



**Elder
Dynamics**

SOLUTIONS FOR AGING SERVICES AND
ELDERCARE ORGANIZATIONS

MINNEAPOLIS, MN
www.elderdynamics.com

Everything is Changing!

What About Your Board?

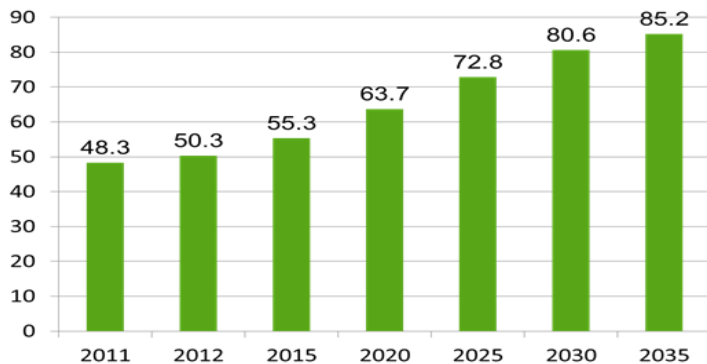
LeadingAge Washington – Annual Conference & Expo
15 June 2022



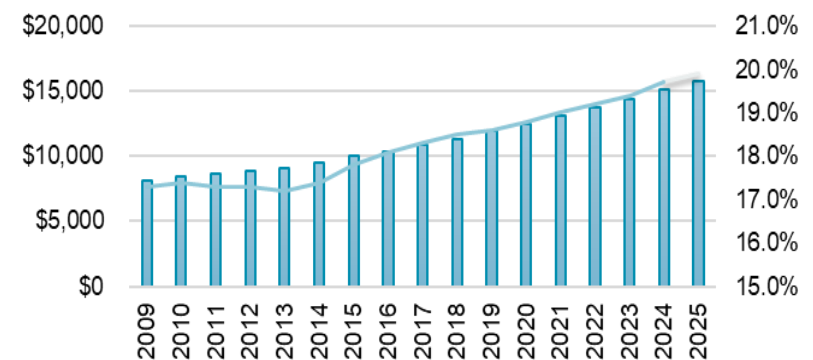
Why Should I Care?

Drivers for a Burning Platform...

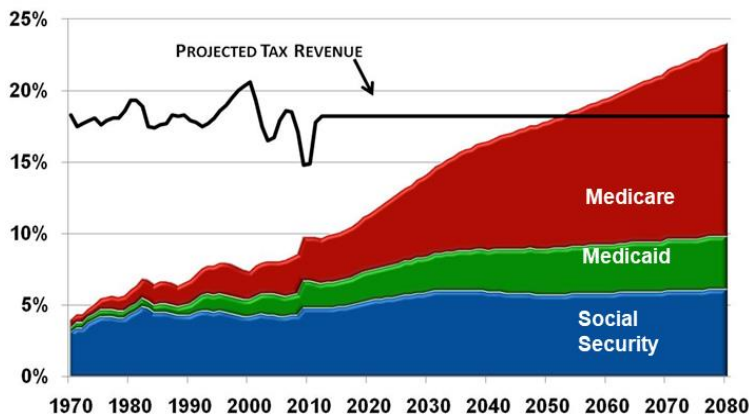
Medicare Enrollment Growing 10,000 Beneficiaries per Day



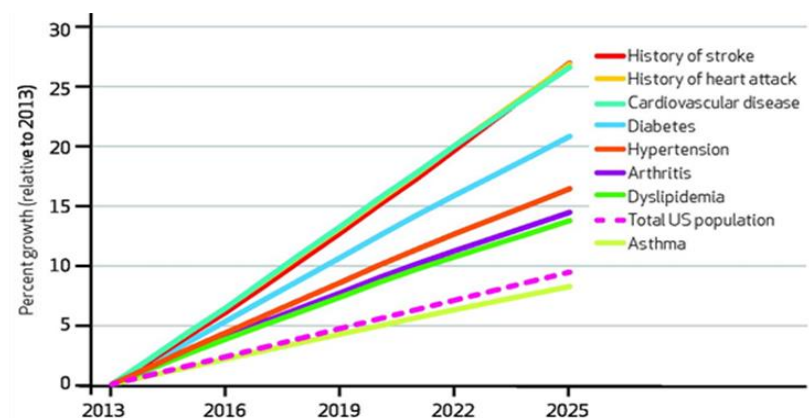
Healthcare Spending: Up 42.5% by 2028 National Health Expenditures per Capita



