

36TH ANNUAL **AHA RURAL  
HEALTH CARE**

**LEADERSHIP  
CONFERENCE**

**FEBRUARY 19-22, 2023**

**SAN ANTONIO, TX**

JW MARRIOTT SAN ANTONIO HILL COUNTRY



*Advancing Health in America*



## Growth, Guidance & Governance

How a rapidly expanding rural health system is restructuring governance to honor the past, look to the future and ensure local influence.

**And how you can too.**

Cindy Firkins Smith & Tim Wensman



SHAGATOM BIENVENIDO  
BEM VINDO WALCOM  
ALOHA SHAGATOM KARIBU *Benvenuto*  
*Velkommen*  
Willkommen BULA SHAGATOM Shalom  
TAVTAЙ МОРИЛОГТУН  
Witaj WELCOME KARIBU  
SELAMAT DATANG HuānYīng TULOY KA  
Svagat Hain BON BINI BENVINGUT  
CROESO Welkom KIA Ora YOKOSO *Velkommen*  
Fòonying KARIBU DOBRODOSLI *Welkom*  
*Välkommen*

# Disclosures



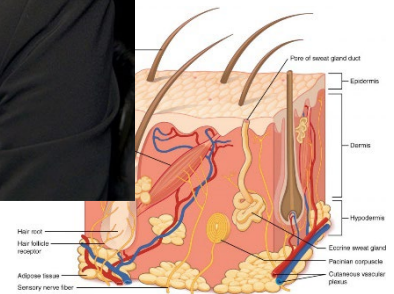




# Agenda

- ▶ Us
- ▶ Our WHY
- ▶ Our HOW
- ▶ Where We ARE and Where We are GOING
  - Would we have done anything differently?











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**In a word (or few) what  
inspired you to attend  
today's session?**

① Start presenting to display the poll results on this slide.

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**In a word (or few) tell us what  
Governance in a Rural  
Hospital or Health System  
means to you.**

