Thomas Jefferson University

Healthcare Governance: Imperative for Quality and Population Health

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Assumption 1: Good governance is essential

Assumption 2: Governance must evolve to address the changing challenges of healthcare delivery

Assumption 3: Governance must meet the expectations of our patients and communities

https://fortune.com/2021/06/23/board-diversity-women-poc-inclusion-talent-business-leadership/

Ultimately healthcare governance boards exist to ensure that our healthcare institutions remain important, well functioning, and responsive community assets.

Roles of the Board

- Overseeing strategy and endorsing the strategy of the organization
- Endorsing and encouraging the policies necessary for safeguarding an environment that fosters excellence in clinical care
- Overseeing the adequacy and integrity of the enterprise's activities
- Ensuring that appropriate leadership and resources are in place to address the priorities above

Responsibilities of Board Members

- Determining the mission and purpose of the organization
- Selecting the CEO/Executive Director, assessing his/her/their performance and giving him/her/them support
- Providing financial oversight
- Ensuring adequate resources
- Ensuring the legal and ethical integrity of the organization
- Ensuring effective organizational planning
- Recruiting and training new board members
- Enhancing the reputational status of the organization

Healthcare Board Composition

- Local community representatives and leaders
- Lawyers
- Private sector and government leaders, with a focus on Finance, Real estate, Government relations
- Individuals with a philanthropic interest or capability, especially in the not for profit sector
- The organization's CEO and general counsel
- A minority of physician or clinical leaders, historically less than 20% of board membership

Profound Challenges, Profound Changes

- Workforce size and competency
- Greater scrutiny of quality, outcomes, and efficiency
- Changes in healthcare reimbursement (commercial and governmental)
- Impact of new technologies
- Greater appreciation of the diversity of the U.S. population and the social determinants of health
- Consolidations of hospitals, physicians and insurance companies
- Significant migration to the ambulatory arena

Many of these challenges may be beyond the scope of the traditional healthcare board experience and competence.

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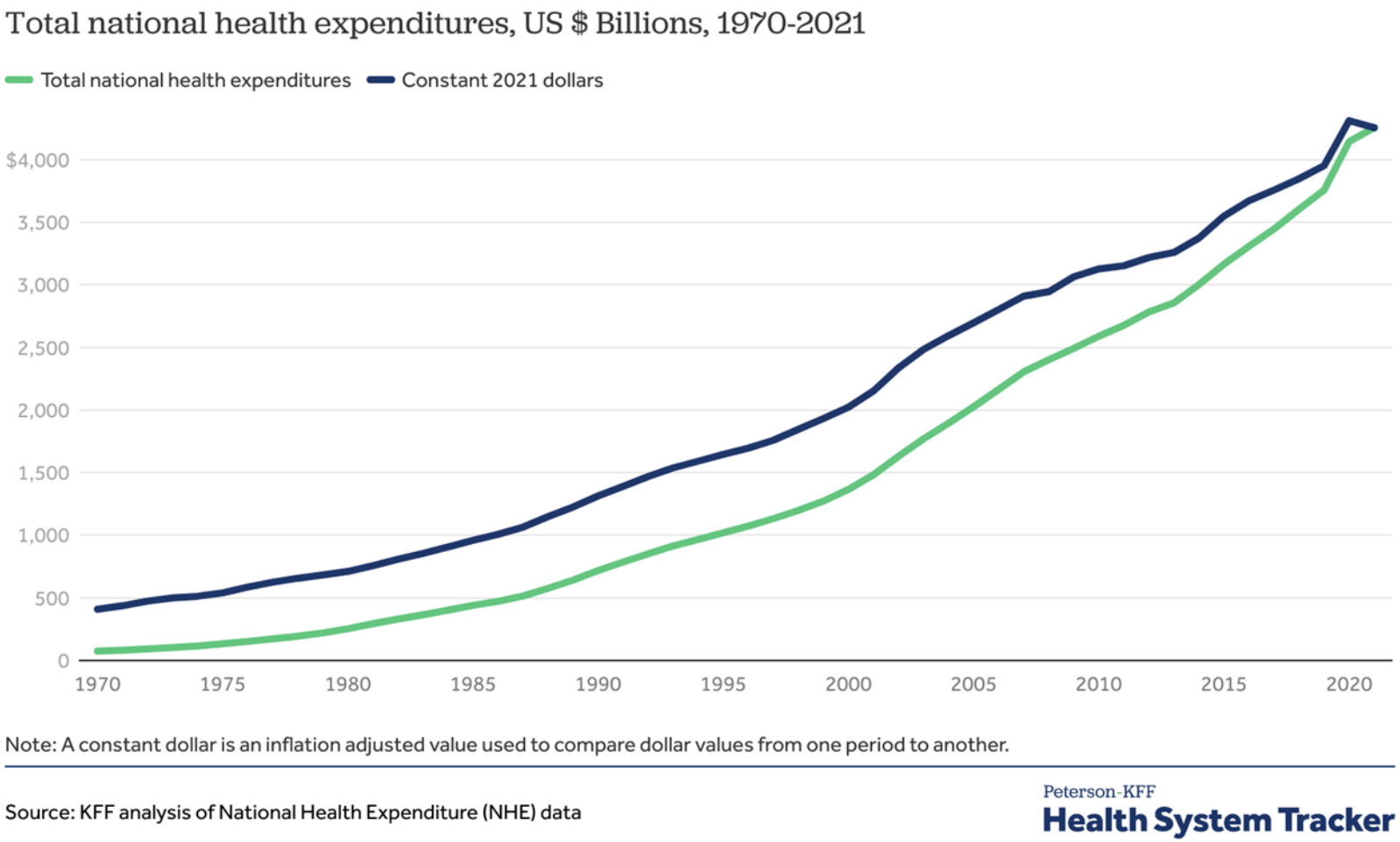
It is therefore imperative and essential that boards in their self evaluation processes ensure that they are resourced and educated to provide insight and governance in this ever more important array of challenges.

