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Empowering Community Health Leaders: Board Training for Excellence

September 27, 2023



Your Trainer

Today, **Tracy Douglas**, serves as Chief Executive Officer at the Virginia Community Health Care Association. There she is responsible for the overall operation, management, program development, and fiscal control of the Association. She serves as an agent of the Association and acts as an advocate for the Association’s members (community health centers) with federal, state, and local policy makers to assure that members have the resources they require to improve access to primary care for the underserved in the Commonwealth of Virginia.

Ms. Douglas has 25+ years’ experience in healthcare administration and operations. She has served in the C-Suite for Federally Qualified Health Centers in Indiana and Maryland with multiple locations throughout the states. Ms. Douglas was accountable for strategically leading the operations to achieve a standard of excellence that supported the health centers’ strategy and brand, as well as ensured the operational integrity and financial strength of its their medical practices, programs, and services. Ms. Douglas has served as the Chief Operating Officer of an association serving community health centers in the states of Maryland and Delaware. While at that association she was responsible for the oversight of the day-to-day operations and was a subject matter expert in the areas of administration, governance, and regulatory compliance. Ms. Douglas has also worked in various capacities within the healthcare setting that have included overseeing the operations of a large hospital-based pediatric centers of excellence that provided cardiac, kidney, pulmonary medical (clinic-based) and surgical services; overseeing the operations of an outpatient and inpatient acute care services division; managed a large health system’s managed care division and served as the Executive Director of a for-profit physician-hospital organization.

Tracy has two children, Richard “Alec” and Caitlin.

Articles/Case Studies/Trainings:

https://richmond.com/opinion/columnists/column-drug-discount-program-is-vital-to-local-clinics-health-centers/article_2a048eb0-5467-575c-be33-d3e015be2c19.html

<https://www.ballstatedailynews.com/article/2020/01/news-mcs-muncie-meridian-health-services-proposes-health-center-at-southside-middle-school>

<https://www.astho.org/Million-Hearts/Case-Studies/Maryland/>

<https://chcams.regfox.com/readiness-for-your-upcoming-osv-site-visit>

-
- IF YOU HAD YOUR WISH, WHAT WOULD *[insert name of chc]* LOOK LIKE?
 - ARE WE GOVERNING EFFECTIVELY?



AGENDA

- 1. Board's Role*
- 2. CHC Sustainability, Stability, & Vitality*
- 3. BOD – CEO Relationship*
- 4. Succession Planning*
- 5. HRSA Compliance Manual: Chapter 19 & 20 FYIs & Tips*

What Exactly Is The Board's Role?

The slide features a dark blue background. On the right side, there are several horizontal, wavy lines in a lighter shade of blue, creating a decorative pattern that resembles water or a stylized wave.

LEGAL DUTIES OF BODs

Board members are fiduciaries and stewards of organization's mission!

THE FUNDAMENTAL DUTIES BODs (the three Ds):

- 1. Duty of Care*
- 2. Duty of Loyalty*
- 3. Duty of Obedience*

LEGAL DUTIES OF BODs

DUTY OF CARE*. Prudent management of CHCs' assets. Done by doing the following:

- Attending board meetings & appropriate committee meetings
- Preparing in advance for board meetings
- Obtaining information, before board meeting, to make an informed decision
- Exercising independent judgement
- Periodically examining the credentials & performance of those who serve in the CHC
- Frequently reviewing the CHC's finances & financial policies
- Ensuring compliance with federal/state/local laws

* Legal Responsibilities of Boards - BoardSource

LEGAL DUTIES OF BODs

DUTY OF LOYALTY*. Constant focus on serving the best interests of the organization (not individual interests) they serve. Done by doing the following:

- Adhering to the conflict-of-interest policy
- Disclosing any conflicts-of-interest
- Avoiding use of corporate opportunities for personal gain or benefit
- Maintaining confidentiality of information of CHC

* Legal Responsibilities of Boards - BoardSource

LEGAL DUTIES OF BODs

DUTY OF OBEDIENCE*. Comply with applicable federal/state/local laws, adhere to CHC bylaws, and remain guardians of the mission. Done by doing the following:

- Ensuring compliance with all regulatory and reporting requirements
- Examining all documents that govern the CHC and its operation (bylaws, policies)
- Making decisions that fall within the scope mission and governing documents

* Legal Responsibilities of Boards - BoardSource

LEGAL DUTIES OF BODs

DUTY OF OBEDIENCE. Lays the groundwork for the other fiduciary responsibilities, ie., Loyalty and Care.