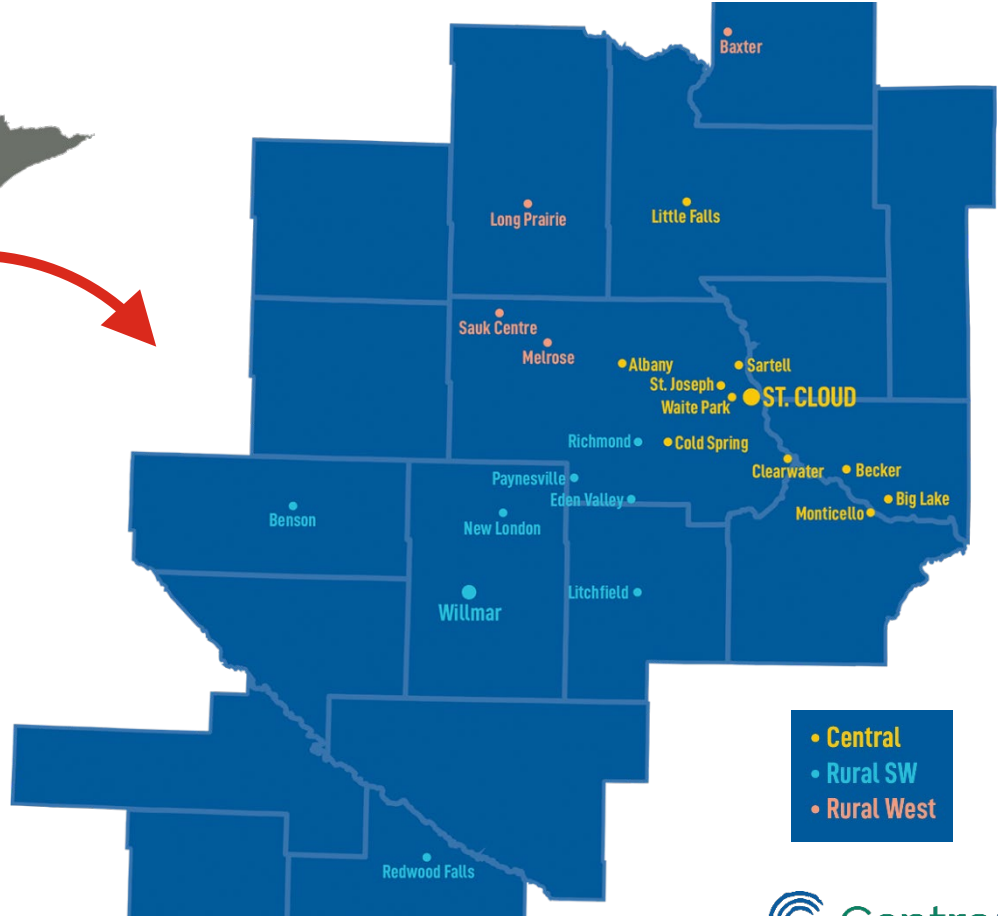
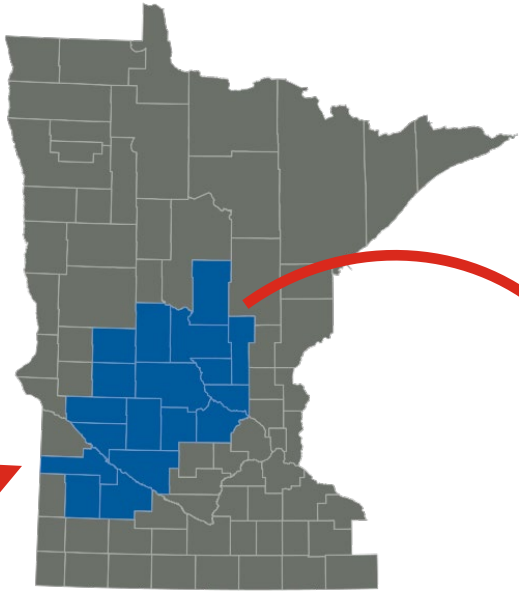
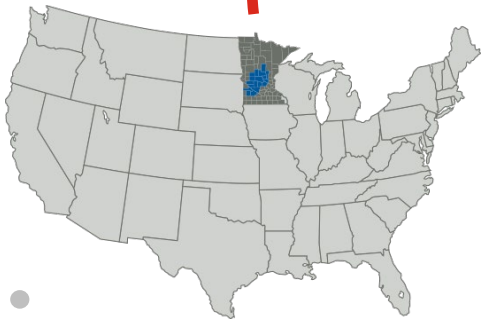
① Start presenting to display the poll results on this slide.



## OUR PURPOSE STATEMENT

We're here for your whole life –  
to listen then serve, to guide and heal –  
**because health means everything.**





# CentraCare 2023 FACTS

EMPLOYEES 11.2k    PHYSICIANS & APPs 900+    VOLUNTEERS 1.1k



**HOSPITAL**  
9 Locations



**CLINIC**  
30+ Locations



**URGENT CARE**



**OUTPATIENT  
SURGERY CENTERS**  
2 Locations



**PHARMACY**  
3 Locations



**HOME CARE  
& HOSPICE**



**SENIOR SERVICES**  
14 Locations

**\$2B Annual Revenue**



St. Cloud Hospital in 1932  
on the Mississippi River

- ▶ Our roots go back to 1886 when Benedictine nuns, immigrants from Germany built St. Benedict's Hospital to serve the health care needs of people living in Central Minnesota.
- ▶ In 1888, the sisters offered "Hospital Admission" tickets, a predecessor to modern-day health insurance
- ▶ For \$10 a year, purchasers were entitled to treatment, subsistence, and nursing care in the hospital, unless their injury or illness resulted from intoxication or fighting
- ▶ In 1928, a new 200-bed hospital, renamed St. Cloud Hospital, opened.
- ▶ In 1962, the sisters relinquished ownership of the hospital, creating a separate NFP, and in 1975 joined with the St. Cloud diocese to maintain its Catholic character.
- ▶ In 1995 the St Cloud Hospital with 489 beds, and St. Cloud Clinic of Internal Medicine joined, creating CentraCare.

