicians and physician specialists.¹¹ However, one industry expert, Paul H. Keckly, PhD, questions the assumptions upon these projections are based. Keckly argues that conventional calculations based on population changes, disease prevalence, and physician retirement fail to consider changes and disruptions in today’s health care environment. Keckly makes the case that retail and urgent care clinics, fitness facilities, employers’ on-site clinics and others, are leveraging mid-level professionals, alternative therapies, technology, lower costs, convenience and rising consumerism to divert patients from hospitals and physician offices, mitigating projections of medical professional shortages.¹²

Leveraging advances and applications in telemedicine is one way some hospitals and health systems are overcoming technology and recruitment challenges. To facilitate telemedicine, some states are participating in the Nursing Licensure

(Continued on page 8)

Workforce Shortages: Actions the Board Can Take

- Expect and plan for upward pressure on wages and other compensation costs, driven by an improved economy, job mobility and workforce shortages;
- Monitor employee and medical staff satisfaction and ensure a strong organizational culture;
- Ensure the organization has a plan to prevent workforce burnout and strengthen resiliency;
- Ensure the organization has a strong employee recruitment pipeline and retention plan, remaining open to new and different strategies;
- Support the ability of staff to practice to the full extent of their license;
- Determine applicability of the Nursing Licensure Compact and Interstate Medical Licensure Compact to the organization; and
- Assess the use of consultants for critical initiatives.

GOVERNANCE INSIGHTS

Conducting an Effective Governance Practices and Performance Assessment

Extraordinary changes and transformation in the health care delivery system are occurring. These forces hold significant opportunity for hospitals. They also hold substantial implications and remarkable challenges for hospital management and governance. The most critical challenge confronting many boards is determining a strategic plan for a leaner, more efficient organization without sacrificing high-quality care, offering more and better programs and services, and achieving it all with fewer resources.

Recognizing new and different opportunities, mapping out plans, monitoring performance and ensuring achievement in today's quick-pace world of change are key responsibilities of the board. New rules and regulations are going into effect, driving all members of the health care delivery system to act and react. Trustees must be nimble, astute, and highly-competent in carrying out their responsibilities and fulfilling the hospital's mission. How the board must perform today and tomorrow is different than how the board needed to perform yesterday. Just as there are new standards by which hospital performance is being measured and reimbursed, there are new criteria the board should evaluate when gauging its performance.

Ensuring Continuous Board Improvement

Governance practices and performance assessments are an important starting point boards can take to ensure their boards are well-poised to carry their organizations into the new health care world.

A governance practices and performance assessment evaluates board members' satisfaction with all aspects of board performance in fulfilling the board's governance responsibilities. Successful assessments enable boards to identify "governance gaps," or areas in which the

board has the greatest potential for improvement. The assessment process identifies these gaps, and facilitates the development and implementation of initiatives and strategies to improve leadership performance.

Through an effective, well-developed governance practices and performance assessment process growth opportunities can be realized, education can be pinpointed to unique governance needs, recruitment of new trustees can be undertaken with increased confidence, and long-range planning can be conducted within a consensus-based framework with everybody on the same page.

Using the Governance Practices and Performance Assessment to Improve Governance

A successful governance assessment engages the board in a wide-ranging evaluation of its overall leadership performance. At the same time, it provides trustees with an opportunity to rate their personal performance as vital contributing members of the board of trustees. An excellent assessment process will achieve several key outcomes:

- Define the board's most critical governance success factors;

- Secure anonymous, broad-based and insightful trustee input on the critical fundamentals of successful governing leadership;
- Create an opportunity to address major issues and ideas in a non-threatening, collaborative manner;
- Clearly demonstrate where the board is both in and out of alignment on leadership fundamentals and issues;
- Objectively assess the degree of common trustee understanding, expectations and direction for the board;
- Assess the deficiencies that may impact the board's ability to fulfill its fiduciary responsibilities;
- Identify opportunities for meaningful leadership improvement; and
- Help administration better understand and respond to the board's leadership education and development needs.



Conducting the Governance Assessment

The governance assessment may be conducted using a printed survey, an online survey, individual interviews, a facilitated, full board discussion, or some combination of these methods.

