

# *Elements of* GOVERNANCE SUPPORT®

Providing Governance Support Professionals with the Fundamentals of Healthcare Governance

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## Governance Support

*A Behind the Scenes Guide to Ensure Your Board is Prepared*



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# Elements of Governance®

## A GOVERNANCE INSTITUTE SERIES

*Elements of Governance*® is designed to provide CEOs, board chairs, trustees, and support staff with the fundamentals of not-for-profit governance. These comprehensive and concise governance guides offer quick answers, guidelines, and templates that can be adapted to meet your board's individual needs. Whether you are a new or experienced leader, the *Elements of Governance*® series will help supply you and your board with a solid foundation for quality board work.

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# Introduction

Governance support professionals dedicate themselves to promoting excellence, accountability, and innovation. They are expected to assist the board in completing their work as effectively and efficiently as possible, according to policies, goals, and strategic plans of the organization. This includes scheduling, recordkeeping, updating bylaws, coordination of trustee orientation and continuing education, performance evaluation, and regulatory survey preparation, along with additional support activities as requested by the board.

One primary challenge for governance support staff is that each organization has different needs and expectations for governance support. Providing a standard governance support manual would inevitably exclude some organizations and threaten to stifle ingenuity of those that have found alternative means of doing their work effectively. Thus, we submit elements, not rules, of governance that might aid you as you lend aid to board effectiveness—a comprehensive collection of practices for those providing governance support.





# Governance Support Responsibilities

## Board Meetings

The board only exists, in both a legal and functional sense, when it meets. Board (and/or committee) meetings are the center of governance and they require a significant amount of coordination. Thus, the governance support person's first and foremost responsibility is to assist in preparing effective board and committee meetings, through facilitation and coordination of the following:

- Provide adequate notice of the meeting, and appropriate email or telephone reminder a day or two in advance. Include relevant information regarding location and parking if applicable.
- Submit the agenda and background material at least a week in advance of the meeting to allow board members sufficient time to prepare. The board packet should include key contact information, the board calendar, meeting agendas, meeting minutes, pre-meeting individual preparation (including relevant publications/news articles), and so forth.
- Maintain a calendar of meeting schedules to facilitate the board's conduct of business.
- Reserve the meeting room and ensure it is prepared (projectors and other appropriate media equipment available and in working order) and other amenities are seen to. Pay careful attention to the physical arrangements. Make it comfortable, convenient, and see that it provides for maximum involvement (e.g., seating, room temperature, refreshments). Check the meeting room well in advance.
- Pay attention to niceties—for example, large name cards placed in front of each person, along with notepads and pens. Send the committee list with each agenda. Include first names and nicknames (if appropriate).
- Attend board/committee meetings, take minutes, and keep an accurate record of the business conducted.
- Make preparations for and assist management in organizing conferences, retreats, and other pertinent meetings for board members.
- Initiate appropriate follow-up on board or committee actions and prepare appropriate correspondence resulting from board/committee actions.
- Keep the group informed between meetings. Send meeting minutes out in a timely manner after board meetings.

## The Agenda

The meeting agenda is a carefully constructed plan that frames the process by which the board completes its work. Defining the process and carrying it out in an effective and efficient manner is critical, and requires a systematic and disciplined approach.

The governance support person should facilitate creation of the meeting agenda and assist the board chair in developing the agenda. Helpful tasks include:

- Keep a record of any follow-up items from previous meetings that need to be added to the agenda
- Identify individuals responsible for each agenda item
- Identify items requiring a decision, and make related documents (such as policies, procedures, etc.) available for review in the board packet or on the board's intranet
- Provide management with a calendar reflecting when agenda items and supporting materials are due in order to meet the distribution deadline.
- Consider using an annotated agenda for the board chair with reminders such as conflict of interest, recognition, upcoming events, etc.

The meeting agenda is a carefully constructed plan that frames the process by which the board completes its work. Defining the process and carrying it out in an effective and efficient manner is critical, and requires a systematic and disciplined approach.

## Meeting Minutes<sup>1</sup>

Though it may be tempting to tell the story of what transpired during the board meeting, well-prepared corporate minutes record principal actions taken at board and committee meetings. When well prepared, minutes can achieve the collateral purposes of reducing the board's liability profile and assisting director recruitment and retention efforts.

Due to the sensitive legal nature of meeting minutes, organizations differ in who they designate to complete the meeting minutes—some prefer to have their legal counsel complete the minutes, simply for

<sup>1</sup> This section on meeting minutes has been adapted from Michael W. Peregrine, "Corporate Minute-Taking: A General Counsel's Guide," *Health Lawyers News*, January 2006.

another layer of compliance “security.” But the board must review and approve the minutes regardless of who takes them. The key point is that it is the ultimate responsibility of *the board* to ensure that meeting minutes are complete and accurate. The legal counsel can provide guidance in this area.

Regardless of the subject matter discussed at a meeting, certain fundamental matters should always be reflected in the minutes:

1. The meeting date, time, duration, and location
2. The nature of the meeting (regular or special)
3. A list of participants, separating officers and directors from invited staff, advisors, and guests, and those absent
4. Presence (or lack of presence) of a quorum
5. The names of all individuals making specific presentations
6. A list of all material distributed at the meeting
7. The general items of discussion, which may be satisfied by attaching a copy of the agenda and noting any deviation from it
8. Confirmation of all action taken, including adoption of resolutions

The Society of Corporate Secretaries and Governance Professionals, Inc., founded in 1946 as the American Society of Corporate Secretaries, has over 3,800 members representing approximately 2,600 companies. Its members deal with public disclosure under the securities laws and matters affecting corporate governance, including the structure and meetings of the board of directors and its committees, the proxy process, and the annual meeting of shareholders and shareholder relations, particularly with large institutional owners.

The Society acts as a positive force for enlightened corporate governance and changed its name to the Society of Corporate Secretaries and Governance Professionals in January 2005 to demonstrate the importance it places on this key mission.<sup>2</sup>

**Length of Minutes:** While the fundamental purposes of minute taking can be achieved by a “minimalist” approach, greater benefits are likely to be achieved by means of detail and elaboration. This does not mean minutes should be a “virtual transcript,” but a detailed approach is more likely to establish the prudence and clarity of the decision-making process. The very meaning of “minutes” infers a document that is a summarized record of actual events. A willingness to be expansive allows the scrivener to better reflect both the “flow” and “spirit” of the meeting, spending appropriate time describing the discussion of more significant agenda items.

**Reflecting Business Judgment:** Demonstrate compliance with fiduciary obligations within the minutes by incorporating: 1) the substance

and tenor of the deliberations, 2) an identification of the general amount of time spent on a particular issue in order to reflect the related level of attention provided by the board, 3) a recitation of the material presented to the board for its review, and 4) confirmation (where accurate) that the board received the material in advance of the meeting.

**Specific Decisions:** Minutes should reflect the specific decisions taken at the meeting, whether they involved a decision to take action or not to take action. If necessary for compliance or fiduciary duty purposes, the minutes should reflect those specific factors that were material to the board’s decision. In this regard, it may often be useful to record the board’s consideration of advantages and disadvantages of, and alternatives to, a specific proposal.

**Recording Conflicts, Dissents, and Abstentions:** Minutes should reflect those directors who refrain from voting or participating in the discussion due to identified conflicts of interest, as it is vitally important to establish the disinterested nature of any board action. In addition, the current liability environment suggests accommodating the interests of individual directors who wish their dissenting vote or abstention be reflected for the record.