Fiscal Unsustainability Entitlements Will Eventually Outpace Revenue



Explosion of Chronic Disease Chronic Illness Accounts for 99% of Medicare Spend





Financial Stability Is On Everyone's Mind

Capital partner roles, consolidations, and new arrangements among everyone highlight need for integration, more efficiencies, and how to rationalize and consolidate services



Federal and State Deficit Expansion

FFS for payment cuts are inevitable, Medicare Advantage keeps growing, managed Medicaid is freaking out, and many see risk arrangements as a better way forward overall



Disruption Abounds Across the Board

Health plans are acquiring delivery-side assets (given capital) to control cost and quality while venture-capital and PE organizations are flooding new ideas with cash



Customers Want It Now and at Home

In-home delivery of EVERYTHING is the game – provider must reconsider strategy, delivery, asset allocation, technology alignment and building a new paradigm



Payer Mix Shift, Health Equity and Unemployment

Intensifying interest around SDOH and behavioral health needs stemming from isolation and unemployment, leading to shift in payers, health equity and need to manage better

Post-COVID:

Financial Position and Market Presence Must Lead Thinking



→ Tier 1 Provider

Organizational Position

- **Large regional provider or multi-site organization with an expansive geographic footprint**
- Owns or has formal arrangements with providers across the entire continuum of care
- Healthy cash reserves on-hand
- Familiar with or evolving toward value-based/risk-sharing payment model(s)

Strategic Focus

- Pursue risk payment models at an expedited pace
- Partner with innovative technology companies
- Expand telehealth and virtual capabilities
- **Acquire other providers** across the continuum



→ Tier 2 Provider

- **Community-based provider organization with some scale**
- Modest to strong presence within a local market
- Few or no formal arrangements across the continuum of care
- Financial position and ability to take on more debt has been compromised
- Modest cash reserves on-hand
- Fee-for-service business with limited value-based payment model(s)

- **Look for capital partners** through acquisitions (i.e. other providers of similar type, health system, or for-profit operator)
- If able to remain independent, shore up financial position through operational restructuring and well-executed strategic growth



→ Tier 3 Provider

- **Stand-alone entity**
- Limited presence within local market
- Limited service line offering
- No formal arrangements across the continuum of care
- No cash reserves on-hand – likely at highest risk of closure
- Fee-for-service business with high Medicaid payer mix

- **Look for partner or “savior”** (i.e. merge or acquire partner)
- If partners are not interested, evaluate long-term efficacy of current business, prioritize opportunities, and potential exits
- If partners or investors are interested, look at feasibility to revalue, repurpose, or reposition

Looking FORWARD, organizations need to adapt accordingly:

Achieve scale
through
partnership

Deliver more
services in the
home

Consolidate
around best
opportunity

Shed non-
performing lines
of business

Continued staffing challenges, increasing costs overall, and industry trends will drive reimbursement further towards value-based thinking and risk (both one- and two-sided) and capitation looms evermore

