MODULE 5: Collaborative Governance

Ontario Support Program

Series for OHT Collaborative Leaders

December 8, 2022

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Land Acknowledgement

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Workshop Objectives

➢ Identify the governance challenges for OHT Leadership Councils and Provider Organization Boards

➢ Explore strategies and structures for addressing these governance challenges

➢ Discuss the synthesis of learnings to date and pre-work for the development of a roadmap for Shared Governance in Module 6

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COLLABORATIVE GOVERNANCE:
Strategic Challenges

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Collaborative Governance Creates Tensions for Boards

The basic duty of directors is always to act in the best interest of the organization they serve — this is not altered by participation in a collaboration. Directors should bear in mind that they expose themselves to liability if collaborations are pursued without keeping their fiduciary responsibilities to their organization at the forefront.

SOURCE: Board Oversight of Not-for-Profit Collaboration CPA/Ignite NPS. Available at:

https://www.cpacanada.ca/en/business-and-accounting-resources/strategy-risk-and-governance/not-for-profit-governance/publications/board-oversight-of-not-for-profit-collaboration

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Challenges for OHT Provider Organization Boards

- The *Connecting Care Act, 2019* stipulates that each health care provider and Ontario Health Team should identify and act to create integrated services

- With growing budgetary pressures, many boards are focused on ensuring survival of their agencies, so looking beyond current pressures toward a broader mission is challenging

- Boards develop and oversee organizational, not system goals and metrics

  - To date, most system metrics are longer term aspirational goals, not intermediate or process measures, and could be in direct conflict with organizational goals

  - The December 2022 Ministry/OH announcement that OHTs will be expected to develop a not-for-profit corporation to house OHT activities signals further expectations that OHT partners must continue to consider both organizational and system responsibilities

  - This focus is reinforced by recent discussions with OH re: "shifting to a standardized set of measures". Yet, developing new goals and metrics takes time and the nature of collaborations evolves, so evaluating performance for shared accountabilities can be difficult for board members of organizations that are joining OHTs

System Accountability

Organizational Accountability

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OHT Governance Roles and Responsibilities are Shared

- **For Provider organizations:** Boards share with organizational leaders the responsibility for strategy; and hold fiduciary responsibilities to monitor operations and provide stewardship for their organizational assets to ensure that resources are deployed wisely (Big "G" Governance)

- **Within OHTs:** Because of the need for coordinated planning and implementation across organizations and sectors, OHT Leadership Councils share evolving responsibilities for governance (Small "g" Governance):
  - Collaboratively engaging in strategy (setting priorities & evolving system design)
  - Collectively fulfilling a fiduciary role through oversight of OHT resource use and performance
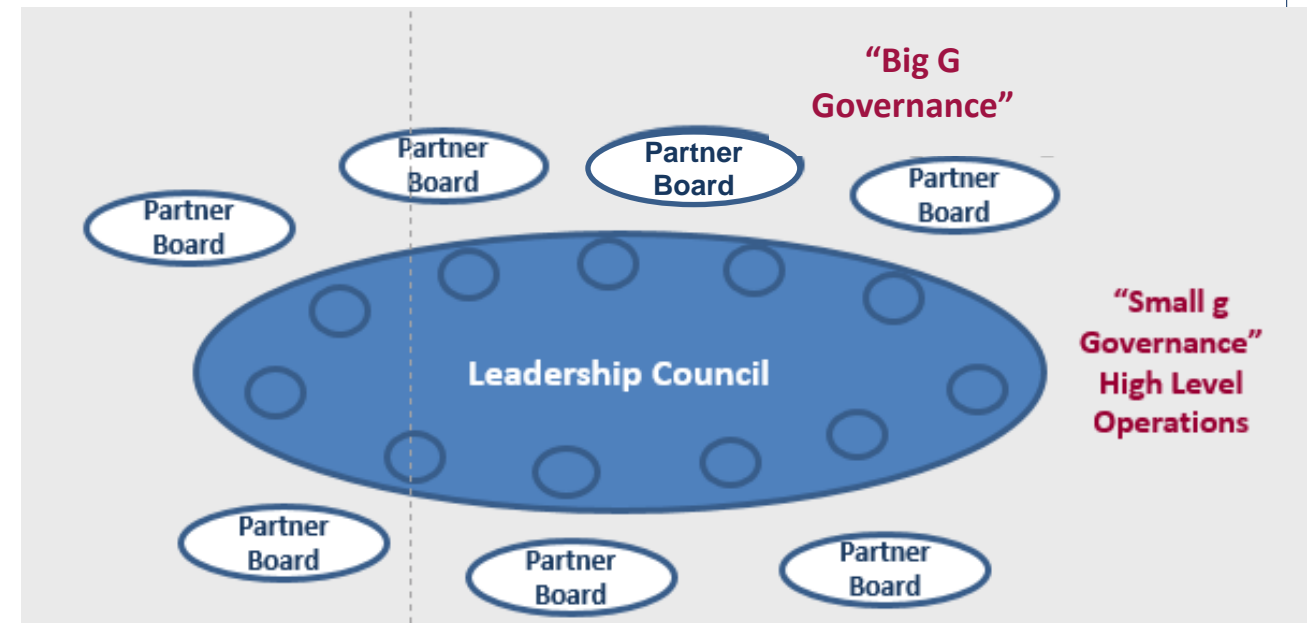
How Does Current Ontario Health System Governance Shape OHT Development?