**Executive Sessions:** Increasingly popular as a “best practice,” it may be unnecessary to take detailed minutes of executive sessions as long as some written record is kept confirming the session was held, its participants and the date, time, location, and duration of the meeting.

**The Role of the Scrivener:** Given the significance attributed to minutes by all participants in the governance process, it is important that an individual with strong familiarity with applicable governance practices and legal principles oversees the meeting minutes process. This person must have the expertise to recognize nuances of the discussion, the credibility to suspend a particular discussion to ask for clarification and the authority to assure the accuracy of the final minutes and their consistency with related corporate disclosures.

**The Review Process:** It is the board’s responsibility to ensure the minutes are complete and accurate, and therefore must make a *bona fide* effort to promptly review and approve draft minutes. Excessive editing by management should be discouraged to avoid any suggestion of a lack of integrity in the minutes.

**Secretary and Directors’ Notes:** Ideally, the final minutes approved by the board (and materials incorporated by reference) should be the only record of the board or committee meeting. While directors may wish to take notes regarding the meeting to which they can refer when subsequently reviewing the draft minutes, there are liability risks associated with such practice. Rather, the director may prudently choose to rely on minutes taken by a neutral, trained party, which are more likely to represent an accurate and complete record of meeting activity.

Meeting minute records should be kept for a time period equal to the longest statute of limitations applicable to hospital operations (usually five years but can be a specific state law question). When purging outdated records, as with anything, be sure to dispose of them safely by shredding the files. Archiving these records in electronic storage will simplify file maintenance.

2 Society of Corporate Secretaries and Governance Professionals, at [www.governanceprofessionals.org/society/Who\\_We\\_Are.asp?SnID=626008753](http://www.governanceprofessionals.org/society/Who_We_Are.asp?SnID=626008753) (accessed July 14, 2009).

There are two widely used alternative styles for keeping meeting minutes: short form or long form, and there are advantages and disadvantages to both. The table below describes each, and proposes a “mixed form” that could present a balance between the two styles, depending on the nature of the agenda item/discussion. It can be helpful for the board to develop a corporate documentation policy (with the understanding that general counsel will provide direction on content for those issues where it is felt there is exposure risk) and review/update it annually.<sup>3</sup>

<b>Short-Form Minutes</b>	
<b>Advantages</b>	<b>Disadvantages</b>
Concise, easy way to determine action taken by the board or committee.	Does not spell out reasoning for action taken by the board or committee.
Helps avoid ambiguity.	Does not clearly evidence the board’s diligence in dealing with specific matters.
Presents less language to be misconstrued in a litigation context.	Case law may require more detail for certain kinds of transactions.
	Calls for the secretary to know when case law would require more detail for certain kinds of transactions.
	Does not allow for record to serve as detail reference.
<b>Long-Form Minutes</b>	
<b>Advantages</b>	<b>Disadvantages</b>
Spells out reasons board has taken action and provides evidence of the board’s diligence in dealing with specific matters.	Provides greater opportunity for misinterpretation of language, particularly in a litigation context.
Presents clearer picture of total deliberation process.	May include extraneous information, which may be confusing.
More in tune with recent case law for material transactions.	Not as direct in explaining action taken by the board or committee.
Does not require secretary to know when case law would require more detail for certain kinds of transactions.	
Maintains consistency with current approach.	
<b>Mixed-Form Minutes</b>	
<b>Advantages</b>	<b>Disadvantages</b>
Can limit exposure risk.	Does not remain consistent with current practices.
Provides a more flexible approach.	

3 Adapted from Corporate Documentation Memo to the Board of Trustees, Juanita Hernandez, Corporate Governance Officer, Community Medical Center, Fresno, CA (2009).

## Board Reference Manual: Things to Include

All board members should have access to a reference manual of board bylaws, policies, and other pertinent information. The governance support person puts together and updates this manual as needed. This manual can be made available on the board intranet or portal, and every board member should be familiar with this information.<sup>4</sup>

Your board's reference manual should include:

- Bylaws
- Articles of incorporation
- Board policies and procedures
- Board job descriptions and committee charters
- Board and committee rosters
- Senior management directory and appropriate organizational charts; facility maps
- Board calendar reflecting board and committee meetings, educational opportunities, and other events such as retreats and social gatherings
- Applicable federal and state laws regarding non-profit healthcare and governance issues
- Information about regulatory/accreditation bodies such as:
  - » The Joint Commission
  - » Centers for Medicare and Medicaid Services
  - » U.S. Department of Health and Human Services (HHS)
  - » Your state hospital association and other related state agencies

## Board-Related Correspondence and Files

As a governance support person, you act as gatekeeper for all the board's records. You are the touchstone in communication between the board members, chair, and CEO, as well as the proprietor of legal documentation. Thus, the board depends on you to:

- Coordinate the preparation of all reports, studies, and other materials requested by the board and its committees.
- Maintain all records and files (including the board reference manual, mentioned above).
- Provide corporate documentation and relevant explanations to federal and state regulatory agencies, as well as to corporate banking and financial institutions to meet compliance requirements.
- Maintain complete corporate records in a safe environment.

Corporate records could include a copy of the policy pertaining to corporate records, a list of corporate record, and the retention schedule. Some organizations bind minutes annually—this responsibility also falls in this area.

## Request for Public Records

Because of the public nature of some hospitals (specifically government-sponsored, county/district hospitals), members of the public and the media often ask for various board records. Reasons may have to do with approvals for capital equipment, building plans, minutes, tax mileage, and so forth (see the related sample policy in Appendix 10).

With regards to collecting information on individual board and committee members, some organizations ask board candidates to fill out a questionnaire providing his or her personal information and requiring him or her to answer some key questions related to skills, background, and qualifications for board membership—even before accepting them to the board. Information collected on each board and committee member can include:

- Full name
- Age
- Gender and ethnicity
- Home and cell phone numbers
- E-mail address
- Business information (title, company, address, phone, fax, e-mail, and executive assistant's name, phone, e-mail)
- Level of education completed and the educational institution
- Personal information (spouse's name, home address, children's names, birthday, community affiliations, dietary restrictions/allergies)
- Board-related information (date of original appointment, years of service, position on the board, committee appointments)
- Mail delivery preference
- Travel profile
- Historical information (i.e., appointments to the board and dates of change in status, past terms of office, attendance records, etc., which should be maintained for archival purposes)
- Social security numbers (required on the IRS Form 990), which should be kept in a locked and highly confidential file to maintain security of this information

## Board Member Orientation and Continuing Education

Providing excellent governance support begins with a firm grasp of the organization's history, the current role in the community it serves, and its mission and vision. Part of your role is to provide orientation for new board members.

<sup>4</sup> For more information about board bylaws, policies, and procedures, see *Elements of Governance*®: *Articles, Bylaws, and Policies: Deciding What Goes Where*, The Governance Institute, 2008.

The actual work of the board centers on board roles, fiduciary duties, and core responsibilities. Board roles are the “how” of governance—the things the board needs to do: 1) policy formulation, 2) decision making, and 3) oversight. Each should be explained in detail, within the context of how your board does its work, providing relevant examples. As board support person, you:

- Serve as the primary contact person for the orientation of new board members.
- Develop, coordinate, and update orientation programs for new board members.
- Provide individual board member orientation assistance as needed.
- Conduct a continuing education needs assessment for board members.
- Develop, coordinate, and update appropriate and effective continuing education programs and schedules.
- Maintain and meet the board’s budget, processing expenses, and disbursing funds when authorized by the president/CEO, board chairperson, or board secretary/treasurer.