New Questions?
Or The Same Questions, By New People?

- Can we afford and sustain the costs of healthcare?
- Are we getting the quality and outcomes that we should expect from our expensive healthcare system particularly given comparisons with other healthcare systems?
- How does the public perceive and access the healthcare services they need and want?

National Health Care Spending

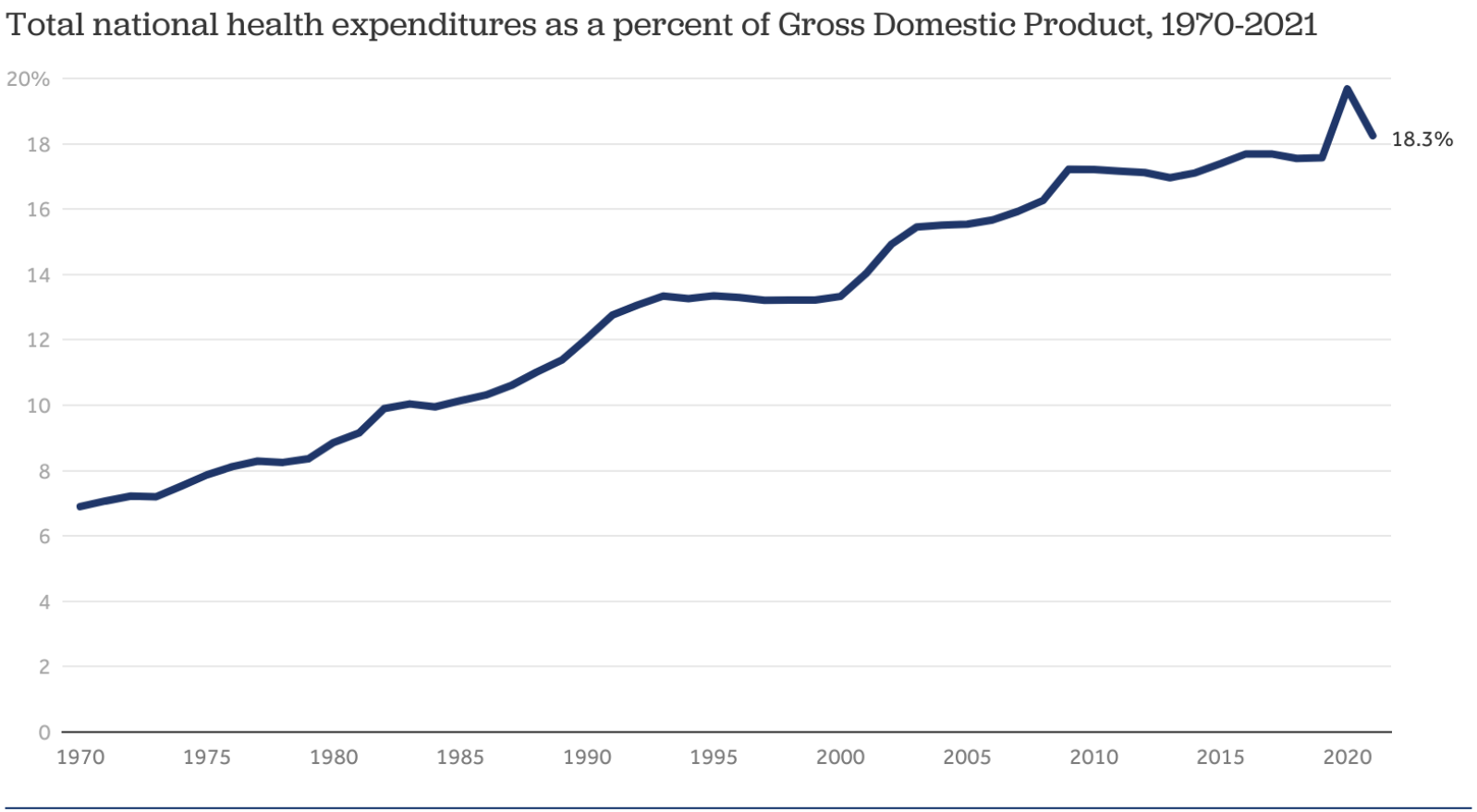


Note: A constant dollar is an inflation adjusted value used to compare dollar values from one period to another.