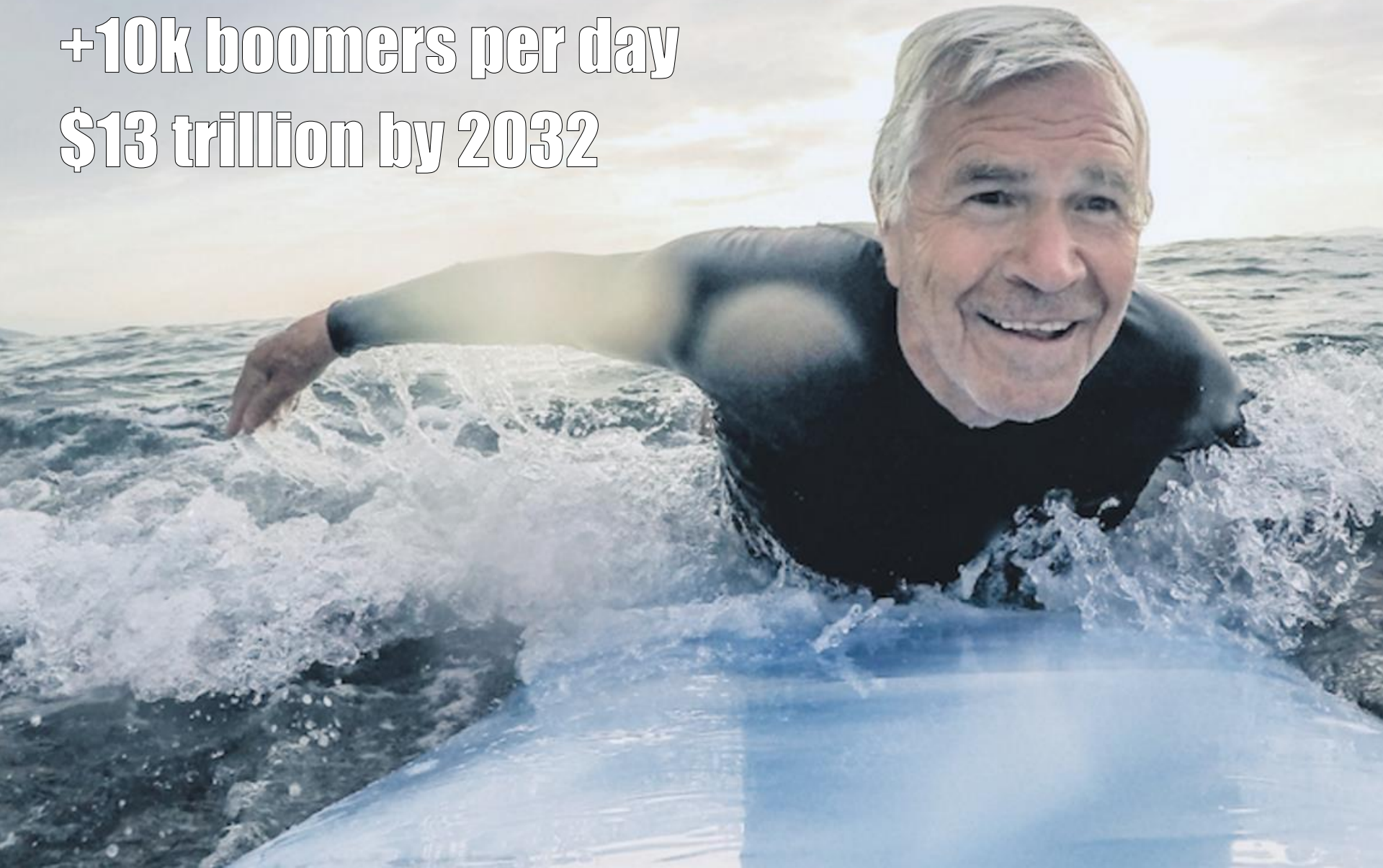
Across the board, providers and payers will both increasingly seek the financial certainty of prospective payment and, in turn, push that risk downward

Scale is essential to survival

The Wave...

+10k boomers per day

\$13 trillion by 2032



A Growing American Crisis: Who Will Care for the Baby Boomers?

America is not prepared for this coming shortage. Congress and the White House have kicked the can down the road, effectively waiting for the issue to become a crisis before they deal with it. But caring for America's elders is the single most expensive domestic priority on the horizon, breaking the projected budgets of both **Medicare** and Medicaid, all 50 states and **most of the middle class**, and the truth is, no one is truly prepared for what is to come.

