



<p><u>Board Members</u> Virginia L. Korte, Chairman, District 2 Earl V. Wilcox, Vice Chairman, District 5 Martin C. Demos, Director, District 1 Barbara R. Mundell, Director, District 3 J. Woodfin Thomas, Director, District 4</p> <p><u>President & Chief Executive Officer</u> Steve A. Purves, FACHE</p> <p><u>Clerk of the Board</u> Melanie Talbot</p> <p><u>Meeting Location</u> Virginia G. Piper Charitable Trust Pavilion 2609 East Roosevelt Street Phoenix, Arizona 85008 3rd Floor, Board Room</p>	<p style="text-align: center;"><u>AGENDA – General Session Meeting</u></p> <p style="text-align: center;">Maricopa County Special Health Care District Board of Directors</p> <p><u>Mission Statement</u> The Valleywise Health’s mission is to provide exceptional care, without exception, every patient, every time.</p>
---	--

Welcome

The Board of Directors is the governing body for the Maricopa County Special Health Care District. Each member represents one of the five districts in Maricopa County. Members of the Board are public officials, elected by the voters of Maricopa County. The Board of Directors sets policy and the President & Chief Executive Officer, who is hired by the Board, directs staff to carry out the policies.

How Citizens Can Participate

Each meeting is open to the public and there is a “Call to the Public” at the beginning of each meeting. An individual may address the Board of Directors at this time or when the agenda item to be addressed is reached. If you wish to address the Board, please complete a Request to Speak form Speaker’s Slip and deliver it to the Clerk of the Board prior to the Call to the Public. If you have anything that you wish distributed to the Board and included in the official record, please hand it to the Clerk who will distribute the information to the Board members and Valleywise Health Senior Staff.

Speakers will be called in the order in which requests to speak are received. Your name will be called when the Call to the Public has been opened or when the Board reaches the agenda item which you wish to speak. As mandated by the Arizona Open Meeting Law, officials may not discuss items not on the agenda, but may direct staff to follow-up with the citizen.

Public Rules of Conduct

The Board Chair shall keep control of the meeting and require the speakers and audience to refrain from abusive or profane remarks, disruptive outbursts, applause, protests, or other conduct which disrupts or interferes with the orderly conduct of the business of the meeting. Personal attacks on Board members, staff, or members of the public are not allowed. It is inappropriate to utilize the Call to the Public or other agenda item for purposes of making political speeches, including threats of political action. Engaging in such conduct and failing to cease such conduct upon request of the Board Chair will be grounds for ending a speaker’s time at the podium or for removal of any disruptive person from the meeting room, at the direction of the Board Chair.

Agendas are available within 24 hours of each meeting at Valleywise Health Medical Center, 2601 East Roosevelt, Phoenix, Arizona 85008 and on the internet at <https://valleywisehealth.org/about/board-of-directors/>. Accommodations for individuals with disabilities, alternative format materials, sign language interpretation, and assistive listening devices are available upon 72 hours advance notice via the Clerk’s Office, Virginia G. Piper Charitable Trust Pavilion, 2609 East Roosevelt Street, Phoenix, Arizona 85008, (602) 344-5177. To the extent possible, additional reasonable accommodations will be made available within the time constraints of the request.

• Virginia G. Piper Charitable Trust Pavilion •
• 2609 East Roosevelt Street • Phoenix, Arizona 85008 •
• 3rd Floor, Board Room •

Tuesday, March 25, 2025
1:00 p.m.

Access to the meeting room will start at 12:50 p.m., 10 minutes prior to the start of the meeting.

One or more members of the Board of Directors of the Maricopa County Special Health Care District may be in attendance by technological means. Board members attending by technological means will be announced at the meeting.

Pursuant to A.R.S. § 38-431.03(A)(3), or any applicable and relevant state or federal law, the Board may vote to recess into an Executive Session for the purpose of obtaining legal advice from the Board's attorney or attorneys on any matter listed on the agenda. The Board also may wish to discuss any items listed for Executive Session discussion in General Session, or the Board may wish to take action in General Session on any items listed for discussion in Executive Session. To do so, the Board will recess Executive Session on any particular item and reconvene General Session to discuss that item or to take action on such item.

