



# Board Roles in a Time of Crisis

Perspectives from Finance, Law and Communications



JARRARD

PHILLIPS  
CATE &  
HANCOCK



Thank  
You





## Ethan Arnold

President, The Chartis Group

[earnold@chartis.com](mailto:earnold@chartis.com)



## David Jarrard

CEO, Jarrard Phillips Cate & Hancock

[djarrard@jarrardinc.com](mailto:djarrard@jarrardinc.com)



## Roger Ray, MD

Physician Consulting Director,  
The Chartis Group

[rray@chartis.com](mailto:rray@chartis.com)

*Former Executive Vice President/Chief  
Physician Executive at Atrium Health*



## Michael Peregrine

Partner, McDermott Will & Emery

[mperegrine@mwe.com](mailto:mperegrine@mwe.com)



THE  
**CHARTIS**  
GROUP

# Fiduciary Duty in Times of Fiscal Crisis

The Board as Guide in Risk & Opportunity



JARRARD  
PHILLIPS  
CATE &  
HANCOCK



McDermott  
Will & Emery

# Understanding Demand is the Essential Starting Point

PRE-SURGE

SURGE

POST-SURGE

NEXT WAVE?

DEMAND

## COVID-19

What is the expected curve of coronavirus, including timing and magnitude, in the region served by the organization? What is the worst case?

## Other Clinical Needs/Services

Given the demand regarding coronavirus – what is implication for demand for other clinical needs and services?



# Key Categories for Boards

DEMAND

PRE-SURGE

SURGE

POST-SURGE

NEXT WAVE?

COMMUNICATION

## People

- Direct caregivers & non-clinical employees
- Physician enterprise: Employed and aligned

## Operations and Facilities

- Capacity planning
- Supplies
- Equipment
- Preparedness

## Clinical Decision Making

- Quality
- COVID-19
- Clinical innovations /improvements
- Other clinical needs/services

## Regulatory

- Input to local, state, federal leaders
- Managing response to policy

## Strategy

- Existing network
- Developing/on hold
- New/emerging needs and opportunities

FINANCIAL HEALTH



# Communicating in a Crisis

The Board as a Voice of Authority



# Not “If,” but “What” and “How”



## Communications is mission critical

- » How to speak: Clear, consistent, concise, authentic
- » What to say: State the facts; recognize the challenge; express appreciation
- » Who to speak with: Every stakeholder



## Board members are important communicators

- » Need to be informed
- » Need to be equipped
- » Need to be in synch with leadership



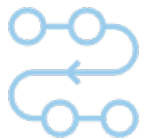
# Communications Protocols



**Have a policy...and repeat it**



**Define roles in communications**



**Confirm cadence of updates**

# Relationships Matter



## **Board members can be powerful advocates...and know powerful advocates**

- » Community leaders, lawmakers
- » Key caregivers



## **Put energy into the Board-Management relationship**

- » Leaders: Engage your boards, especially executive committee
- » Boards: Get and stay informed; align and support leadership and mission

# What's Next?



## Board issues to come

- » Questions about fulfillment of not-for-profit mission
- » Post-COVID assessments
- » Financial wherewithal
- » Pandemic preparation
- » Opportunities



McDermott  
Will & Emery

# The Board/ Management Dynamic

The Board as Management Partner



JARRARD  
PHILLIPS  
CATE &  
HANCOCK



# Legal Lens: Best Practices



- » Expectation of enhanced director engagement during the crisis;
- » Managing the board/management dynamic;
- » Establishing culture of imagination as to risk oversight;
- » Maintaining functioning board and committee meeting and information flow protocols;
- » Assuring appropriate pandemic-related education for board members;



# Legal Lens: Best Practices



- » Clarifying lines of authority for critical, mission-based organizational decisions;
- » Unique director conduct guidelines when organization is approaching financial distress;
- » Special responsibilities of the audit committee re: financial statement integrity;
- » Recognition of the board's workforce culture obligations (e.g., workforce safety);
- » The important role of the general counsel in addressing unique crisis related legal issues.

# Q&A

---

# Learn More

Visit our COVID-19 resource centers or contact us for more on how we're helping providers with financial, legal and communication concerns.

- » [chartis.com/covid-19-resource-center](https://chartis.com/covid-19-resource-center)
- » [jarrardinc.com/covid-19/](https://jarrardinc.com/covid-19/)
- » [mwe.com/coronavirus](https://mwe.com/coronavirus)

## Ethan Arnold

President, The Chartis Group

[earnold@chartis.com](mailto:earnold@chartis.com)

## Roger Ray, MD

Physician Consulting Director,  
The Chartis Group

[rray@chartis.com](mailto:rray@chartis.com)

*Former Executive Vice President/Chief Physician  
Executive at Atrium Health*

## David Jarrard

CEO, Jarrard Phillips Cate & Hancock

[djarrard@jarrardinc.com](mailto:djarrard@jarrardinc.com)

## Michael Peregrine

Partner, McDermott Will & Emery

[mperegrine@mwe.com](mailto:mperegrine@mwe.com)