Source: KFF analysis of National Health Expenditure (NHE) data

Peterson-KFF Health System Tracker

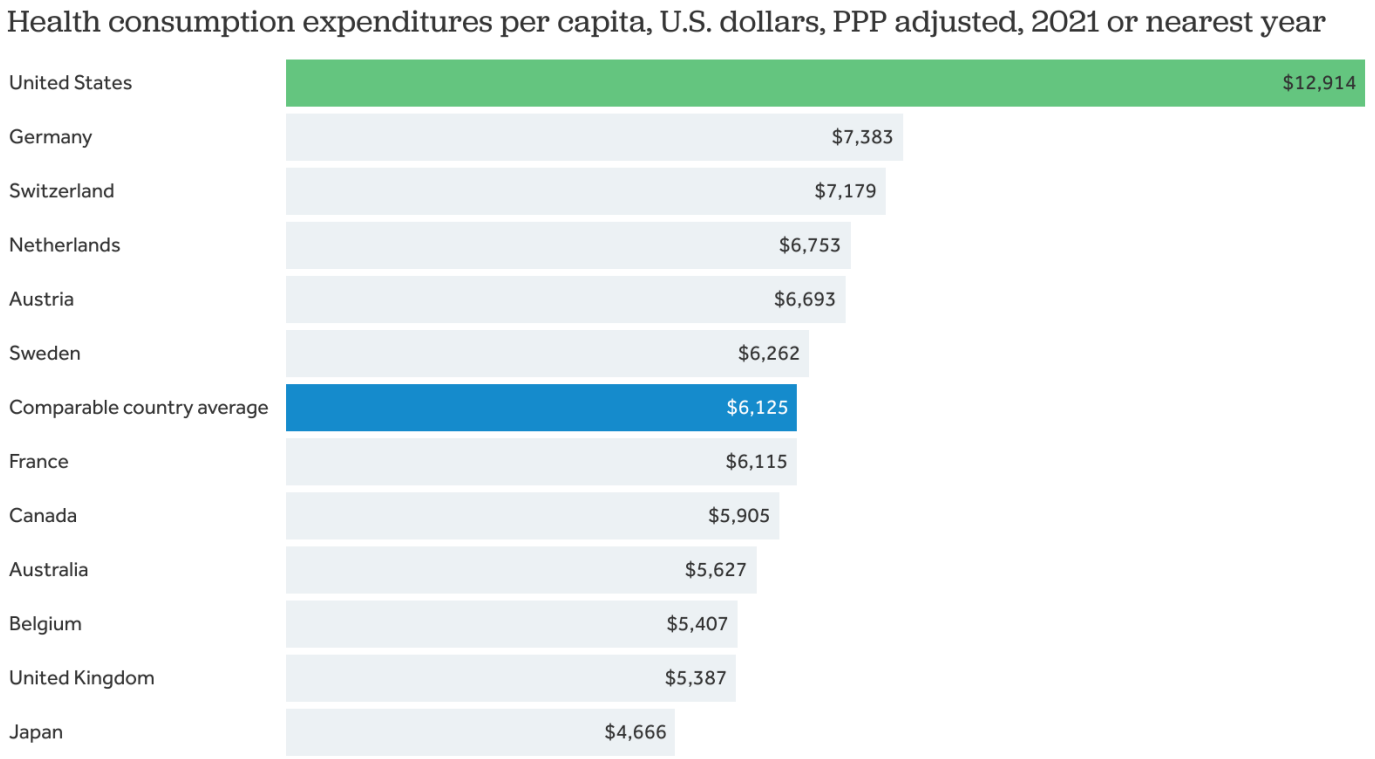
Health Care Spending GDP



Source: KFF analysis of National Health Expenditure (NHE) data

Peterson-KFF
Health System Tracker

US Healthcare vs other OECD countries



Notes: U.S. value obtained from National Health Expenditure data. Data from Australia, Belgium, Japan