Please silence any cell phone, computer, etc., to minimize disruption of the meeting.

Call to Order

Roll Call

Pledge of Allegiance

Call to the Public

This is the time for the public to comment. The Board of Directors may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling a matter for further consideration and decision at a later date.

ITEMS MAY BE DISCUSSED IN A DIFFERENT SEQUENCE

General Session, Presentation, Discussion and Action:

1. [Good Governance Principles and Practices](#)
Guy Masters, MPA, Masters Healthcare Consulting, LLC

Adjourn

1. Good Governance Principles and Practices



Good Governance Principles and Practices

Guy M. Masters, MPA

March 25, 2025



Is there a difference between
a Team of Champions...
and a Championship Team?

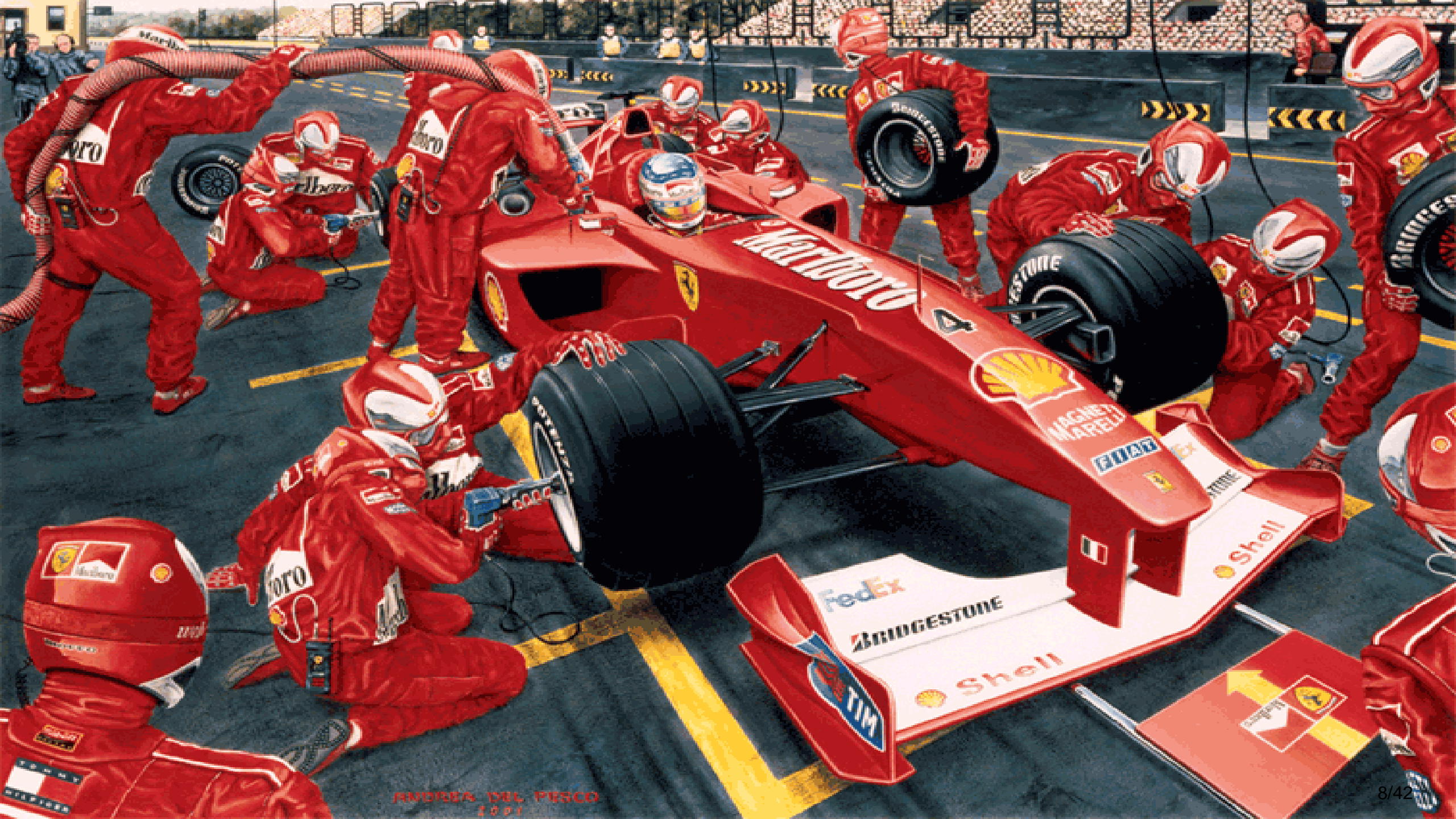


What is the difference?