# Acquisition, Expansion & Rapid Growth 1995 – 2023



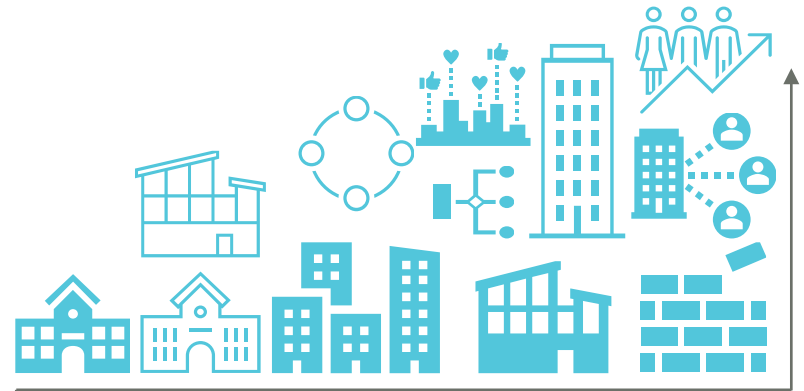
## 1995 – 2000 Acquisition

- ▶ 2 clinics
- ▶ One CAH



## 2001 – 2012 Expansion

- ▶ Multiple service lines
- ▶ New buildings



## 2011 – 2021 Rapid Growth

- ▶ Hospital expansion
- ▶ Acquisition 4 CAH, LTC facilities
- ▶ 3 new CAH constructed
- ▶ ASC, UC, Quick cares constructed
- ▶ 4 medical groups/specialty lines join
- ▶ 2018 addition of 150 provider group and 113 bed community hospital increases CentraCare size by 1/3



# Lots of Change

- ▶ Growth/expansion
- ▶ Leadership
- ▶ Culture
- ▶ Structure

**What  
Didn't  
Change?**



# GOVERNANCE

# Why change it?

- ▶ Moving from holding company to Operating Company
- ▶ Population Health-Value Based Care
- ▶ High Reliability Journey
- ▶ Service Line Collaboration
- ▶ Modernize
  - Size
  - Structure



# GOAL

Create efficient and  
effective governance  
under  
One CentraCare.



Update Policies & Procedures



Define Member Competencies



Refine Succession Process



Evolve Committees & Education



Review Evaluation Process



Assess Structure



# Modernizing Governance Process



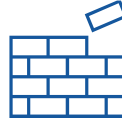
## Propose

- Board and Committee Structure
- Finance & Audit/
- Quality & Healthcare Compliance Committees Function Statement



## Listen

- CC Board
- SCH Hospital
- Regional & Rural Boards and Operating Committees



## Build

- Create the structure



## Approve

- CentraCare System Board
- Catholic Diocese



## Implement

# Proposing

The What's  
and the Why's



# What Does CentraCare seek in a Modernized Governance Structure?



- ▶ Enhance **Efficiency & Effectiveness**
- ▶ Optimize **Safety, Quality & Experience**
- ▶ **Influence** local, state, & national
- ▶ Increase **Rural Health** awareness and input
- ▶ Enhance **Communication**

# LISTENING

**SPEAK** *less*  
**LISTEN** *more*



Listening is disappointing  
because talking feels so powerful.





