

# Key Facts in Rural Health

Spring 2010

## Rural Acute Care Hospital Boards Of Directors: CAH's Lag in Oversight

As small and rural hospitals are confronted with changing dynamics in areas of finance, reimbursement, quality of care and workforce shortages, strong governance is essential. Our study explored the structural, leadership, and educational needs of rural hospital Boards through a mail survey of Board Chairs and Chief Executive Officers (CEOs) at critical access and prospective payment system hospitals (CAH and PPS, respectively).

### Key Findings:

#### *Board membership requirements are often undefined*

Few Chairs or CEOs reported that Board members are selected or removed based on defined criteria. The problem appears particularly acute at CAHs. Only 13.5% of CAH executives strongly agreed that their hospital has defined criteria for selecting Board members, and only 3% strongly agreed that there was an effective process for removing a member.

#### *Strategic planning may not be effective*

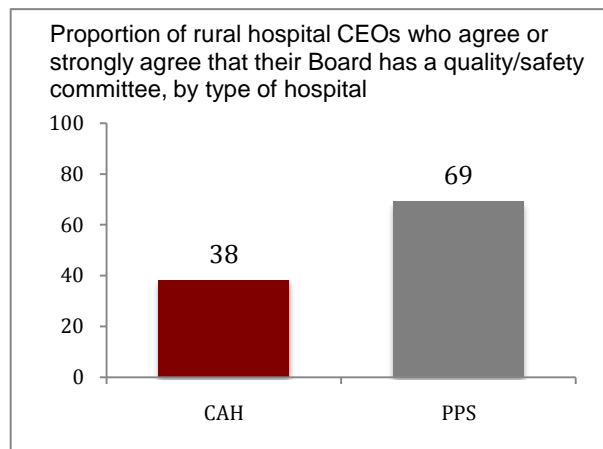
Only a minority of Chairs and CEOs strongly agreed that their Boards understand and effectively use a strategic plan for their hospital. The problem was greater at CAH hospitals. Fewer than half of CAH executives (48.2%) agree that the hospital's strategic plan is used to evaluate efforts across the year, versus 72.4% of PPS executives. When asked to identify training needs for Board members from a list of 16 topics, strategic planning was selected most often by CEOs (49.0%) and was the third highest topic among Chairs (37.1%).

#### *Many Boards lack quality of care / patient safety committees*

The presence of quality/safety committees within rural Boards appears to be limited, with a sharp divide between PPS and CAH hospitals. (Chart, at right.) In addition, CAH Boards may lack context for reviewing quality data, as the use of industry comparisons was less commonly reported by CAH than PPS CEOs (57.1% versus 86.6%, respectively).

#### *Top rural Board training needs*

- According to **CEOs**: Strategic planning, Board governance responsibilities, and third-party reimbursement
- According to **Chairs**: Board governance responsibilities, strategic planning, and legislative concerns (tied)



A full copy of the report can be obtained from the SC Rural Health Research Center at <http://rhr.sph.sc.edu>



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