

## INTRODUCING

# Nurses on Boards

## Good Times, Great Impact: A CEO & Nurse Discuss Pivotal Board Input

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Mutual respect and shared pride in successes improving health outcomes are consistent themes in conversation with Richard A. Hachten II, former chief executive officer of Alegent Creighton Health, and Kathryn Mershon, a nurse leader who served on the nonprofit's board for nine years. In a recent interview with *American Nurse Today*, these former colleagues and longtime friends often completed each other's sentences, laughed and chimed in to agree with each other.

From the vantage point of retirement, each after high-impact careers (see Career Highlights below), Hachten and Mershon recalled her presence and impact on the board of the Omaha, NE-based regional health system (now known as CHI Health) from 1999 to 2008. Their lively dialog offers useful insights on the value of a leadership-level nurse's presence on a health care organization's board.

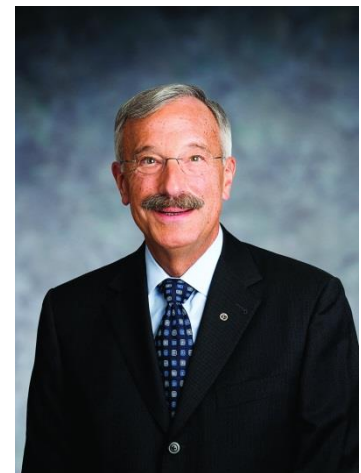
### How did the conversation change when Kathy joined the Alegent board?

**Richard Hachten (Rick):** Kathy first and foremost earned the respect and trust of the board as a very strong business leader and colleague with substantial health care experience. She could stand toe-to-toe with any board member on any topic. She also brought nursing experience and the unique dimension of clinical care, an array of experiences and perspectives our board didn't have before.

She challenged us on the conversations we weren't having. I was in health care leadership for 43 years. And I can tell you that historically our board meetings focused on finance and reviewing financial results because that's what board members understood. Soon after Kathy joined the board, she said we should be devoting equal time in board meetings to quality outcomes, patient safety and quality care as we do to finance. That was a significant turning point in our governance. As time went on, finance was relegated to a lesser part of our meetings because those reports can be sent in advance and are the responsibility of management. The board really needed to focus on the core business of quality care.



Kathryn Mershon, MSN



Richard Hachten II, MBA

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**Kathryn Mershon (Kathy):** Nurses understand what it is to deliver human services and generally find themselves in the role of patient advocate and hub person for all activities in a hospital. That's a niche perspective. My perspective was broader because my career was as a senior vice president of a Fortune 500 health care company. In addition to my passion for the mission, my experience is corporate, profit-oriented. My focus is on making sure you deliver care as efficiently and cost-effectively for the best outcomes.

### How would you describe the return on investment on her board presence?

**Rick:** You could clearly show statistics and graphs for a variety of outcomes measures that could be tied directly to Kathy's input and expectations. Across the board our measures improved dramatically because we put a lot of resources into improving those outcomes. Direct hands-on care of patients is the core of our business, which is driven primarily by nursing across the enterprise. To affect quality, resource utilization, finance and so forth it's critical that nursing leadership and front line nurses, executives and board governance are all in partnership. Without that, change is simply not possible.

**Kathy:** I initially served on the board's professional affairs committee, which focused on credentialing physicians and nurse practitioners. That's when I realized we had no board committees working on quality at the time even though that was at the top of all accrediting and regulatory standards. It was easy to make the case that the board ultimately has responsibility for quality service.

**Rick:** We took Kathy's recommendation to focus on quality patient care very seriously and found the resources to make this happen. We ended up with a strong team of quality experts, physicians, nurses and colleagues with analytical skills—some of whom we hired and some of whom we moved into leadership roles. We became national leaders in quality outcomes. Here we are in Omaha and our quality scores were on par with Johns Hopkins (Health System) and Cleveland Clinic and were ahead of the Mayo Clinic.

**Kathy:** We said, 'Oh my goodness, we're in the big leagues!' A lot of people think having better quality may cost more money. But ultimately you get a return on investment if you deliver higher quality, and you can easily reduce your costs.

