

Policy Leadership for Health Care Transformation

Executive Summary



Alignment of Governance and Leadership in Healthcare:
Building Momentum for Transformation



Introduction

Policy Leadership for Health Care Transformation was a year-long project, supported by the Kresge Foundation, of Nemours Children's Health System (Nemours) on behalf of the *Moving Health Care Upstream* initiative¹ (MHCU) and the Public Health Institute (PHI) on behalf of the *Alignment of Governance and Leadership in Healthcare* (AGLH) initiative.² Informed by their prior work, the organizations worked together throughout 2017 to identify specific institutional policies and civic engagement strategies undertaken by leading edge hospitals and health systems to codify, sustain, and scale practices that address social determinants of health (SDOH)³ in local communities. **This summary highlights these exemplars using a framework of core principles that support system transformation and, in turn, hold potential to improve health at the community level.**

Overview

A growing number of hospital and health system leaders support the shift in financial incentives that is at the core of what we refer to as the transformation of health care. In this environment of change, uncertainty, and high expectations, there are many notable projects supported by hospitals and health systems across the country. At the same time, there is a need to move beyond small scale projects and innovations, creating structures and functions that formalize commitment and incentivize desired behaviors at the individual, departmental, and institutional level. Taking these critically important steps helps build momentum to scale innovations and generalize practices.

Setting a Roadmap for Transformation

Actions taken by 18 participating health systems were documented as part of the Policy Leadership for Healthcare Transformation initiative under two major categories, or **Foundational Pillars**; internally-focused **Institutional Policy Strategies**, and externally-focused **Civic Engagement Strategies**. Each of these include subcategories, or **Design Elements**. Examples in each area are included in the full brief.

Foundational Pillar #1: Institutional Policies

Building internal capacity to transform hospitals and health systems requires a careful examination of the skills and competencies needed, and the development of structures and functions to unleash creative energy and productivity. There are three **Design Elements**, including *leadership and board engagement*, *accountability mechanisms*, and *alignment across organizational functions*.

Design Element 1-1: Leadership and Board Engagement

The legacy model of governance for hospitals and health systems tends to be focused on core fiduciary responsibilities, with member competencies in the legal, financial, and investment arenas. Today's rapidly changing environment requires a board with a more diverse set of competencies, an agenda that supports a deeper form of engagement, and most importantly, a higher risk tolerance.

Design Element 1-2: Accountability Mechanisms

Organizations signal their priorities for leaders by articulating responsibilities in job descriptions, allocating FTE, creating new senior leader positions, and in some cases, by establishing financial incentives to meet specific objectives. These accountability mechanisms help to “hard-wire” practices, gradually integrating them into the cultural DNA of an organization.

Design Element 1-3: Alignment Across Organizational Functions

Among transforming organizations, it becomes more important to integrate functions across organizational functions such as sharing data, designing new analyses, and aligning strategies to reduce readmissions, preventable emergency room and inpatient utilization. Progress in these areas is further extended through strategic engagement of diverse external stakeholders, leveraging internal resources and building the critical mass of investment and infrastructure development to produce measurable results in communities where health equities are concentrated.

Pillar #2: Civic Engagement Strategies

Strategies to address behavioral, environmental, and SDOH require the optimal mobilization of diverse stakeholders in our communities, both in the public and private sectors. Two design elements are essential to move beyond small scale “one off” projects; the *development of a partnership infrastructure* to leverage resources and support ongoing engagement, and *local and regional policy advocacy*.

Design Element 2-1: Partnership Infrastructure

Strategic partnerships thrive when stakeholders create a *shared management and monitoring structure* and work together to address targeted social determinants at scale.

Design Element 2-2: Public Education and Policy Advocacy

Often one of the largest employers in a community, hospitals and health systems are well positioned to build public knowledge and inform public policy development. The shift to value-based reimbursement creates an imperative for civic engagement; to build common understanding of the dynamic relationship between behavior, social and physical environment, and health.

Summary / Emerging Lessons

Formalizing commitments to improve health and well-being in communities is necessary to move beyond small-scale innovations in the transformation of health care in the U.S. Having a senior leader as a champion is essential, but not sufficient; there is a need to build a critical mass of support at both the governance and leadership level.

In the external environment, it helps if you are a Medicaid expansion state, or if payers demonstrate an interest in exploring shared risk contracting. Key factors also include the relative commitment of a state in making investments in population health, which can serve as powerful catalysts for local/regional investment. Private philanthropy can also play an important role, particularly if there is an emphasis on alignment and focus of resources in communities where health inequities are concentrated.

The diversity of the U.S. health system, the public policy environment, and the communities served ensures that there are a variety of possible paths to achieve transformation. Organizations are all in different stages of the transformation process and may be advanced in some areas, and just getting started in others. Hospitals, health systems, and diverse stakeholders can take action at many levels to advance this work, but it is critically important to give equal attention to how these commitments are formalized within organizations and support robust civic engagement in communities.

For more information, click and visit [Moving Healthcare Upstream](#) to access the full paper, which:

- Summarizes the goals of the initiative and the methodology used to create the organizing framework and recommendations
- Presents an action-oriented organizing framework of Institutional Policy Strategies and Civic Engagement Strategies, supported by examples from participating hospitals and health systems; and
- Includes a compendium of sample policy documents, generously shared by participating hospital and health systems.

1 Moving Health Care Upstream (MHCU) is a collaborative effort co-led by Nemours Children’s Health System and UCLA’s Center for Healthier Children, Families & Communities. MHCU creates, tests, and disseminates strategies for producing large-scale, sustainable population health improvements. The focus is on helping health care providers collaborate with other community-based organizations to help children, patients, and families access new resources to address upstream drivers of health. While the lens is children and families, the work applies generally to communities. MHCU was established with support from the Kresge Foundation. For more information, click and visit: [Moving Healthcare Upstream](#)

2 Public Health Institute implements the Alignment of Governance and Leadership in Healthcare initiative (AGLH) in partnership with The Governance Institute and Stakeholder Health with support from the Robert Wood Johnson Foundation. AGLH provides tools and training for senior leaders and board members to develop systematic approaches to health care transformation. For more information, click and visit: [Alignment of Governance & Leadership in Healthcare \(AGLH\) Track](#)

3 The social determinants of health are the conditions in which people are born, grow, live, work and age. (World Health Organization)