

Trustee Insights

INTERVIEW



COG Chair on What Boards Can Expect in 2023

Bentz cites financial stability, workforce and innovation necessary to redefine the care model as challenges

BY SUE ELLEN WAGNER

As we begin a new year, Sue Ellen Wagner, vice president, trustee engagement and strategy at the AHA, looks at what lies ahead with Greg Bentz, chair, Saint Luke's Health System and 2023 Committee on Governance

(COG) Chair. Mr. Bentz spoke about the challenges and opportunities he sees for boards and the value provided by AHA Trustee Services.

Sue Ellen Wagner: *Can you provide background about your role on your health system's board and your involvement with the AHA?*

Greg Bentz: The Saint Luke's Health System is a fully integrated regional health system based in Missouri and Kansas. The health system has 13 hospitals of various

types. They have a tertiary hospital in the middle of Kansas City including four metro hospitals that circle the outer regions of Kansas City. There also are four critical access hospitals that are located some distance from Kansas City. In addition, they have a children's behavioral health hospital and a rehabilitation hospital, and the system has about 13,000 employees.

In 2005, I joined the board of the largest hospital, which is the tertiary hospital located in the Country Club Plaza area in Kansas City. I was on that board until I termed off in 2015.

In 2008, I went on the Saint Luke's South board, which is one of the four metro hospitals, and served as chair of that board from 2011 through 2021. I was elected to the System Board five years ago and became chair of the System Board on January 1, 2022. I remain chair of the Health System Board. I chair the Nominating and Governance committee and the Compensation committee for the health system.

Regarding my involvement with the AHA, I was selected to serve on the COG in 2018. I really enjoy participating on the COG. I think it is a great committee. I just can't imagine where else I could learn so much. It is such a diverse group of trustees from various kinds of hospitals. I look forward to each meeting so much because it's an opportunity to really exchange ideas

with trustees across the country. In 2022, I served as the chair-elect for the COG, with Bill Menner being the chair, and I look forward to serving as the chair in 2023.

I have attended the AHA Leadership Summits numerous times and the AHA annual meetings, and actually was fortunate enough to present at the 2022 AHA annual meeting. These meetings are outstanding opportunities for trustees to learn best practices.

Wagner: *What are the top three governance challenges boards will face in 2023?*

Bentz: In 2022, and even in 2021, people said workforce, workforce and workforce. And that remains one of my top three governance challenges. But I think right now I would put challenges in the following order: financial stability, workforce and the technology and innovation necessary to redefine the care model, which feeds back into the first two challenges I identified.

Concerning the financial challenges, it is pretty bleak out there right now. More than 60% of the hospitals believe they are going to have a negative margin in 2022. Expenses are increasing. The cost of discharge since 2019 has gone up 37%. The increase in cost of staffing across the field has increased \$57 billion. That is just for individual hospitals' own staffing, and then agency staffing has added another \$29 billion of cost increases. The cost of supplies, drugs and equipment have also gone up by about \$49 billion. So, across the field we have had \$135 billion in cost increases just in 2022. These financial stability challenges really jeopardize access to essential services.

They undermine our ability to serve the community. I am concerned that these challenges will also undermine hospitals' health equity efforts.

hospitals have over 50% of their inpatient days paid for by Medicare or Medicaid. With the Medicare increase being so small it just

Greg Bentz's five things to focus on in 2023:

- Reinforce to the staff and the administration WHY we all do this — which is to advance people's health and give them the opportunity to live their best, healthy life.
- Remain mission driven. Board decisions impact people's lives and they impact the quality of life in the community.
- Focus on being patient-centered. The mission has to bear on each decision and the decisions need to remain patient-centric, with quality serving as the North Star for boards. Boards cannot get so wrapped up in the dollars and the cents that they forget about why they are there.
- Support the use of technology and the care teams that are providing the services.
- Develop robust nurse-physician pipelines. It could be through programs at community colleges, engaging high schools to get people to think about careers in health care, scholarships, or loan forgiveness. The details of it are for each board to decide. But I think the idea that there needs to be investment in the pipeline is very important for 2023.