# Our Keys to Listening

1

Listen to everyone

2

Meet them where they are

3

Let them talk

4

Consider their position

5

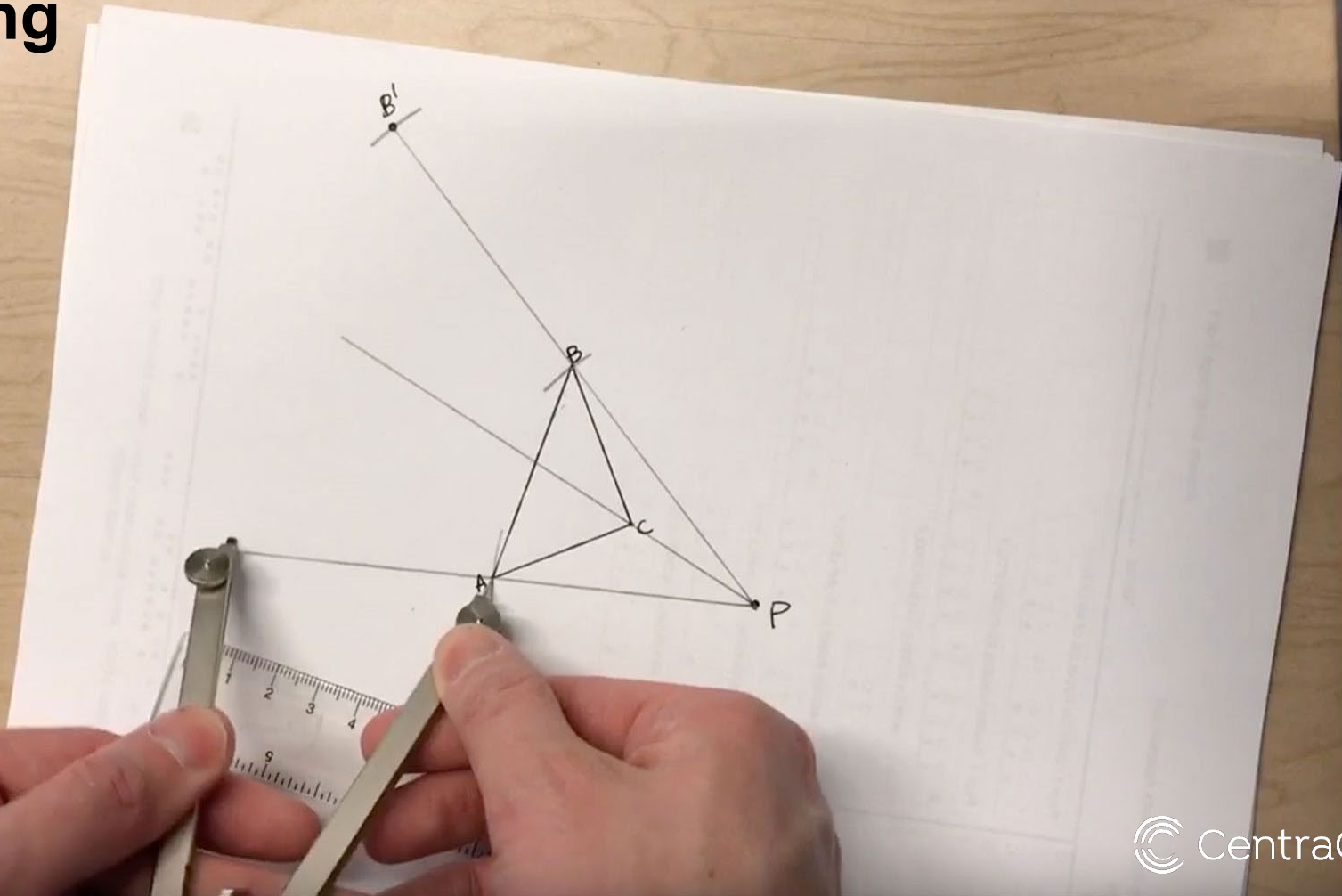
Keep it real - no patronizing

# What Did We Learn?

- ▶ Local Boards were concerned about their community/entity.
  - Every site was different; different needs and priorities.
- ▶ They were concerned about loss of rural/local voice.
- ▶ They weren't sure they would bring value in the new structure.
  - If a local board had no governing authority, what is its role?
- ▶ Asking for their input was validating.
  - They were heard.
- ▶ They had thoughts/ideas/input that we hadn't considered.
  - Listening made us better leaders and ultimately made our board design stronger.



# Building



# What is Governance?

Governance is a framework that accounts for all the processes of governing organizations and businesses.

It's a structure that holds boards and leaders accountable for continuously improving operations, clinical staff and processes, financial performance and society.