The assessment should include specific, precise and well-articulated criteria that relate to the hospital's unique board and leadership challenges. These criteria

(Continued on page 5)

Goals of a Governance Self-Assessment

- ✓ Set measurable objectives for improving hospital performance
- ✓ Gather information to assess board effectiveness in improving hospital performance
- ✓ Use pre-established, objective process criteria to assess board effectiveness in improving hospital performance
- ✓ Draw conclusions based on findings, and develop and implement improvement in governance activities
- ✓ Focus on sustained improvement in leadership areas defined as needing attention

(Continued from page 4)

should be developed by a board development committee, or a special governance assessment task force, and should be reviewed and endorsed by the full board as leadership accountabilities they embrace.

Areas addressed in many assessments include: assessment of overall board performance in several areas of leadership accountability; assessment of committee performance; identification of issues and priorities facing the board; assessment of individual trustee performance, including a peer evaluation; and assessment of the board chair.

A meaningful rating scale must be developed that ensures clear and concise input that results in an effective scoring of the board’s performance. A good scale to use is one that rates board performance on a scale of level 5 – level 1, including a clear definition of what each rating level rating represents.

Assessment of overall board performance should be divided into several leadership responsibility areas, such as:

- Mission, values and vision;
- Strategic direction;
- Leadership structure and governance processes;
- Quality and patient safety;

- Community relationships;
- Relationship with the CEO;
- Relationships with the Medical Staff;
- Financial leadership; and
- Community benefit and health.

Major Governance Issues and Priorities.

When done correctly and consistently, a governance assessment process enables the board to identify critical “governance gaps,” and achieve and maintain the level of governing excellence required for success in today’s challenging health care environment.

In addition to rating the board’s performance in the important areas outlined earlier, the assessment should also provide trustees with an opportunity to answer several open-ended questions, such as:

- What is your single highest priority for the board in the next year?
- What are the governance strengths that must be maximized in order to ensure leadership success in the next year?
- What are the governance weaknesses that must be overcome in order to ensure the hospital’s success in the next year?
- What are the most significant health care trends that the hospital’s leadership must be able to understand and deal with in the next year? In the next five years?
- What challenges or issues are most critical to be addressed if the board is to be most successful in leading strategic change in the next year?

Individual and Peer Performance Assessment

An individual performance assessment is a critical component of a quality governance assessment process. Trustees may have one view of the overall board’s performance, and have an entirely different view of their own individual performance, and that of their colleagues. A personal, introspective look at individual leadership

enables trustees to focus on the essentials of good leadership and their personal impressions of their individual performance.

A good way to evaluate personal governing performance is through a peer assessment. This enables trustees to personally evaluate their performance, and the performance of each of their board colleagues, using a short list of relevant criteria.

Trustees should rate themselves and their colleagues in two broad areas: 1) governing attributes, the factors that define their performance in fulfilling their governance duties; and 2) personal competencies and attributes, the factors that describe the personal strengths and abilities required for effective trusteeship. In addition, each trustee should answer one simple question after rating each individual board member: “What suggestions do you have for ways this trustee colleague can improve his or her governing performance?”

The process provides trustees with unique insights into their leadership attributes and needs from the informed perspective of their trustee colleagues.

Putting Your Assessment Results to Work

Conducting the governance assessment is just the first step in improving governance leadership performance. The key to success of the full process is not simply the measurement of trustee viewpoints, but is instead the action that is taken as a result of a careful examination of trustee viewpoints.

A full review of trustees’ viewpoints should stimulate the board to discuss their opinions and ideas for improving board success, and result in the development of a governance improvement action plan with clearly defined responsibilities, time frames and projected outcomes. Boards should then monitor their progress to ensure that projected outcomes are achieved, and revise the governance improvement action plan when necessary.

GOVERNANCE INSIGHTS

What Trustees Need to Know and Do About Cybersecurity

Hospitals and other health organizations are increasingly at risk against malicious hacker activity. Cybersecurity, sometimes referred to as “cyber attacks,” cost health care organizations billions of dollars each year. They put patients at risk, resulting in potential patient harm, hospital fines and penalties, and ultimately inflict serious consequences on an organization’s community trust and reputation. As stewards of the hospital’s financial health and representatives of the community’s interests, trustees must take the lead in ensuring that data security and patient privacy are a top priority at their organization.