and Switzerland are from 2020. Data for Austria, Canada, France, Germany, Netherlands, Sweden, and the United Kingdom are provisional. Data from Canada represents a difference in methodology from the prior year. Health consumption does not include investments in structures, equipment, or research.

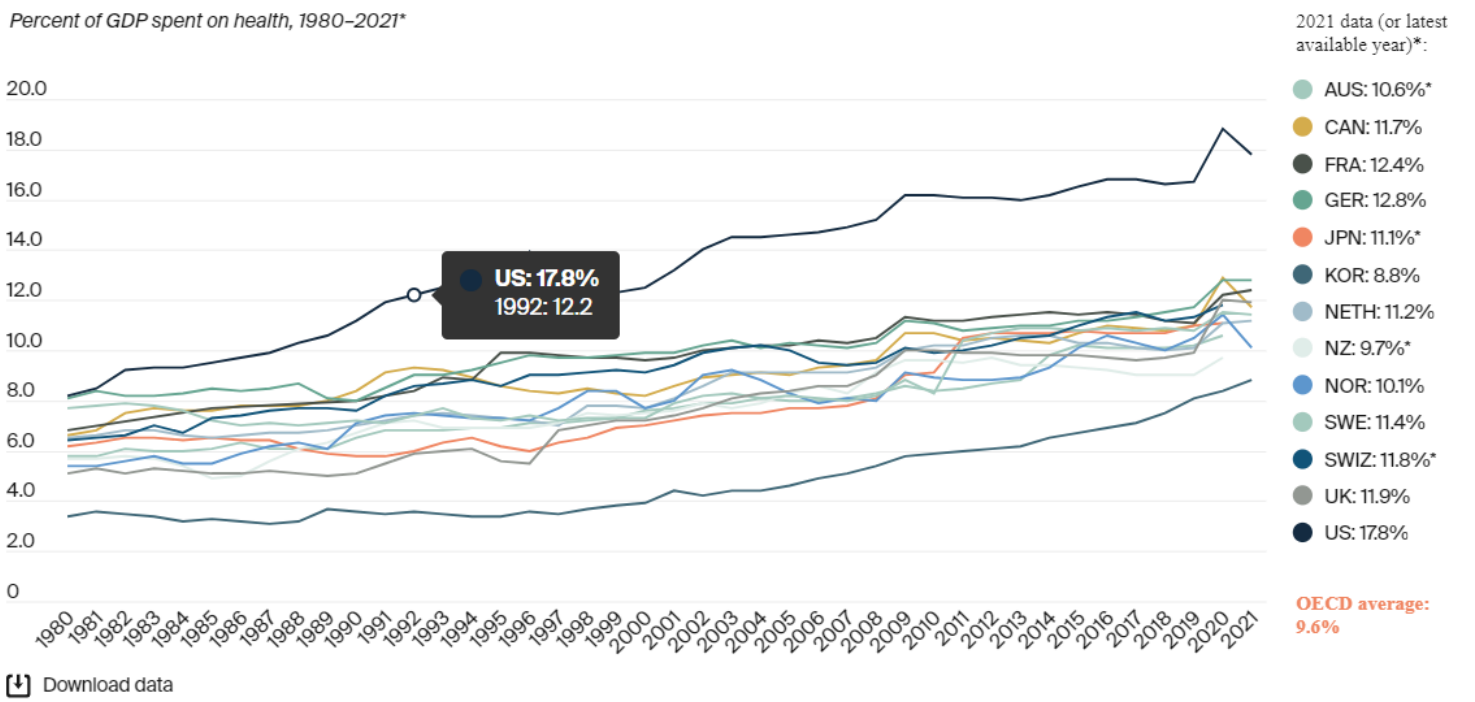
Source: KFF analysis of National Health Expenditure (NHE) and OECD data

