[Hospital Name]

**Board of Trustees**

**Governance Manual**

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| The Iowa Hospital Association would like to thank the Kansas Hospital Association and The Walker Company for granting IHA permission to modify the KHA trustee manual to fit the needs of Iowa hospital trustees. |

**About [Hospital Name]**

**History**

[Insert information about your hospital’s history here, including when the hospital was founded; by whom; for what purpose; etc.]

**Our Mission, Vision and Values**

Our mission is the fundamental purpose or reason for our existence; it serves as the foundation for strategic thinking and strategic planning. Our values are the principles that guide our decision making. Our vision is a projection of the future that describes how our hospital will look in the future—it imagines our future possibilities, guides our strategic choices and provides a longer-range focus for our near-term and mid-term strategic decision making.

The responsibility and authority for determining the hospital’s mission, values and vision lies with the governing board. The board also is responsible for working with senior management to develop the goals, objectives and policies that grow out of, and are measured against, our mission, values and vision. Defining the hospital’s mission, and outlining a compelling vision of our future, with a recommended course of action to fulfill that vision, are among the most important contributions the board makes to our hospital’s success.

***Our*** ***Mission…***

[Insert your mission statement here]

***Our Vision…***

[Insert your vision statement here]

***Our Values…***

[Insert your values or principles here]

**Our Board**

|  |  |
| --- | --- |
| [Insert picture of board member here - the picture should be about two inches wide] | [Insert board member name and board title, followed by brief bographical information]  **Appointment/Election Date:** [Insert month, year]  **Expiration of Term:** [Insert month, year] |
| [Insert picture of board member here - the picture should be about two inches wide] | [Insert board member name and board title, followed by brief bographical information]  **Appointment/Election Date:** [Insert month, year]  **Expiration of Term:** [Insert month, year] |
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| [Insert picture of board member here - the picture should be about two inches wide] | [Insert board member name and board title, followed by brief bographical information]  **Appointment/Election Date:** [Insert month, year]  **Expiration of Term:** [Insert month, year] |

**Our Service Area**

[Insert your service area map here, or briefly describe your primary and secondary service areas, including a geographical description, list of zip codes, demographic information, market by age, gender, income, ethnic mix, other demographic factors, etc.]

**Physical Facilities**

[Insert information about your facilities here (hospital clinics, urgent care centers, home health, long-term care, etc.) including a description of the location, size, length of time in service, personnel, and function of each.]

**Hospital Organization Chart**

[Insert chart here, or describe the functional levels in the organization and the reporting relationships of each]

**Medical Staff Organization Chart**

[Insert chart here, or describe the medical staff structure based on the medical staff bylaws]

**Hospital Quick Facts:** **[Year - NOTE: Some of this data can be pulled annually from the KHA STAT annual report]**

|  |  |
| --- | --- |
| ***Staffed Beds:*** | [Insert data] |
| ***Admissions:*** | [Insert data] |
| ***Inpatient Days:*** | [Insert data] |
| ***Average Daily Census:*** | [Insert data] |
| ***Average Stay:*** | [Insert data] |
| ***Surgical Operations:*** | [Insert data] |
| ***Births:*** | [Insert data] |
| ***Emergency Department Visits:*** | [Insert data] |
| ***Other Outpatient Visits:*** | [Insert data] |
|  |  |
| ***Active Medical Staff:*** | [Insert data] |
| ***Total Number of Employees:*** | [Insert data] |
|  |  |
| ***Payroll:*** | [Insert data] |
| ***Employee Benefits:*** | [Insert data] |
|  |  |
| ***Patient Service Revenue:*** | [Insert data] |
| ***Other Revenue:*** | [Insert data] |
| ***Total Revenue:*** | [Insert data] |
| ***Operating Expense:*** | [Insert data] |
| ***Excess Revenue:*** | [Insert data] |
| ***Market Share:*** | [Insert data] |
| ***Unsponsored Care (charity care + bad debt):*** | [Insert data] |