How many teams are you a part of? _____

What makes a team successful?

- 1. Each member knows the team's purpose, objectives, and desired outcomes**
- 2. Each member has crystal clarity of their role and responsibility**
- 3. Each person adds value (expertise, experience, engagement)**
- 4. Each person must execute their part well**
- 5. Communication is paramount (no silos, gaslighting, stonewalling)**
- 6. Good data (timely, accurate, relevant)**
- 7. The team succeeds together (*or not at all*)**



ANDREA DEL PESCO
2001

Role of Governance: Issues and Concerns

- 1. Mission**
- 2. Fiduciary stewardship**
- 3. Strategic planning**
- 4. Community needs and connections**
- 5. Financial oversight**
- 6. Quality assurance and improvement**
- 7. Performance metrics**
- 8. Succession planning**
- 9. Risk management**
- 10. Compliance**

Things Every Board Member Should Know

Do All Members of the Board Know...

...What their most important responsibilities are?

- Fulfill their fiduciary responsibility with respect to the exercise of authority over the public trust that is understood between the organization's mission, and those whom the organization serves.
- Ensure that the organization achieves its Mission, Vision, and strategic direction, adhering to its Values.



Valleywise Health: What Defines Us

Mission

Provide exceptional care, without exception, every patient, every time.

Vision

Be nationally recognized for transforming care to improve community health.

Values

- Accountability
- Compassion
- Excellence
- Safety



Mission
& Vision

Governance Institute: “Elements of Governance”

(30 Lifesavers)

- Advocating Legally: Privilege or Curse?
- Articles, Bylaws, & Policies: Deciding What Goes Where
- Best Practices: Non-Profit Corporate Governance
- Board Committees
- Board Education, Goal Setting & Work Plans
- Board Job Descriptions & Committee Charters
- Board Mentoring
- Board Roles and Responsibilities
- Board Self-Assessment, A Core Responsibility
- Building a Board Education Program
- Building a Comprehensive Board Orientation Program
- CEO Performance Evaluation
- Community Health
- Conflict of Interest
- Effective Board Meetings
- Fundamental Fiduciary Duties of the Non-profit Healthcare Director
- Governance Development Plan
- Governance Policies: Road Maps for Best Practices
- Governance Support: A Behind the Scenes Guide to Ensure Your Board is Prepared
- Hospital Accounting & Finance
- Individual Board Member Assessment
- Integrated Strategic Direction Setting and Planning
- Physician Credentialing: An Orientation Manual for Board Members
- Physicians on the Board
- Planning for Future Board Leadership
- Succession Planning
- The Board's Role in Quality
- The Distinction Between Management & Governance
- The Role of the Board Chairperson
- Transitioning to Effective System Governance

Measuring Board Results

What: 60 Questions

- Reviews areas of responsibility, processes, essential monitoring activities, policy, mission, vision, strategic direction and planning, quality, finance, succession planning, management oversight, etc.

Why: Value/Uses:

- Assess performance against best practices, peer organizations
- Assess individual performance/contribution
- On-boarding, mentoring, education, development

When: Annually (recommended)

Tip: Survey questions (and answers) should not be a *surprise* to anyone!