Beyond fiduciary duties and responsibilities, new trustees’ introduction to the organization should include, but is not limited to, a brief description of the organization, a review of the organization chart and the many factors influencing the provision of health service, and the importance of sound governance principles.

Things to include in a board orientation binder:

- Names and contact information of each board member
- Executive leadership business cards/contact information
- Mission and vision statement of the organization
- History of the organization (information and statistics)
- Medical staff organizational structure
- Description of the board’s structure and operations including meeting dates and job descriptions
- Policies and charters
- Conflict-of-interest policy and disclosure statement
- Board bylaws
- The organization’s strategic plan
- Financial information, including the organization’s budget, audit, investments, insurance, and funding information
- Community benefit report
- Annual report

## Board Committees

The governance support person offers similar assistance to the board’s committees as it does to the board itself. Understanding the responsibilities of each committee is a must, especially as it is often the governance support person’s responsibility to provide orientation and continuing education to new committee members.

Committee structure should be designed to reflect best judgments on how to optimize the following criteria:

- Local legal requirements
- Heritage of the organization
- Talents and expertise of individual board members
- Strategic priorities of the organization
- Need for efficiency
- Need for effectiveness
- Market pressures

Some of the more common board committees include (but are not limited to) the following:

1. **Executive committee:** transacts some business of the board of directors in the interim between meetings of the full board.
2. **Executive compensation committee:** responsible for determining CEO compensation and annually evaluating the CEO’s performance against goals, which are usually based on or related to the organization’s strategic plan and approved by the board.
3. **Strategic planning committee:** primarily responsible for making recommendations to the board of trustees relating to overall corporate business policy, long-range strategic plans, and urgent corporate strategic issues.
4. **Quality committee:** responsible for assessing the delivery of quality patient care throughout the organization. The committee assists in determining the need for policies and procedures that result in the achievement, through continuous quality improvement, of the maximum benefit to patients in the hospital in a customer-oriented and cost-effective manner.
5. **Audit committee:** assists the board in its exercise of oversight, by monitoring the accounting and financial policies, controls, and processes of the organization and the engagement, independence, and performance of the outside auditor of the organization. The audit committee also assists the board in assuring the integrity of the financial accounts of the organization in a manner consistent with its charitable mission and purposes.
6. **Finance/audit committee:** responsible for ensuring that appropriate policies and procedures exist and are observed to safeguard and preserve the assets of the health system/hospital. The committee’s scope of work includes all entities within the health system, and all entities for which the health system has fiduciary responsibility.
7. **Governance effectiveness committee** (also called board development committee or governance and nominating committee): responsible for developing and monitoring the effectiveness of existing members of the board. This committee establishes and maintains an orientation and continuing education program for the board of directors.

## Board Self-Assessment & Development

The governance support person is responsible for assistance with (and facilitation of) the board self-assessment process, and any related activities having to do with the self-assessment and resulting development plans. The governance effectiveness committee (or the committee responsible for this) will provide direction in this area.

## Resource and Other Support Activities

- Maintain a governance resource library of published material pertinent to boards.
- Research, select, and distribute information of interest to the board.
- Facilitate communication between the medical staff and the board.
- Perform duties as requested by the president/CEO, board chairperson, and/or board secretary to ensure the effective and efficient functioning of the board.
- Coordinate travel to seminars/conferences.
- Coordinate retreats.
- Provide necessary service and leadership to effectively accomplish institutional goals.

## Governance Support for Public Hospitals

Some public hospitals include in their board's job description an advocacy statement and reference to fostering personal relationships with other local governmental officials and legislators, through various activities.

These types of advocacy activities require coordination from governance support staff: maintaining lines of communication between the parties and building a relationship with the various parties to help facilitate scheduling of meetings. Some public hospitals have a "legislative liaison" on staff who works closely with the governance support staff.

# Conclusion

Fulfilling the demand for good governance begins with the governance support professional. You are the driving force behind documentation, coordination, and communication of the board's activities. Excellent governance support professionals are mindful of the fiduciary duties and core responsibilities of the boards and committees they serve and have a solid understanding of their own responsibilities:

- Coordinating board meetings
- Providing a comprehensive board manual (and keeping it current)
- Organizing board-related correspondence and files

- Assisting with, facilitating, and/or conducting board orientation and continuing education
- Assisting with governance activities and board self-assessment
- Supplying resources and other support

Though we cannot offer a governance support manual that can be applied to every organization, we hope this serves as a practical guide to help you, whether you're only beginning or continuing to provide effective governance support.





# Glossary of Terms

**AHA** American Hospital Association

**AHCAA** Association of Healthcare Administrative Assistants

**Agency for Healthcare Research and Quality (AHRQ)** A government agency that supports and conducts research that evaluates the effectiveness, quality, and value of healthcare in everyday settings, uncovering the evidence and developing the knowledge and tools that yield measurable improvements in quality.

**Benchmark** A quantifiable measure that serves as a standard by which others may be measured or judged. Dashboards normally include benchmarks of competing organizations at a local, state, and nationwide basis, and also internal benchmarks showing the organization's improvement on its own. The caution about using healthcare benchmarks is that much so-called "benchmark" data available are essentially averages, and comparing your hospital to other average hospitals will not necessarily result in high or improved performance.

**CMS** Centers for Medicare and Medicaid Services

**Conflict of interest** A situation in which someone in a position of trust, such as a lawyer, insurance adjuster, a politician, executive or director of a corporation/non-profit organization, or a medical research scientist or physician, has competing professional or personal interests that may impair his/her ability to fulfill duties to the corporation or organization impartially. A conflict of interest can exist even if no unethical or improper act results from it.

The non-profit board's obligations with respect to conflict of interest arise within the context of the fiduciary duty of loyalty, which legally obligates a director to exercise his/her powers in good faith and in the best interests of the organization, as opposed to his/her own interests or the interests of another entity.

**Dashboard** A report that displays the state of the hospital at a glance, using standard visual symbols much like a car's dashboard. In essence, the dashboard shows key indicators related to various aspects of the hospital, including financial, quality, and patient satisfaction measures. Most hospitals use more than one dashboard, showing differing levels of detail for the board and management team. They are also referred to as "executive dashboards" or "charts of key performance indicators."

**Form 990** The IRS form tax-exempt organizations are required to file in lieu of a tax return. Completed forms are available to the public and therefore can affect public perception of an organization. Schedule H of the Form specifically refers to hospitals, and according to the IRS, "Schedule H must be completed by an organization that operates at least one facility that is, or is required to be, licensed, registered, or

similarly recognized by a state as a hospital." Schedule H covers charity care and community benefit; joint ventures; and Medicare, bad debt, and other items. Organizations not required to file Form 990 might wish to use it for state reporting purposes.

In December 2007, the IRS released a revised version of Form 990 that clarifies metrics, moves the explanation of the organization's "program service accomplishments" much closer to the beginning of the form, clarifies and streamlines many of the compensation items that must be reported, streamlines portions of Schedule H, delays full Schedule H reporting by one year, and includes expanded governance guidelines. This revised Form 990 is to be filed for the 2008 tax year and going forward. The full schedule H will not be required to submit until tax year 2009.

For more information and to download a copy of the revised Form 990, visit [www.irs.gov](http://www.irs.gov).