Some of the key differences between ***DUTY OF CARE*** and ***DUTY OF LOYALTY*** include:

- **Duty of loyalty** involves disclosing or avoiding any conflicts of interest, while **duty of care** requires each party to practice due diligence before acting.
- A breach of **duty of care** may attract lawsuits from shareholders and other stakeholders. In contrast, with **duty of loyalty**, the guilty or liable party would be ordered to pay restitution or fines to compensate for not acting in good faith.



**Building a Resilient Future:
Exploring Sustainability,
Stability, and Vitality**

STABILITY, SUSTAINABILITY, & VITALITY

- Stability – Health or firmness in an organization or an entity.
 1. There is enough resources to carry out short- to mid-term activities; synonymous with the concept of financial stability – enough money in the bank.
 2. Other forms of stability other than financial: Emotional and political stability are often impacted during transitions involving a long-term executive. The announcement of the executive’s pending departure can affect the emotional climate in an organization. In some cases, it may even lead to some political instability, particularly in fractious environments where the executive has been the “political glue.”

* Essential Guides to Sustainability, Succession and Transition Planning: PART 1 Organizational Sustainability Planning Guide - NACHC

STABILITY, SUSTAINABILITY, & VITALITY

- Sustainability – Strong organization or “business” fundamentals in place; good systems in place: CHC is a well-oiled machine.
- Vitality - Pertains to the energy level and forward momentum of the organization. People within the agency are engaged, aligned and energized. When an organization is humming, you can feel it, and everyone involved is engaged and excited to be part of the mission.

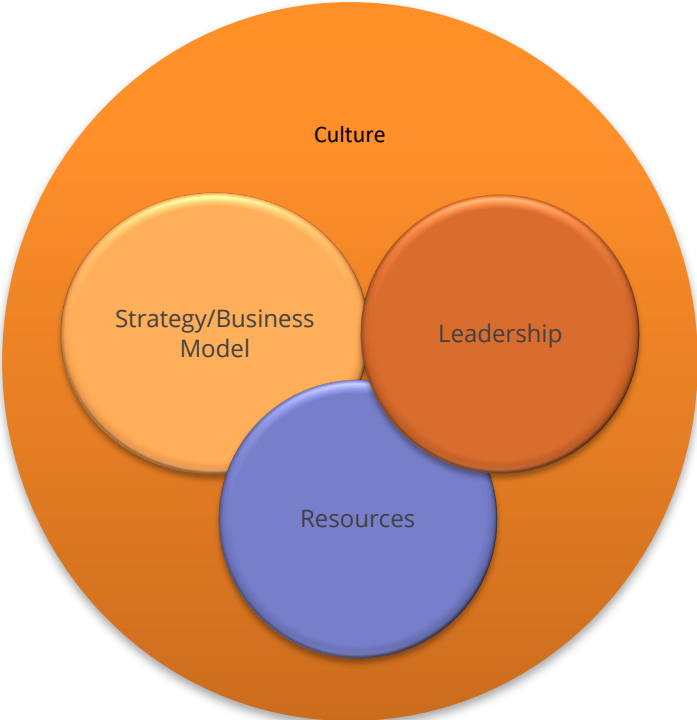
* Essential Guides to Sustainability, Succession and Transition Planning: PART 1 Organizational Sustainability Planning Guide - NACHC

HEIRARCHY



* Essential Guides to Sustainability, Succession and Transition Planning: PART 1 Organizational Sustainability
Planning Guide - NACHC