A service of  NATIONAL RESEARCH
Corporation

The Governance Institute[®]

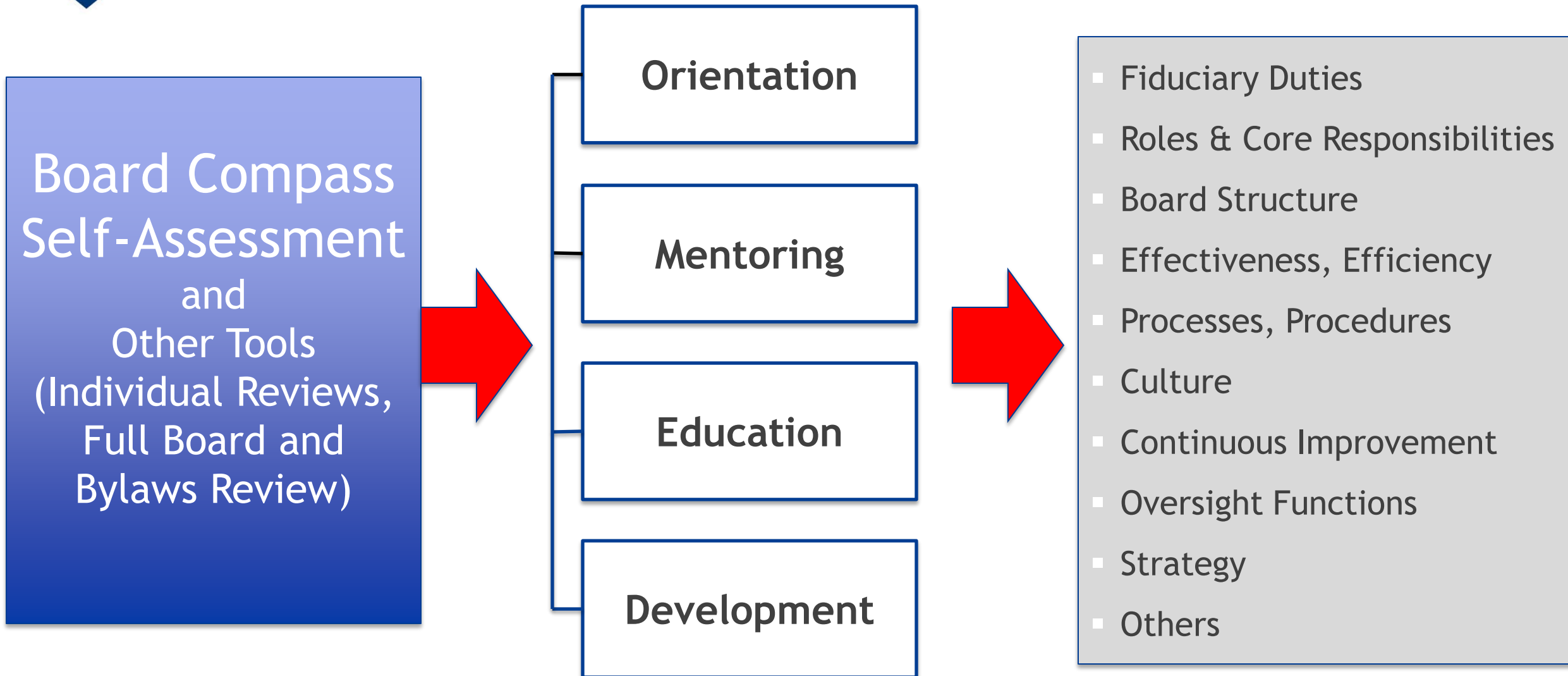
The essential resource for governance knowledge and solutions[®]

9685 Via Excelencia • Suite 100 • San Diego, CA 92126

Toll Free (877) 712-8778 • Fax (858) 909-0813

GovernanceInstitute.com

Value of Conducting Performance Assessments



Traits of Highly Effective Boards

1. Adopt a highly centralized governance model
2. Exhibit a **healthy culture** of trust and respect, candor, and accountability
3. Have **crisp meetings** with a **dynamic balance** of, generative discussions, and strategic thinking (50% rule of thumb)
4. Have and use the right information: clear, concise, strategic, and contextual/comparative
5. Nurture “an accountable partnership” with CEO
6. **Evaluate** board and individual **performance** and continuously seek improvement

Governance: Fiduciary Duties of Directors

(Tax-Exempt Organizations)

Fiduciary Duties

Care

Loyalty

Obedience

Boards have the responsibility to establish policies and criteria that guide performance in six areas:

Financial Oversight

Strategic Direction

Quality Oversight

Board Development

Management Oversight

Community Benefit/ Advocacy

Fiduciary Duties of Directors (Tax-Exempt Organizations)

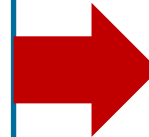
Care

Loyalty

Obedience

Standard

- The duty of care requires board members to have knowledge of all reasonably available and pertinent information before taking action.
- Directors must act in good faith, with the care of an ordinarily prudent person in similar circumstances, and in a manner he or she reasonably believes to be in the best interest of the organization.