TIME

The rearview mirror won't work



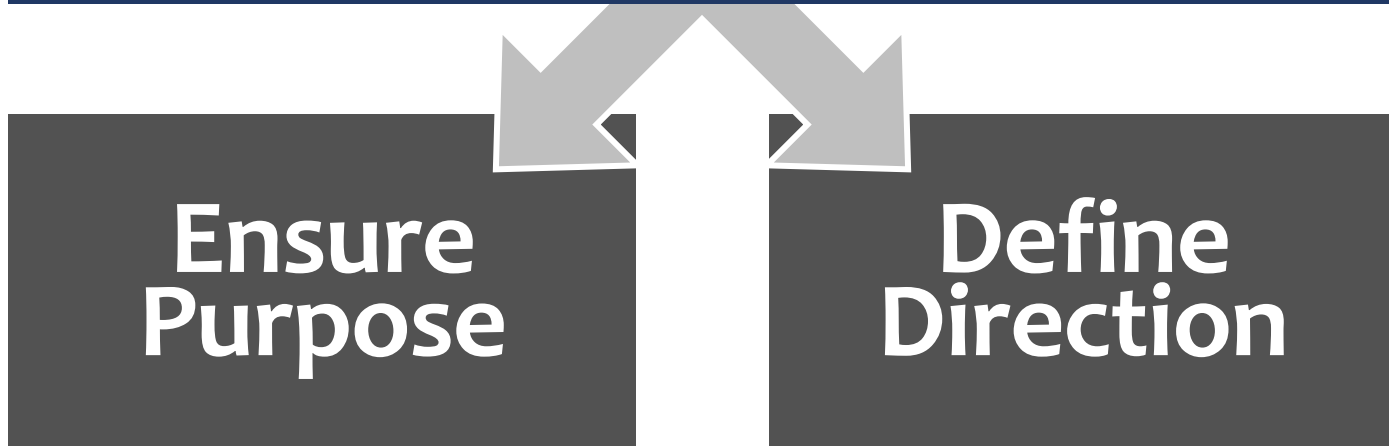
A group of people are silhouetted against a large window with vertical bars. The sun is low on the horizon, creating a bright glow. The people are sitting at a long table, and one person is standing and leaning over the table. The scene suggests a formal meeting or a board of directors.

Build a Better Board

Boards: Good vs. Not So Good

What is a Board?

What's the Board's role?



Ensure Purpose

Core Purpose
What you do

Values
What guides you

Mission
How you do it

Vision
Where you're going

Define Direction

Board Responsibilities

- Defining strategy
- Choosing the CEO
- Approving major policies
- Making major decisions
- Overseeing performance
- Holding management accountable

Management Responsibilities

- Executing strategy
- Making operational decisions and policies
- Keeping the board educated and informed
- Bringing well-documented recommendations and information to the board