# Governance Processes include...

**Strategic and  
Financial Planning**

**Community Health  
Needs and  
Partnership**

**Quality of Care and  
Safety**

**Physician and  
Executive  
Compensation  
Contracting**

**Development  
Policies and  
Culture  
Investments**

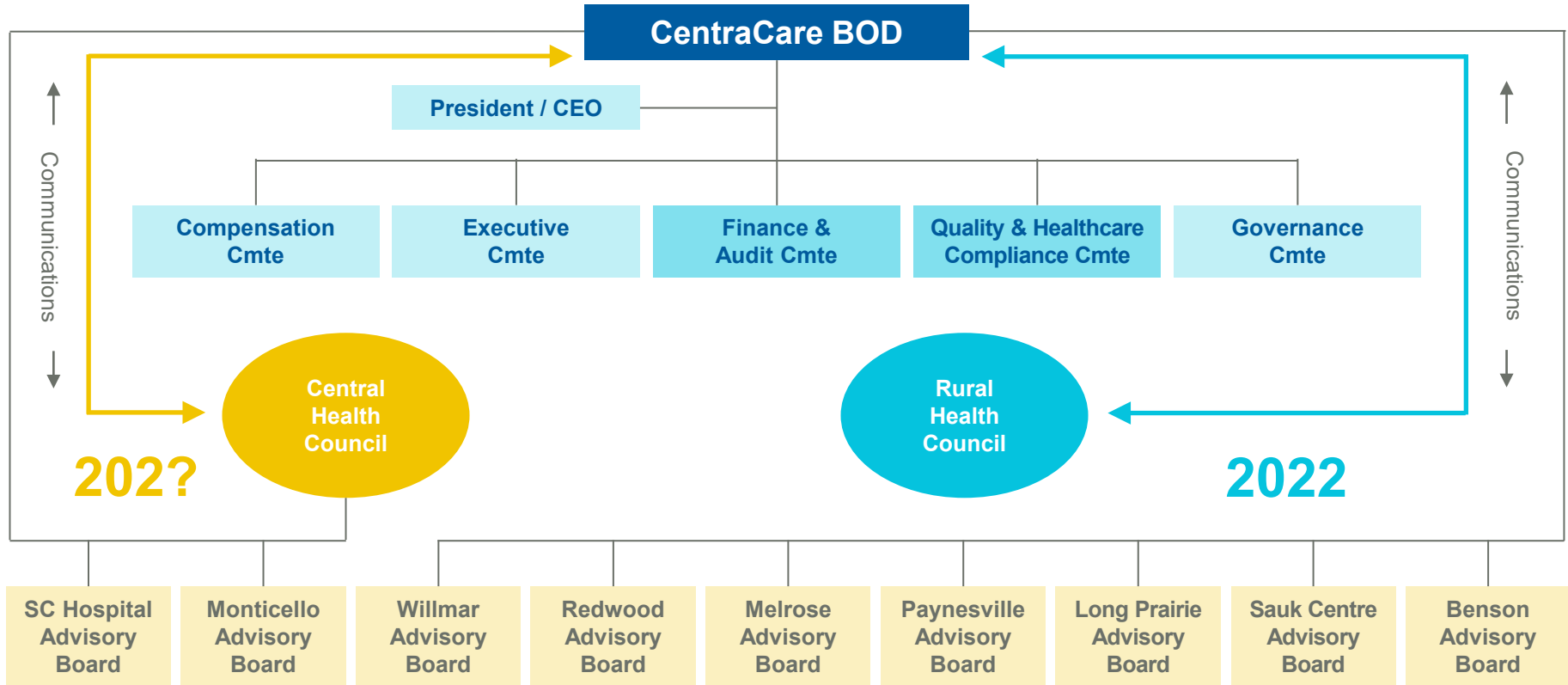
**Advocacy with  
Policy Makers and  
Community  
Leaders**