Activities to Fulfill

- Attend Board meetings
- Advance preparation for meetings
- Become informed to make appropriate decisions and judgment
- Review financial reports and policies
- Ensure compliance with regulatory requirements

Fiduciary Duties of Directors (Tax-Exempt Organizations)

Care

Loyalty

Obedience

Governance Practice Measures	Rating
1. Be <u>prepared</u> to address agenda items at board meetings	
2. Have knowledge about the organization's <u>compliance performance</u>	
3. Evaluate proposed new initiatives on factors such as <u>mission, financial feasibility, market potential, impact on quality and patient safety, etc.</u>	
4. Receive important background materials at least <u>one week</u> in advance of meetings	
5. Participate in <u>ongoing education</u> regarding key strategic issues facing the organization	
6. Ensure appropriate <u>physician involvement</u> in governance	
7. Ensure that new board members receive education on their <u>roles and responsibilities</u>	

Fiduciary Duties of Directors (Tax-Exempt Organizations)

Care

Loyalty

Obedience

Standard

- The duty of loyalty requires board members to discharge their duties unselfishly, in a manner designed to benefit only the corporate enterprise and not board members personally. It incorporates the duty to disclose situations that may present a potential for conflict with the corporation's mission as well as protection of confidential information.



Activities to Fulfill

- Disclose any **conflicts-of-interest**
- **Adhere to** the organization's conflict-of-interest **policy**
- Avoid the use of corporate opportunities for **personal gain** or **other benefit**
- Do not disclose **confidential information**

Fiduciary Duties of Directors (Tax-Exempt Organizations)

Care

Loyalty

Obedience

Governance Practice Measures	Rating
1. Adhere to the board's definition of " <u>disabling guidelines</u> ," which clearly stipulate the level of conflict requiring a director to <u>step down</u> from the board	
2. Have written policy(ies) outlining the approach to <u>competition</u> and <u>conflict of interest</u> for the organization's <u>physicians</u>	
3. Enforce a written policy on <u>confidentiality</u>	
4. Use a definition of " <u>independent director</u> " that complies with the IRS definition	
5. Have a <u>conflict-of-interest policy</u> that complies with the most recent IRS definition of "conflict of interest," which applies to all members of the board	
6. Require all board members to complete a conflict-of-interest disclosure statement <u>annually</u>	

Fiduciary Duties of Directors (Tax-Exempt Organizations)

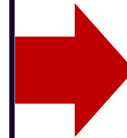
Care

Loyalty

Obedience

Standard

- The duty of obedience requires board members to ensure that the organization's decisions and activities adhere to its fundamental corporate purpose and charitable mission as stated in its articles of incorporation and bylaws.



Activities to Fulfill

- Compliance with applicable regulatory requirements
- Comply with (and periodically review) all documents governing operations
- Make decisions that advance the organization's Mission

Fiduciary Duties of Directors (Tax-Exempt Organizations)

Care

Loyalty

Obedience

Governance Practice Measures	Rating
1. Assess the organization's <u>bylaws/structures</u> at least every three years	
2. Review the hospital's <u>mission statement annually</u> to ensure its ongoing appropriateness	
3. Have knowledge of the publicly reported <u>patient experience data</u> , as mandated by the Centers for Medicare and Medicaid Services	
6. Ensure the organization is fulfilling its <u>Mission</u>	

What Directors are NOT:

- 1. Representatives of, or advocates for, other groups, organizations, or classes of individuals.**
- 2. Administrative officers:**
 - Individual directors have no authority to act (unless specifically authorized and directed by the Board)**
 - Board collectively delegates day-to-day management (specifically thru the CEO)**
 - The duty of oversight is NOT managing (nor micro-managing)**

Does a Strategic Plan *Really* Make a Difference?