CHC SUSTAINABILITY MODEL



* Essential Guides to Sustainability, Succession and Transition Planning: PART 1 Organizational Sustainability Planning Guide - NACHC

CHC BOD – CEO Relationship



RELATIONSHIP: BOD & CEO/EXEC. DIR

*The success of the CEO and board are interdependent upon one another. They function as a team with separate, yet complementary roles and responsibilities. Board members bring the community's voice into the boardroom, provide oversight, and are concerned with the "big picture" strategic issues. The CEO manages the health center.**

* Governance Guide for Hlth Ctr Boards
- NACHC

RELATIONSHIP: BOD & CEO/EXEC. DIR

Questions for the board to ponder:

- Does our board ensure the CEO has performance goals that are connected to the strategic plan?
- Does the board periodically evaluate the CEO's performance? What practices do we want to maintain, stop, or start related to CEO evaluation?
- Does the board approve the CEO's compensation?
- Has the board developed and approved an emergency CEO succession plan and a CEO succession policy?
- Do we have an effective partnership with the CEO?
- Does the board understand the parameters that are important to follow related to interaction with staff?

RELATIONSHIP: BOD & CEO/EXEC. DIR

Pillars of an effective board-CEO partnership include:

- **Role clarity** – It is important for the board and CEO to have the same understanding of their respective roles. Role descriptions for the board and CEO, along with periodic training, can help.
- **Shared expectations and accountability** – Ideally both the CEO and board have goals that are linked to the strategic plan. Additionally, it is good practice for a board to ensure processes are in place to assess both CEO performance as well as board performance
- **Trust and respect** – It is important for the board and CEO to work on building trust, develop agreed upon expectations, and have an understanding that disagreements will be handled constructively.
- **Open communication** – It is important to ensure transparency in communication, and to be clear about priorities and concerns to avoid surprises.
- **Ability to navigate difficult moments** – Difficult moments will arise. Ensuring the board and CEO leverage existing agreements regarding expectations and follow board policies when navigating difficult situations can help.

BOARD, WHAT IF THE CEO...



WILL DEVELOP IT OR NOT?



**THEN THIS
HAPPENS:**



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What's the Succession Plan: CHC Board & CEO Positions



WHAT IS SUCCESSION PLANNING

A systematic process for ensuring leadership availability, continuity and appropriate development of an organization's leadership talent.

- Systematic – there's a proactive process in place that frames the organization's approach to succession planning.
- Availability – the process ensures that the appropriate people are available for the critical leadership positions in the organization, whether those people are the incumbents, someone who's ready to step in an acting capacity, or successors to be tapped when a transition does occur.
- Continuity – attention is paid to leadership continuity, which involves having people who are cross-trained for different positions and are ready to step in for a colleague on an emergency basis.
- Appropriate development – there's some focus on staff and leader development in the organization that is appropriate to the size, scale and resources of the organization.

* Essential Guides to Sustainability, Succession and Transition Planning: PART 1 Organizational Sustainability Planning Guide - NACHC

THREE APPROACHES

1. Leadership Development Planning
2. Departure Defined/Arrival Succession Planning
3. Succession Essentials

TOP GOVERNING MISTAKES

1. *Failure to understand fiduciary duties*
2. *Failing to provide effective oversight*
3. *Deference to the Executive Committee, Board Chair, organization's founder*
4. *Micro-managing staff*
5. *Avoiding the hard questions*
6. *Insufficient conflict management*
7. *Lack of awareness of laws governing tax-exempt*
8. *Operating with outdated, inconsistent governing documents*
9. *Airing disagreements outside the board room*
10. *Failure to cultivate board diversity*
11. *Recruiting and selecting board members without due care*
12. *Failure to educate and motivate board members*
13. *Failure to document actions appropriately*
14. *Failure to review program effectiveness and efficiency and take appropriate follow up actions*
15. *Failing to hold executives accountable*

* <https://charitylawyerblog.com/2022/02/20/top-15-non-profit-board-governance-mistakes-2/#h-top-15-non-profit-board-governance-mistakes>



**HRSA'S Compliance Manual:
Chapters 19 (Board
Authority) & 20 (Board
Composition)**

COMPLIANCE MANUAL

Compliance Manual (CM) Purpose

- Provides a consolidated resource to assist health centers in understanding and demonstrating compliance with Health Center Program requirements;
- Addresses HRSA's approach to determine eligibility for and exercise oversight over the Health Center Program.