According to the Federal Bureau of Investigation (FBI), the risk of cyber threats is growing, and “has become so dire that cybersecurity has topped the Director of National Intelligence list of global threats for the second consecutive year.” Because of the prominent role it plays, health care is an attractive target for criminals. Not only do cyber attacks result in increased costs for health care benefits, insurance, and taxpayers—they also have the potential to “cause actual patient harm, including subjecting patients to unnecessary treatment, providing sub-standard services and supplies, and passing potentially life-threatening diseases due to the lack of proper precautions.”²

Lost or compromised patient information can lead to financial identity theft, insurance fraud, or to medical identity theft that can plague victims’ medical and financial lives for years. It can result in

erroneous entries in a person’s existing medical records or fictitious medical records in the victim’s name. As medical information is shared among hospitals, physicians and insurers, false information can propagate far and wide, leading to a host of problems, including the potential for life-threatening misdiagnoses.

Understanding the Growth of Cyber Threats

The threats associated with cyber attacks have grown significantly in recent years, as nearly all software, devices, and applications now connect to the Internet. Examples include billing systems using electronic transfers, medical devices uploading information real-time into patient electronic health records, and the increase in cloud-based file sharing. The risk grows when organizations consider the use of hospital-issued and personal laptops and mobile devices, and the availability of free Wi-Fi to patients and visitors. The web of data that is available continues to grow, as does the complexity of keeping it secure.

In a poll of over 500 security professionals conducted by the Internet of Things security firm Pwnie Express, 51 percent of professionals said the health care and public health sectors were least prepared for cyber attacks.

85 percent of professionals believe that a major cyber attack on critical infrastructure is likely in the next five years.⁸

Attacks are Rapidly Increasing. Rapid7, a cybersecurity company, found in its May 2018 quarterly report that the health care sector experienced a surge in cyber attacks during the first quarter of 2018.⁸ Hackers are drawn to health organizations’ aging and complex IT systems that are challenging to secure. According to the Ponemon Institute’s “Third Annual Benchmark Study on Patient Privacy & Data Security,” 94 percent of health care organizations have been victims of a cyber attack.⁷ A separate report released by Redspin in 2014 confirms that nearly 30 million Americans have had their personal health information breached or disclosed since 2009.⁶

Cyber Threats Vary. One of the more commonly recognized threats are attempts to steal employee and patient data to sell in online black markets, exposing patients to identity theft and fraud. Patient billing and insurance information make hospitals and insurers a highly appealing target for hackers. In addition, personal or family health history can be used for blackmail or phishing, or allow an individual to masquerade as someone else.⁸

Other attacks may be focused on gathering information about medical innovations or technologies, or may be more terrorist in nature, with the goal of harming patients by disabling devices or modifying medical devices.³

Unsecured Devices and Computers Contribute to Risk. According to a recent Ponemon Institute report, 81 percent of organizations allow employees and medical staff to use their own mobile devices to connect to their networks. At the same time, only 54 percent of the survey respondents reported confidence that the personally owned mobile devices are secure.⁷ According to Redspin’s President and CEO Daniel W. Berger, portable devices’ lack of encryption is one

(Continued on page 7)



(Continued from page 6)

of the greatest risks, stating “It’s only going to get worse given the surge in the use of personally-owned mobile devices at work. We understand it can be painful to implement and enforce encryption but it’s less painful than a large breach costing millions of dollars.”⁶

In addition to unsecured mobile devices, hospitals continually use medical devices that contain sensitive patient information such as radiology imaging software or wireless heart pumps, 69 percent of which are not secure medical devices.⁷

Todd DeSisto, CEO of Pwnie Express, stated that, “The problem extends from MRI machines to the devices nurses wear on their wrists that remind workers to wash their hands. Those are great in terms of productivity enhancements, but you’re also more exposed because they’re all connected to the Internet.” DeSisto also said, “There’s lots of different kinds of attack points. They’re ripe targets.”⁸

The Financial Impact of Vulnerabilities

Privacy breaches can threaten the short and long term financial health of a hospital. The hospital board has responsibility for compliance, and the Health Information Technology for Economic and Clinical Health (HITECH) Act increased fines for non-compliance with HIPAA privacy regulations to \$1.5 million per incident. New privacy and security requirements in the HITECH Act widen the definition of what health care information must be protected and make health care providers and their business associates mutually responsible for protection of shared patient data. The Act also sets specific thresholds, response timelines, and methods for breach victim notification, with potential fines for non-compliance ranging from \$25,000 to as much as \$1.5 million.