Every board meeting is a referendum on three questions:

- **Do we have the right strategic plan?**
- **If so, are we executing the plan effectively?**
- **If not, do we have the right leadership team?**

■ **How do we know if we have the “right plan?”**

Richard Umbdenstock
Former CEO, American Hospital Association



- **Decisions about allocating resources**
 - **Time**
 - **Money**
 - **People**
 - **Intellect and Energy**

Leadership Role: Prioritize, Organize, Coordinate

The Path to Continued Success

■ Know Thyself

- What are our strongest/weakest service lines?
- How do we perform on key metrics? (Quality, Patient Experience, Productivity, Financial, others)
- How would you describe our culture?

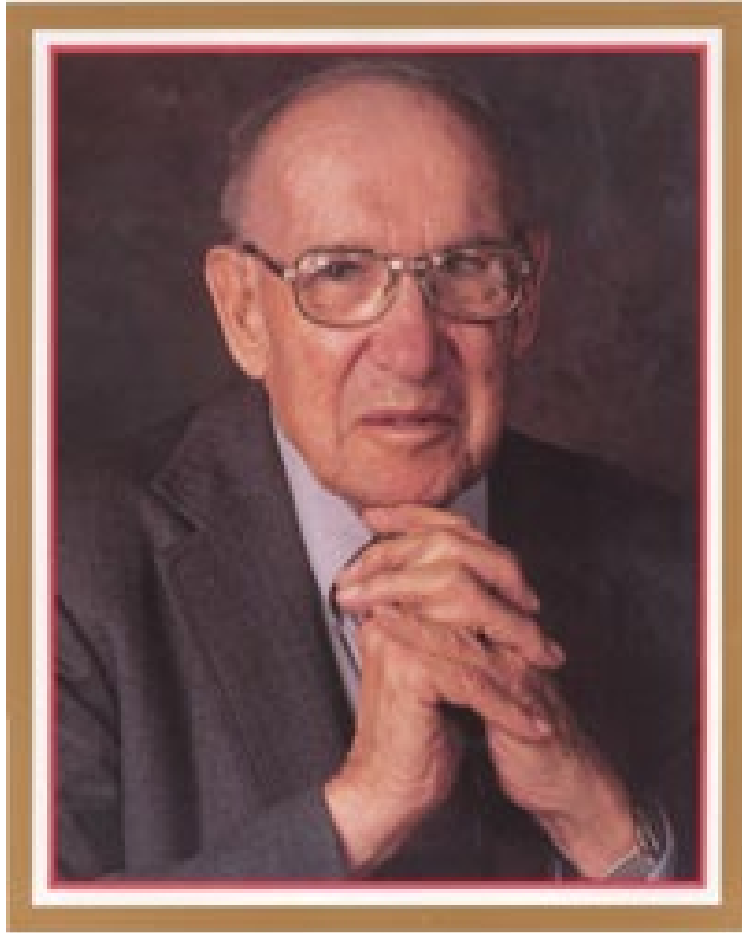
■ Know thy Customers

- Who are our “customers”? (Now/in 5 years)
- Where do they come from? (Now/in 5 years)
- What are their needs? (Now/in 5 years)

■ Know thy Market

- Population, demographics, competitors, collaborators
- Trends and implications (nothing remains static)

Avoiding the “Pile-on” Approach to Strategic Planning



We spend a lot of time teaching leaders what to do. We don't spend enough time teaching leaders what to stop.

Half the leaders I have met don't need to learn what to do. They need to learn what to stop.