**Health Care Quality Improvement Act (HCQIA)** Passed by Congress in 1986, this legislation provides healthcare organizations and their peer review bodies immunity from monetary damages as a result of "adverse professional review actions" that relate to the competence or professional conduct of an affected physician or dentist. The act has established standards for due process when restricting or terminating a physician's privileges. It does not prevent other types of legal action (e.g. injunctions or restraining orders) and it does not convey protection of peer review documents from discovery in legal proceedings. HCQIA also created the National Practitioner Data Bank (NPDB), a system for reporting physicians whose competency has been judged inadequate.

Most medical staff "fair hearing plans" are written to comply with the due process requirements of HCQIA. HCQIA immunity applies to every jurisdiction in the United States.

**Health Insurance Portability and Accountability Act of 1996 (HIPAA)** Federal law that addresses: 1) health coverage for workers and their families when they change or lose jobs; 2) reduction in fraud and abuse by giving government more flexibility in pursuing organizations suspected of fraud; and 3) administrative simplification, to standardize the electronic environment for the most common health-care back-office functions; it includes security and privacy standards.

**Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS® or Hospital CAHPS®)** A nationally standardized survey developed by CMS and AHRQ that asks consumers and patients to report on and evaluate their experiences with care provided in hospitals. Questions include the communication skills of providers and the accessibility of services. HCAHPS originally stood for the Hospital Consumer Assessment of Health Plans Study.

Acute care hospitals are not required to participate in the HCAHPS® survey, but as of July 2007 those hospitals subject to IPPS (inpatient prospective payment system) face payment reductions of 2 percent if they do not.

**Institute for Healthcare Improvement (IHI)** A not-for-profit organization focusing on the improvement of healthcare throughout the world. Founded in 1991 and based in Cambridge, Massachusetts, IHI was the force behind the 100,000 Lives and 5 Million Lives Campaigns. IHI's goal is to help accelerate change in healthcare by cultivating promising concepts for improving patient care and turning those ideas into action.

**Institute of Medicine (IOM)** The Institute of Medicine serves as advisor to the nation to improve health. Established in 1970 under the charter of the National Academy of Sciences, the Institute of Medicine provides independent, objective, evidence-based advice to policymakers, health professionals, the private sector, and the public. Two groundbreaking reports from the IOM have spurred national movement in improving quality: *To Err is Human* (1999), and *Crossing the Quality Chasm* (2001).

**International Organization for Standardization (ISO)** ISO is a network of the national standards institutes of 157 countries. It is a non-governmental organization but it acts as a bridging organization in which a consensus can be reached on solutions that meet both the requirements of business and the broader needs of society, such as the needs of stakeholder groups like consumers and users. The ISO 9000 family of standards (9001–9004) is primarily concerned with quality management—specifically what organizations do to fulfill the customer's quality requirements and applicable regulatory requirements, while aiming to enhance customer satisfaction and achieve continual improvement of performance in pursuit of these objectives. Some healthcare organizations use ISO 9000 in lieu of accreditation by The Joint Commission.

**The Joint Commission** A national organization that evaluates and monitors the quality of care provided in hospitals, healthcare organizations, and agencies based on established standards. CMS grants

deemed status for participation in Medicare when healthcare organizations are accredited by The Joint Commission. Formerly known as the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO).

**Joint venture** The typical healthcare joint venture between a hospital and physicians consists of an outpatient facility that offers the technical component of healthcare services. Physicians credentialed to perform services at the facility (typically not limited to investors) perform the professional component of these services. Examples are ambulatory surgical centers, imaging centers, and diagnostic cardiac catheterization laboratories. They are normally structured as limited liability companies in order to afford the physician investors protection from double taxation while limiting the parties' risk of personal liability. According to IRS guidelines, in order for a tax-exempt organization's participation in a joint venture with non-exempt participants to be considered an activity related to its exempt purpose, the exempt organization must be able to exercise sufficient control over the venture to ensure that it is operated in an exempt manner. (Other types of joint ventures include: equity joint venture, "under arrangements" joint venture, participating tax-exempt bond transaction, and gainsharing.)

**Patient Safety & Quality Improvement Act (PSQIA)** As of July 29, 2005, the act was designed to create a national patient safety center to address medical errors within the healthcare system. It establishes patient safety organizations (PSOs) to which providers (individuals and entities) can voluntarily report medical errors and patient safety information. The PSOs will then take the information, analyze it, and provide feedback. (See patient safety work product.)

**Sarbanes-Oxley Act (SOA or SOX)** Comprehensive legislation passed by Congress in 2002 that affects corporate governance, financial disclosure, and the practice of public accounting for publicly-held corporations. While its provisions do not specifically affect non-profit organizations, many healthcare organizations have applied it to their practices, and since 2002 there has been much action at the government level to look at the business practices of non-profit organizations with the same scrutiny, especially healthcare organizations.

## Stark Law & Regulations

- » **Stark I** Colloquial name for the physician self-referral prohibitions introduced to Congress in 1988 by California representative Fortney Pete Stark. The law provides that a physician or an immediate family member who has a financial relationship with an entity may not refer a Medicare patient to that entity for clinical laboratory services, unless an applicable exception exists. In addition, the law prevents an entity with which a physician has a financial relationship from billing Medicare or a beneficiary for clinical laboratory services furnished pursuant to a prohibited referral.
- » **Stark II** The 1993 amendments to Stark I extended the physician self-referral restrictions to Medicaid services and beneficiaries and expanded the referral and billing prohibitions to 10 additional designated health services reimbursable by Medicare or Medicaid. The 10 services are 1) physical therapy, 2) occupational therapy, 3) radiology services, including magnetic resonance imaging, computerized axial tomography scans, and ultrasound services, 4) radiation therapy services and supplies, 5) durable medical equipment (DME)

and supplies, 6) parenteral and enteral nutrients, equipment, and supplies, 7) prosthetics, orthotics, and prosthetic devices, 8) home health services and supplies, 9) outpatient prescription drugs, and 10) inpatient and outpatient hospital services. Stark II became effective on January 1, 1995. The statute contains many exceptions, which can be grouped into categories applicable to all financial relationships, to ownership and investment interests, and to compensation arrangements.

- » **Stark II Phase III** Additional regulations interpreting the Stark statutes, which were promulgated and went in to effect in December of 2007. Their most controversial provision says that a physician “stands in the shoes” of his or her group practice for the purpose of determining whether Stark covers the doctor’s relationship with another entity. This requirement was postponed until December 2008 for academic medical centers. One positive feature of the Stark II Phase III regulations was making the rules regarding physician recruitment more flexible.

# APPENDIX 1

## Sample Job Description: Governance Support Person/Board Coordinator

The board coordinator's function is to assist the board in completing their work as effectively and efficiently as possible, according to policy, goals, and strategic plans of the organization. This includes scheduling, recordkeeping, updating bylaws, coordination of trustee orientation and continuing education, performance evaluation, regulatory survey preparation, along with additional support activities as requested by the board.

### Responsibilities

#### Meetings

- Coordinate the preparation of agendas and supporting documents for board and standing committee meetings in sufficient time for members to prepare for meetings.
- Maintain a calendar of meeting schedules to facilitate the board's conduct of business.
- Attend board/committee meetings, take minutes, and keep an accurate record of the business conducted.
- Make preparations for and assist management in organizing conferences and other pertinent meetings for board members.

