

BOARD MANUAL

Approved By:	Board	Number:	6-2
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SUBJECT: **Performance Measurement and Monitoring Policy**

Purpose

The performance measurement and monitoring policy assists the board in its governance responsibility for oversight and advocating for health care in the community it serves.

Board's Performance Management Responsibilities

The board must oversee the performance of its key areas of responsibility:

1. Strategic planning and, mission, vision and values
2. Oversight of management – performance of the CEO and Chief of Staff
3. Quality of care and services
4. Financial condition and resources
5. Enterprise risk management
6. External stakeholder relationships
7. The board's own effectiveness in governance.

Application

This policy applies only to responsibilities 1, 3, 4, 5 and 6, listed above. Oversight of management and the board's own effectiveness are described respectively in Section 5 (Oversight of Management) and Section 4-D (Board and Member Development) of the Board Manual.

Definitions

Performance measurement and monitoring is a system that includes:

- Established measures and indicators that quantify performance objectives or describe performance standards, referred to as "performance metrics"
- Monitoring performance against board-approved performance standards and objectives.
- Reviewing management's plans to address variances from performance standards and objectives.
- Overseeing the implementation of remediation plans

Performance metrics are measures and indicators that provide information for assessing and making judgments about whether performance is adequate and what corrective action is needed. They are based on key deliverables from the strategic and operational plans.

Policy

1. The board will approve and monitor a measurement system that includes categories of performance metrics such as:
 - Programs and Services – measures of quality, patient safety, patient satisfaction, service volume and efficiency
 - Progressive Workplace – outcomes of human resource processes, measures of quality and safety of the work environment, organizational development
 - Responsibilities within Available Resources – measures of financial health
 - Innovation and Collaboration – measures of e-health opportunities, research, technology, and community support
 - Effective and Collaborative Relationships - measures of the strength of external relationships, hospital's mission and vision in the external environment
2. The CEO will assign responsibility for the reporting of each indicator.
Reports will provide:
 - actual performance compared to planned results (targets)
 - actual performance compared to available benchmarks (other hospitals)
 - actual performance compared to acceptable standards or ranges
 - variances to the above, clearly shown
 - commentary from management to explain significant reported variances, and
 - where available, a comparison with the previous year.
3. Management will present options to resolve unacceptable variances.
4. The board, through the appropriate committees will review the relevance of indicators annually.
5. In keeping with the board's established accountabilities for safe care, best practice, transparent processes and community expectation management, key indicators of the hospital's performance will be available to the public in an understandable format and appropriate frequency.

Process

1. Sections of the quarterly metrics report will be monitored by a board committee and/or the board.
2. If problems are identified, the board/committee will request corrective action.
3. The minutes of meetings will document the direction for follow-up action and the requirement for reporting back to the board/committee.

4. Expectations for follow-up action and reporting will be communicated to the manager through the CEO.
5. Management will report on follow-up action and the outcome, through the CEO, at a future date designated by the board/committee.
6. The relevant board committees will recommend to the board, appropriate indicators and the frequency of reports of those indicators to the public.