



ELEMENTS OF “RADICAL” BOARD DECISION-MAKING

The concept of “Radical Decision-Making” contemplates a sweeping change to the traditional health system board determinative process, yet is intended to incorporate all of the indicia of prudence, disinterest and good faith that are subsumed within the Duty of Care and the Business Judgment Rule. Such a process may include the following elements:

- 1 CORPORATE PURPOSES.** Evaluate the current statement of corporate mission and purpose to confirm whether it provides sufficient flexibility for the health system to pursue transformational initiatives and other “radical” decisions.
- 2 BOARD SIZE.** Reconstitute the size of the governing board and of key committees to a size that balances the capability to conduct the business of governance with the need to facilitate informed, disinterested decision-making on an expedited timetable.
- 3 STRONG CHAIR POSITION.** Redesign the duties of the board chair to allow for a more powerful, aggressive leadership role that closely coordinates with the CEO in the board’s consideration of transformative initiatives (within the constraint of state corporate law).
- 4 ENGAGEMENT.** Trustees will be asked to assume additional duties and spend significantly more time on their board responsibilities, including informing themselves (with staff assistance) of the scope, advantages and disadvantages of individual transformative proposals.
- 5 DELEGATION.** Increase the utilization of key committees in the monitoring of disruptive developments, and in the evaluation and recommendation of transformative options for board consideration, as necessary to support board reliance on committee action.
- 6 EXECUTIVE COMMITTEE.** Confirm the ability of the Executive Committee to act on behalf of the full board under state law, and reach a board-level consensus on the general circumstances in which the Committee may act on transformative initiatives.
- 7 CONFLICTS.** Adopt a more comprehensive and timely approach to the identification and resolution of actual and potential leadership level conflicts, to help ensure the sustainability of what might be considered potentially controversial transactions.
- 8 CONSULTANTS.** Increase the involvement of qualified strategic, financial, legal and other consultants on whose advice the board may reasonably rely, in order to make informed transformative decisions effectively on an expedited timetable.
- 9 MEETING FORMAT AND PROCESSES.** Establish a schedule of in-person and remote board meetings that facilitates director availability and takes advantage of all mechanisms allowed under state law for the use of technology in meeting participation and decision-making.
- 10 REFRESHMENT.** A strictly enforced director refreshment protocol will need to be implemented, to assure the highest standards of director effectiveness. Key emphasis will need to be placed on comprehensive full board, and individual director, evaluations.
- 11 INFORMATION & ACCESS.** New methods of supplying board and committee members with critical education materials on a timely basis must be implemented. In addition, directors will need to be provided with enhanced access to executive leadership.
- 12 TIMETABLE.** Align the vertical corporate governance matrix to facilitate a shortened decision-making process that avoids duplication of necessary board approvals at subsidiary levels and allows the system board to act nimbly on time-sensitive transformative issues.