Peterson-KFF Health System Tracker

- Health care spending, both per person and as a share of GDP, continues to be far higher in the United States than in other high-income countries. Yet the U.S. is the only country that doesn't have universal health coverage.
- The U.S. has the lowest life expectancy at birth, the highest death rates for avoidable or treatable conditions, the highest maternal and infant mortality, and among the highest suicide rates.
- The U.S. has the highest rate of people with multiple chronic conditions and an obesity rate nearly twice the OECD average.
- Americans see physicians less often than people in most other countries and have among the lowest rate of practicing physicians and hospital beds per 1,000 population.
- Screening rates for breast and colorectal cancer and vaccination for flu in the U.S. are among the highest, but COVID-19 vaccination trails many nations.

https://www.commonwealthfund.org/publications/issue-briefs/2023/jan/us-health-care-global-perspective-2022

The U.S. is a world outlier when it comes to health care spending.



Notes: * 2020 data. Current expenditures on health for all functions by all providers for all financing schemes. Data points reflect share of gross domestic product. Based on System of Health Accounts methodology, with some differences between country methodologies. GDP = gross domestic product. OECD average reflects the average of 38 OECD member countries, including ones not shown here.

Data: OECD Health Statistics 2022.

Source: Munira Z. Gunja, Evan D. Gumas, and Reginald D. Williams II, *U.S. Health Care from a Global Perspective, 2022: Accelerating Spending, Worsening Outcomes* (Commonwealth Fund, Jan. 2023). https://doi.org/10.26099/8ejy-yc74

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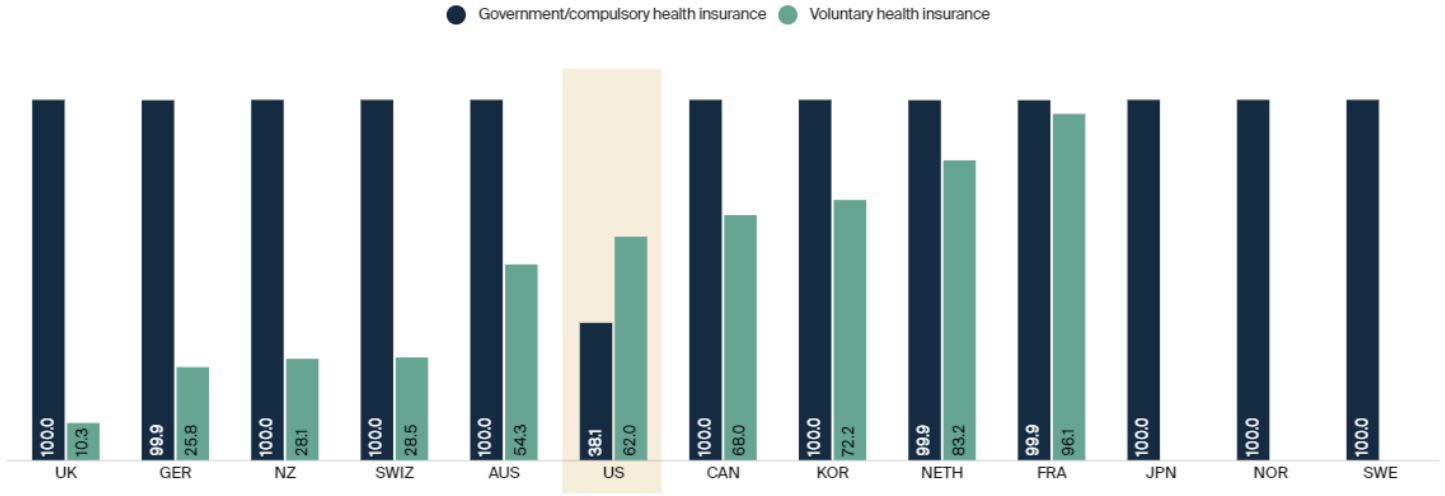
The U.S. is the only high-income country that does not guarantee health coverage.

