

Background

It is well established that hospital governing boards (e.g., boards of trustees) have responsibility for the quality of care provided in the institutions they govern.¹ However, hospital boards generally have been rather passive in their approach to quality improvement, leaving this responsibility to the medical staff or delegating it to a quality committee of the board.

The board's role in ensuring quality of care is of increasing importance as public reporting of quality data and rewarding performance activities become more prevalent; however, board members often express confusion and uncertainty about what exactly they need to do to fulfill their responsibilities in this regard. Indeed, the specific responsibilities of hospital governing boards for improving quality and the most effective methods by which boards can assure that facility management is fulfilling its obligation regarding quality of care are not well defined. More clearly defining these responsibilities would likely benefit hospital quality of care.

At present, the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) sets forth a set of expectations and responsibilities for hospital boards, and various hospital governance experts promote algorithms detailing board responsibilities. However, there is no comprehensive, consensually produced guidance available for trustees who wish to measure the quality of their governance against objective standards. This is especially so in the area of clinical quality improvement.

National Quality Forum Workshop on the Role of Hospital Trustees in Quality Improvement

During the past two years, the National Quality Forum (NQF) has been approached by multiple entities about whether it would be willing to articulate specific expectations of boards of trustees regarding their roles and responsibilities and the degree of their oversight for quality improvement.

On March 30, 2004, the NQF convened a meeting to help determine how it might best help hospital trustees monitor their governance of and accomplish their obligations for quality improvement. In light of recent reports raising concerns about patient safety and healthcare quality, the meeting especially focused on three questions:

1. What strategies and tactics should hospital governing boards employ to best fulfill their responsibility of improving the quality and safety of care in their facilities?
2. How can hospital governing boards assure that facility management is fulfilling its obligations regarding quality improvement?
3. How can the NQF help motivate and support hospital trustees in the accomplishment of their obligations regarding healthcare quality improvement? More specifically, what role might the NQF play in articulating expectations, strategies, or standards regarding the role and responsibility of boards of trustees in improving quality and safety?

One of the recommendations of the participants at the NQF Workshop on Hospital Governance and Quality Improvement was that the NQF should issue a "Call to Responsibility" for hospital governing boards.

Following the workshop, the NQF prepared a draft statement, which then underwent review by the workshop participants. The statement then was reviewed and amended per widespread public and NQF Member comment before its ultimate approval by the NQF Board of Directors.

¹Lister E, Cameron DL. The role of the board in assuring quality and driving major change initiatives—part 1: maintaining organizational integrity. *Group Practice Journal*. 2001;50:13-20.

A Call to Responsibility

The NQF, representing nearly 300 consumer, healthcare provider, healthcare payer, and other organizations, approved the following “Call to Responsibility” for hospital governing boards on December 2, 2004.

Principles for Hospital Boards of Trustees

The NQF strongly encourages hospital governing boards to become actively engaged in quality improvement. The NQF calls upon hospital governing boards to review their policies and practices to make sure that they are consistent with the following principles. The NQF recognizes that hospital boards vary widely in composition and governance authority, but believes that these principles are intended to apply to all boards:

1. Hospital governing boards play a vital role in monitoring and improving hospital care to ensure that it is safe, beneficial, patient centered, timely, efficient, and equitable.² Indeed, hospital governing boards are responsible for ensuring the quality of healthcare provided in their institutions.³

To fulfill their role in ensuring quality, hospital governing boards should:

