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GOVERNOR

STATE OF MICHIGAN  
**MICHIGAN VETERANS AFFAIRS AGENCY**  
LANSING

JAMES ROBERT REDFORD  
DIRECTOR

**MICHIGAN VETERANS FACILITY AUTHORITY  
REGULAR BOARD OF DIRECTORS MEETING**

September 22, 2017  
9:00 a.m.

**MINUTES**

A meeting of the Michigan Veterans Facility Authority Board of Directors was called to order at 9:00 a.m. by Chair Jim Redford. The meeting was held at the View Conference Center at Cooley Law School Stadium - 505 E Michigan Ave, Lansing, MI 48912

**1. Pledge of Allegiance**

**2. Attendance roll call**

Chair Redford called for a roll call of members present. The following were present: Chair Jim Redford, Paul Potter, David Henry, Spencer Hoover, Mary Naber, and David Rutledge. The following attended by phone: MaryAnne Shannon, John Thorhauer. The following were absent: A. Rocky Raczkowski. Chair Redford introduced the following State of Michigan employees as present from Michigan Veterans Affairs Agency; Brad Slagle, Anne Zerbe, Phil Yeiter, Steve Potter, Tim Loney.

**3. Acceptance of the meeting agenda**

*Rutledge, seconded by Henry, moved acceptance of the meeting agenda as presented. The motion passed 6-0 with three members not voting.*

**4. Accenture Presentation**

Accenture presented their final findings and led a discussion focused on future planning, establishing board governance policies and administrative work.

See attachment A

*Rutledge, seconded by Potter moved acceptance of the MVFA Governance Lab Final Report as presented by Accenture.*

*The motion passed 6-0 with three members not voting.*

## **5. Closed Session**

*Henry, seconded by Hoover motioned to suspend the meeting and move into a closed session for the purposes to consider the purchase or lease of real property. The motion passed 6-0 by roll call vote with members Redford, Rutledge, Naber, Henry, Potter, and Hoover voting in favor. Raczkowski, Thorhauer and Shannon did not vote.*

The meeting moved into closed session at 2:52 p.m.

## **6. Closed Session Minutes**

## **7. Open Session**

*Naber, seconded by Henry motioned to move into open session. The motion passed 6-0 with three members not voting.*

The meeting came out of closed session and returned to open session at 3:07 p.m.

## **8. Public Comments**

There were none.

## **9. Board Comments**

Chair Redford presented MVAA Director Coins to the Accenture team for their hard work and support of the Michigan Veterans' Facility Authority.

## **10. Adjournment**

*Hoover, seconded by Potter, motioned to adjourn the meeting. The motion passed 6-0 with three members not voting.*

The meeting was adjourned at 3:33p.m.



James Robert Redford  
Board Chairman  
MVAA Director

# **MICHIGAN VETERANS FACILITY AUTHORITY**

**GOVERNANCE LAB  
FINAL REPORT**

**SEPTEMBER 27, 2017**

**MICHIGAN VETERANS FACILITY AUTHORITY**



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# COVER LETTER

At your retreat meeting on September 22, 2017 you created and adopted a design for governing MVFA. Congratulations! Most organizations inherit a design and try to make it fit their organization. You have created a design customized to your needs and aspirations.

The retreat was guided by the recognition that organizations produce exactly the results they are designed to produce – and none other. Therefore, getting the results you want requires a design intended to produce them. The results you aspire to achieve are articulated in the headlines you developed. These may be summarized as “Veterans across Michigan have access to best in class care.”

The first step in designing the organization to achieve that result, is designing its governance. The material that follows is the set of policies and practices you designed and adopted to govern MVFA. They address the five fundamental components of effective organizational design and answer these five fundamental questions:

- **Purpose:** What difference do we want to make for the people we serve? How do we keep focused on our purpose?
- **Accountability:** To whom are we accountable? For what? How will we make ourselves accountable?
- **Incentives:** What matters? How do we make it matter?
- **Control:** Who makes what decisions? How are authority, responsibility and accountability aligned?
- **Culture:** What are the organizational norms and unwritten rules?

The policies and practices you adopted provide a checklist of activities to be implemented over the next several months. Six months or a year from now you can look back and ask:

- What have we implemented? What not? Why?
- Of those things we have implemented:
  - What’s working and why?
  - What’s not working and why?
  - What are we going to do about it?