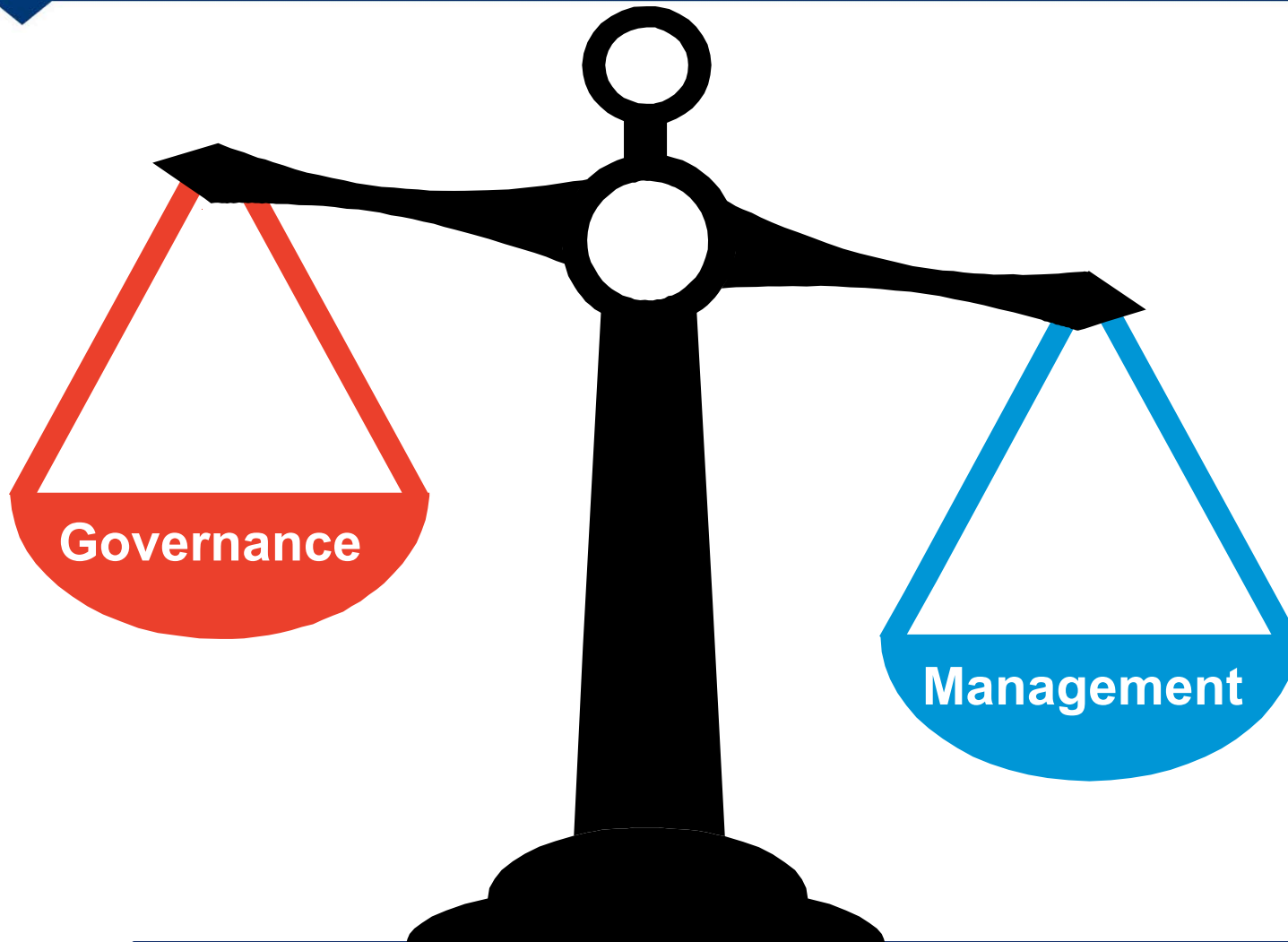
- Peter F. Drucker

Board Structure, Process and Outcomes

1. Size and Structure
2. Meeting Frequency
3. Time and Effectiveness (50% of meeting discussing strategic issues)
4. Agendas and Annual Board Calendar
5. Education and Development
6. Annual Board Self-Assessment
7. Individual Assessment (Peer 360)
8. “Representation” (No...)



Governance and Management



What Causes Imbalance?

- “Urge to operate” (familiarity and comfort zone)
- Control issues
- Lack of trust
- Loss of confidence in the CEO
- Others?

“Great governance and great management empower each other.”

