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THE HOSPITAL TRUSTEE: AN INSIDER'S LOOK



*Sister Evelyn M. Schneider
Executive Director
St. Vincent's Hospital*

In an era of beleaguered public institutions, no institution is more beset than the American hospital. Journalists, legislators, labor officials, employers, community groups by the score, all clamor to know: What is being done to hike the quality and lower the cost of health care delivery? And why isn't more being done?

For answers they turn to the Board of Trustees. TEMPO turned too, not only to trustees, but, for a balance of opinion, to hospital administrators as well. Who is the trustee? What is his role and responsibility? How does he respond to accelerating change in this most dynamic of times? And most important, what steps can he take to ensure an increasingly high level of patient care and solve the mind-boggling financial problems relating to health care today?

To help throw light on this subject we spoke with four individuals. They are:

- Sister Evelyn M. Schneider, executive director, St. Vincent's Hospital Medical Center of N. Y., New York City.
- Saul Steinberg, Chairman of the Board, Leasco Corp., trustee and associate chairman of the Executive Committee of Long Island Jewish Hillside Medical Center, Lake Success, N. Y., and trustee of Queens General Hospital in New York City.
- Alan Sagner, partner, Levin-Sagner Homes, is president, board of directors of Beth Israel Medical Center, Newark, N. J.
- Frank Lautenberg, president, ADP Inc., trustee of Mountainside Hospital in Montclair, N. J.

The first three are giant medical complexes; the fourth is a medium-size hospital. Here are the questions we posed and the replies we received:

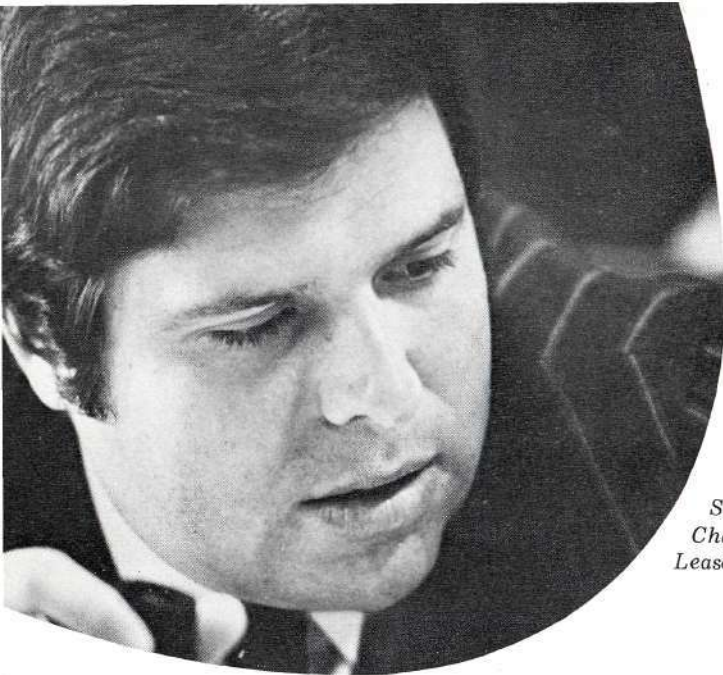
What in your view is, or should be, the trustee's role?

All four view the identification of community needs and seeing that they are met effectively as the board's primary obligation. As Mr. Steinberg puts it: "The trustee's chief and most difficult responsibility is to represent the public; not doctors, buildings or administration, but the public."

Half of his function, adds Mr. Sagner, is to bring professional or business expertise to the aid of hospital administration. The other half is the ongoing determination that the hospital is run competently and efficiently from both the medical and administrative standpoints.

Mr. Lautenberg underlines the importance of respecting professional judgments and presentations, both medical and administrative, without accepting them as gospel. Getting proper inputs to the board, he feels, is essential, for trustees to make objective evaluations.