# OUTCOMES

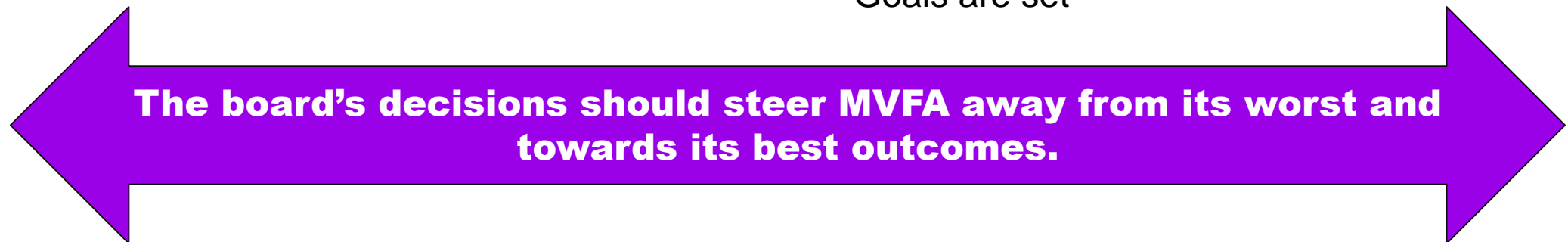
## WORST AND BEST OUTCOMES FOR MVFA

### Worst Outcomes:

- Failure to build facilities
- Failure to operate as a Board
- Lose support of the community
- Failure to gain independence as a Board
- Failure to make the Homes better
- The facilities close
- We lose funding

### Best Outcomes:

- Best in class care
- Homes are built
- Exceed the expectations of the community
- Board meets and exceeds positive expectations
- There is enough funding
- Gain CMS certification
- Have the right staff in place
- Clear relationship with the Legislature
- Goals are set



# HEADLINES FOR 2022

## WHERE WE WANT TO BE

State Veteran's  
Homes All  
Receive 5 Star  
Rating

Extraordinary  
Care  
Experienced by  
Veterans in  
New Homes

Recognized as  
Best in Class,  
Michigan  
Veteran's  
Homes Expand  
Access

MI Veteran's  
Homes are  
ranked in the  
top 10% in  
Country

MVFA Opens  
10<sup>th</sup> Veteran's  
Home

Veteran's  
Board Opens  
First Homes in  
South Michigan

# **ADOPTED GOVERNANCE POLICIES & PRACTICES**

**MICHIGAN VETERANS FACILITY AUTHORITY**



# PURPOSE:

**WHAT DIFFERENCE DO WE WANT TO MAKE FOR THE PEOPLE WE SERVE?  
HOW DO WE KEEP FOCUSED ON OUR PURPOSE?**

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## Policy 1:

*Our purpose is to ensure the delivery of the highest quality of care and services possible to the veterans we serve.*

## Practices:

1. We will set standards for the quality of our services as well as veteran and family satisfaction. Our standards will be based on and will compare to national standards.
2. We will expect every recommendation we receive and every decision we make to be based on the impact it will have on the quality of our services to veterans.
3. We will place veterans at the top of our agenda.
  - We will begin each of our meetings by reconnecting with the veterans we serve, to see how we can make a difference in their lives.
  - Our agenda will put items that have the greatest affect on the quality of services to veterans, first.
  - We will measure and report on the proportion of Board time spent addressing the quality of services vs all other matters. Our goal is that no less than 60% of the Board's time be spent on quality related issues.
4. We will develop a long term strategic plan that articulates our aspirations and how we intend to achieve them.

# ACCOUNTABILITY:

## TO WHOM ARE WE ACCOUNTABLE? FOR WHAT? HOW WILL WE MAKE OURSELVES ACCOUNTABLE?

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### Policy 2a:

*We are accountable to the veterans and their families for the quality of care we provide.*

### Practices:

1. We will create and publish, on a quarterly basis, a 'dashboard' reporting on our performance vs standards. As part of that dashboard:
  - We will regularly seek and publish feedback from the veterans we serve and their families on the quality of our services.
  - We will compare ourselves to national standards for quality of care and care outcomes.
2. We will hold our meetings throughout the state and in the facilities where we serve veterans.
3. We will invite veteran's representatives to be present at all Board meetings and will regularly seek their feedback on the Board's performance.