Challenges:

- The initial stages of OHT development have left existing provider boards intact (and this is likely to continue for the short to medium term)

- These provider boards have continuing accountability for organizational goals and metrics, not system goals

- Boards are encouraged to be ambassadors and fundraisers for their organizations, emphasizing organizational brand and profile development

- There are limited mechanisms to date for board-to-board interaction and "network governance" in the current Ontario system that could shape a collaborative mindset

- Greater emphasis on board-to board connections could offer a developmental path for developing a corporate governance structure

Poll

- To what extent do you think existing provider board structures and processes are limiting OHT development?

- This has not been an issue to date for most provider boards in our OHT

- Some provider boards have identified possible competing goals and objectives between organizational goals and OHT plans

- This tension between system and organizational goals has been discussed at our Leadership Council

- This tension between system and organizational goals has been discussed at board-to-board sessions

- Members of our Leadership Council have different views of the evolution of system governance

- Our Leadership Council needs to discuss what actions to take to improve existing board-to-board interactions

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Regardless of Changes on the Horizon: Boards Need to Encourage Greater Collaborative Governance
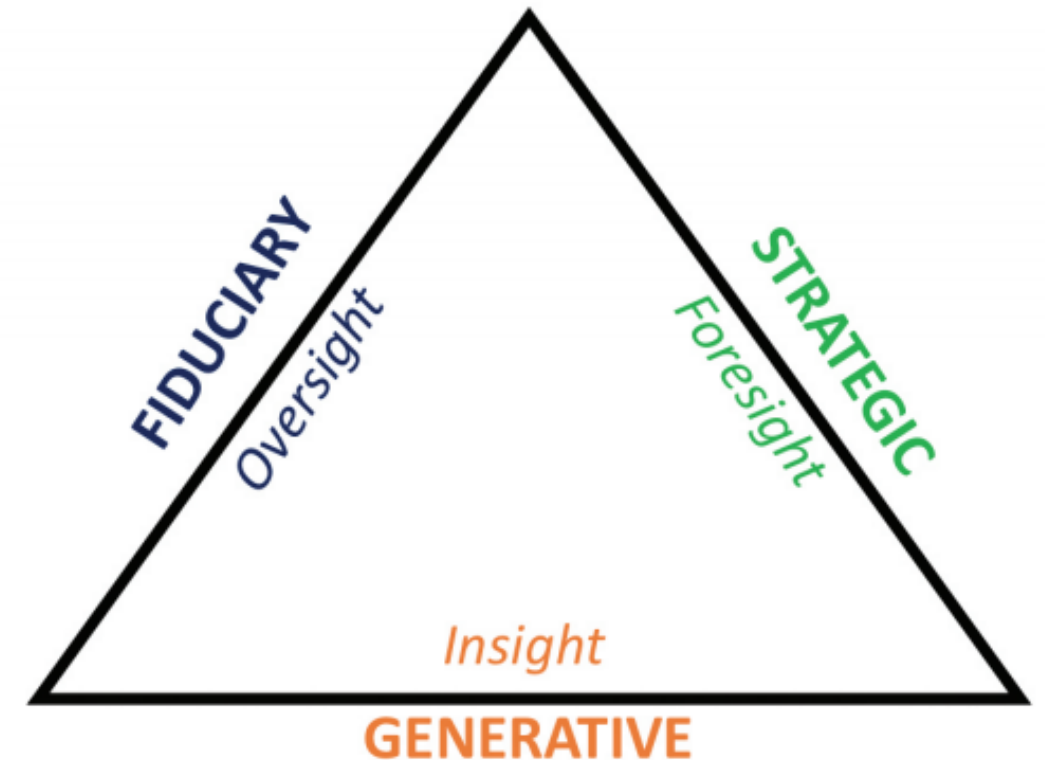
- Provider boards need to be clear about their purposes and goals, but flexible about strategies and tactics

- Many organizational strategic plans address system collaboration, but this mindset is often not translated to specific goals: organizational goals need to include what is desired in collective efforts, as well as individual organizational efforts

- Boards need to align their expectations and evaluations of executives in terms of collaborative goals

- Boards need to develop greater curiosity and openness to all forms of collaboration and board members should stimulate and support exploration of various forms of collaboration

- Increased board to board dialogue could reduce the risks of conflicting strategies

Adapted from Anne Wallestad, Governing a Collaborative Organization

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Generative Questions for Provider Boards

Generative thinking focuses on framing problems and exploring challenges and opportunities.

- How would integrated care enable us to achieve our mission?

- What could we achieve in partnership that we cannot achieve now on our own?

- How would working together help to improve care for our clients/patients?