#### Board-Related Correspondence and Files

- Coordinate the preparation of all reports, studies, and other materials requested by the board and its committees.
- Maintain all board records, files, and a manual of all board-formulated policies.
- Provide corporate documentation to federal and state regulatory agencies, as well as to corporate banking and financial institutions to meet compliance requirements.
- Maintain complete corporate records in a safe environment.

#### Trustee Orientation and Continuing Education

- Serve as the primary contact person for the orientation of new board members.
- Develop, coordinate, and update orientation programs for new board members.
- Provide individual board member orientation assistance as needed.
- Conduct a continuing education needs assessment for board members.
- Develop, coordinate, and update appropriate and effective continuing education programs and schedules.
- Maintain and meet the board's budget, processing expenses, and disbursing funds when authorized by the president/CEO, board chairperson, or board secretary/treasurer.

#### Governance Activities and Board Self-Assessment

- Assist in the development of governance activities that meet or exceed Joint Commission or other accreditory standards.
- Initiate and conduct annual board self-assessment processes in a timely manner.

#### Resource and Other Support Activities

- Maintain a governance resource library of published material pertinent to boards.
- Research, select, and distribute information of interest to the board.
- Facilitate communication between the medical staff and the board.
- Perform duties as requested by the president/CEO, board chairperson, and/or board secretary to ensure the effective and efficient functioning of the board.
- Provide necessary service and leadership to effectively accomplish institutional goals.

## APPENDIX 2

# Sample Job Description: Chief Executive Officer

The CEO functions with authority from the board of directors. The CEO provides leadership and management to the organization, and reports to and works in partnership with the board of directors.

### Responsibilities

#### Board Relationships

- Provide guidance and leadership to the board of trustees in setting philosophy, mission, and policies of the organization.
- Meet regularly with the full board and its committees to keep them abreast of plans, programs, and issues affecting the organization.
- Provide the board of trustees and its committees with written and oral reports on the status of operations, professional services, and financial operations of the corporation.

#### Planning

- Direct the strategic planning process for the organization and develop plans for organizational growth based upon current and anticipated community needs.
- Provide consultation to the board to keep the governing body aware of trends, innovations, and opportunities that will support the organization's strategic direction.
- Network with the community, especially the healthcare community, to take advantage of opportunities that will enhance the organization's strategy.

#### Management

- Provide leadership and vision to the management staff and all employees of the organization.
- Ensure all organizational entities are well managed with clear lines of responsibility and accountability.
- Direct the coordination and implementation of organization-wide policies and procedures.
- Ensure conformance with corporate philosophy and policy.
- Work individually with executive staff to assist them in the development of institutional policies and objectives.

#### Service Integration

- Coordinate efforts to integrate services and programs within the organization.

#### Human Resources

- Direct the implementation of appropriate human resource policies and programs that provide a positive work environment and the necessary incentives for recruiting and retaining high-quality workers.

#### Financial Management

- Ensure the preparation of budgets, financial plans, and capital expenditures in accordance with board directives.
- Ensure financial integrity through the implementation of an operational budget consistent with the overall strategic plan.
- Direct resource allocation for effective utilization of all resources. Strive to achieve the organization's financial and operating goals.

#### Quality of Services

- Ensure quality of healthcare services by monitoring the organization's medical activities, perform necessary administrative functions relating to performance improvement, and assist board and medical staff efforts to achieve and maintain the desired standards of medical performance.
- Provide for internal controls that protect human, physical, financial, and information resources.

#### Regulatory Compliance

- Ensure compliance with all applicable laws and regulations governing health-care delivery and with all appropriate accrediting inspecting agencies by continually monitoring the operation of services and programs, and initiating changes as necessary.

#### Physician and Provider Relations

- Work cooperatively with and/or provide effective leadership to the physicians affiliated with the organization.
- Work with the medical staff to achieve the standards of patient care as set by the medical staff, and to plan and implement services that meet the community's healthcare needs.

#### Community Health Status

- Exercise a leadership role in the community by personally taking the initiative to ensure the organization meets the changing needs of its constituencies.

### Community Relations

- Maintain close contact with community leaders and representatives of public and private agencies.
- Encourage the integration of the organization with the local community.

### Marketing and Fundraising

- Ensure that all strategic decisions are aligned with customer/stakeholder needs and provide value to them.
- Establish the overall direction of fund development.
- Ensure that a process is in place to establish, implement, and monitor fundraising plans and efforts.
- Maintain close contacts with key representatives of the public and private sectors on matters pertaining to fund development.

### Succession

- Ensure, in cooperation with the board, that there is an effective succession plan in place for the CEO position.

### Qualities

- Foster an organizational culture that promotes ethical practices, encourages individual integrity, and fulfills social responsibility.
- Maintain a positive and ethical work climate that is conducive to attracting, retaining, and motivating a diverse group of top-quality professionals at all levels.
- Demonstrate ability in public speaking, written and oral communication, and interpersonal relations.
- Demonstrate a respect for the board's independence.
- Demonstrate a respect for outside directors' needs to meet independently.

### Accountabilities

- The CEO is accountable to the board of directors for the fulfillment of the responsibilities noted above, and for confining authority to those organization policies that state the authority and the limits of the CEO.
- The board of directors is accountable to the CEO for providing the authorization, resources, and involvement necessary for the successful realization of the responsibilities of the position.
- The working relationship is reviewed as part of the annual review.

## APPENDIX 3

# Sample Job Description: Board Chairperson

In a single phrase, the role of the board chairperson is to be the *keeper of governance integrity*. Governance integrity resides with the board, as does governance authority. The board's role must be defined first; the chair's role flows from that of the board. It is the chairperson, nevertheless, who leads the process that results in high-performance governance.

## Responsibilities

### Leadership

- Keep the mission of the organization at the forefront and articulate it as the basis for all board action.
- Propose board goals and objectives and translate them into annual work plans.
- Build cohesion among the leadership team of the board chair, CEO, and medical staff leader.
- Establish board goals and objectives and translate them into annual work plans.

### Role Clarification

- Understand and communicate the roles and functions of the board, committees, medical staff, and management.
- Understand and communicate individual board member, board leader, and committee chair responsibilities and accountability.

### Liaison

- Build cohesion among the leadership team of the board chair, CEO, and medical staff leader.
- Act as a liaison between and among other boards in the healthcare organization.
- Represent the organization at official functions and be the board's spokesperson to the media.

### Meetings

- Plan agendas and meetings between the general board and executive committee(s).
- Preside over the meetings of the board and the executive committee.
- Preside over or attend other board, medical staff, and other organization meetings.

### Board Conduct

- Enforce board and hospital bylaws, rules, and regulations (such as conflict of interest and confidentiality policies).
- Set a high standard for board conduct by modeling rules of conduct in board bylaws and policies.

### Committees

- Appoint board committee chairs and members in a consistent and systematic approach.
- Work with committee chairs to encourage effective disposition of responsibilities.
- Direct the committees of the board, ensuring that the committee work plans flow from and support the hospital and board goals, objectives, and work plans.

### Education

- Ensure new board members receive comprehensive orientation.
- Mentor the chair-elect.
- Support and arrange continuing education for the board.

### CEO Evaluation

- Lead the CEO compensation review and performance evaluation process.

### Self-Evaluation

- Ensure effective board self-evaluation.
- Consult with the appropriate committee and CEO on improving board performance.
- Seek feedback on personal performance as chair.