It's not Tug-of-War

It's understanding roles

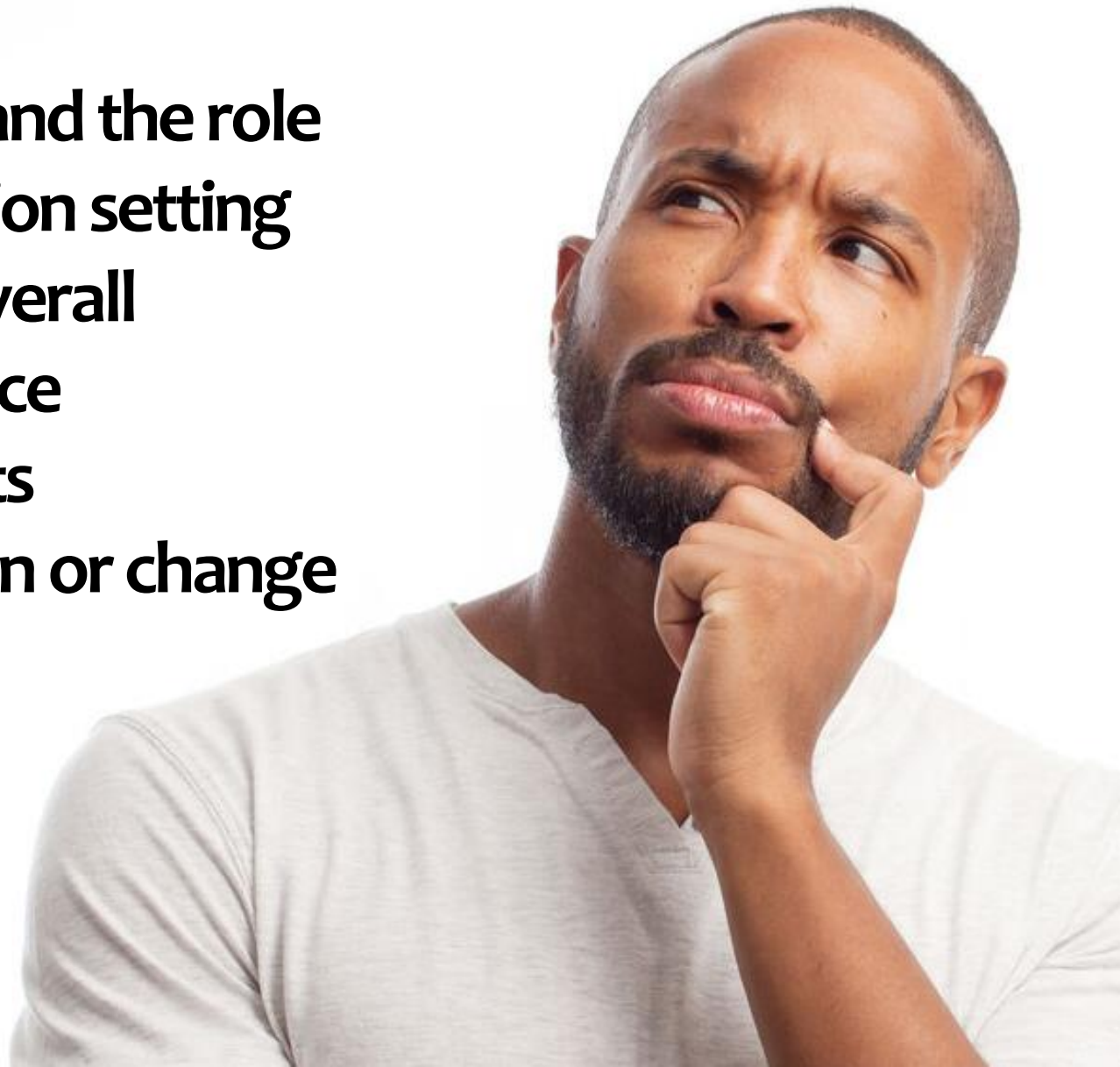
Good Board vs. Bad Board

**Good boards work hard to avoid
getting lost in the forest**

Bad boards can wander around for days

Why?

- Don't understand the role
- Poor expectation setting
- Bad process overall
- Lack of guidance
- Limited skillsets
- Zero innovation or change
- Board size
- No trust
- Boredom



Feel Familiar?



Bored Member

www.pcnametag.com

SKU# SBOMENASI

26¢ each

Good Board

- Attendance is understood
- Members understand their role and know the guardrails
- Have clearly defined terms of service and term limits
- Receive materials well in advance of meetings for review
- Agendas are efficient and organized
- All voices are heard
- Discussions are majority future focused (>50%)
- **The CEO looks to the Board for direction**

Bad Board

- Attendance is optional
- Lack clarity around what is a board issue and what is not
- Have members who've been on forever - and maybe will be
- Materials are available at the meeting for review
- Agendas are either non-existent or too high-level
- Certain voices always dominate the conversation
- Discussions wander into minutiae and operations
- **The Board looks to the CEO for direction**

Improving and Innovating Governance

Managing Change

These are the good old days



**As our industry
changes, so must
our business
and culture**

4 Foundational Elements of Successful Boards

Recruitment

Bringing the right members people to your board

- Defining member role responsibilities and expectations
- Matrixing for the right combination of skills
- Ensuring diversity and representation
- Approaching, engaging, and closing

Orientation

Explaining the organization and the role

- Standardizing introductory and overview materials
- Scheduling and committing to the process
- Differentiating roles within the board – chair, vice, committee chair

Process

Being efficient, effective, and reliable

- Systematizing meetings, agendas, and materials
- Utilizing a portal to provide and retain information
- Optimizing committee functions and work
- Maintaining engagement with members