CM Accessibility

Applies to all health centers that receive federal awards (and look-alikes designees) under the Public Health Service Act (PHS), section 330 (42 U.S.C. 254b), as amended (including sections 330(e), (g), (h), and (i)), as well as subrecipient organizations.

The CM Is Not

Does not apply to “out of scope” activities;

Not intended to address best or promising practices** or performance improvement strategies that may support effective operations or organizational excellence.

** Reviewers are encouraged to highlight a Promising Practice identified during the Site Visit

Compliance Manual Martini

Specialty Ingredients



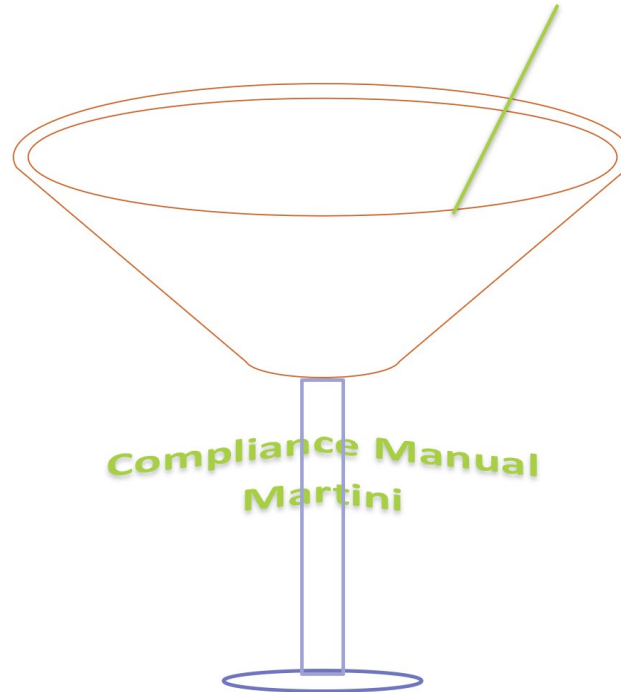
Vermouth



Vodka



Olive



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Compliance Manual Organization

- I. Introduction
- II. Chapter 1: Eligibility
- III. Chapter 2: Oversight
- IV. Chapters 3-20: Health Center Program Requirements
Chapter 21: Federal Tort Claims Act (FTCA)
- V. Appendix
- VI. Glossary

Chapters 3-20: Program Requirements

The chapters include the following subsections:

Authority – References the applicable statutory and regulatory citations pertaining to that Chapter's Program Requirement.

Requirements – Spells out the statutory and regulatory requirements. (in layman's terms)

Demonstrating Compliance – Describes how health centers would demonstrate their compliance with requirements by fulfilling all elements in this section. (OSVs)

Related Considerations – Examples of areas where health centers have **discretion** with respect to decision-making and gives useful information for health centers to consider when implementing a requirement. (not part of the OSV)

Demonstrating Compliance

- Contains the “elements” that stipulate what the health center MUST do to be compliant with the Requirement.
- OSV Reviewers will look to see if all 93 elements exist within the health center operations.

Site Visit Protocol

Site Visit Protocol (SVP) Purpose

- Replaces the Site Visit Guide;
- Provides transparency and guidance on OSV process;
- Outlines the prescribed methodology, documents, questions HRSA uses to determine health center compliance to program requirements.

SVP Organization

Table of Contents



Table of Contents:

- Documents Checklist for Health Center Staff 3
- Documents Provided at the Start of Site Visit 3
- Demonstrating Compliance 3
- Element a: Service Area Identification and Annual Review 3
 - Site Visit Team Methodology 3
 - Site Visit Findings 3
- Element b: Update of Needs Assessment 4
 - Site Visit Team Methodology 5
 - Site Visit Findings 5

Health Center Program Site Visit Protocol

Last updated: May 27, 2021



SVP Organization Cont.