### Succession Planning

- Plan for board leadership succession

## APPENDIX 4

# Sample Job Description: Individual Board Member

### The Fundamental Duty of Oversight

Under the laws of most states, the board of directors of a non-profit organization is the party responsible for the organization. The board must supervise and direct its own officers and govern the organization's efforts in carrying out its mission. The duties of care, loyalty, and obedience describe the manner in which the directors are required to carry out their fundamental duty of oversight.

### Duty of Care

*Duty of Care* requires board members to have knowledge of all reasonably available and pertinent information before taking action. The board member must act in good faith, with the care of an ordinarily prudent businessperson in similar circumstances, and in a manner he or she reasonably believes to be in the best interest of the organization.

### Duty of Loyalty

*Duty of Loyalty* requires board members to candidly discharge their duties in a manner designed to benefit only the hospital or health system, not the individual interests of the board member. It incorporates the duty to disclose situations that may present a potential for conflict with the organization's mission, as well as a duty to avoid competition with the organization.

### Duty of Obedience

*Duty of Obedience* requires board members to ensure that the organization's decisions and activities adhere to its fundamental corporate purpose and charitable mission, as stated in its articles of incorporation and bylaws.

Each board member is also entrusted with individual responsibilities as a part of his or her board membership. The obligations of board service are considerable; they extend well beyond the basic expectations of attending meetings or participating in hospital events. Individual board members are expected to meet higher standards of personal conduct on behalf of the organization than what is usually expected of other types of community volunteers.

Yet, despite all of these "special" responsibilities, board members as individuals have no special privileges, prerogatives, or authority. They must meet in formal sessions to negotiate and make corporate decisions.

A clear statement of individual board member responsibilities adapted to the organization's needs and circumstances can serve at least two purposes:

- It can help with the process of recruiting new board members by clarifying expectations before candidates accept nomination.
- It can provide criteria by which the committee responsible for identifying and recruiting prospective nominees can review the performance of incumbents who are eligible for reelection or reappointment.

### General Expectations

Prospective and incumbent board members should commit themselves with regards to the following:

- Know the organization's mission, purposes, goals, policies, programs, services, history, strengths, and needs.
- Perform the duties of board membership responsibly and conform to the level of competence expected from board members as outlined in the duties of care, loyalty, and obedience.
- Prepare for the policy discussions and decision making required for governance excellence within the organization.
- Serve in leadership positions and undertake special assignments willingly and enthusiastically.
- Suggest possible nominees to the board who are individuals of achievement and distinction and who can make significant contributions to the work of the board and the organization's progress.
- Avoid prejudiced judgments on the basis of information received from individuals and urge those with grievances to follow established policies and procedures through their supervisors (all matters of potential significance should be called to the attention of the CEO and the board's elected leader as appropriate).
- Avoid asking for special favors of the staff, including special requests for extensive information, without prior consultation with the CEO, board, or appropriate committee chairperson.
- Know the difference between the board's role and the role of the CEO.
- Counsel the CEO as appropriate and support him or her through difficult relationships with groups or individuals.
- Give an annual gift according to personal means.
- Assist the development committees or affiliated foundation and staff by implementing fundraising strategies through personal influence with others (e.g., corporations, individuals, and foundations).
- Participate annually in educational opportunities to remain current on changing trends and issues affecting governance.



## Meetings

The board only exists, in both a legal and functional sense, when it meets. Consequently, board meetings are the center of governance. The way they are planned and conducted—in addition to the dynamics that emerge in them—significantly influence the quality of governance. Therefore, individual board members are expected to:

- Prepare for board and committee meetings, including appropriate organizational activities.
- Participate in board and committee meetings with forethought, courtesy, critical thinking and analyses, and attention to results.
- Ask timely and substantive questions at board and committee meetings consistent with the board member's conscience and convictions, while at the same time supporting the majority decision on issues decided by the board.
- Maintain confidentiality of the board's executive sessions, and speak for the board or organization only when authorized to do so.
- Suggest agenda items periodically for board and committee meetings to ensure that significant, policy-related matters are addressed.

## Conflict of Interest

Conflict of interest, confidentiality, disclosure—these concepts figure prominently in the understanding of governance responsibilities. They do not tell a board, or an individual director, how to govern; rather, they imply a code of conduct and ethical behavior. In order to prevent using the power, position, or information derived from their situations to influence organizational activities and decisions, individual board members must:

- Fully understand the organization's definition of an independent director and disabling guidelines, and therefore be aware of his/her independence status and limitations in business ventures with or those that directly compete with the organization.
- Serve the organization as a whole rather than any special interest group or constituency. The board member's first obligation is to recognize that he or she represents only the organization's best interests.
- Disclose any possible conflicts to the board in a timely fashion.
- Maintain independence and objectivity and act with a sense of fairness, ethics, and personal integrity, even though you may not be required to do so by law, regulation, or custom.
- Never offer or accept favors or gifts to or from anyone who does business with the organization.

# APPENDIX 5

## Sample Job Description: Freestanding Hospital Board

### Core Responsibilities

A hospital governing board must fulfill certain fundamental or core responsibilities in overseeing the efforts of the organization. These responsibilities cluster around six major areas:

1. **Financial Oversight**
2. **Quality Oversight**
3. **Setting Strategic Direction/Mission Oversight**
4. **Self-Assessment & Development**
5. **Management Oversight**
6. **Advocacy**

The board fulfills these responsibilities by adopting specific outcome targets against which to measure the organization's performance. To accomplish this, the board must:

- Establish policy guidelines and criteria for implementing the mission statement. The board also reviews the mission statements of any subsidiary units to ensure that they are consistent with the overall mission.
- Evaluate proposals brought to the board to ensure that they are consistent with the mission statement.
- Monitor programs and activities of the hospital and any subsidiary units to ensure mission consistency.
- Periodically review, discuss, and amend the mission statement if necessary to clarify board responsibilities.

### Financial Oversight

The board has responsibility for the financial soundness of the organization. To accomplish this the board must:

- Review and approve overall financial policies and plans for the organization.
- Receive and review financial reports to assess actual performance compared to projections.
- Review and adopt ethical financial policies and guidelines.
- Review major capital plans proposed for the organization and any subsidiaries.
- Ensure that the financial, capital, and strategic plans are aligned.

### Quality Oversight

This board has the responsibility to assess the quality of all services provided by all individuals who perform their duties in this facility or under this board's sponsorship. To do this, the board must:

- Make quality of care and patient safety top priorities for the organization.
- Approve and oversee quality improvement initiatives recommended by senior management and the medical staff.

- Assume responsibility for the actions of all physicians, nurses, and other individuals who perform their duties in the organization's facilities.
- Review and carefully discuss quality reports that provide comparative statistical data, and set measurable policy targets to ensure continual improvement in quality performance.
- Carefully review recommendations of the medical staff regarding new physicians who wish to practice in the organization and approve these recommendations if appropriate.
- Reappoint individuals to medical staff using comparative outcome data to evaluate how they have performed since their last appointment.
- Appoint physicians to governing body committees and seek physician participation in the governance process to assist the board in its patient quality-assessment responsibilities.
- Regularly receive and discuss malpractice data reflecting the organization's experience and the experience of individual physicians who have been appointed to the medical staff.
- Regularly receive and discuss data about medical staff to assure that future staffing will be adequate in terms of ages, numbers, specialties, and other demographic characteristics.
- Monitor programs and services to ensure that they comply with policies and standards relating to quality.
- Take corrective action to improve quality performance when appropriate and/or necessary.

