The Community Health Center Board of Directors

Building an Effective Board of Directors

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Introduction

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Governing Board Handbook

1. HRSA/BPHC 2000

New and Experienced Board Members
History of CHC Movement

• 1960’s War on Poverty
• 150 CHCs established by early 1970’s
  • Program continued to grow, then experienced “ups and downs” over next 20 years
  • Move toward self-sufficiency, local governance, “survive as a business”
• Significant growth since 1995
• President Obama considers CHC Program part of his healthcare reform strategy
• 2013-more than 1,200 CHC’s with more than 8,000 locations
Part One
Building an Effective CHC Board of Directors
Why Have a Governing Board?

• Like any business, need to govern the corporation
• Community-based corporation needs links to the outside community

• It’s the law
What Does It Mean to Govern?

1. Define & Preserve the Mission
   • Mission Statement
   • Understand, Commit To and Clarify the Mission
   • Set Goals and Objectives to Carry Out the Mission
What Does It Mean to Govern?

2. Make Policy
   • Personnel
   • Financial
   • Clinical/Quality Improvement (QI)
   • Operations
What Does It Mean to Govern?

3. Safeguard the Assets of the Center

• Fiduciary Responsibility

• Center Finances, Budget, Annual Audit, Facility

• To some extent: Personnel (CEO)
What Does It Mean to Govern?

4. Select, Evaluate and Support the CEO

• Clear concise position/job description

• Evaluate according to the document

• Trust that you have made the right decision by letting the CEO do his/her job
What Does It Mean to Govern?

5. Monitor & Evaluate Center & Board Performance

• Are we meeting our mission?
  • Financial reports, clinical measures, patient satisfaction surveys, focus groups, program expectations, program requirements

• Annual Board Self-Evaluation
  • Meeting your responsibilities
  • Interaction with CEO, community, each other
  • Board (not center) goals, status of board training
6. Strategic Planning

- 2-5 years out
- Keeping an eye on the future and preparing for it
- Periodic formal retreats
- Written goals and objectives
- Implement the plan
- Periodic evaluation and reports

- Effective and realistic strategic plans enable the board to successfully face and make the “tough” decisions
What Is Your Job as a Board Member?

• The Duty to Care
  • Be careful and prudent when making decisions

• The Duty to be Loyal
  • Never purposely do anything that could harm the center-conflict of interest

• The Duty to be Obedient
  • Openly voice your opinions, but then back the decision of the board. Seek consensus
Part Two

The Nuts and Bolts of Board Membership
Internal Relationships & Functions

• Goal of this Section: Increase Board Teamwork & Effectiveness

• The ABC’s of how a board should function

• Direct correlation between center effectiveness and how well and efficiently the board operates
Board Size

• Appropriate to meet the mission
  • 9-25 members
  • Too Few = overload
  • Too many = unmanageable

• Represent all segments of the community

• Represent all necessary expertise
Board Eligibility

• 51% must be consumers of health center services

• No more than half of the non-consumer members can earn more than 10% of their income from health care industry

• Board must reasonably represent the demographics of the service area

• Employees, spouses, other relatives cannot serve on the board
Board Member Selection

• Sources of new and replacement members
  • Nominating Committee
  • CEO & other senior staff
  • Junior staff members who have daily contact with patients

• Board member “position description”
Board Member Tenure

- Not set forth in law or regulation so must use “best business practices”
- Three year terms with staggered rotation
- Two consecutive terms with one year hiatus
- Ex-officio members

- Board member “position description”
- Persons serving on committee but not full board
- Rules for removing members contained in by-laws
Board Officers

• Chairperson
  • Promote teamwork and decision by consensus
  • Act as liaison between CEO (representing staff and volunteers) and board
  • Major resource for the CEO in all aspects of planning
  • Facilitates board meetings
  • Assigns other members to committees and delegates tasks effectively
Board Officers

• Vice Chairperson
  • Backs-up the Chairperson in his/her absence
  • Often takes on special assignments, such as one time projects and ad hoc committees
  • Constantly stays abreast of current issues and operations in case short or long term replacement becomes necessary
Board Officers

• Secretary
  • Minutes of each board meeting (legal documents)
    • Clerk/typist may assist

• Attendance
  • Make remedial recommendations regarding non excused absences

• Meeting reminders
Board Officers

• Treasurer
  • Ensure accurate financial records are kept
  • Annual audit
  • Annual budget
  • Monthly reports to the board & assistance in interpretation