- What core competencies would we bring to collaborative programming?

- Are we prepared to reduce our organizational autonomy if outcomes could be improved?

FIDUCIARY
Oversight

STRATEGIC
Foresight

Insight
GENERATIVE

Adapted from Chait et al., Exh. 1.1

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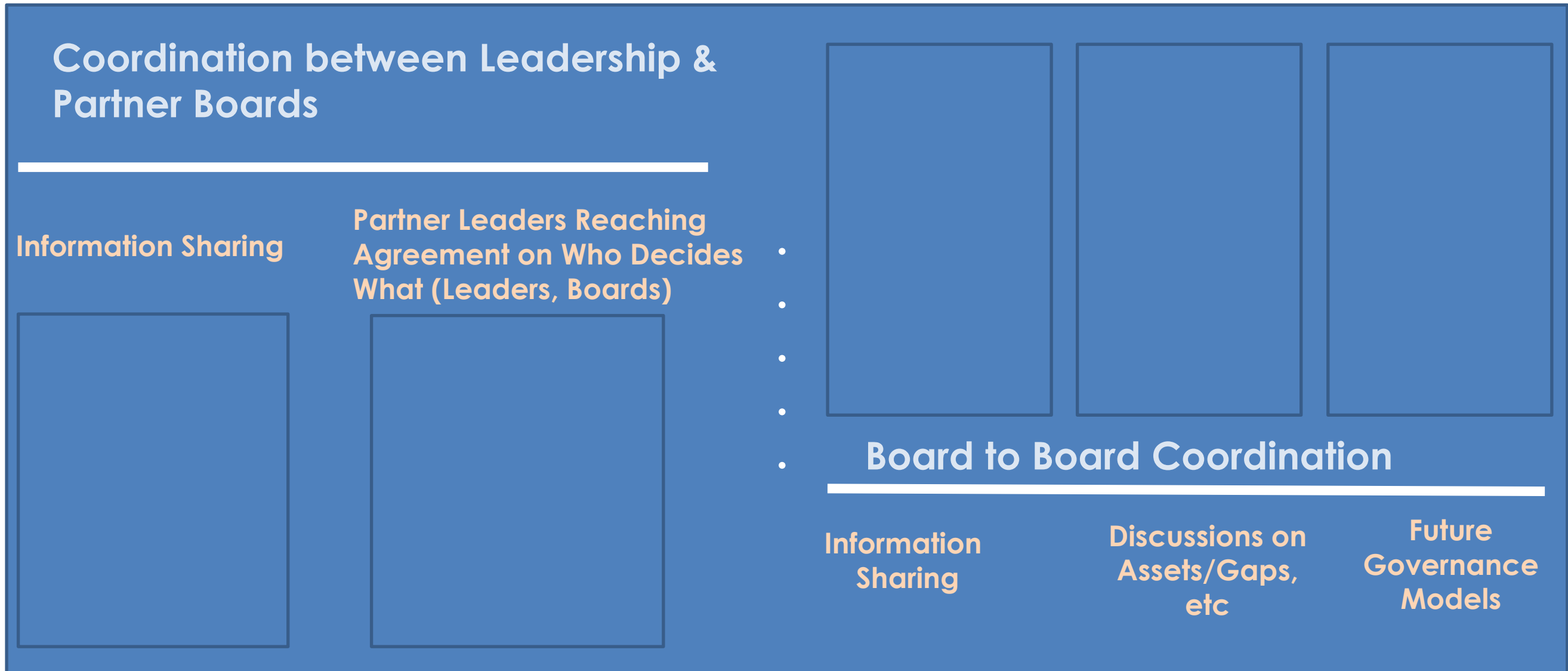
Governance Coordination and Input to Leadership

- Some OHTs have developed new bodies composed of representatives of provider organization boards with a variety of titles such as Strategic Governance Council, Chairs' Council, and Board-2-Board Reference Group

- The goal of these groups is to permit governors to meet to discuss challenges with OHT issues

- In some OHTs this group was responsible for drafting the alliance agreement between partner organizations and designed to disband after this effort; in others it has a continuing role

- Board tables can also advise Leadership Councils while staying abreast of OHT developments

How is Leadership/Board and Board/Board Coordination Handled in Your OHT?

Coordination between Leadership & Partner Boards

Information Sharing

Partner Leaders Reaching Agreement on Who Decides What (Leaders, Boards)

-
-
-
-
-

Board to Board Coordination

Information Sharing

Discussions on Assets/Gaps, etc

Future Governance Models

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Breakout Discussion

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SMALL GROUP DISCUSSION

Identify a recorder (to capture highlights) and reporter (to share one key insight from the discussion)

- Discuss current and anticipated challenges with the interaction between senior leaders/Leadership Council and partner Boards.

- Either how have you, or do you plan in future, to address these challenges?

- What other strategies might be useful?

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Debrief

- Discuss current and anticipated challenges with the interaction between senior leaders/Collaboration Council and partner Boards.

- Either how have you, or do you plan in future, to address these challenges?

- What other strategies might be useful?