Education

Maintaining engagement and understanding

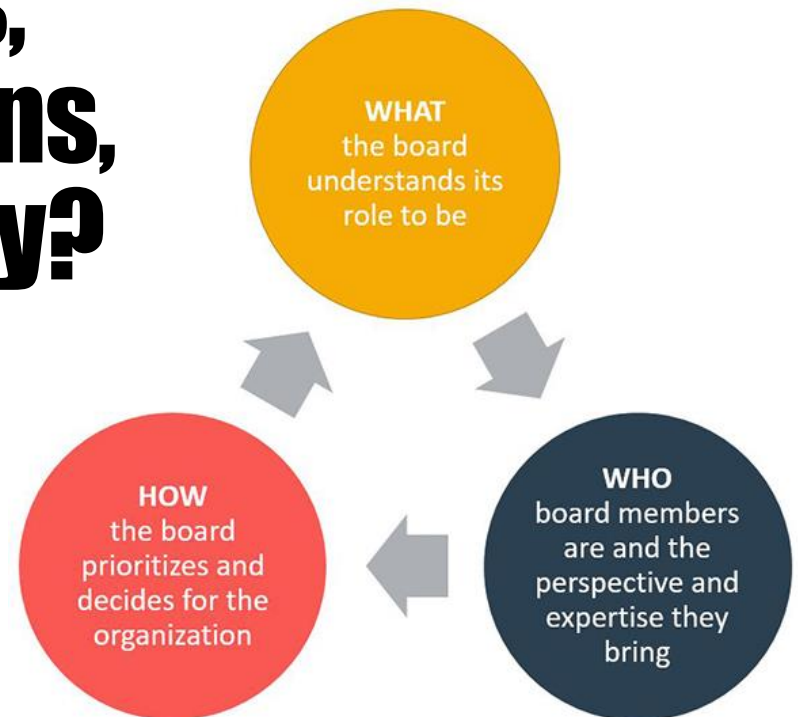
- Integrating ongoing development as a standard element
- Annual learning scheduling
- Retreats and field trips
- Leveraging your professional resources – auditors, consultants, and other experts



Coming out of Covid, many non-profit organizations are reflecting on long overdue changes and need to consider who and what we may need to be in the future

Are boards equipped to address these issues, have the conversations, and govern effectively?

Time to talk about purpose-driven board leadership



Four Principles of Purpose-Driven Board Leadership

Purpose before Organization

Prioritizing the organization's purpose, versus the organization itself.

Respect for Ecosystem

Acknowledging that the organization's actions can positively or negatively impact its surrounding ecosystem, and a commitment to being a respectful and responsible ecosystem player.

Equity Mindset

Committing to advancing equitable outcomes, and interrogating and avoiding the ways in which the organization's strategies and work may reinforce systemic inequities.

Authorized Voice and Power

Recognizing that organizational power and voice must be authorized by those impacted by the organization's work.

Traditional

What's best for our organization?

Purpose Driven

What's best for the outcome we want to achieve?

Rhetorical Reflection & What to Do

Time to Look in the Mirror

5 Questions



1

Do you have a good board or a bad board?

- Do they wander?
- Why do they wander?
- Is it them or is it you?
- Is it the organization overall?
- Where are you with fundamentals?



2

Is board management and engagement efficient and consistent?

- Do you have standard practices for providing materials in advance?
- Do you leverage a board portal?
- Do agendas leverage consent items?
- Do meetings just re-hash committee discussions?



3

Is board development and growth integral to board process?

- Does some aspect of education occur in every meeting?
- Are you consistent with planning cycles or retreats?
- Who identifies education or learning needs?
- Can you leverage external resources?



4

Who does most of the talking?

- Does your board chair know how to be a board chair?
- Do certain members do most of the talking?
- Do staff attend meetings – do they do a lot of the talking?
- Does the CEO talk too much?



5

Could we move towards purpose-driven thinking?

- Are my fundamentals strong enough to support a philosophical shift?
- Does my market position or brand identify me as a leading organization?
- Is our focus sufficiently outward?



1

Understand What's Broken & Limitations

What are the biggest challenges and opportunities? What can I change?

2

Consider Incremental Change

Develop a plan to drive change. Big journeys start with little steps.

3

Communicate, Communicate, Communicate

Dialog with your board about what doesn't work and where you'd like to go



In The End...

A black and white portrait of Abraham Lincoln, showing his face and upper torso. He has a full beard and is wearing a dark suit with a white shirt and a bow tie. The background is a light, neutral color.

**THE BEST
WAY TO
PREDICT
YOUR
FUTURE
IS TO
CREATE IT.**

**ABRAHAM
LINCOLN**

Questions?



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Thank You!



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