### Setting Strategic Direction/Mission Oversight

The board has the responsibility to recommend the future direction that the organization will take to meet the community's health needs. To fulfill this responsibility, the board must:

- Review and approve a comprehensive strategic plan and supportive policy statements.
- Ensure that the organization's strategic plan is consistent with the mission.
- Regularly review progress toward meeting goals in the strategic plan to assure that the board is fulfilling its mission.
- Periodically review, discuss, and amend the strategic plan to ensure its relevance to the mission.

### Self-Assessment & Development

A board must assume responsibility for itself—its own effective and efficient performance. To discharge its stewardship responsibilities to its "owners," the board must:

- Participate annually in a formal board evaluation process.
- Evaluate board performance of individual board members to determine the appropriateness of continued service on the board.

- Maintain and update policy statements regarding roles, responsibilities, duties, and job descriptions for the board itself and its members, officers, and committees.
- Participate both as a board and as individuals in orientation programs and continuing education programs.

## Management Oversight

The board is the final authority regarding oversight of management performance by the CEO and support staff. To exercise this authority, the board must:

- Support and assist the CEO to help achieve the organization's mission.
- Communicate regularly with the CEO regarding goals, expectations, and concerns.
- Evaluate the performance of the CEO annually using goals and objectives agreed upon with him or her at the beginning of the evaluation cycle.
- Periodically survey CEO employment arrangements at comparable organizations to ensure the reasonableness and competitiveness of his or her compensation package.
- Periodically review management succession plans to ensure leadership continuity.
- Establish specific performance policies that provide the CEO with a clear understanding of board expectations, and update these policies based on changing conditions.

## Advocacy

The board needs to focus on advocacy and lobbying around public policy issues. In order to take an activist role, the board must:

- Conduct a periodic community health needs assessment to understand the health issues of the communities served.
- Set goals for the organization around the issue of public advocacy.
- Establish a policy that spells out the board's role in fund development and philanthropy efforts.

Finally, the board is responsible for managing its own governance affairs in an efficient and effective way. To fulfill this responsibility, the board must:

- Maintain written conflict-of-interest policies that include guidelines for the resolution of existing or apparent conflicts of interest, the organization's definition of an independent director, and disabling guidelines.<sup>5</sup>
- Periodically review the board's own structure to assess appropriateness of size, diversity, committees, tenure, and turnover of officers and chairpersons.
- Ensure that each board member understands and agrees to maintain confidentiality with regard to information discussed by the board and its committees.
- Maintain efficient and timely communication with any subsidiary boards.
- Adopt, amend, and, if necessary, repeal the articles and bylaws of the organization.
- Maintain an up-to-date board policy manual, which includes specific policies covering its specific duties of care, loyalty, and obedience, and its oversight responsibilities in the areas of finance, quality, strategic planning, self-assessment and development, management oversight, and advocacy.

<sup>5</sup> The IRS recommends that a board of directors maintains a majority of "independent" directors. See Part VI. Governance, Management, and Disclosure in the 2008 filing instructions for the Form 990 for the IRS's definition of an independent director. For a sample definition of an independent director and sample disabling guidelines, see *Emerging Standards for Institutional Integrity: A Tipping Point for Charitable Organizations*, A Governance Institute White paper, Fall 2006.

## APPENDIX 6

# Sample Curriculum/ Structure of an Orientation Program

A basic template for a board orientation program serves as a checklist of key topics and issues that should be covered in the program and program curriculum. You may want to revise and adjust your orientation content and structure to fit the specific needs of your board and organization.

### Session 1: Introduction to the Position and the Organization

- Mission, vision, and values
- Organization overview
- Industry overview
- Current projects the organization is involved in (related to quality improvement, accreditation, facilities planning, strategic planning, joint ventures and physician relationships, philanthropic activities, community involvement, national award recognitions, and so forth)
- Q&A

### Session 2: Board Administrative Issues

- Quick review of Session 1; address any further questions
- Governance structure (including board job descriptions and committee charters)
- Board packets
- Board meeting agendas, consent agendas, and how meetings are run
- Board bylaws, policies, and procedures
- Management vs. governance
- Q&A

### Session 3: Board Duties, Roles, and Responsibilities

- Quick review of Session 2; address any further questions
- Fiduciary duties
- Conflicts of interest
- Core responsibilities
- Ask the tough questions
- Q&A

# APPENDIX 7

## Sample Board Profile Matrix

DATE								
<b>AGE</b>	55	36	58	52	44	48	48	43
<b>SEX</b>	male	male	male	male	male	male	female	male
<b>RACE / ETHNICITY</b>	Caucasian	Caucasian	African American	Caucasian	Caucasian	Asian-American	Caucasian	Caucasian
<b>RESIDENCE</b>	inside service area	inside service area	inside service area	inside service area	inside service area	inside service area	inside service area	inside service area
<b>OCCUPATION</b>	Educator, Superintendent	GH President/CEO	Owner - Goods, Inc. Warehouse	Attorney	Orthopedic Surgeon	Physician	Retired (CFO for General Hospital)	Money Manager
<b>GOVERNANCE EXPERIENCE</b>	Pres of OR Assoc of Educational Service Districts, Chair of State of OR Comm, Chair of Comp Committee, Chair of Mission Effectiveness Committee, GH Board	GH Foundation Board, County School Board	State Regional Parks Board, Community Library Board	General Hospital fnd Bd, Humane Society Bd, OR Innovation Center Bd, GH Finance Comm Adv Bd, Officer & Chair of Exec Comm OR Bd Taxation & Business, Chair General Hospital School Fnd	The Center, GH Foundation Board, the OR Orthopedic Assoc, GH Medical Assoc., GH Med Staff Committees, etc.	Served as president of General Hospital Medical Staff	County budget committee; Treasurer of Elementary School, board member of Boys and Girls Club	General Hospital Board & Finance Committee, General Hospital Foundation Board - Treasurer & Budget Committee Chair, Rotary Board, Co-Chair Capital Campaign, GH Finance Committee
<b>INDUSTRY AND MARKET KNOWLEDGE</b>	Education, Legislative, Technology, Governance	Healthcare Admin.	12 ys serving on hospital board, certified at Estes Park	Law	Healthcare, Orthopedics	Healthcare, Internal Medicine	Finance/former CPA, Private Corporation	Finance
<b>CLINICAL EXPERTISE</b>	none	1988 Resident & Fellow Eisenhower Med Center in Rancho Mirage, emergency room tech, Lab Phelbotomist, Pharmacy Tech	none	none	General Hospital Hospital Staff since 1995, Doctorate of Medicine 1991, Board Certified - American Board of Orthopedic Surgery 2001	CH - in community since August 1995	none	none
<b>FINANCIAL KNOWLEDGE</b>	Financial knowledge through job	GH President and CEO	none	Accounting degree, passed CPA exam w/ one yr working experience	Masters in Economics & Politics	none	Accounting degree, passed CPA exam. 3 yrs in public accounting and 19 years in private industry.	MBA in Finance, BBA, 15 years investment management experience
<b>MANAGEMENT EXPERIENCE</b>	28 years of management experience	1990 administrator of County Hospital, '92 administrator for General Hospital in WA, '99 exec director of the District Hospital, '01 SVP of CHC & COO GH, '05 SVP admin & syst integration, '06 GH Pres/CEO	owner of 2 retail stores	Board experience, Budget Committee & Chair of Business Dept at his firm	President of the Board for the Center - Orthopedic & Neursurgical Care & Research 2002-2005	County Hospital Medical Staff President	2 years with General Hospital as Controller; approx. 17 years as CFO	Founder & President Goods Capital Management, Board experience, ETV Capital Campaign
<b>EXPERIENCE WITH ACQUISITIONS AND MERGERS</b>	yes	instrumental in the CH merger	served on board during GH merger			none	Attended 1 week GH conference on mergers and acquisitions; worked on one acquisition for General Hospital	M&A experience through analysis of publicly traded company transactions
<b>COMMUNITY AND POLITICAL CONTACTS</b>	Extensive political and community contacts in region and state	Served on Community School Board,	20 yrs in community for, knows governor	General Hospital fnd Bd, Humane Society Bd, OR inovation Center Bd, COCC Finance Comm Adv Bd, Officer & Chair of Exec Comm OR Bd Taxation & Business, School Fnd	Has lived and worked in General Hospital OR for 10 years with many contacts within the medical community	Bishop of 600-member church congregation	Have lived in community and worked in General Hospital for 20 years. Served on the County budget committee. Married to local business owner.	Grew up in the area, returning over eight years ago, GH Board, Goods, Inc. Foundation Board, Rotary Board