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COLLABORATIVE GOVERNANCE:
Clarifying Board Roles
Approaches to Engagement
Governance Structures

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Four Areas for Consideration in Clarifying Roles and Approaches to Provider Board Member Involvement

- **What is the Board's specific role & how does it evolve over time?**
  - What are the Big Bet Decisions?
  - How does this translate into Board to CEO delegation of authority AND agreement across partner Boards?

- **Developing understanding & trust among Boards**
  - Discussions on benefits and risks
  - Discussions about organizational contributions to shared purpose

- **Fiduciary oversight at a system and organizational level**
  - Oversight at various stages of maturation
  - Cascading from system to organizational oversight

- **Evolution of governance structure**
  - Early vs later forums/structures based on role
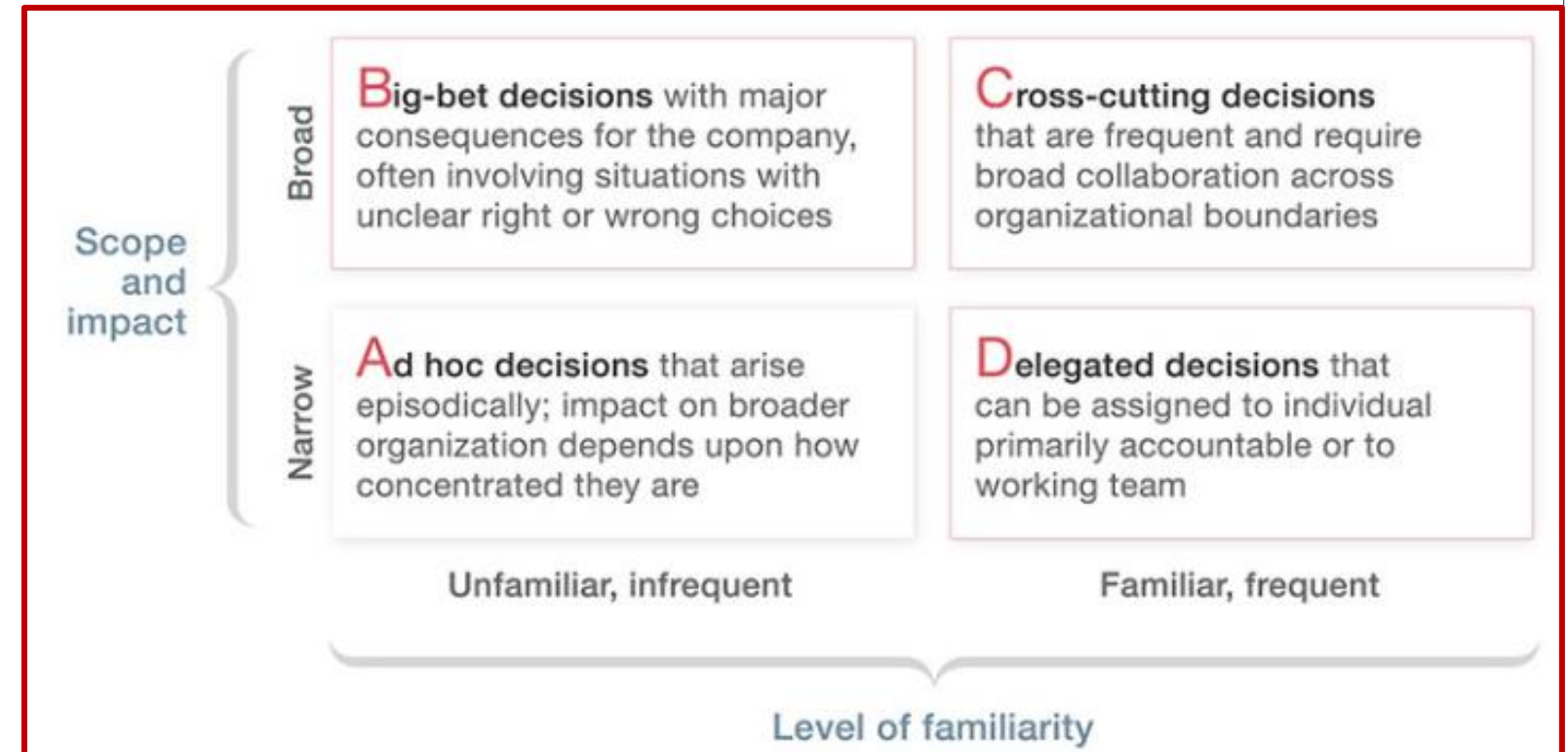 - Overall OHT structure

WHERE DOES THE BOARD FIT?

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Big Bet Decisions/Discussions

Usual areas for Board Engagement:

- Establishing/approving & advancing strategy

- Ensuring risks are identified and addressed

- Fiduciary oversight of financial health and quality of service delivery, including customer experience

- Engaging in key stakeholder relations

- Ensuring legislative and regulatory compliance

Scope and impact

Broad

Big-bet decisions with major consequences for the company, often involving situations with unclear right or wrong choices

Cross-cutting decisions that are frequent and require broad collaboration across organizational boundaries

Narrow

Ad hoc decisions that arise episodically; impact on broader organization depends upon how concentrated they are

Delegated decisions that can be assigned to individual primarily accountable or to working team

Unfamiliar, infrequent   Familiar, frequent

Level of familiarity

POLL: Based on Board Roles, which of the following would you consider BIG BET Decisions & other key roles for Board involvement?