**Board Member  
Recruitment,  
Onboarding, and  
Education**

**Governance  
Performance  
Reviews and  
Development**



# Governance Structure



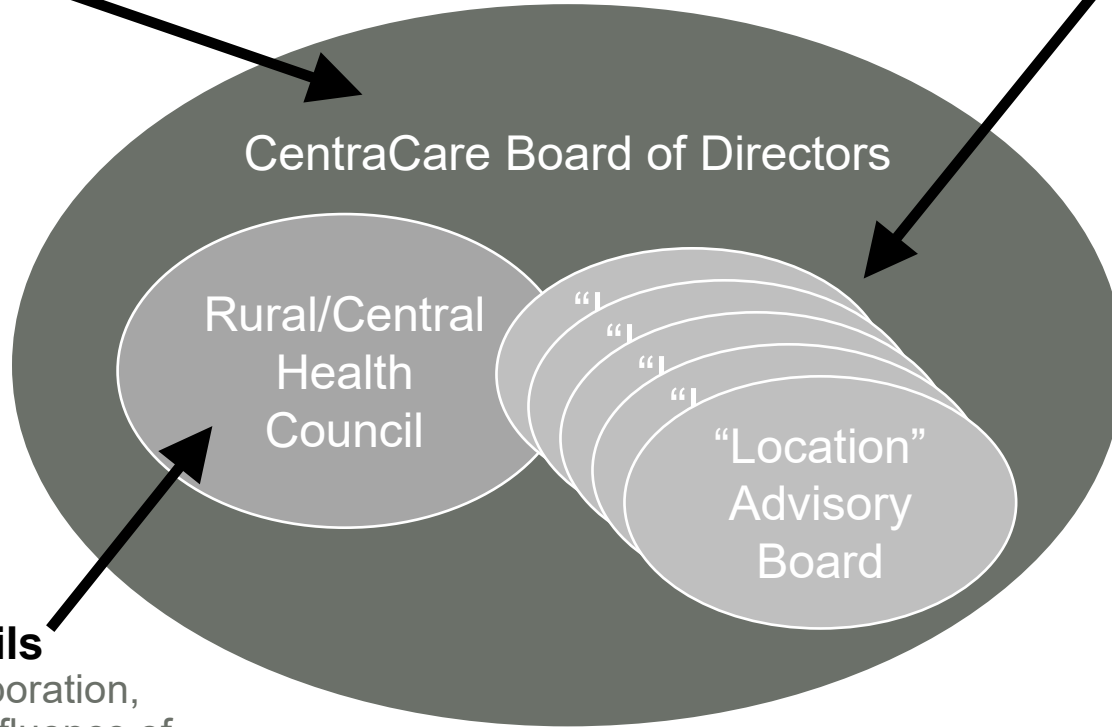
## CentraCare Board

**Corporate Governance:**  
Duty of care, of loyalty, and to purpose.  
The ultimate authority on mission, strategy, goals and resourcing.

## Advisory Boards

**Regulatory Governance:**  
Provide governance oversight and community input to CC Board regarding the local medical facility.

**Local requirements:**  
Quality, medical staff credentialing, legal compliance, risk management, community relations, and community needs.



## Health Councils

Education, collaboration, advocacy, and influence of stakeholders (not governance)

# What is the Role of the Rural Health Council?

Serves as a **conduit of information** between communities, Advisory Boards and the CentraCare Board.

**Influence** community, business and political leaders and **advocate** for issues important to rural health.

Influence the influencers; drive change rather than be driven by it

**Education, advocacy, and influence** – not governance.

**Expands knowledge** on local, regional, state, and national issues important to Rural Health  
Rural Emergency Hospitals, Rural Residencies, Rural Obstetrics Challenges and Opportunities, Primary Care Transformation



The key to successful leadership  
is influence, not authority.

Kenneth H. Blanchard

“ quote fancy

# Potential Future



- ▶ Local Advisory Boards will always be essential and valuable
  - Eyes and ears of the community
  - Credentialing / hospital legal requirements
  - Liaison to local / state leaders



- ▶ Will there be an opportunity for the Rural Health Council to become a decision-making body and decide “for the whole” of rural health
  - Make recommendations to the CentraCare Board?



# Approve



## In Progress

- ▶ New committees formed
- ▶ New members recruited



Implementation

# What Would We Have Done Differently?

Standardized bylaws for Critical Access Hospitals (we're doing it, but leaders would've liked to see them sooner.)

???????

- ▶ We listed 5 Modernizing Governance Processes.
- ▶ Which did we emphasize was the most important?







“A LEADER

takes people where they want to go. A great leader takes people where they don't necessarily want to go, but ought to be.”

— ROSALYNN CARTER



# Questions & Comments

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