### What's an example of input Kathy offered that changed the direction of a decision?

**Rick:** Kathy could challenge management and the board in ways nobody else could because of her experience and knowledge. I remember her pressing management on quality outcomes when they began to be published publicly. She would say, 'We're here to provide the best care for our patients. How come these scores aren't better? We need explanations.' I will never forget the day we reported wonderful quality outcomes scores for our metropolitan hospitals. Our rural hospitals weren't reporting the same scores. Kathy said, 'Our company's name is on those buildings too. Why aren't we delivering the same care there?' There was dead silence. It was really telling. That type of feedback — pointing to conversations our board needed to have — was exactly what I needed as president and later CEO. Thanks to Kathy's input, we put resources and focus on quality outcomes in our rural hospitals and brought them quickly into the top decile nationally with comparable care.

**Kathy:** I admit to stirring the pot in this situation. However, I should clarify that we achieved these quality improvements because our hospital administrative leadership team took on this challenge; they creatively led changes in our culture and processes, and committed resources to make it happen. Alegend was a high performance system. Once the direction was set, the executive responsible for the rural hospitals made it his personal mission, and he was successful at getting the results that made us so happy. Everyone in the organization was engaged. They made it happen!

### Why and how should the nursing profession cultivate nurse leaders to help them serve as effective board members?

**Rick:** Given experiences I've had with strong nurse leaders on my board, including Kathy's successors after she served her maximum term on the board, I know their value. I would like to do whatever I can to advocate for and support their growing presence on boards. This isn't just about a nurse sitting on the board. It's about how the profession can help people with comparable stature and skills as other board members share nursing's valuable perspective on the front line business.

**Kathy:** I feel a professional responsibility to groom the next generation of nurse leaders to do this. Organized nursing has an opportunity and a responsibility as a profession to develop nurses to serve on boards with the requisite skills so all the board has to do is get them oriented to the organization. Coaching and mentoring are critical.

**Rick:** For 11 consecutive years I mentored administrative fellows who had master's degrees in health care administration. They

worked side-by-side with me for a whole year, attending every board meeting and committee meeting. After that, they were far better prepared to be a health care leader.

**Kathy:** That could be a model for how we mentor nurses.

**Rick:** I was just thinking that. We should develop a mentoring process to help potential nurse leaders serve on boards and introduce them to the really critical issues.

**Kathy:** Topics could include: what is governance, what is the role of the board, how governance differs from management, how a hospital and health care system earns its revenues, and how it pays for the care it delivers. We have a real opportunity and responsibility to the nursing profession to prepare nurse leaders who understand the really critical issues and the bigger picture. Nurses delivering expert care at the bedside need to learn to view care delivery from the system and community perspective. Those of us who have that experience have an obligation to teach them.

## **Career Highlights**

*As a nurse with Fortune 500 leadership experience, Kathryn Mershon, MSN, literally changed the Alegen board's agenda to improve health outcomes, reduce disparities in health access and strengthen the firm's profitability. A Fellow of the American Academy of Nursing, Mershon was the first woman vice president of Humana Inc. and was a senior officer for 13 years for the Louisville, KY-based publicly-held company. She was the first president of the Humana Health Institutes in Kentucky, Florida and Texas (now the Galen College of Nursing). Since retiring in 1992, she has been a consultant for health care organizations nationally and served on a commission that advised Congress on the Medicare payment system for hospitals. Mershon currently lives in Louisville with her husband, Todd Gardner, a retired surgeon. She chairs Galen's board and also serves on KentuckyOne Health's Quality and Value Committee and on the board of The Friedell Committee for Health System Transformation in Lexington, Ky.*

*Richard A. Hachten II, MBA, a Fellow with the American College of Healthcare Executives (FACHE), was president of Alegen Health when Mershon was appointed to the Omaha-based organization's board by Catholic Health Initiatives (CHI). At the time, CHI was one of two sponsors of Alegen, a nonprofit faith-based health organization with 11-hospitals in eastern Nebraska and western Iowa, and more than 1,500 physicians and 10,000 employees. In 2009, Hachten became president and chief executive officer of the firm that became Alegen Creighton Health, and under his leadership achieved profitability, growth, higher patient and employee satisfaction ratings and improved quality outcomes. He retired in 2009, was asked to return as CEO six months later, and then retired (this time successfully) in 2014 from the firm now known as CHI Health. Hachten joined the American Nurses Foundation Board of Trustees in 2015 and lives in Bend, OR, with his wife, Jeanine, a retired nurse.*

*Written by Jessica Stein Diamond*