1. Involvement in establishing multi-year OHT vision and strategy

2. Financial decisions regarding allocation of OHT resources beyond an agreed threshold (whether HR, capital/digital or programmatic)

3. Decisions that impact the resources of one or more partners, beyond an agreed threshold

4. Decisions that impact the scope of service delivery for one or more partners

5. Adding a service that no partner has previously offered

6. Negotiating/advocating with government/OH

7. Organizational restructuring that impacts one or more partners

*Please add other areas to the CHAT*

These issues will continue to be important until new Corporate structures are developed

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Translating the Big Bet definition into practice

Individual Organizational Negotiation

Board to Board Negotiation

BIG BET Area 1

BIG BET Area 2

BIG BET Area 3

BIG BET Area 4

Consensus
Among
Partner Boards
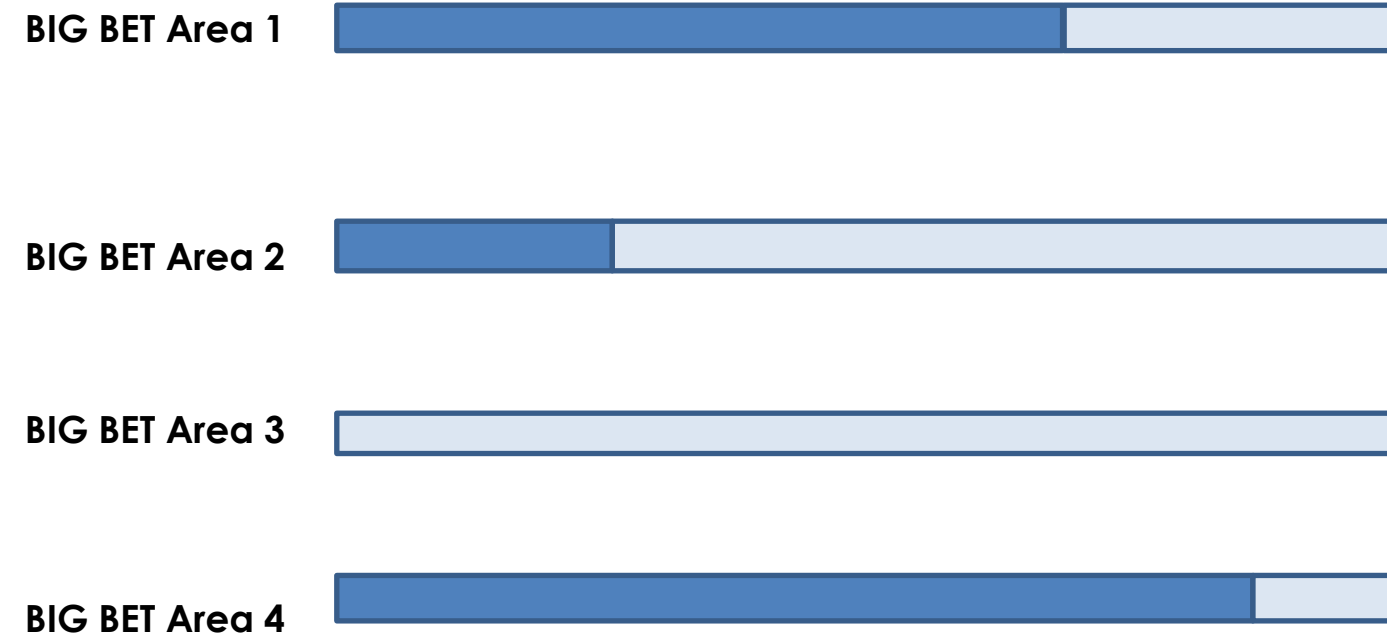
Leader Delegated Authority

Board Input/Decision

2 Potentially Helpful Questions:
- What are the implications of this decision on the OHT & on individual partners?
- Would someone higher up want to have input into this decision?

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Developing understanding & trust among Boards

Boards were generally peripherally involved in the development/negotiation of:

- Shared purpose

- Partnership agreements (including shared values and principles for working together)

- Discussions among partners on benefits and risks

As OHTs move to action on population health, expand membership, renew strategy and partner agreements – engaging partner boards beyond information sharing to decision-making will be important

- ***Board to Board Dialogue***

- ***Involvement in refresh of Partnership Agreements***

- ***Board Advisory Table (Big Bet Decisions/Identifying Future Opportunities and Risks, Fiduciary Oversight)***