• Chair of the Finance Committee
Committees of the Board

• Standing
  • Finance, Personnel, Quality Improvement (QI)
  • Executive
    • Board Officers & committee chairpersons
  • Compliance?
  • Strategic Planning

• Ad Hoc (temporary)
  • Established for a specific purpose then disbanded
    • Nominating, grievance, CEO search, CEO evaluation
How Board Committees Work

• Point of having committees: save time and streamline effort

• Study reports and issues and report/make recommendations to the full board

• Committees have no power to make policy

• Full board should debate recommendations before voting (avoid rubber stamping)
Committee Work: Finance

• Meet monthly, usually just before the full board meeting, including same day

• Committee members do NOT have to have financial experience, just desire to learn, understand and ask questions

• Should receive monthly reports prepared by CFO and reviewed by CEO
  • This is what the committee then provides to full board
Committee Work: Finance

- Recommended report package includes:
  - Narrative: summary of financial and operational highlights
  - Comparative P&L statement: actual, budget, current period, year to date operations
  - Balance Sheet: Snapshot of organization at any one moment in time
  - Statistical Report: Other statistical data as deemed necessary by the board:
    - Clinical data like deliverables, visit date by payor, by age, by diagnoses (resource intensity), by new vs. established
    - Add and delete as time and situation change
    - Needs to be able to observe and react to trends

- Use graphical representations
Committee Work: Finance

• Reports (continued)
  • Accounts Receivable (AR) Aging by Payer
    • Days in AR: How long is it taking you to get the dollars owed to you?
  • Cash Flow Analysis: Cash needs by month projected through end of fiscal year
    • What cash do we need and when do we need it?
    • Can analyze being revenue rich but cash poor
    • Can analyze mid-year impact of unforeseen occurrence

• Business Plan Performance Measures
Committee Work: Personnel

• Review and update personnel policies

• Review position descriptions, especially new positions

• Make recommendations regarding adding additional positions to staff
  • NOT the person, but the position

• Serves as the grievance committee if specified in by-laws
Committee Work: QI

- Chaired by clinician with appropriate experience
- Set policy on QI activities within the center
- Review reports of these activities
  - Ex. Peer review, billing audits, patient satisfaction
  - Clinical performance measures
- Formally credential provider staff
- Risk Management
Board Meetings

• Meet monthly with minutes kept

• Annual meeting announced and open to public

• Agenda in consonance with committee chairs and senior staff

• Roberts Rules of Order or other parliamentary procedures (specified in by-laws)
“Outside” Relationships

• The Community

• Health Center Staff

• Funding Agencies
The Community Connection

- Meeting consumer/potential consumer needs
- Public Relations
  - Every member a spokesperson
- Community Development (Fundraising)
- Interaction with larger community healthcare system
  - Establish and foster linkages
Relationship with Health Center Staff

• CEO maintains control of daily operations

• Close collaborative relationship with Executive Committee, especially Chairperson

• CEO is link between Board and rest of center staff

• High level of trust and confidence in CEO essential to a successful health center
Relationship with Outside Funding Agencies

- Federal government
  - Various components, not just BPHC
- Local State Government
- CMS
  - Medicare and Medicaid
- Private Insurance Companies
External Advisors

• National Association of Community Health Centers (NACHC)

• State Primary Care Association

• Mentoring health centers

• Other nearby health centers

• Other Agencies
  • Hospitals, provider associations, health department
Part Three
How to Build a Community Health Center
How to Build a CHC

• Needs Assessment Drives Everything
  • Everything about the demographics and health status indicators of the population you are serving
  • Other providers and services available
  • Trends

• How do we meet those needs?
  • Design your provider staff, clinical support staff, administrative staff, physical plant (space)
How to Build a CHC

• Calculate a realistic & balanced budget
  • Personnel and other costs
  • Realistically project income
    • Income analysis as part of the grant
    • Clinicians (physicians, mid-levels) generate income, estimate based on demographics of needs assessment
    • Ex. % of Medicaid, % of Medicare, Private Pay, Uninsured

• Determine grant or legislative funds available
How to Build a CHC

• “Operationalize”
  • Provider recruiting and retention plan
  • Employed physicians, dentists and mid-levels (PA/NP)
  • Recruit providers as an economically possible
  • Salary and benefits packages
    • Loan repayment, J1 Visa, National Health Service Corps, Retiring military

• Staff Support Plan
  • Clinical, billing, front desk, administrative
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