Sister Evelyn stresses the question of focus. The quality of health care, she believes, must be foremost in the mind of trustees at all times. The board should assess every decision it makes in the light of this responsibility. In reviewing doctor appointments, evaluating research or teaching programs, monitoring community services—any and all judgments should be made with the purpose in mind of upgrading quality care. "Quality," she states, "is the trustee's ultimate responsibility." This may seem simple and obvious, she adds, but it is all too easy to lose sight of this objective, and to do so can be fatal.



*Saul Steinberg
Chairman of the Board and President
Leasco Corporation*

How is the trustee's role changing?

"What we're witnessing today," notes Sister Evelyn, "is an emergence of the trustee specialist. The new emphasis in qualifying trustees will be the measure of competence they can bring to a hospital."

Committee assignments virtually demand this, she says. Today's trustee assesses medical services and doctor appointments. He reviews costly research, teaching and building programs. He gets inputs from medical committees, consumers and administrators.

The longtime historical trustee role is growing obsolete. In the past, recalls Mr. Steinberg, trustees were consulted at year end and somehow or other the deficit was split up. "Today that's not plausible, the sums are too large. Financial contribution is still important, but the main need today is for executive and other talent."

He cites Long Island Jewish's board as a case in point. The trustee responsible for commissary problems is in the food business. Same thing with construction and linens. "Another trustee," he adds, "is a partner in a major accounting firm. He streamlined the whole reporting system so that today Long Island Jewish's setup is second to none."

Mr. Lautenberg believes accountants can make a valuable contribution. He would like to see more serving as trustees. Many hospitals place exclusive reliance on outside audits. "The accountant-trustee," he says, "would see to it that nothing slips by due to lack of professional competence. For years hospital trusteeship was looked on as an honorary appointment. It required little if any active participation. This has to change or the whole trustee system will be jeopardized."

The trend seems quite clearly toward broader representation. Beth Israel's 34-member board of voluntary

trustees, states Mr. Sagner, consists largely of businessmen, professionals and physicians. Mr. Lautenberg points up the importance of medical representation "in strength, but by no means a majority."

Trustees and administrators agree the ideal board would be composed of a diversity of participating skills. Lawyers, engineers and executives; sociologists, clergymen and human engineers; public officials and labor representatives; and of paramount importance, "just plain citizens" and members of local ethnic groups.

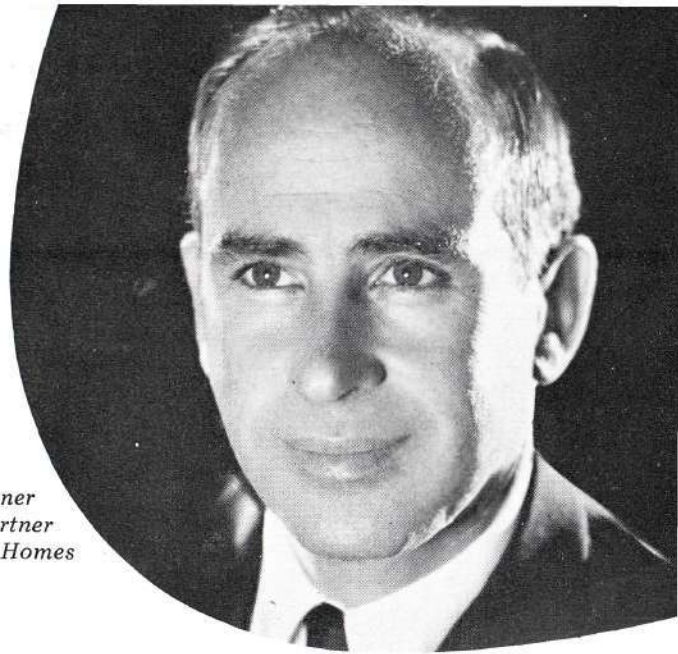
Today's trustee, Sister Evelyn notes, should be capable of sighting toward broader horizons. He should have sufficient vision to see beyond day-to-day affairs and deal objectively with the institution's various publics.