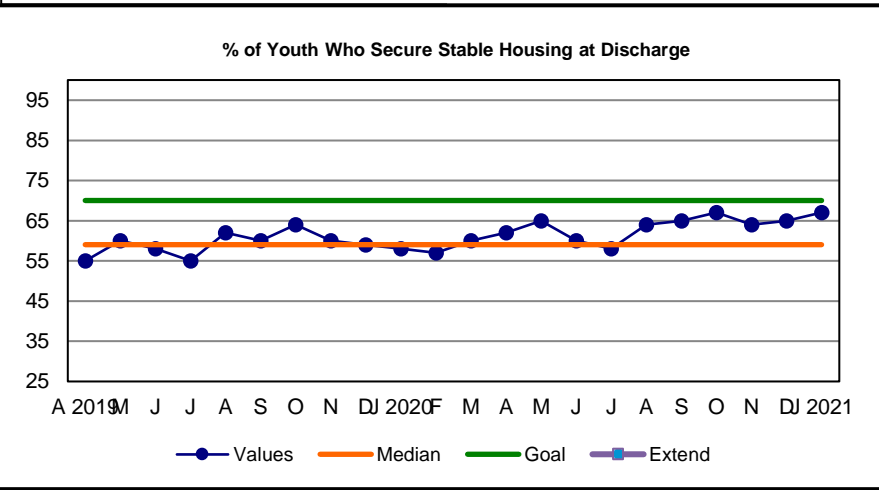 - ***Determining method for identifying Board Advisory Table Membership***

The <u>process is critical</u> to sustainable collaboration gained through trusting relationships
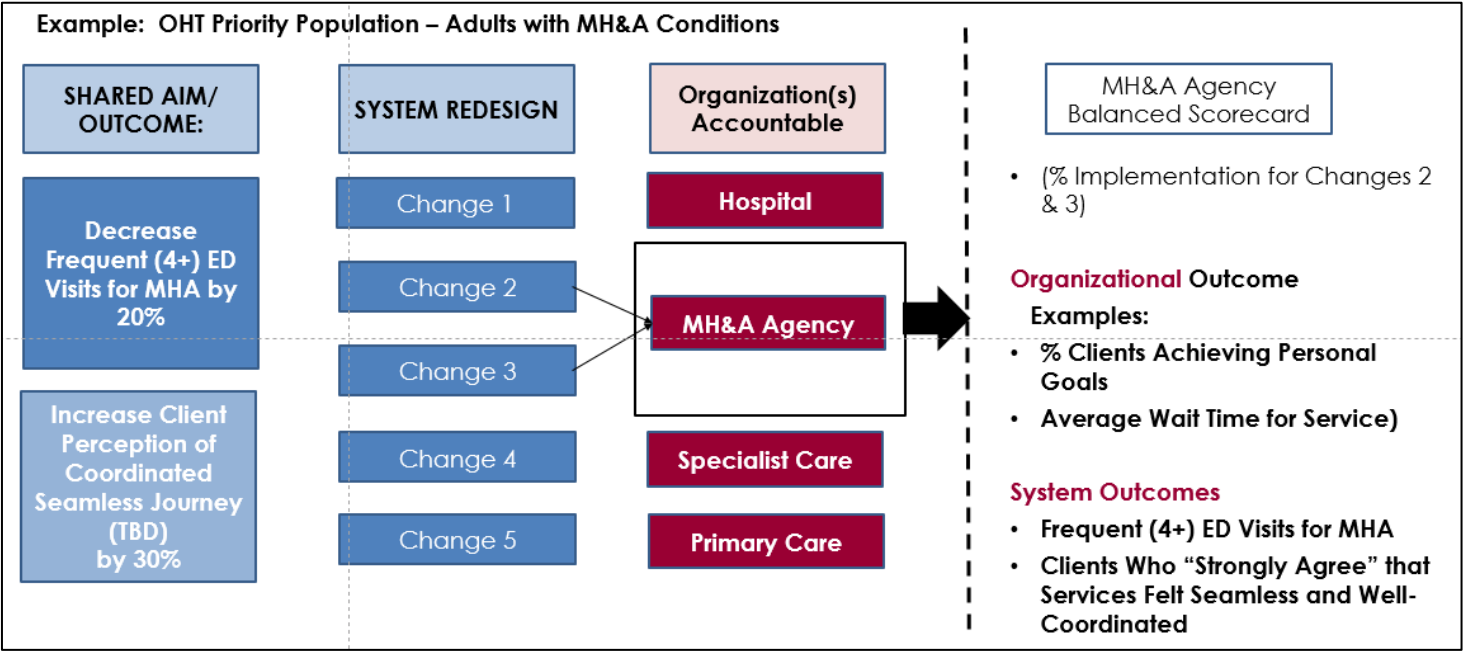
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Fiduciary oversight at a system and organizational level

