Section 2.1 Plan

CCC Governance

This tool describes principles for effective governance, discusses the importance of a governance charter, and reviews key governance characteristics that should be addressed as a community initiates development of a community-based care coordination (CCC) program.

Time needed: 2 hours

Suggested other tools: Overview of CCC; Physician Engagement in CCC; Steering Committee for CCC

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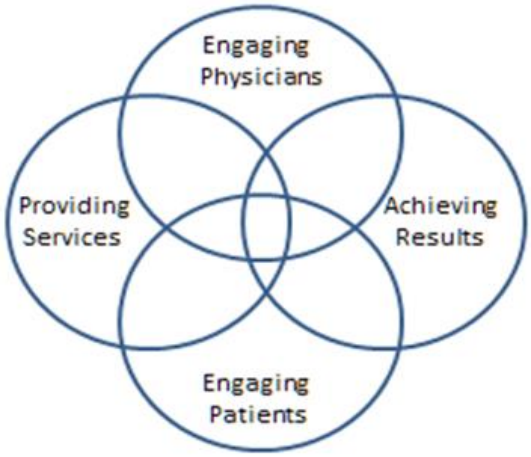
How to Use

1. **Review** the principles for effective governance of a community-based care coordination (CCC) program.
2. **Consider** the program structure. If a governance structure is not already in place, gather key stakeholders to contemplate the nature of the program and appropriate governance structure.
3. **Draft** a governance charter; consider having it reviewed by legal counsel.
4. **File** applicable legal documents, obtain necessary insurance and engage staff to formally form a legal entity.
5. **Implement** the governance structure.

Principles for Effective Governance of a CCC Program

Those contemplating development of a CCC program may not initially recognize the need for adopting a governance structure or the need to formalize its creation and establish itself as a legal entity, especially if the program is being driven from within a healthcare delivery system or is not planning to be a part of a formal value-based purchasing plan, such as an accountable care organization (ACO). However, a CCC program that is tethered to one organization is less likely to be effective in aligning with all of the other entities with which it must coordinate. A CCC program often finds itself becoming a collaborative of some or all of the entities with which it coordinates. As such, the CCC program really becomes a separate legal entity if it is not one already.



Whether beginning the CCC program or evaluating the governance structure for enhancements, there are numerous ways to structure and govern a CCC program. Some key principles contribute to the effectiveness of a CCC program's governance. Notably, these include the intersection of engaging physicians, engaging patients, providing services, and achieving results:

- **Engaging patients** in CCC is the essential element in achieving success with a CCC program. While the need for CCC has been well-documented, how patients are actually recruited and what their perceptions are about the service offering and the results are not well known. Gimpel, et al.[1] found that uninsured, low-income participants of a community-based program found the care coordination program to be an invaluable asset in learning how to navigate the health care system, obtaining appointments, and being better able to care for themselves. Hawley, et al.[2] found that women with breast cancer and low subjective health literacy were three to four times more likely as those with high health literacy to perceive low value with care coordination.

  Anecdotal evidence similarly suggests variability in patient interest in CCC, with factors such as the age of population, rural vs. urban, and the nature of patients' conditions being influencing factors. Furthermore, although it was reported in 2014 that about six percent of the population is enrolled in an ACO, not all enrollees are actively receiving CCC.[3] Again, anecdotal information suggests that potentially as many as half of all patients offered CCC refuse the service. Clearly with the anticipated benefits of CCC, patient engagement is essential.

- **Engaging physicians** in CCC is also very important, as physicians are a key influencer in getting patients engaged in and being responsive to such a program. An article in Becker's Hospital Review describing how ACOs will affect physician recruitment observed that physicians with certain types of traits were needed for ACOs to be successful. These traits apply equally to any form of CCC, and include being:
    - Team-oriented
    - Motivated by quality incentives
    - More technology savvy
    - More evidence-based in their approach to healthcare
    - More comfortable working with physician assistants and nurse practitioners

  The article also reported that only 2.4 percent of organizations responding were fully staffed with physicians that had such traits.[4] (See *Physician Engagement in CCC* for additional information.)

- **Providing CCC services** that get things done is obviously the essential element that is derived from effective governance. Every entity needs a process to make a cohesive whole within which roles and responsibilities are defined.

- **Achieving results** provides the bottom line that results from effective governance. A governance structure that supports a well-conceived approach to implementing a CCC program, engages patients and physicians, and measures and transparently provides results will be much more effective than one that assumes that desired goals can be achieved by simply "opening the store for business."

Planning an Effective Governance Structure

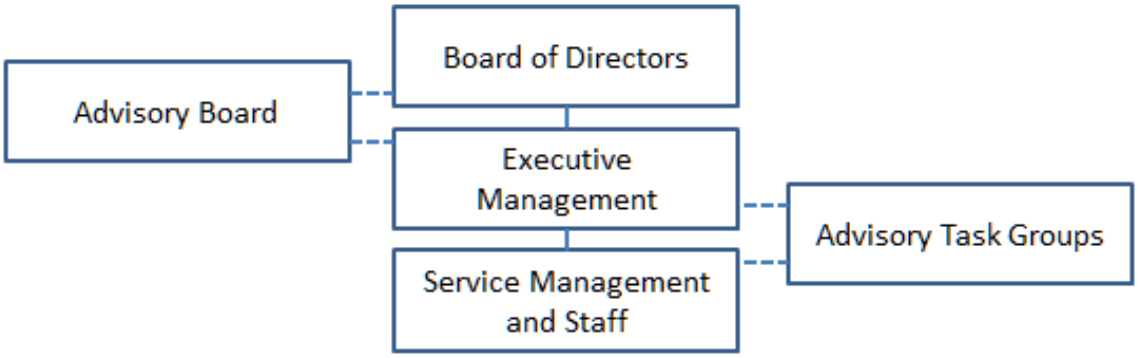
Effective governance needs to be well-planned and documented. The business literature clearly demonstrates the importance of having clear goals, defined roles and relationships, and managerial support in order to succeed in any business endeavor. A CCC program is especially challenging because by definition, it is a structure that must align with many other existing structures, each with their own organizational structures and idiosyncrasies.