Health Center Program Site Visit Protocol
Board Authority

BOARD AUTHORITY

Primary Reviewer: Governance/Administrative Expert

Secondary Reviewer: N/A

Authority: Section 330(k)(3)(H) of the Public Health Service (PHS) Act, 42 CFR 51c.303(i), 42 CFR 56.303(i), 42 CFR 51c.304(d), and 42 CFR 56.304(d); and 45 CFR 75.507(b)(2)

[Related Considerations](#)

Document Checklist for Health Center Staff

- Health center organization chart(s) with names of key management staff.
- Corporate organization chart(s) (only applicable for public agencies or for organizations with a parent or subsidiary).
- Articles of Incorporation.
- Bylaws (if updated since last application submission to HRSA).
- Co-applicant agreement (if applicable) (if updated since last application submission to HRSA).
- Position description for the Project Director/CEO.
- Board calendar or other related scheduling documents for most recent 12 months.
- Board agendas and minutes for:
 - o Most recent 12 months.
 - o Any other relevant meetings from the past 3 years that demonstrate board authorities were explicitly exercised, including approving key policies on:
 - Sliding Fee Discount Program;
 - Quality Improvement/Assurance Program;
 - Billing and Collections (policy for waiving or reducing patient fees and if applicable, refusal to pay);
 - Financial Management and Accounting Systems; and
 - Personnel.
- Sample board packets from two board meetings from within the past 12 months.
- Board committee minutes OR committee documents from the past 12 months.
- Strategic plan or long term planning documents within the past 3 years.
- Most recent evaluation of Project Director/CEO.
- Project Director/CEO employment agreement (for the purposes of provisions regarding Project Director/CEO selection, evaluation, and dismissal or termination).
- Agreements with parent corporation, affiliate, subsidiary, or subrecipient organization (if applicable).
- Collaborative or contractual agreements with outside entities that may impact the health center board's authorities or functions.

Health Center Program Site Visit Protocol
Board Authority

- Review any collaborative or contractual agreements with outside entities that may impact the health center board's authorities or functions.
- Review co-applicant agreement (if applicable).
- Review agreements with parent corporation, affiliate, subsidiary, or subrecipient organization (if applicable).

Site Visit Findings

In responding to the question(s) below, please note:

If a public agency/co-applicant health center arrangement, the public agency is not considered to be an outside entity as it is the award recipient.

2. Do health center documents and agreements confirm that:

- o No other individual, entity, or committee (including, but not limited to, an executive committee authorized by the board) reserves or has approval/veto power over the health center board with regard to the required authorities and functions?
 YES NO
- o The health center's collaborations or agreements with other entities do not restrict or infringe upon the health center board's required authorities and functions?
 YES NO

If No was selected for any of the above, an explanation is required:

3. For public agencies with a co-applicant board: Does the health center have a co-applicant agreement that:

- o Delegates the required authorities and functions to the co-applicant board?
 YES NO NOT APPLICABLE
- o Delegates the required roles and responsibilities of the public agency and the co-applicant in carrying out the health center project?
 YES NO NOT APPLICABLE

If No was selected for either of the above, an explanation is required:

Element b: Required Authorities and Responsibilities

The health center's articles of incorporation, bylaws, or other relevant documents outline the following required authorities and responsibilities of the governing board:



The Virtual Site Visit (vOSV)

vOSV Agenda

Tuesday or Wednesday, [INSERT DATE]: (Day 2)