SYSTEM LEVEL OUTCOMES

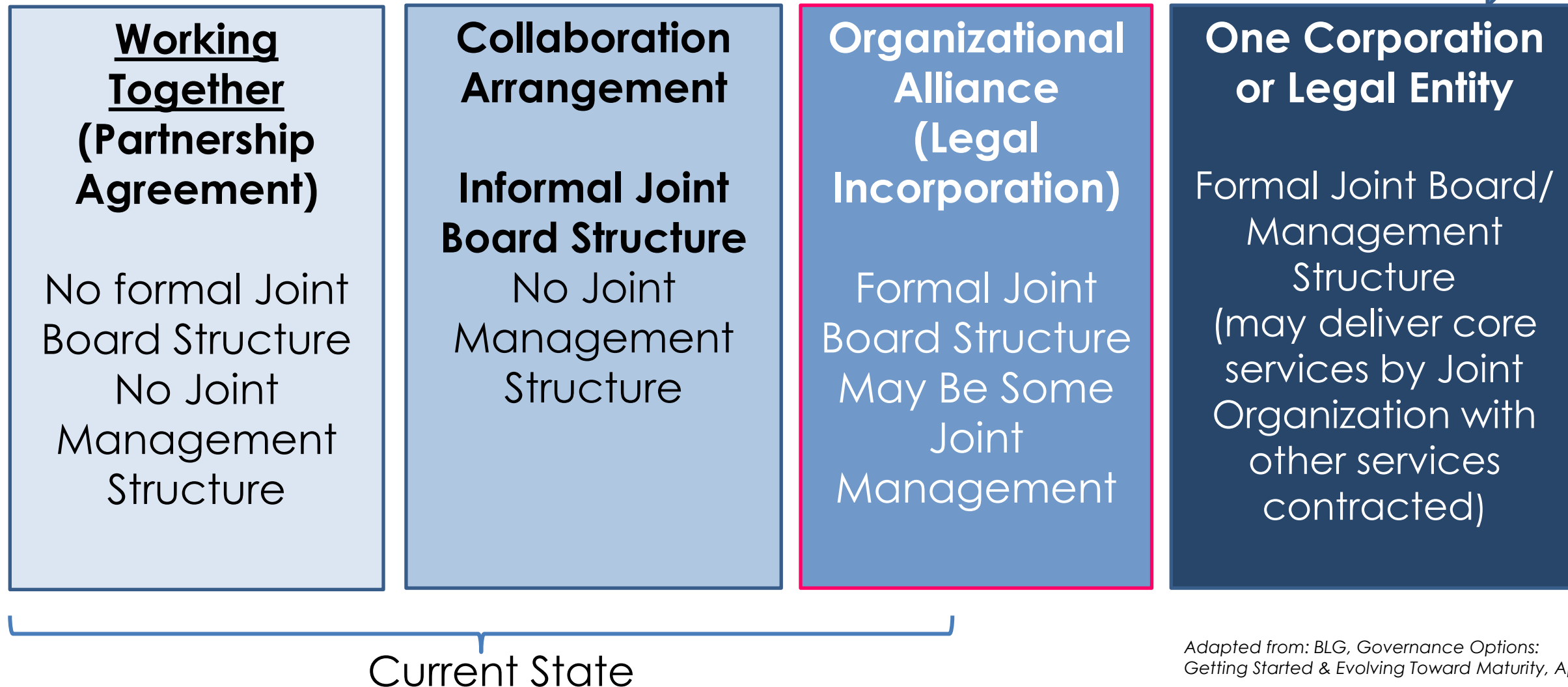| Key Performance Indicators	Jan	Feb	March	Q1 Goal	Q1 Actual
Grow monthly Web 20% from 10,000 to 12,000	12,335	12,693	10,860	36,000	35,890
Increase organic traffic from 38% to 50% of overall traffic	41%	42%	47%	50%	43%
Maintain average time on page > 2minutes	1:48	1:51	1:50	2:00	1:50
Maintain bounce rate <60%	54%	53%	55%	10	54%
Increase Web lead conversion 20% from 1.8% to 2.16%	2.13%	2.16%	2.19%	2.16%	2.16%
Grow monthly inbound leads by 20% from 208 to 260	262	274	237	780	777
Grow monthly software evaluation downloads by 20% from 50 to 60	58	61	60	180	179
Consistently execute to the content marketing plan	✓	✓	✓		✓

% of Youth Who Secure Stable Housing at Discharge

Legend: Values, Median, Goal, Extend

CASCADING TO PARTNER ORGANIZATIONAL OUTCOMES

Example: OHT Priority Population – Adults with MH&A Conditions

MH&A Agency Balanced Scorecard
- (% Implementation for Changes 2 & 3)

Organizational Outcome Examples:
- % Clients Achieving Personal Goals
- Average Wait Time for Service)

System Outcomes
- Frequent (4+) ED Visits for MHA
- Clients Who "Strongly Agree" that Services Felt Seamless and Well-Coordinated

SHARED AIM/OUTCOME: Decrease Frequent (4+) ED Visits for MHA by 20%; Increase Client Perception of Coordinated Seamless Journey (TBD) by 30%

SYSTEM REDESIGN: Change 1, Change 2, Change 3, Change 4, Change 5

Organization(s) Accountable: Hospital, MH&A Agency, Specialist Care, Primary Care

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Evolution of Governance Structure