The following are a few key pointers in planning for effective governance:

- **Create an organizational structure** that best aligns the entities that are expected to support the coordination. This seems like a logical requirement, but there are a number of options with distinct advantages and disadvantages. It is advisable to seek legal counsel in evaluating the alternatives. Two structures are most common:
    - *Foundation model* is one in which a medical foundation, usually established as a tax exempt non-profit public benefit corporation, contracts with one or more physician groups through a professional services agreement. This model is suitable for CCC programs that may derive from and be focused on an existing integrated delivery system.
    - *Clinical co-management model* is generally more suitable for CCC programs that are attempting to align many separate organizations. In this case, a limited liability company (LLC) may be formed that is then contracted by the various entities in the CCC program.

The Accountable Care Organization Learning Network provides a toolkit for organizing ACOs, and by extension their CCC program, including describing various organizational and governance models, available at: http://www.nachc.com/client/documents/ACOToolkitJanuary20111.pdf

- **Distinguish between the formal governance** of the entity conducting the CCC program and its advisors. Those governing the CCC program are accountable for its success (or failure). The governing body is responsible for establishing strategic direction, ensuring appropriate controls to manage risk are in place, and overall, providing for performance that can meet expectations.
  - *Formal governance* of CCC programs often includes a board of directors, executive management, and service management and staff.
  - *Advisors* are very important to CCC programs. They may participate in a formal advisory board or steering committee, potentially with various task groups that



advise in special areas. However, while advisors can be very helpful, they have no accountability and therefore should have no authority. The formal governance structure should take the advice of advisors into consideration, but are ultimately responsible for making their own decisions.

- **Identify the size and composition** of the board of directors. Depending on how the CCC program is organized, the board of directors may be elected or appointed. Boards should represent key stakeholders, be of a manageable size, and provide for rotation of members. In addition to being representative of a stakeholder group, each board member should also have additional attributes that qualify them for the board, such as racial diversity, geographic reach, assertiveness, time to serve, and others. Representation, not necessarily in equal proportions, should reflect:
  - *Management* representatives, such as a hospital or clinic executive, and potentially a CEO of a representative business in the community
  - *Provider* representatives, including primary care, specialty care, physician assistant/nurse practitioner, pharmacist, and behavioral health
  - *Community services* representatives, such as social services, public health, and others
  - *Patients and family/caregiver* representatives

If a board of directors cannot represent all desired stakeholders and also be of manageable size and fully engaged, it may be appropriate to create an advisory board, steering committee, or other structure that allows the CCC program to engage the full complement of stakeholders and

tap into vital resources. Such an advisory group may only meet once or twice a year or on an ad hoc basis, or individuals or task groups may be tapped as needed for special projects.

Governance Charter

Many organizations are familiar with project charters, and a program charter is very similar. A CCC program governance charter:

- Documents the reason for implementing the CCC Program
- Outlines the goals and constraints faced by the program
- Provides an outline of how constraints will be managed
- Identifies the main stakeholders in the program and how they will be governed

Essentially, a program charter helps a new entity think through its organizational structure, mission, goals, and organizational roles and relationships. While a proposal to serve as a CCC program is not exactly the same as a CCC program charter, a proposal often derives its information from a charter and may expand on the information in the charter. An example of a proposal that may serve as a good example of a charter is The Healthcare Consortium of Illinois' Proposal for Care Coordination, available at: https://www2.illinois.gov/hfs/SiteCollectionDocuments/CC_Healthcare%20Consortium%20of%20IL%20R.pdf

Creating a Legal Entity

A governance charter is also a useful resource for preparing legal documents to establish the CCC program as a business entity and to describe the scope of services needed in seeking various forms of insurance coverage, such as directors and officers insurance, errors and omissions insurance, liability insurance, and others. Preparing the charter also aids in communicating with legal counsel.

Implementing the Governance Structure

Ideally, those selected or elected to serve on the board will include at least some with board experience. However, some individuals that will serve on the board may have never been board members before and are not aware of their fiduciary responsibility, the need to both represent their constituents and the overall good of the program, and to be open and honest in their actions. There are numerous websites that can provide guidance and tools to non-profit boards. Providing education to the board on their roles and responsibilities is always helpful to set the stage for an effective board, and should be one of the board's first activities. Another early task of the board should be to establish bylaws or procedures for board operations.

Some boards will form before executive management is in place. If this is the case, another early task of the board will be to recruit at least the CEO or executive director of the entity. In the early stages of a new entity's existence it is not uncommon for the board to hire or have some input into hiring one or more other members of the executive team. Depending on the size of the entity, the executive management team may be comprised (whether hired or contracted) of:

- Chief Executive Officer or Executive Director
- Medical Director

- Director of Care Management (leading the team of community-based care coordinators, sometimes also known as care managers and patient navigators)
- Director of Business Planning and Operations (often serving also as Chief Financial Officer and Chief Information Officer)
- Director of External Affairs and Communications
- Director of Human Resources

References

[1] Gimpel, N. et al. (March 2010). Patient Perceptions of a Community-based Care Coordination System. *Health Promotions Practices*, Vol. 11, No. 2, 173-181. Available at: http://hpp.sagepub.com/content/11/2/173.short

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For support using the toolkit

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952-854-3306 • info@stratishealth.org

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