(Really Governing, Pointer and Ewell)

Governance and Management Responsibilities

Responsibilities of Boards

The Board Chair leads the board in keeping with the organization's mission, vision, values and strategic goals. Board duties include:

- Choosing the CEO
- Approving major policies
- Making major decisions
- Overseeing operating performance
- Serving as external advocates

Responsibilities of Management

The CEO leads the organization in keeping with the board's direction. Duties of management include:

- Making operational decisions
- Making operational policies
- Keeping the board educated and informed
- Bringing well-documented recommendations and information to the board





Vision-By-Design: What will it take to be (incredibly) successful?

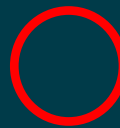
Draw a visual representation of what Valleywise Health should ideally look like in 5-to-7 years

1. **Each person draws something**
2. Consider:
 - Services, products, distinct capabilities
 - Patients, families, donors, vendors, other stakeholders
 - Workforce (Physicians, clinicians, all staff)
 - Geography (actual, virtual)
 - Relationships with health systems, hospitals/ASCs/others
 - Revenue sources, payers
 - Disruptors / innovators
 - Technology / Virtual elements
 - Partnerships, collaborations
3. Last items: Three immediate actions / Three Barriers

Maintaining Board Awareness

Trends to Monitor and Discuss

Healthcare Forecast 2025: Trends and Implications



1. Workforce challenges
2. Cybersecurity threats
3. Improve access, address Social Determinants of Health
4. Artificial Intelligence (AI), ChatGPT, machine learning, predictive analytics, precision medicine
5. Mergers, acquisitions, partnerships, collaboratives
6. Site of care shifts (inpatient, outpatient, home)
7. Payer mix further deteriorates
8. Hospital operating issues (inflation, supply chain, expenses, IT)
9. Price transparency
10. Consumerism



Which trends are highest priority for Valleywise Health?

Valleywise Health: Indicators to Watch

- 1. Days cash on hand**
- 2. Physicians (financial situation, quality, patient experience, recruitment, retention, succession)**
- 3. Capital investment needs in the future**
- 4. Foreseeable major events**
- 5. Outpatient and inpatient trends**
- 6. Emergency Room use**
- 7. Joint Commission and other rating entities**
- 8. Service line market share and contribution margin trends**

Valleywise Health: Critical Success Factors

- 1. Mission / Patient Focus**
- 2. Culture of Excellence, Ownership, Accountability**
- 3. Capital Access**
- 4. Patient Volume (inpatient and outpatient)**
- 5. Physician Enterprise (engaged; high productivity; “immediate” access; key specialties)**
- 6. Robust Clinical Services / Quality measures**
- 7. Cash Flow (days cash on hand)**

Other Disruptors: Digital and Technology Impact

- **World's largest immediate transportation company owns no taxis:**
- **Most popular media owner creates no content:**
- **Largest internet retailer owns no stores:**
- **World's largest movie provider owns no theaters:**
- **Largest software vendors don't write apps:**
- **Most successful healthcare system in Arizona ...and the USA!**



Why It Matters

- **This time, like all times, is a very good one if you know what to do with it.**

- Ralph Waldo Emerson

“Taking Off is Easy... Landing Requires Skill”





High Performing Boards Checklist *(sample discussion topics)*

Rate the following statements 1 to 7 (1= strongly disagree, 7 = strongly agree):	Rating
1. Our Mission and Vision are clearly understood and manifested in daily decisions and actions across all levels of the organization.	
2. Our organization is well-positioned to meet future healthcare challenges and opportunities in the communities we serve.	
3. Our physicians are knowledgeable about industry trends and their potential impacts on their scope and practice of medicine.	
4. We challenge the status quo and encourage our associates to think creatively.	
5. We have a strong culture of accountability and hold people responsible for performance across all levels of the organization.	
6. We have a high degree of alignment with our physicians regarding clinical, financial, and culture-related goals and performance targets.	
7. We have a culture of transparency that allows us to have generative discussions and provide clear feedback.	
8. We are willing to be innovative and take risk to address challenges and opportunities in the evolving healthcare environment.	
9. We have a clear, common purpose of improving the health of the communities we serve.	
10. We spend at least 50 percent of our time discussing strategy in our board meetings.	42/42