# ACCOUNTABILITY (CONT'D):

## TO WHOM ARE WE ACCOUNTABLE? FOR WHAT? HOW WILL WE MAKE OURSELVES ACCOUNTABLE?

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### Policy 2b:

*We are accountable to the people of Michigan through their elected representatives for serving veterans in compliance with applicable laws and regulations and doing so cost-effectively.*

### Practices:

1. On our performance dashboard we will measure and report annually to the Governor and the Legislature:
  - Our level of compliance with applicable laws and regulations.
  - The cost effectiveness of our services.

# INCENTIVES:

## WHAT MATTERS? HOW DO WE MAKE IT MATTER?

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### Policy 3:

*The quality, compliance and cost-effectiveness of our services is what matters.*

### Practices:

1. The CEO's contract will be structured to reward her or him for achieving our targets for quality, compliance and cost-effectiveness.
2. We will invite a third party to issue a 'state of veterans care' report each year.

# CONTROL:

## WHO MAKES WHAT DECISIONS? HOW ARE AUTHORITY, RESPONSIBILITY AND ACCOUNTABILITY ALIGNED?

### Policy 4:

*The Board sets policy, performance goals and targets. The Board hires, delegates authority to, and assures accountability of the CEO.*

### Practices:

The board will annually:

1. Set policy and policy limits in critical areas including:
  - Clinical care
  - Operations
  - Personnel
  - Finance
  - Compliance
2. Set performance goals and targets
3. Specify the limits, if any, on authority delegated to the CEO
  - Limits and controls will be risk-based – i.e. consistent high performance will lead to increased delegation
4. Review and provide feedback to the CEO on her or his performance

**The CEO has the authority, responsibility and the accountability to achieve the goals and targets set by the board.**

# CULTURE:

## WHAT ARE THE ORGANIZATIONAL NORMS AND UNWRITTEN RULES?

### Policy 5:

- a) *Ours will be a veterans centric, performance oriented, collaborative culture. We expect people will perform and empower them to do so.*
- b) *We will base decisions on data and analytics and use them to support learning and continuous improvement.*
- c) *We will govern as a body and speak with one voice.*
- d) *We will use stories (that illustrate the data) to tell our story – they better connect people to what we do and why.*

### Practices:

1. When we review performance information we will always ask:
  - What's working and why?
  - What's not working and why?
  - What are we going to do about it?

# **CULTURE (CONT'D):**

## **WHAT ARE THE ORGANIZATIONAL NORMS AND UNWRITTEN RULES?**

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### **Practices:**

2. We will develop specific position descriptions for the Board, the Chair of the Board, and the CEO. We will annually review the performance of each with the intention of challenging and supporting improvement.
3. The Chair will facilitate, not dominate, the work of the Board. The Chair will seek the active participation of each Board member in all decisions. Members will bring their diverse perspectives to the Board. The authority of the Board is held and used as a body. The Board speaks with one voice. Individual Board Members have no individual authority, unless such authority is specifically delegated to them by the Board.
4. Board Members will share information or requests that come to them individually with the Chair and the CEO. The Chair and CEO will share such information with all Board Members.
5. Board Members will identify and recuse themselves when they have a conflict of interest in any decision being made by the Board or CEO.
6. On our performance dashboard we will report on the level of engagement and voluntary turnover of those on the teams who serve our veterans.

# APPENDIX



# RESULTS HAPPEN BY DESIGN

## IT'S IN THEIR DNA

**Organizations produce exactly the results they are designed to produce – and none other.**

**Getting different results requires a different design embedded in its DNA.**

**AN ORGANIZATION'S GOVERNANCE IS A CRITICAL COMPONENT OF THAT DESIGN.**



# ORGANIZATION DNA

THERE ARE 5 KEY STRANDS OF ORGANIZATIONAL DNA:

## INCENTIVES

What matters and how is it made to matter?

## ACCOUNT- ABILITY

To whom is the organization accountable, for what, and how?

## CONTROL

What is controlled and by whom?

## PURPOSE

What difference does the organization want to make for those it serves?

## CULTURE

What are the unwritten rules?