Hours	Administrative/Governance Join Meeting https://global.gotomeeting.com/join/836895533 or Phone (872) 240-3212; Access Code: 836-895-533	Clinical Join Meeting HTTPS://GLOBAL.GOTOMEETING.COM/join/832-740-229 or Phone (408) 650-3123 Access Code: 832-740-229	Fiscal Join Meeting HTTPS://GLOBAL.GOTOMEETING.COM/join/469-894-837 Or Phone (408) 650-3123 Access Code: 469-894-837
8:30 am to 9:00 am	HOSV Team Meeting – https://global.gotomeeting.com/join/836895533 or Phone (872) 240-3212; Access Code: 836-895-533		
9:00 am to 12:00 pm	<p><i>Review of Documents & Preparation for Meeting with Governing Board</i></p> <p>11:00 am: Meets w/CEO: Chapter 19 – Board Authority – Discussion on Working with the Governing Board and Technical Assistance on Selected Topics</p>	<p>Meets w/HR & Others [REDACTED]</p> <p>Chapter 5 – Clinical Staffing – Credentialing/Privileging P&Ps; Review Sample of C&P Files - LIPs & Other Licensed/Certified Staff</p> <p>– or – Review Redacted Screen Shot PDF Files</p>	<p>9:00 am to 10:45 am - Meets w/CEO, CFO, Procurement Review of Sample Records: Chapter 12 – Contracts including Procurement/Purchasing, Contract Management Policies & Procedures; Discussion of Sample Contracts/Procurement</p> <p>10:45 am to 11:45 am - Meets w/ CFO Review of Sample Records: Chapter 9 – SFD – Discounts & Col. II and Col. III Written Agreements:</p>
12:00 pm to 1:30 pm <i>(Can be scheduled at convenience of Board)</i>	<p>HOSV Team meeting with Governing Board – https://global.gotomeeting.com/join/836895533; or Phone (872) 240-3212; Access Code: 836-895-533</p> <p>Session Lead by Administrative/Governance Reviewer: Chapter 19 – Board Authority and Chapter 20 – Board Composition - Discussion on Board Authority, Roles and Responsibilities, Program Requirements, and Other TA Topics</p>		
1:30 pm to 3:30 pm	<p>1:30 pm: Meets w/CEO & HR: Chapter 11 – Key Management - Distribution of Functions, Vacancies, Recruitment, and Evaluations</p> <p>2:30 pm: Review of Records: Chapter 20 – Board Composition – Review of Composition and Past 24-Month Billing Record for Patient Members of the Governing Board</p> <p>Facilitated Samples: Web-based Link & Dial-In #: – or – Review Redacted Screen Shot PDF Files</p>	<p>1:30 pm: Meets w/CMO, QA/QI Dir, COO, Nursing Dir, & Others [REDACTED]</p> <p>Chapter 10 – QA/QI Plan & Activities; Chapter 21 – Federal Torts Claims Act</p>	<p>1:30pm to 2:30pm - Meets w/ HR, CEO, Compliance, Others ? [REDACTED]</p> <p>Chapter 13 - Conflict of Interest including Policies and Procedures, Disclosure, Occurrences</p> <p>2:30pm to 3:30pm- Meets with CFO Chapter 18 – Program Data Reporting Systems – Fin & Operational Reporting</p> <p>Facilitated Samples: Web-based Link & Dial-In #: – or – Review Redacted Screen Shot PDF Files</p>
3:30 pm to 4:00 pm	<p>Debrief for Federal Representative – https://global.gotomeeting.com/join/836895533 or Phone (872) 240-3212; Access Code: 836-895-533</p>		
4:00 pm to 4:30 pm	<p>Debrief for CEO (Others?) – https://global.gotomeeting.com/join/836895533; or Phone (872) 240-3212; Access Code: 836-895-533</p>		



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Compliance Tips and FYI's



Delegation of Authority

Delegation of Authority. To the extent permitted by applicable law, the Board of Directors may from time-to-time delegate authority to any qualified member of the Board or Committee (e.g., Executive Committee) where circumstances warrant such action. *Any decisions made by a Board member or Committee require the approval of a majority of the Voting Directors present at any meeting duly held at which a quorum exists.*

COMPLIANCE MANUAL CHAPTER 19: BOARD AUTHORITY

Tips to determine your compliance:

- Health center BOD's minutes or other relevant documents (eg., co-applicant agreement) can show the following:
 - Holding monthly meetings where a quorum is present to ensure the board has the ability to exercise its required authorities and functions;
 - Approving the selection, evaluation and, if necessary, the dismissal or termination of the Project Director/CEO from the Health Center Program project;
 - Approving HRSA applications related to the Health Center Program project, including approving the annual budget, which outlines the proposed uses of both Health Center Program award and non-Federal resources and revenue;
 - Approving the Health Center Program project's sites, hours of operation and services, including decisions to subaward or contract for a substantial portion of the health center's services;
 - Monitoring the financial status of the health center, including reviewing the results of the annual audit, and ensuring appropriate follow-up actions are taken.