How long should a trustee serve? As long as he's willing to serve and is making a positive contribution, Sister Evelyn believes. Except for officers, Mr. Lautenberg feels a six-year maximum should be imposed. "By the end of this time, a trustee's thinking tends to become narrow and stultified due to habit and custom." It's too great a risk to take, he thinks. Fresh perspectives are essential if the institution is to respond aggressively and imaginatively to the demands of change.

How can a trustee ascertain that his institution is being properly responsive to community needs and desires?

Mr. Lautenberg is a relatively new trustee with two years' service to date. An early prime responsibility, he says, is for the trustee to educate himself regarding relationships not only within the institution, but between the hospital and community as well.

To trustees at St. Vincent's Hospital, this is a major concern. The trustees appoint the executive director, says Sister Evelyn, and it's the director's job to see to it that an effective communications network is established.



*Alan Sagner
Partner
Levin-Sagner Homes*

At St. Vincent's the network is powered by a variety of programs. A hospital advisory group handles ambulatory care questions and problems posed by community residents. Dozens of citizen groups are active in the area, including the powerful Community Planning Boards which have strong funding influence. CPB representatives keep in constant touch with administrative personnel," Sister Evelyn states. "They want to know everything. The trustees see to it they get what they need."

A local woman attorney also serves as trustee. In addition, hospital representatives are sent into the community. They talk with people, sit in on meetings, get the pulse of the neighborhood and report back to the hospital. One young man, a community relations expert, is assigned full time to this task. As a result of such efforts, a number of innovative outreach activities have been launched, such as the medical backup provided in support of a community drug program.

The importance of genuine community participation by direct representation of citizen advisory groups cannot be overstressed. Token representation simply won't work, says Mr. Sagner. By this he means selecting as trustee a community member whose financial status makes him more akin to executive trustees than the people he's supposed to represent. Or picking a Spanish-speaking trustee in an area containing a large Puerto Rican segment merely to make a public show of concern.

At Beth Israel a key trustee committee works closely with an organization of community groups. Regular bi-monthly meetings are held, more often when necessary. Problems and needs discussed at these sessions range from emergency care procedures, children's programs and minority concerns to how the hospital's physical presence and expansion plans impact on traffic, park-

ing, security, zoning integrity and the quality of the neighborhood.

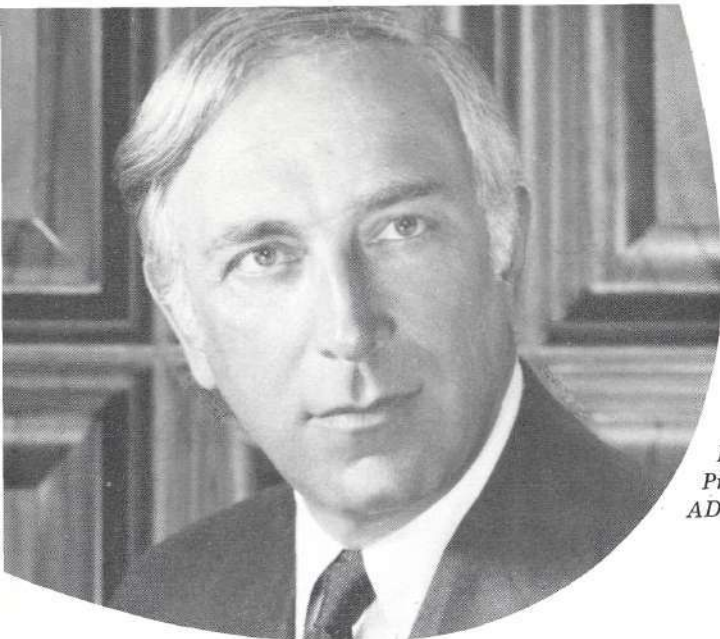
How can the lay trustee satisfy himself that the level of medical care is sufficiently high?