Percent of total population with health insurance coverage



Notes: Government/compulsory health insurance data: 2021 data for AUS, CAN, FRA, NZ, and NOR; 2020 data for GER, KOR, NETH, SWE, SWIZ, UK, and US; 2019 data for JPN. Voluntary health insurance coverage data: 2021 data for AUS, CAN, and NZ; 2020 data for GER, KOR, NETH, and US; 2019 data for UK; 2017 data for FRA and SWIZ. Government health insurance refers to public benefit basket covering a minimum set of health services. Voluntary health insurance refers to payments for private insurance premiums, which grant coverage for services from private providers. See more information on definitions here: https://www.oecd.org/health/Spending-on-private-health-insurance-Brief-March-2022.pdf.

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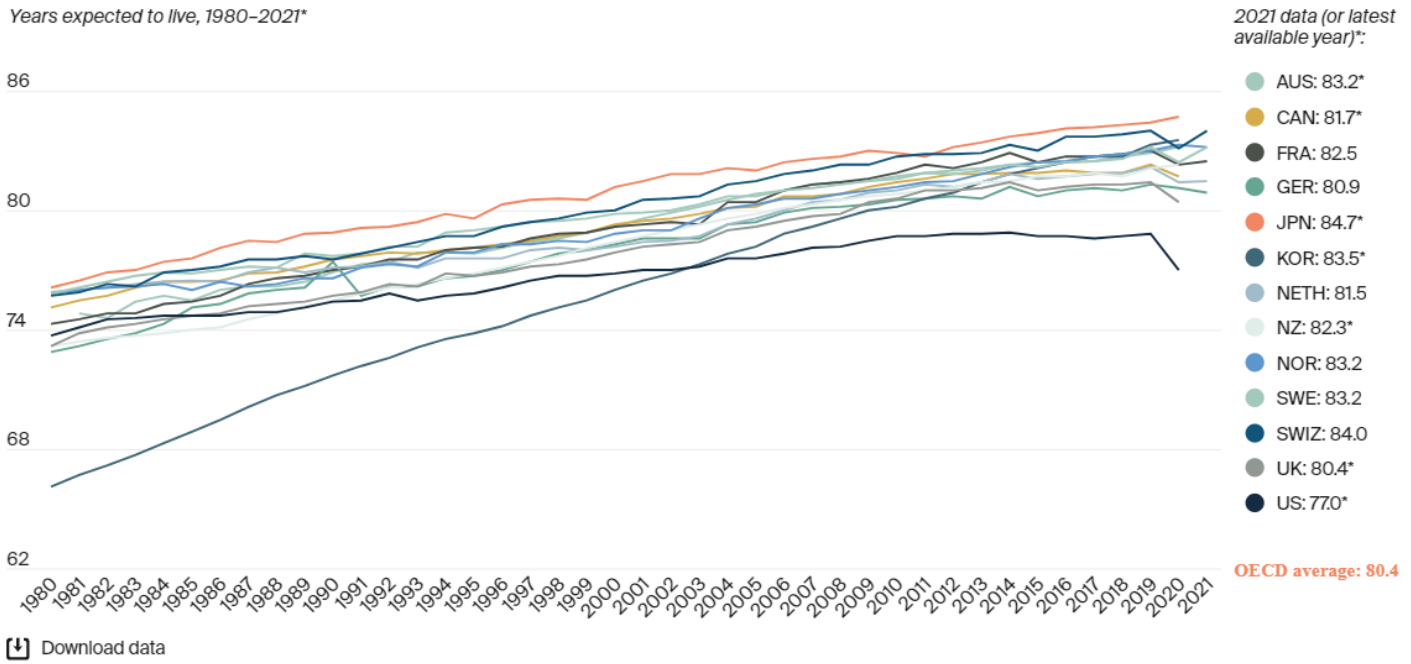
U.S. life expectancy at birth is three years lower than the OECD average.



Download data

Note: * 2020 data. Total population at birth. OECD average reflects the average of 38 OECD member countries, including ones not shown here. Because of methodological differences, JPN and UK data points are estimates.

Data: OECD Health Statistics 2022.