The Greater Financial Risk May Be Loss of Patient Trust. While fines are significant, damage to the organization’s reputation and loss of patient goodwill has the potential for much more devastating and long-term effects than any regulatory

penalties. Even more than most business relationships, the provider-patient relationship is based on trust, and when any business loses a customer’s personal data, the customer loses trust. A separate Ponemon Institute study found that lost business, not response costs, accounts for 65 percent of data breach costs.⁵ Based on provider responses and customer loss figures from recent studies, Ponemon estimates that the average health care organization loses over \$9 million every two years just to patient churn from data breach incidents, and that privacy-related breaches costs U.S. hospitals almost \$6 billion a year. The potential loss may grow further if class-action lawsuits are incurred following a breach.

Board Responsibilities in Cybersecurity

While cybersecurity does not fall into the traditional realm of board roles and responsibilities delegated when hospital boards were first established, today it should be a critical component. Trustees are responsible for protecting both the hospital and its patient community; data breaches threaten both. To govern effectively, boards need to stay abreast of current trends and methods for improving data security.

Ensure the Board’s Role in Oversight.

The American Hospital Association (AHA) recommends that hospital boards assign cybersecurity to a relevant board committee to provide more detailed oversight and governance. The hospital’s ongoing cybersecurity investigations and plans should be reviewed with the committee, and, if an intrusion does occur, either the full board or the committee should be briefed on the event, lessons learned, and modifications to the hospital’s security plans as a result. The AHA also recommends that the board’s audit committee provide oversight into cybersecurity vulnerabilities and potential exposures, including insurance coverage.³

Trustees are responsible for protecting both the hospital and its patient community; data breaches threaten both.

Set Security Goals. The board or the appropriately assigned board committee should set privacy and security goals for the hospital. Goal setting should begin with an assessment of current security measure and risks. An expert, objective third-party assessment can measure the hospital’s exposure to data breach and whether existing security measures are sufficient. An initial assessment provides a benchmark for setting goals and measuring the success of subsequent security measures.

Staff for Security. Day-to-day security within the hospital environment depends on effective oversight and effective security processes. Security programs are likely to be more effective if someone in the organization “owns” data security and privacy – usually a chief security officer, chief privacy officer, or compliance officer. If no such position exists, trustees can help assess and determine what kind of staffing will best fit with the organizational structure. Once an owner is in place, the board should support that person with adequate staffing and funding for personnel-related initiatives such as security screening and on-going training in security procedures, in addition to needed system and process improvements.

Sources and More Information

1. Filkins, Barbara. Health Care Cyberthreat Report. A SANS Analyst Whitepaper. February 2014.
2. Comey, James B. Director, Federal Bureau of Investigation. Statement Before the House Appropriations Committee, Subcommittee on Commerce, Justice, Science, and Related Agencies. Washington, D.C. March 26, 2014.
3. Cybersecurity and Hospitals. American Hospital Association. 2013.
4. Ponemon Institute. Benchmark Study on Patient Privacy and Data Security. November 2010.
5. Ponemon Institute. 2007 Annual Study: U.S. Cost of Data Breach. November 2007.
6. Sacramento Press Releases: Redspin Reports on the “State of Healthcare IT Security.” *PR Newswire*. February 5, 2014.
7. Ponemon Institute. Third Annual Benchmark Study on Patient Privacy & Data Security. December 2012.
8. Hawkins, Derek. The Cybersecurity 202: Why cybersecurity experts are so concerned about the health-care industry. *The Washington Post*. May 16, 2018.

(Continued from page 3)

Compact and Interstate Medical Licensure Compact. Nurses or physicians can practice under a single license in participating states.

While time will tell if projected workforce shortages are accurate, the declining workforce size, housing and commute costs, improved economy and job mobility are all stacking up to make workforce recruitment and retention a significant challenge today, especially for many rural communities. Some hospitals and health systems are offering tuition for employees and their children, free housing to reduce the costs and stress of commuting, and significant signing bonuses in efforts to meet their workforce needs.¹³

Technological Advancements and Innovation

Artificial Intelligence (AI), defined by Merriam-Webster as the “capability of a machine to imitate intelligent human behavior,” has been identified as one of the most critical and important sources of health care innovation today. Industry leaders are rapidly identifying and expanding applications for AI in everything from hospital back office functions to precision medicine. While many fear AI will replace humans in the workforce, others consider AI a way to improve and “augment” human capacity. For example, to reduce the paperwork and administrative burdens commonly considered contributors to physician dissatisfaction and burnout, startup Robin Healthcare, is introducing an AI device similar to Amazon Alexa and Google Home. The device will produce clinical notes from physician/patient conversations.¹⁴ And, Google AI is focused on using AI to “transform medicine.” Among its efforts is the development of algorithms to be used in the detection and diagnoses of diabetic retinopathy and cancer.¹⁵