It's a difficult and sensitive problem, states Mr. Lautenberg. "Traditionally, physicians feel the trustee is intrusive when he pries into medical matters. But mutual understanding and rapport are essential. The medical staff must recognize and respect the trustee's need for privileged information and medical statistics."

A variety of external controls help to monitor medical performance. Beth Israel, for example, sought and obtained Medical School affiliation. "Should the school's interest in sending us students lag," Mr. Sagner notes, "it would indicate that something is wrong. If the residency program were discontinued, it would mean we're not performing properly. If patients sought alternatives to Beth Israel care, it would be an immediate source of trustee concern."

A traditional hassle exists between lay and medical sectors. Doctors want the most of the best. The hazard of underutilized and duplicated resources has long been a bone of contention. At Beth Israel this problem has been largely alleviated. "We worked hard," says Mr. Sagner, "for a Certification of Need Law to be passed." In force in New Jersey for over a year now, it requires the approval of an outside Review Committee before funds for new medical programs and equipment can be allocated. It's the kind of solution Mr. Lautenberg and many other trustees favor. "It recognizes," he says, "that trustees aren't medical experts."

Expert or not, if a trustee takes the time and trouble to inform himself, says Mr. Steinberg, he can learn enough about medical matters to function effectively.



*Frank Lautenberg
President
ADP Inc.*

"You sit repeatedly with the heads of medical departments. In time you cut through the medical talk. The important points get through."

A key to better understanding, notes Sister Evelyn, is maximum communications and rapport between trustees and doctors. At St. Vincent's the head of the medical staff and one other doctor sit on the board. These men are responsible for reviewing the findings of medical committees. And both findings and audits are painfully scrutinized by the powerful Planning Board. Another control is the Joint Conference Committee, composed of half doctors and half trustees. Reports go directly to the board which charges the executive director with the responsibility of keeping the medical ship precisely on course.

How can a busy executive devote sufficient time to hospital problems and affairs?

The idea, says Mr. Lautenberg, is for the trustee to recognize this problem in advance. He must understand the time commitment and be willing to make it. Otherwise he should turn the job down.

He devotes the equivalent of one full working day per month to hospital work. Mr. Steinberg, active in two hospitals, puts in four hours a week. The time problem is most acute, he points out, for the young working executive. (He's 33.) For the semi-retired trustee, it's not much of a burden. The trouble, adds Mr. Lautenberg, is that individuals who can give the most time bring the least to the hospital.

"With travel commitments and all," Sister Evelyn admits, "getting all trustees together in one place at the same time for meetings can be difficult. But on the whole they're a concerned and dedicated lot. The most important trustee responsibility is his committee work.

For this the time is more flexible. Somehow the job gets done."

What about the future? What do you view as the most pressing problems confronting the hospital trustee?

"In the years ahead," says Mr. Steinberg, "we'll see a new relationship between the institution and public and the trustee will help to shape it. In the face of impossible costs, the public is ready to make a pact with the medical community." What he envisions is a string of community medical programs, prepaid plans, with integrated health services highly accessible and well controlled. "It's an inevitable trend," he believes. "We must become more efficient."

Sister Evelyn stresses the need for better motivation of hospitals by pay boards, price commission, the reimbursement agencies. Today when costs are cut, reimbursement rates are cut. If part of the savings were earmarked for capital expenditures and medical programs it would be a heady incentive to improve productivity. "Executive trustees understand the power of incentives," she says. "They should work for their establishment."

Mr. Steinberg agrees. His own board has been making a concentrated effort to get Blue Cross to incorporate incentives into its plans.

"One of the biggest trustee problems," says Mr. Sagner, "is to keep abreast of new trends." Hospital administrations can help, he notes, by a steady flow of communications—bulletins, publications, article reprints, meetings and orientations—carried through to board members. Sister Evelyn would like to see trustees spend at least one day on a tour through the hospital. People after all, more than anything else, is what a hospital is all about. The best way for the trustee to learn about people is to watch them dispensing care and getting care. ■