Source: Munira Z. Gunja, Evan D. Gumas, and Reginald D. Williams II, *U.S. Health Care from a Global Perspective, 2022: Accelerating Spending, Worsening Outcomes* (Commonwealth Fund, Jan. 2023). https://doi.org/10.26099/8ejy-yc74

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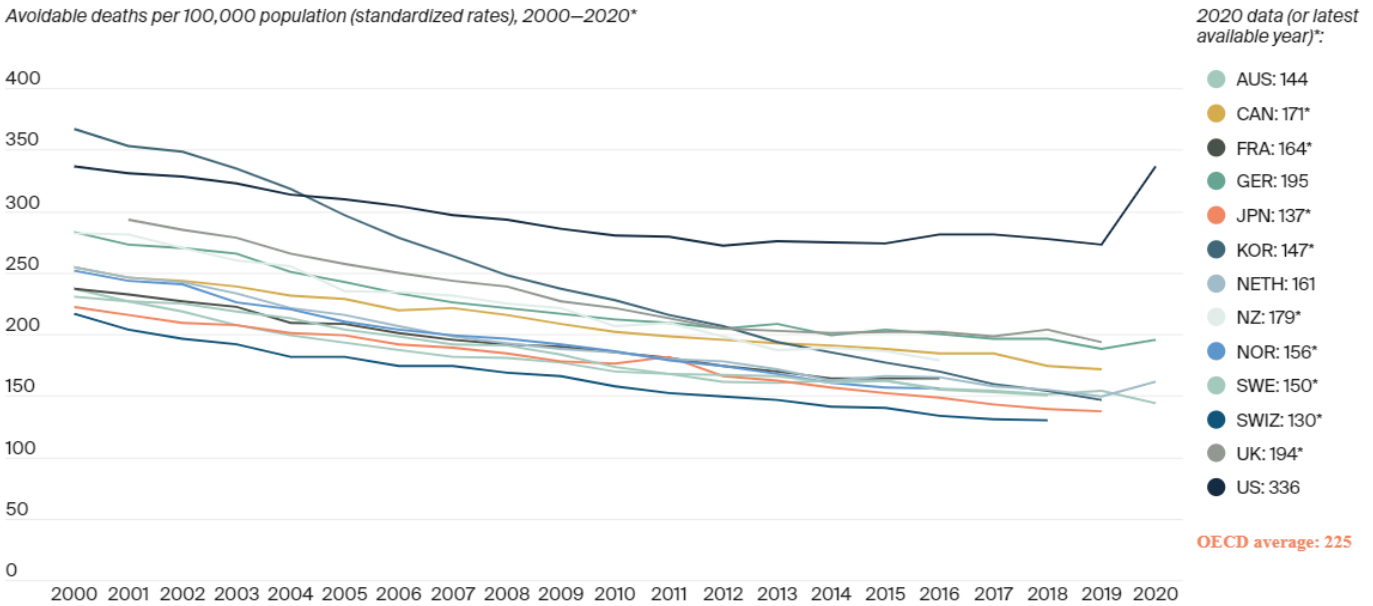
Avoidable deaths per 100,000 population in the U.S. are higher than the OECD average.



Notes: Rates reflect age-standardized rates. Avoidable mortality includes deaths which are preventable and treatable. * 2019 data for CAN, JPN, KOR, and UK; 2018 data for SWE and SWIZ; 2016 data for FRA, NZ, and NOR.

Data: OECD Health Statistics 2022.

Source: Munira Z. Gunja, Evan D. Gumas, and Reginald D. Williams II, *U.S. Health Care from a Global Perspective, 2022: Accelerating Spending, Worsening Outcomes* (Commonwealth Fund, Jan. 2023). https://doi.org/10.26099/8ejy-yc74