 - a) Ensure that healthcare quality is a paramount priority and a primary focus of board activities. Pragmatically, boards may wish to take a more active role in ensuring quality by beginning with a focus on patient safety, recognizing that safety is a subset of quality and that the infrastructure needed to ensure safety is materially the same as that needed to ensure high quality.
 - b) Prominently place patient safety and quality issues (e.g., reviewing errors and their impact on hospital resources) on board meeting agendas to ensure that the treatment by board chairs accorded to these issues equals—or exceeds—that accorded to finances.
 - c) Proactively oversee and evaluate patient safety and healthcare outcomes and the creation of a culture of safety by engaging in patient safety and quality improvement projects, establishing governance practices that support a system of performance measurement and quality improvement, and holding management accountable for poor performance, adverse outcomes, and their remedies.
 - d) Ensure that a system of performance measurement and quality improvement is in place and that credible results enable the evaluation of the organization’s effectiveness.
 - e) Recognize physicians’ roles, the role of the medical staff within the hospital, and the roles of nursing executives and other clinical leaders (e.g., pharmacists, infection control professionals) in achieving quality by engaging them in quality improvement efforts.
 - f) Assure that hospital leadership adopts human resource policies and physician staff bylaws that articulate specific expectations of staff’s involvement in quality improvement, adheres to hospital policies designed to ensure the safety of patients and staff, and receives adequate training (e.g., educational preparation, technical competency, and continuing education) in quality-related content areas (e.g., performance measurement, quality improvement).
 - g) Ensure that hospital management is capable of and focused on the analysis and improvement of organizational design that supports the ongoing, systematic assessment and optimization of patient safety and quality of care, including the facilitation of internal reporting mechanisms between management and line staff, and that resources are made available for this purpose.
 - h) Align budget development and financial resources with the organization’s quality and patient safety goals to ensure dynamic and ongoing review and consideration of such priorities—and plans for continuous improvement—when developing and executing capital budgets and other financial strategies and decisions.
 - i) Actively support management’s negotiation of payment contracts that do not penalize the organization for its investment in quality and safety, recognizing that such investments are equal to, if not more important than, those designated for service capacity and/or facility improvements.
2. To enable effective evaluation of their own role in enhancing quality, hospital governing boards should:
 - a) Advocate for diverse board composition with specific expertise in quality, patient safety, and clinical areas including, but not limited to, physicians, nurses, industrial engineers, pharmacists, consumers, and others with qualifications in modern business management, organizational design, and healthcare administration.
 - b) Review their own performance—individually and collectively through established measures developed for this purpose—in improving hospital care by assessing the extent to which the board’s oversight and leadership influences quality and safety in the facility.

²In *Crossing the Quality Chasm: A New Health System for the 21st Century* (2001), the Institute of Medicine identifies six aims of the healthcare quality system: that it should be safe, effective, efficient, timely, patient centered, and equitable. In 2002, the NQF endorsed the consensus document, *A National Framework for Healthcare Quality Measurement and Reporting*, which lays out similar aims for the healthcare system but states that one aim should be beneficial, which encompasses but also goes beyond effectiveness.

³This responsibility can be delegated to a hospital-level committee that reports directly to the board in those cases where an institution is part of a larger multihospital system.

3. Hospital governing boards should develop a “quality literacy” regarding patient safety, clinical care, and healthcare outcomes. This literacy should:
 - a) At a minimum, include education in the infrastructure of patient safety, healthcare quality, and performance measurement, incorporating clinical education, as appropriate, as well as the business case for quality.
 - b) Recognize the role of the board of trustees in representing consumers and the community it serves.
 - c) Be comparable and akin to their knowledge and understanding of the institution’s financial health and well-being vis-à-vis the Sarbanes-Oxley Act.⁴
 - d) Where appropriate, utilize existing organizations (e.g., Quality Improvement Organizations, the Governance Institute, the Healthcare Trustee Institute, the American Governance & Leadership Group, JCAHO) and their resources to provide courses, training, and information to assist in fulfilling these expectations for quality literacy. In instances where existing tools and resources are not available, hospital boards should collaborate with organizations to develop and commission such tools.
4. Hospital governing boards should oversee and be accountable for their institutions’ participation and performance in national quality measurement efforts and subsequent quality improvement activities:
 - a) Hospital boards should ensure that their participation in national quality improvement activities focus on nationally agreed-upon priorities⁵ and those that are critical to their own institution.
 - b) Participation in one or more existing efforts, including, but not limited to, the Hospital Quality Alliance,⁶ NQF-endorsed national voluntary consensus standards,⁷ JCAHO National Patient Safety Goals,⁸ the Leapfrog Group, and other national performance reporting/benchmarking systems,⁹ should be realized.
 - c) Performance data derived from participation in national quality improvement efforts and presented by appropriate hospital personnel (e.g., chief medical officer, nurse executives, pharmacists) need to be consistently reviewed by the board, no less frequently than the board reviews the institution’s financial metrics, to determine performance and drive improvements in patient safety and healthcare quality.
 - d) Based on such data, a determination of the cost implications of adverse events and poor performance that impact profitability and compromise organizational performance—and an understanding that quality improvements can result in cost savings—should be calculated, including, but not limited to, legal, personnel, regulatory, and marketing costs.
 - e) Performance should be evaluated in the context of the six NQF aims (i.e., safe, beneficial, patient centered, timely, efficient, and equitable) for quality improvement.
 - f) Hospital boards should hold accountable and require full and complete explanations from management when safety and quality performance levels differ significantly from national benchmarks or fall below expectations, with specific attention devoted to the organization’s plan for improvement (e.g., its development, performance expectations, and the basis on which expectations are established). Boards should then monitor management’s progress with these plans at least quarterly and consider action if shortfalls are not eliminated in a timely manner.
 - g) In the context of these performance levels, hospital boards should facilitate the adoption of incentive programs for hospital executives and management based on explicit rewards for results and related quality improvements.