# APPENDIX 8

## Sample Board Committee Membership Matrix

General Hospital Board Committee Membership - INSERT MONTH/YEAR									
Committee / Function Team =>		Governance	** Exec. Comp.	**Audit & Comp.	Strategic Planning	CCC	**NFT	IFT	***Finance (Special)
# Meetings per year (typically)		4/yr	2/yr	4/yr	4/yr	4/yr	2-3/yr	4/yr	4/yr
# Members required by bylaws		> 9: Maj. Ind.	> 5	> 5					> 5
Name (number of assignments)	*Independent								
1 Board Member #1					x	chair			
2 Board Member #2	x		x		chair		x		
3 Board Member #3		ex-officio	non-voting	non-voting	ex-officio	ex-officio	non-voting	ex-officio	ex-officio
4 Board Member #4	x	x	x		x				
5 Board Member #5	x			x					x
6 Board Member #6	x	x		x			chair		
7 Board Member #7	x	x							
8 Board Member #8		ex-officio	staff	staff	ex-officio	staff	staff	ex-officio	ex-officio
9 Board Member #9	x	x			x				x
# Board Member #10	x		chair	x				x	
# Board Member #11	x		x					chair	x
# Board Member #12	x			x					
# Board Member #13	x		x	chair					x
# Board Member #14	x	x	x						
# Board Member #15					x				x
# Board Member #16	x	x			x		x		
# Board Member #17	x	chair			x				
# Board Member #18	x							x	chair
# Board Member #19	x			x			x		
Independent ratio:	15/19								
* Independent									
** All mbrs must be independent									
***Required members: Chair; IFT Chair; CEO									

## APPENDIX 9

# Sample Board Meeting Agenda

Item	Time Allocated	Objective	Presenter	Background Materials
Call to order, welcome guests	6:00–6:10	Information	Chair	
Consent Agenda	6:10–6:15	Consent	Chair	Tab A: Minutes Tab B: Committee Reports Tab C: Update of board members' addresses/ phone numbers Tab D: Medical staff credentialing (non-exceptions)
Quality Initiatives Update <ul style="list-style-type: none"> <li>• Review of quality dashboard; revise and adjust</li> <li>• Target areas of focus for corrective steps</li> <li>• Report—sentinel event(s)</li> <li>• Patient/family case</li> <li>• Medical staff credentialing (2 exceptions)</li> </ul>	6:15–7:15	Information/ Discussion/ Input/ Decision	Chair of Quality Committee Guests MEC Chair	
Report of the CEO	7:15–7:30	Information	CEO	Tab D
Report of the CFO & finance committee. Implications: Recent Medicare/Medicaid legislation	7:30–8:15	Information	Finance committee chair and CFO	Tab E
Update: Site visit by credit rating agency	8:15–8:30	Information/ discussion/input	Chair, Finance Committee Chair, CEO, Guests	Tab G
Final proposals for site selection for new facility	8:30–9:00	Decision	Chair, CEO, Guests	Tab H
Meeting assessment	9:00–9:15	Discussion/input	Chair	
Adjournment	9:15			

# APPENDIX 10

## Sample Policy: Request for Public Records

### MEMORIAL HEALTH SYSTEM CORPORATE POLICY

	<b>POLICY #:</b>	
	<b>EFFECTIVE DATE:</b>	00.ADM.76
<b>TITLE:</b>	RESPONDING TO PUBLIC RECORDS	<b>REVIEWED/REVISED DATE:</b> 12/21/07
	REQUESTS	<b>POLICY TYPE:</b> 1/10/08
<b>Reviewer:</b>	Corporate Compliance Officer	<b>PAGE:</b>

This policy applies to the following:

- All (all subsidiaries)
- All subsidiaries providing patient care
- All subsidiaries providing surgical services

This policy may be modified for subsidiaries' use?

- Yes     No

**PURPOSE:** To define the policy and procedure of Memorial Health System (MHS) regarding response to public records requests.

**POLICY STATEMENT:** MHS will respond as required by law to all requests for information that are deemed to be requests for public records.

**EXCEPTIONS:** None

**DEFINITIONS:** **Custodian of the record:** MHS employee(s) and/or department(s) responsible for retention and archival storage of the requested record (Corporate Policy 00.ADM.99).

**Public records request:** A stated request for public records from the public, groups, corporations and members of the press. Requests may be made verbally or in writing. Requests need not be directed to any particular individual at MHS. Responses must be produced within a reasonable timeframe.

**Public records:** Generally, all MHS records, with limited exemptions provided by law.

- PROCEDURE:**
1. All requests for public records should be immediately referred to legal counsel, unless such referral would unreasonably delay the response to the request. For the purposes of this procedure, the only requests that should not be referred to legal counsel are simple requests where the custodian of the record is certain that the information contained in the request can be released (e.g. a member of the public requests a copy of the board meeting agenda from the assistant to the board).
  2. Legal counsel will review the request to determine if such request is in fact a public records request, define possible exemptions and determine the scope of responsive records.
  3. The custodian of the requested record will produce copies of all responsive records and forward copies to legal counsel for review.
  4. Legal counsel will redact portions of the records as permitted and/or required by law.
  5. Legal counsel will determine records that are exempt from public records requests.
  6. Legal counsel will deliver responsive records with a cover letter detailing each applicable exemption and a bill for any copying or special charges permitted by law.



**RESPONSIBILITY:** It is the responsibility of executive leadership, all directors and managers, and administrative personnel to be aware of and adhere to this policy.

**REFERENCES:** Public Records: Retention and Archival Storage (oo.ADM.99)

**AUTHOR(S):** Jane Smith, Corporate Compliance Officer

**ATTACHMENT(S):**None

**APPROVALS:**

<b>Signatures indicate approval of the new or reviewed/revised policy.</b>		<b>Date</b>
<b>Reviewer's Signature:</b>	Corporate Compliance Officer	12/17/07
<b>Vice President/Executive Director:</b>		
<b>Corporate Policy Committee:</b>	Chairperson	12/19/07
<b>VP/Medical Affairs:</b> <i>(if clinical policy)</i>		
<b>Committees/Sections:</b>		
<b>Medical Executive Committee:</b> <i>(if clinical policy)</i>		
<b>Chief Executive Officer:</b>		12/21/07



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