

Questions to Ask

If Your Organization is Considering an Affiliation

Introduction

Your organization may be considering entering into some form of agreement or affiliation.

This decision is one of the most important your board may consider. It is critical that the board secures vital information from such an organization before making a decision.

On the following pages are suggested questions that may assist your board and management if the opportunity or need for affiliation arises.

Questions for Consideration

I. Background and Organization

- A. Please describe your organization's mission, values and vision.
- B. Please list the hospitals and clinics you presently lease, own and/or manage.
- C. Please list the key executive personnel who would be materially involved in hospital operations, indicate their titles, and describe their projected role in relation to operations in any strategic arrangement.
- D. Please list the names of all rural hospitals with which your organization presently has a strategic affiliation (lease, management contract, ownership or other relevant strategic relationship).
- E. Please list the names of any rural hospitals or clinics under your management, ownership, lease or other strategic relationship whose operations you have discontinued in the last five years and describe the reasons for the decision to discontinuance.

II. Benefits to Our Organization

- A. How does your organization's mission fit with that of our hospital? How can your organization advance our hospital's ability to achieve its mission?
- B. How would you describe your organization's culture? What would your organization do to affirm and integrate that culture into our hospital's operations?

Questions to Ask

If Approached by an Organization with Interest in an Affiliation

- C. The following factors are defined as most critical in the success of our hospital's relationship with a strategic partner. Please address, in whatever detail you choose, your organization's ability to meet these needs, either collectively or individually:
1. Ensure strong physician support
 2. Create a reputation for excellence in service
 3. Improve the capacity to provide effective, efficient and high-quality patient services and enhance patient and consumer service and satisfaction
 4. Create resources and capabilities that allow the organization to provide services most effectively
 5. Improve quality and patient safety
 6. Develop a comprehensive range of health care services relevant to community needs
 7. Ensure appropriate community input into critical policy and service decisions
 8. Increase accessibility to care through a strong and vibrant local services network
 9. Develop a sustainable system with aligned incentives among the hospital/health center and physicians
 10. Demonstrate a strong commitment to the organization's mission, vision and values, and strengthen the organization's ability to achieve them
 11. Reduce costs of operations
 12. Provide the financial resources needed to improve services
 13. Reduce health care costs
 14. Create new resources for defining, measuring and improving community health
 15. Ensure the hospital can adapt successfully to future trends and health care transformation
- D. What "value" (monetary or otherwise) do you place on the assets, resources, market and role of our hospital?
- E. Please describe briefly your proposal for a strategic arrangement to be developed with our hospital, including:

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1. Proposed legal nature of the strategic arrangement;
 2. The nature of your organization's reserve powers;
 3. Projected financial resources, if any, to be directed to the hospital Foundation; how would your organization propose to promote fundraising for the Foundation?
 4. Anticipated five-year investment in the physical plant;
 5. Anticipated five-year investment in medical technology;
 6. Anticipated five-year investment in information technology;
 7. The purpose and role of local governance, if any;
 8. Plans for our hospital's workforce; and
 9. Any other specific benefits that will accrue to our hospital if it enters into a strategic affiliation with your organization.
- F. What are the initiatives you would expect to undertake immediately should your organization and our hospital enter into a mutually-beneficial strategic affiliation?
- G. Please describe what you believe are the three most significant successes your organization has achieved with other rural hospitals, clinics and medical staffs that have faced challenges similar to those of our hospital.

III. Services

- A. Please describe your view of the significant changes occurring in health care which have the most direct impact on our hospital:
1. In what ways will these changes most affect our hospital's need for your organization's most relevant and valuable services?
 2. How will your organization respond to our hospital's most critical future needs, ensure continuing access to the most appropriate and needed services, and improve the health of the community?
- B. Please outline the most valuable services your organization is able to offer to our hospital, based on your perceptions of its current opportunities and challenges. In particular, please provide detail about services in the areas of physician recruitment and retention, medical staff relations, and building payer and community trust and relationships.

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- C. Where permitted by law, please provide a brief summary of financial and operating improvements that have resulted from your organization's involvement with hospitals and clinics similar in size to our hospital.
- D. Please provide a brief summary of service expansions and improvements that have resulted from your organization's involvement with hospitals and clinics in a similar situation to our hospital.
- E. Please describe the way in which services would be acquired and deployed for the benefit of the people served by our hospital, including but not limited to inpatient services, specialized and sub-specialized physician services, laboratory services, diagnostic imaging services, pharmacy services, therapies, emergency transport services, other emergency services, home care/assisted living services, extended emergency/urgent care coverage, and/or other areas you determine appropriate and relevant.

IV. Governance and Community Involvement

- A. Please describe your plan for the role of local governance in a strategic arrangement with your organization. What activities do you believe would be appropriate for a local board of directors to be responsible for?
- B. Please describe the ways in which you involve the community in program and services development.

V. Strategic Opportunities for Our Hospital

- A. Please describe what you believe are the most significant service improvement opportunities our hospital could capitalize upon in the next five years through a strategic arrangement with your organization.
- B. Please describe the hospital services we offer you believe can be most strengthened under your leadership. Which do you believe are not appropriate for our hospital to continue to provide?
- C. What new services would you envision as most appropriate to be developed in a strategic arrangement with your organization?
- D. In general, please describe what you envision your local operating strategy for the hospital would be:
 - 1. Short term: First year;
 - 2. Mid-term: Years 2 – 3; and
 - 3. Longer term: Beyond three years.

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- E. Please describe how your organization will strengthen our hospital's capabilities as a part of a regional healthcare services delivery system, and specifically how your organization will strategically advance the hospital's focus and direction. What unique strengths, perspectives and experience does your organization possess which will enable improvement in health care services delivery to our community and regional residents?

VI. Personnel Development

- A. Please describe the approach you would take to evaluate our current hospital employees for retention in the organization.
- B. Please describe how you conduct performance evaluations of key personnel.
- C. Please describe your policies for determining salary and benefit changes.
- D. Please describe how your organization conducts replacement of key personnel, if deemed necessary.
- E. Please describe the benefits package your organization's non-executive key personnel receive.



Illinois Office
332 S Michigan Ave
Chicago, IL 60604
630-613-7580
blorsbach@governwell.net

Oregon Office
31090 SW Boones Bend Rd
Wilsonville, OR 97070
503-694-8539
larry@governwell.net

governwell.net