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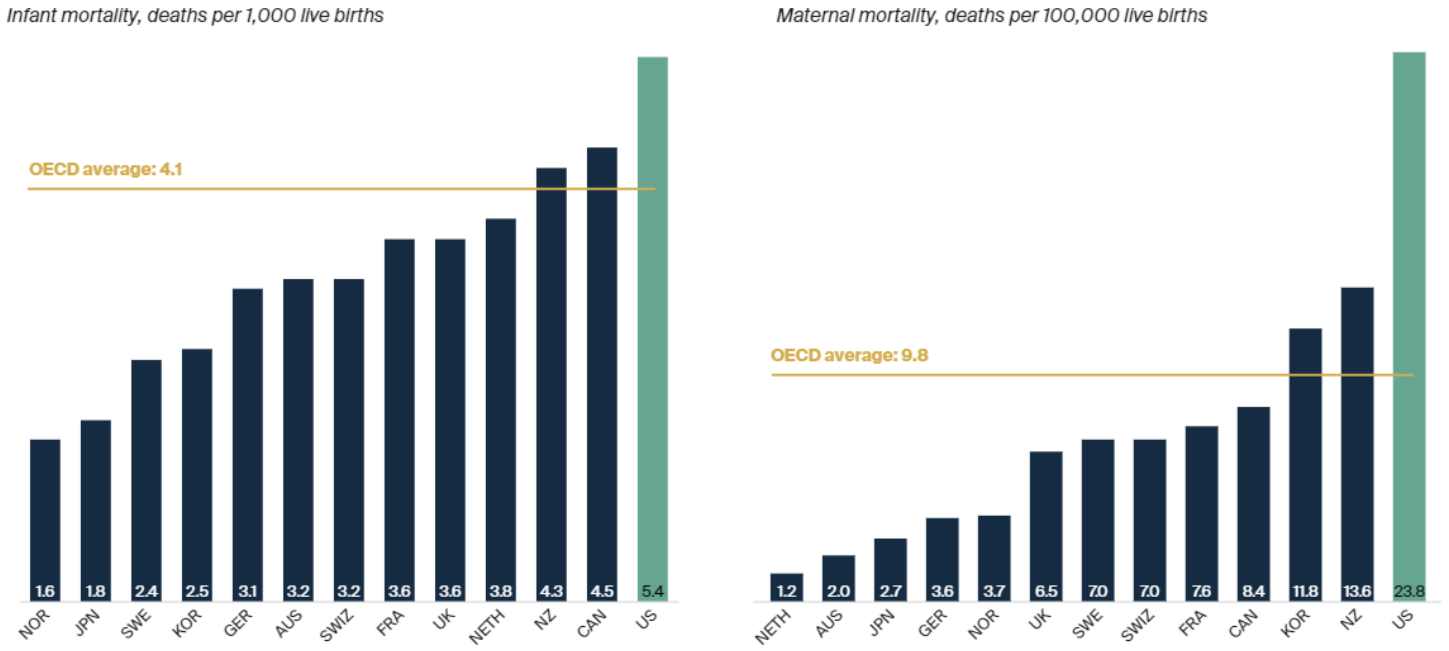
The U.S. has the highest rate of infant and maternal deaths.



Notes: Infant mortality rates reflect no minimum threshold or gestation period or birthweight. Infant mortality 2021 data for FRA and SWIZ; 2020 data for AUS, CAN, GER, JPN, KOR, NETH, NOR, SWE, UK, and US; 2018 data for NZ. Maternal mortality 2020 data for AUS, CAN, GER, JPN, KOR, NETH, NOR, SWE, and US; 2019 data for SWIZ; 2018 data for NZ, 2017 data for UK; 2015 data for FRA. OECD average reflects the average of 38 OECD member countries.

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The Triple Aim Remains Strong in Healthcare, and Known by Healthcare Boards

- Improving the health of populations
- Reducing the per capita costs of healthcare
- Improving the patients' experience of healthcare

Population Health? Not So Much…

Kindig defined and the IHI uses:

Population Health is defined as the health outcomes of a group of individuals, including the distribution of such outcomes within the group. These groups are often geographic populations such as nations or communities but can be other groups such as employees, ethnic groups, disabled persons, prisoners or any other defined group.

Why is Population Health Important for Boards to Understand?

- We need to think of the overall *health status* and *wellness* of the populations we serve, not just the presence of individual diseases and what we can do to improve that *health status*
- We need to define success across populations, rather than one case at a time
- We need to better understand how to re-engineer and invest in our healthcare system to control costs, and improve outcomes and access, across entire populations

How Do We Define Quality Assessment in the Healthcare Environment

Quality assessment means the measurement and evaluation of the quality and outcomes of medical care provided to individuals, groups, or populations.

Boards should understand and mandate that there are important steps to consider in the measurement of quality

- Decide what to measure
- Know your organization and its strengths and weaknesses
- Determine the best methods of measurement
- Establish quality assessment measures
- Promote effective education about these measures and
- Communicate about the findings
- Revisit quality studies periodically
- Hold the organization accountable for these steps and the results they achieve
- Create and standardize policies for future quality assessment initiatives

In Summary,

- Healthcare system boards do their best when they understand their roles and responsibilities with respect to the quality imperative and the emphasis on population health across our country
- Effective boards must educate themselves about these important topics and their relevance to the sustainable and positive impacts of our healthcare system

In Summary,

- Effective boards must raise the importance of quality assessment and population based health to the communities they serve and to the performance they will assess of their organization's leadership
- Boards must constantly assess whether their organization has in place the resources (financial, executive, board members) to effective lead their organization in response to the challenges imposed by our societal commitment to enhanced quality and population health

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