# FIVE FINGER DECISION MAKING

## WHAT IS IT AND HOW DOES IT HELP?

**When a group is asked to take a decision, the members try to find a common level of agreement by either democratic voting or consensus based decision making. Utilizing five finger decision making allows the members to commit themselves to a level of personal agreement and move forward from there.**

**Folding – no fingers:** You want to block the proposal because you believe it's damaging.

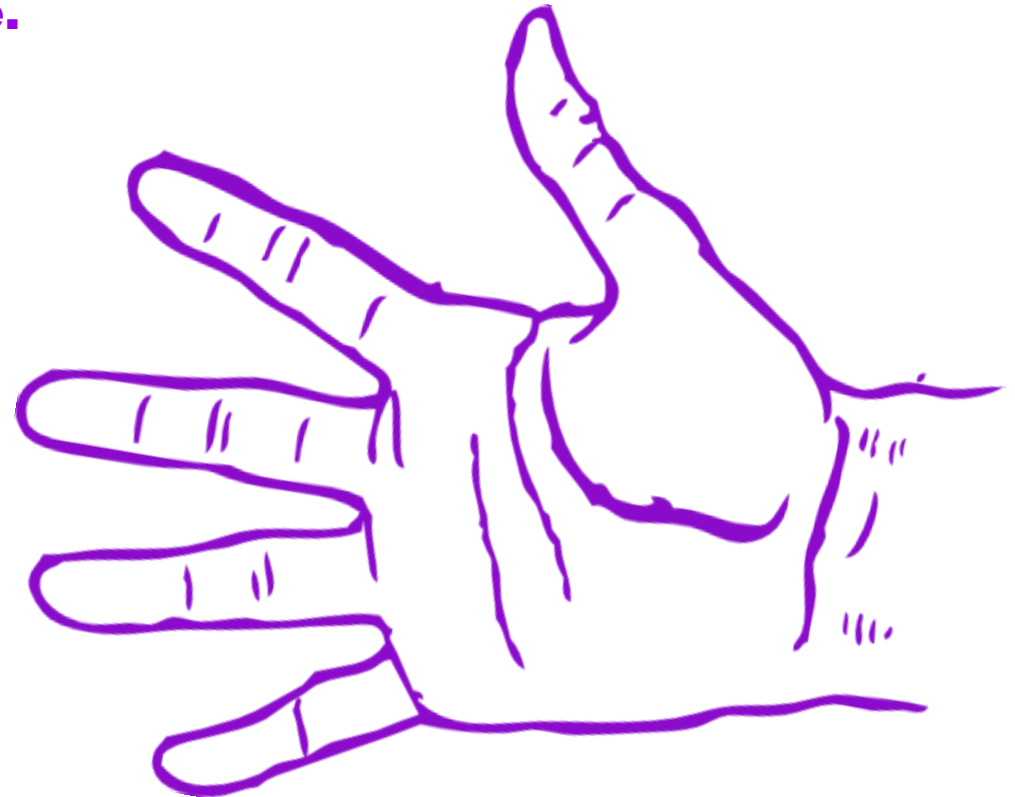
**One finger:** You have serious reservations, but will not block or subvert the effort. You also commit to open communication regarding your reservations.

**Two fingers:** You have important reservations, but will support the initiative.

**Three fingers:** You're on board.

**Four fingers:** You give strong support and active participation, but you're not willing to lead the initiative.

**Five fingers:** You're all-in and prepared to own the project. You'll take the lead if asked.



# SAMPLE BOARD MEETING AGENDA

**Below is a sample meeting agenda that takes into account the practices outlined in Policy 1.**

1. Pledge of Allegiance
2. Attendance roll call
3. Bringing Our Purpose to Life – Example(s) of the difference we make for the veterans we serve
4. Public comment
5. Approval of minutes
6. Review Our Performance Dashboard - goals, targets, policies and policy limits
7. What's working and why?
8. What's not working and why?
9. What are we going to do about it?
  - Feedback from veterans
  - Feedback from families of veterans
  - Quality of care and care outcomes
  - Compliance
  - Cost-effectiveness
  - Employee engagement and turnover
  - Board operations
    - Meeting locations throughout the state
    - % of meeting time addressing care and service quality
10. Committee reports
11. New business
  - Consent agenda
  - Action items
12. Housekeeping