Technology can help to alter the care model and make it more efficient. But then, technology is expensive. Hospitals really need to be on an integrated digital health platform with telehealth and remote monitoring and wearables. All of that takes money. Then on the revenue side, there have been increasing issues with payers using denials, slow pay and appeals of denials. All of those things are slowing the revenue cycle down for hospitals and health systems. There is going to be some advocacy by the AHA to try and address these payer issues.

Also, hospitals are unable to fully staff their beds and that creates additional pressure on their revenue. So, they have to close them.

A statistic that I recently saw caught me off guard: 94% of

increases pressures on hospitals to afford their workforce and keep providing the services that their communities need.

Recently the AHA came out with the health care workforce scan which really had some shocking numbers in terms of people looking to leave the profession. Thirty-four percent of the nurses planned to quit by the end of 2022 and 47% of all health care workers plan to leave the profession by 2025. We need 1.1 million nurses to cover retirements, quits and expansions in health care and that is a shocking number.

Hospitals are really facing major nursing shortages. The US population is aging, and more services will be needed. There is a problem with the nurse training process because there is a shortage of nursing faculty, such

that 80,000 applicants were turned away last year. This health care workforce shortage has added to nurse and physician burnout. Ninety-five percent of nurses say that they have felt burned out in the last three years. Some nurses are concerned burn out and mental health issues impact the ability to provide the quality of care that they want to provide to their patients.

There is also the issue of workplace violence. Forty-seven percent of the verbal or physical assaults have been identified as stemming from frustration by family members because of the staffing levels. We have to take steps to protect our staff and make sure they feel comfortable and safe when they come to work.

In September 2022, the AHA Committee on Governance and Committee on Behavioral Health met and talked about suicide prevention for our nurses and doctors and the critical issue this is.

Regarding governance, we all have to worry about succession planning and building bench strength so that we have people available when burnout occurs, and people leave the profession. That is a real challenge these days. I think one of the main things boards need to do, and I'll talk about this more later, is rebuild the team concepts and make people realize the importance of what they're doing.

Wagner: *As Chair of the Committee on Governance, how do you see the COG addressing the challenges that you talked about?*

Bentz: To undertake these challenges, the COG will rely on what the American Hospital Association does best — bring together

members from the field from all types and sizes of hospitals to share diverse experiences and challenges that their hospitals and health systems are facing. We will discuss ideas and create solutions that can be brought to bear on these challenges. The Committee works on these issues and shares ideas with the AHA advocacy and policy staff to engage with the government on policies and legislation to address these issues and concerns.

Wagner: *What strategic role do you see boards playing to help lead their organization through these challenges? You mentioned financial stability and workforce, which are the top two challenges.*

Bentz: The thing that we all have to remember is that boards represent the community, and they need to be the voice of the community in the health system and hospital boardrooms. They need to step up and say: these are the services that the community needs. These are the priorities that we have to address. Boards need to support management in the development of specific plans to address these challenges. There needs to be transparency and accountability between the board and management on the strategies to be used to address these issues. Finally, Board members bring their life experiences from other industries and those are always helpful to try and draw from when you are trying to solve the issues in the health care industry.

Wagner: *AHA Trustee Services offers a variety of resources to assist boards as they develop strategy for their hospitals and health systems. What are the top three resources that you recommend trustees utilize?*

Bentz: The first resource which I find to be very helpful is “[Boardroom 101: Key Strategies and Practical Tools for Orienting New Board Members](#)” that was released in 2022. It is a great tool to get boards to focus on the basics that underlie everything that your board does, and it really provides a nice framework for you to think about. The resources cited in it are very helpful. Is my board completing these top issues? Are they considering these questions? It is a very inclusive piece and a great resource.

The second resource that I enjoy using is the [AHA video series](#), which recently featured the board's role in the changing health care environment. They are very easy to digest. There are some really good ones on strategic workforce development, which of course is critical, and board succession and development, which is also a critical issue.

Finally, the [AHA Trustee Insights e-newsletter](#). Both the current year and the archives provide great thought leadership on the issues that boards face. From time to time, I will go back and find a great article on an issue that I am faced with, and it is nice to be able to get an organized presentation on that issue. I think that there's tremendous value for board members to take advantage of reading the Trustee Insights e-newsletter.

Sue Ellen Wagner (swagner@aha.org) is vice president, trustee engagement and strategy, at the American Hospital Association.

Please note that the views of the interviewees do not always reflect the views of the AHA.