Hospital and health system leaders need to be prepared to keep pace with rapid

Technological Advancements and Innovation: Actions the Board Can Take

- Ensure technology and innovation are included in the organization’s strategic plans;
- Ensure that the organization has the talent base to implement and benefit from technology advancements. Ensure training programs deliver the following benefits:
 - Strengthen innovation skills;
 - Meet the hospital’s evolving technology needs;
 - Offer employees and staff opportunities to advance their technology skills;
 - Demonstrate the hospitals’ appreciation of its employees, thus contributing to retention of employees with experience and organizational knowledge;
- Include innovation and technology updates in governance education;
- Support funding and allocation of resources for equipment and technology; and
- Ensure comprehensive compliance and cybersecurity programs.

technological advances. According to the American Hospital Association’s (AHA) Futurescan 2017-2022 survey, more than 90 percent of respondents believe strengthening leaders’ innovation skills will be a strategic objective by 2022.¹⁶ Hospitals and health systems seeking to build their innovation skills, might look to corporations like IBM, Yahoo, Aetna and Best Buy. These companies have recently reined in their remote work policies in the belief that face-to-face meetings and working relationships are essential to

building the trust, teamwork and synergy that generate innovations.¹⁷

Not only are changes in today’s environment exerting pressure on hospitals and health systems, but the heartbeat of these organizations, the workforce itself, is changing – becoming more diverse, perhaps scarcer and for some functions, even non-human in form. Trustees need to anticipate what these workforce changes may mean for their organizations, and how they are going to respond.

Sources and More Information

1. Larson, Eric. Future of Work: Research Shows Millennials, Gen Xers and Baby Boomers Make Better Decisions Together. *Forbes*. April 11, 2018. www.forbes.com.
2. Burjek, Andie. Baby Boomers Booming as Gig Workers. *Workforce*. February 20, 2018. www.workforce.com.
3. Debra Donston-Miller. Workforce 2020: What You Need to Know Now. *Forbes BrandVoice*. May 5, 2016. www.forbes.com.
4. Landivar, Liana Christine. By the Numbers: Happy Mother’s Day! U.S. Department of Labor Blog. May 12, 2017. www.blog.dol.gov.
5. U.S. Department of Labor. Breaking Down the Gender Wage Gap. Accessed May 24, 2018. www.dol.gov/wb.
6. American Hospital Association’s Center for Healthcare Governance. 2014 National Health Care Governance Survey Report. www.americangovernance.com.
7. Colby, Sandra L., Ortman, Jennifer M. Projections of the Size and Composition of the U.S. Population: 2014 to 2060. U.S. Department of Commerce, Economics and Statistics Administration, U.C. Census Bureau. March 2015.
8. The Walker Company. Ensuring the Best Care for All. January 2015. www.walkercompany.com.
9. U.S. Department of Health & Human Services, Office of Minority Health. Accessed January 14, 2014. www.thinkculturalhealth.hhs.gov.
10. U.S. Department of Labor. Employment Projections – 2016-26. Bureau of Labor Statistics, U.S. Department of Labor. January 30, 2017. www.bls.gov/newsrelease/pdf/ecopro.pdf.
11. Knowles, Megan. ACE: 10 Most Concerning Issues for Hospital CEOs. *Becker’s Hospital Review*. February 8, 2018. www.beckershospitalreview.com.
12. Keckley, Paul H. PhD. Myth: There’s A Physician Shortage in the U.S. *The Keckley Report*. March 12, 2018. www.paulkeckley.com.
13. Kavilanz, Parija. Hospitals Offer Big Bonuses, Free Housing and Tuition to Recruit Nurses. *CNN Money*. March 8, 2018. www.money.cnn.com.
14. Lovett, Laura. Doctor’s Assistant Tobin Healthcare Emerges from Stealth Mode. *MobiHealthNews/HIMSS Media*. May 30, 2018. www.mobihealthnews.com.
15. Google AI. Healthcare and Biosciences. Accessed May 30, 2018. www.ai.google/research/teams/brain/healthcare-biosciences.
16. The American Hospital Association. The 2018 Environmental Scan. *H&HN*. October 2017.
17. Goman, Carol Kinsey. Why IBM Brought Remote Workers Back to the Office...and Why Your Company Might be Next. *Forbes*. October 12, 2017. www.forbes.com.