⁴On July 30, 2002, President George W. Bush signed into law the Sarbanes-Oxley Act of 2002, which added many new—and revised many existing—provisions of the federal securities laws. To protect the interests of investors and, more generally, the public, this federal law establishes the status, duties, composition, powers, rules, and reporting of boards for all public companies that are subject to securities law. See www.sec.gov/divisions/corpfin/forms/exchange.shtml. Last accessed January 30, 2005.

⁵NQF. *National Priorities for Healthcare Quality Measurement and Reporting*. Washington, DC: NQF; 2004.

⁶The Hospital Quality Alliance was initiated in December 2002 by the American Hospital Association, the Federation of American Hospitals, and the Association of American Medical Colleges. Since that time, a number of additional organizations have joined this effort to make critical information about hospital performance accessible to the public: the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), NQF, the Centers for Medicare and Medicaid Services (CMS), the Agency for Healthcare Research and Quality, the American Medical Association, the Consumer-Purchaser Disclosure Group, the AFL-CIO, AARP, the National Association of Children’s Hospitals and Related Institutions, the American Nurses Association, and others.

⁷To date, NQF has endorsed national voluntary consensus standards for acute care hospitals, nursing homes, cardiac surgery, nursing, and diabetes, and has endorsed national consensus standards on safe practices for better healthcare and serious reportable events in healthcare. Additionally, NQF has endorsed frameworks for a national healthcare quality and measurement and hospital performance evaluation.

⁸As of January 1, 2004, all JCAHO-accredited healthcare organizations began to be surveyed for the implementation of the 2004 National Patient Safety Goals.

⁹National performance reporting/benchmarking systems include those operated by JCAHO, CMS, the American College of Cardiology, the Society for Thoracic Surgeons, the Vermont Oxford Network, the American College of Surgeons, the Leapfrog Group, and others.

Principles for Other Hospital Stakeholders

Although hospital governing boards play a pivotal role in improving patient safety and healthcare outcomes, it should be recognized that other hospital stakeholders influence successful hospital governance. To this end, the NQF calls upon other hospital stakeholders to support boards of trustees and hospitals in this enterprise.

1. Policymaking organizations responsible for establishing standards and/or developing regulations in this area should ensure currency with scientific evidence and federal and/or state regulations:
 - a) Policymakers should ensure that any regulations in this area address the highest standards for the role of hospital governing boards in quality improvement.
 - b) Specifically, JCAHO and CMS should continue to review and update their hospital accreditation standards to ensure currency, consistency, and alignment.
2. Consumers—both individually and in organized forums—should expect hospitals' boards of trustees to represent their interests in overseeing quality of care:
 - a) Consumers should expect to be represented on boards and/or be vocal to the board about their experiences and expectations with hospital care.
 - b) Consumers should urge and encourage hospitals in their community to participate in local, regional, and national public reporting initiatives.
3. Payers (i.e., public and private entities) should align payment systems with hospital quality and safety improvements:
 - a) Purchasers and health insurance plans should consider the role of hospital governing boards in quality improvement, including public accountability, in their contracting and purchasing arrangements (e.g., "shared savings" arrangements).
 - b) They should also consider the impact of improvements in safety and quality on payment mechanisms (e.g., analyzing and evaluating the quality and safety ramifications of all major financial negotiations, rewarding for performance).

Future Action

In approving this document, the NQF Board of Directors agreed that it should be distributed widely with the expectation that hospital trustees exert their appropriate role in quality improvement. This document will be reviewed periodically for the need to update it.

NQF

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