Potential Evolution for Collaborative Governance

Working Together (Partnership Agreement)	**Collaboration Arrangement**	**Organizational Alliance (Legal Incorporation)**	**One Corporation or Legal Entity**
No formal Joint Board Structure No Joint Management Structure	**Informal Joint Board Structure** No Joint Management Structure	Formal Joint Board Structure May Be Some Joint Management	Formal Joint Board/ Management Structure (may deliver core services by Joint Organization with other services contracted)

Current State

Adapted from: BLG, Governance Options: Getting Started & Evolving Toward Maturity, April 2019

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Potential Evolution for Collaborative Governance

Working Together (Partnership Agreement)

No formal Joint Board Structure No Joint Management Structure

Collaboration Arrangement

Informal Joint Board Structure No Joint Management Structure

Organizational Alliance (legal incorporation)

Formal Joint Board Structure
May Be Some Joint Management

One Corporation or Legal Entity

Formal Joint Board/ Management Structure (may deliver core services by Joint Organization with other services contracted)

Addresses:
- *Ability to fund hold/procure*

Questions:
- *Liability for shared provision of new service delivery*
- *Reallocating budgets among providers*
- *Integrating devolution of services to regions*

Does Not Address:
- *Sharing of patient/client information*

Eliminates many of the cited risks & questions

Which of the following governance processes has your OHT engaged in?

Have a Board Table as part of our OHT infrastructure

Discussed Incorporation

Discussed Merging Some/All Organizations in Future

No Board Member Table AND No Discussions on Incorporation or Mergers

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Breakout Discussion

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SMALL GROUP DISCUSSION

Identify a recorder (to capture highlights) and reporter (to share one key insight from the discussion)

- What benefits will there be to creating a separate Not-for-Profit Corporation?

- What do you see as challenges in creating an OHT Not-for-Profit Corporation?

- What roles do you see for Leadership Council and Provider Board members within the structure of a Not-for-Profit Corporation?

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Debrief

- What benefits will there be to creating a separate Not-for-Profit Corporation?

- What do you see as challenges in creating an OHT Not-for-Profit Corporation?

- What roles do you see for Leadership Council and Provider Board members within the structure of a Not-for-Profit Corporation?

Module 6: Synthesis and Development of an OHT Roadmap related to Shared Governance

- *Prior to the Module 6 Session*:

  - Survey to assess your **individual perspective** on strengths & opportunities related to Collaborative Governance for your OHT

- *Module 6 Breakout session with your OHT*:

  - Share your individual perspectives

  - Come to **consensus on key opportunities to embed in a Roadmap** for continued development

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Materials for Discussion/Reflection with Leadership Council

Key Messages: Module #5	• Both Leadership Councils and Provider Boards have important Governance roles; these roles will evolve over time • Provider boards need to balance their fiduciary responsibilities to both their own organization and the OHT • In the development of OHT Corporations, Boards will need to engage in generative dialogue to develop relationships and enable shared vision and goals for population health • Board & Senior Leaders should: • negotiate parameters for delegation of decision-making authority & facilitate consistency among OHT partners • identify system and organizational metrics that link to OHT priorities for Board oversight • discuss governance strategies for evolving to incorporation
Reflective Questions	• Are leaders and boards comfortable with the complexity and ambiguity of OHT governance and its likely evolution over time? • What benefits and challenges does greater integration bring to each partner organization? • What strategies can we pursue now and, in the future, to facilitate appropriate engagement of partner boards in OHT governance? • What path to incorporation will best fit our future collaborative work?

Materials for Discussion/Reflection

Practices	
	❑ Members of our Collaboration Council should agree on a template for sharing consistent information with their boards.
	❑ Partner Boards should negotiate delegation of authority to senior leaders on Collaboration Council, ensuring consistency across organizations to enable effective and efficient decision-making
	❑ Boards of partner organizations should engage in Board-to-Board generative discussion to share information, build trusting relationships, make "Big Bet" decisions, discuss shared purpose, benefits and risks, as well as future governance roles and structures
	❑ Develop metrics/scorecards for fiduciary oversight by partner boards should be developed
Tools/ Resources *Note: Resources available at:* https://hspn.ca/advanceoht/advance-resource-repository/	Linda Mollenhauer. Board Oversight of Not-for Profit Collaboration: Questions for Directors to Ask. Published by the Chartered Professional Accountants Canada and Ignite NPS https://www.cpacanada.ca/en/business-and-accounting-resources/strategy-risk-and-governance/not-for-profit-governance/publications/board-oversight-of-not-for-profit-collaboration Anne Wallestad. Governing a Collaborative Organization. Stanford Social Innovation Review. May 31, 2017. https://ssir.org/articles/entry/governing_a_collaborative_organization David Frydlinger, Oliver Hart, and Kate Vitasek. A New Approach to Contracts. Harvard Business Review, September-October 2019. Fay Hanleybrown, John Kania and Mark Kramer. Channeling Change: Making Collective Impact Work. Stanford Social Innovation Review. 2012. https://ssir.org/articles/entry/channeling_change_making_collective_impact_work

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