COMPLIANCE MANUAL CHAPTER 19: BOARD AUTHORITY

Tips to determine your compliance:

- Conducting long-range/strategic planning at least once ***every three years***, which at a minimum addresses ***financial management*** and ***capital expenditure needs***;
- Status of meeting project objectives (eg., meeting budget, productivity, recruitment/retention);
- Evaluating the performance of the health center based on quality assurance/quality improvement assessments and other information received from health center management, and ensuring appropriate follow-up actions are taken regarding:
 - ***Achievement of project objectives***;
 - ***Service utilization patterns***;
 - ***Quality of care inclusive of patient safety***;
 - ***Efficiency and effectiveness of the center (eg., productivity, financials)***;

COMPLIANCE MANUAL CHAPTER 19: BOARD AUTHORITY

Tips to determine your compliance:

- Patient satisfaction, including addressing any patient grievances;
- The BOD minutes show that the board reviewed and approved the following policies at least every three years:
 - Sliding Fee Discount Program;
 - QI/QA Program (eg., Peer Review, patient safety, risk management);
 - Billing and Collections inclusive of difference between and how to address patient inability to pay, refusal to pay; waiving of fees if applicable;
 - Financial Management and Accounting Systems (if no co-applicant arrangement exists); and

COMPLIANCE MANUAL CHAPTER 19: BOARD AUTHORITY

Tips to determine your compliance:

- Every three years reviewing and approving personnel policies (eg., addressing selection and dismissal procedures, salary and benefit scales, employee grievance procedures, and equal opportunity practices; if no co-applicant arrangement exists);
- Engaged in strategic planning at least every three years and includes *financial* and *capital* expenditure needs;
- If health center has a co-applicant arrangement, the agreement outlines the roles and responsibilities of the health center board and the public agency;
- The co-applicant public agency can have authority over Personnel and Financial and Accounting systems policies; and
- *Approving* the sliding fee scale annually.

Compliance Tips & FYI's

OTHER tips:

- **Create Board calendar** to demonstrate (at minimum) the following Board activities and ***ensure minutes support calendar:***
 - Project Director/CEO performance evaluation;
 - Evaluating QI/QA assessments with follow up action – outcomes benchmarking, peer review results, risk management;
 - Achievement of project objectives, eg., HRSA application workplan;
 - Service utilization patterns – shows supporting Needs Assessment – annual UDS identifying zip codes – Form 5B & 6A;
 - Efficiency and effectiveness of the center – meeting financial and clinical goals;
 - Patient satisfaction, including addressing any patient grievances;
 - Approving sliding fee scale, financial management policy (every three years) with ; and
 - Approving annual budget.

COMPLIANCE MANUAL CHAPTER 20: BOARD COMPOSITION

- Documentation – bylaws, policy, Articles of Incorporation, must show board has authority to do the following:
 - Select and remove members;
 - 51% consumer
 - Patient records confirm received health services w/in last 2 years; **Tip: Run report from EMR to show consumer board member received services (Form 5A)**
 - Non-consumer representative of community health center serves (Best Practice: either living or working within each location's catchment area) and broad representation of skills/talents – legal, financial, community affairs, banking, social justice, social services, provider, government, etc.
- **Tip: Use the Needs Assessment and UDS annual reviews and compare with board members zip;**
 - No less than 9, no more than 25;
 - Employees, employee family members, subsidiary/parent overseeing HC unable to serve on board
Tip: Board members and employees sign annually disclosing not an employee or related to employee.



Thank you



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