**Related Entities**

***Hospital Auxiliary*** [Describe the roles and value of the hospital auxiliary, including how it is structured, its leadership, and how it is financed]

***Hospital Foundation*** [Describe the role and value of the hospital foundation, including its structure, legal relationship to the hospital, and leadership structure]

***Other*** [Describe any other important organizations your hospital has, including the purpose and value of the relationship, how long it has been in effect, and the relationship of the hospital to it]

**Health Care Basics**

**Types of Hospitals**

There are many different “types” of hospitals, owned and governed through different methodologies. However, regardless of the type of ownership, community leaders have an opportunity – in fact an obligation – to recommend qualified and viable candidates for board positions. This holds true whether the board is selected through local elections, appointed by a government entity or a corporation with headquarters located out of town, or selected through a self-perpetuating process.

Regardless of the type of hospital, board members must work closely with the hospital CEO/administrator and his/her leadership team who are responsible for the day-to-day operations of the hospital.

[Hospital name] is a [Insert type of hospital] type of hospital.

***General Hospitals (Community, Full-Service Hospitals)***

There are more than 6,500 hospitals in the United States. The majority of them are “general” hospitals set up to deal with the full range of medical conditions for which most people require treatment. Many Iowa hospitals are designated as Critical Access Hospitals which are also considered general hospitals, but with a focus on basic inpatient and outpatient care.

***Critical Access Hospitals***

Iowa has 82 Critical Access Hospitals (CAHs). These are hospitals that are certified to receive cost-based reimbursement from Medicare. The reimbursement that CAHs receive is intended to improve their financial performance and thereby maintain access to basic health care in rural areas. CAHs are certified under a modified set of Medicare Conditions of Participation that are more flexible than acute care hospital Conditions of Participation.

To be a CAH, hospitals must meet specific requirements, including:

* Being located in a rural area and meeting one of the following criteria:
  + over 35 mile distance from another hospital;
  + 15 miles from another hospital in mountainous terrain or areas with only secondary roads;
  + or state-certified as a necessary provider of health care services to residents in the area.
* A maximum of 25 acute or swing beds.
* Maintaining an annual average length of stay of 96 hours or less for acute care patients (there is no length of stay limit for swing bed patients).
* Providing 24-hour emergency services, with medical staff on-site, or on-call and available on-site within 30 minutes (60 minutes if certain frontier area criteria are met).
* Developing agreements with an acute care hospital related to patient referral and transfer, communication, emergency and non-emergency patient transportation. CAHs also may have an agreement with their referral hospital for quality improvement or choose to have that agreement with another organization.

***Teaching Hospitals***

Large teaching/research hospitals have a variety of goals. In addition to treating patients, they are training sites for physicians and other health professionals. Teaching institutions are affiliated with a medical school, which means patients have access to highly skilled specialists who teach at the school and are familiar with up-to-the-minute technology.

***Public Hospitals***

Iowa has three types of public hospitals, those established by the state, county or municipal government. Public hospitals have specific chapters of the Iowa Code they must follow and in addition, these entities are subject to Iowa’s open meeting and open records laws.

***Not-for-Profit Hospitals***

A *not-for-profit hospital* is a community facility operating under religious or other voluntary auspices. Ultimate responsibility for all that takes place at the hospital rests with its board of trustees, the members of which are generally selected (based on board competency) from the community’s business and professional community, and typically serve without pay. The trustees appoint a paid CEO/administrator to manage the hospital.

***Investor-Owned Hospitals***

*Investor-owned hospitals* are owned by shareholders. They are profit-making institutions. Investor-owned hospitals are owned by corporations or individuals such as physicians.

***Limited Service Facilities***

More than 1,000 hospitals in the United States specialize in a particular disease or condition (cancer, rehabilitation, psychiatric illness, cardiac, orthopedic, etc.), or in one type of patient (children, elderly, etc.). These facilities are often physician owned.

**Regulatory Basics**

Hospitals and hospital trustees must be aware of health care laws and the requirements of the various regulatory bodies. Below are some of the most important regulatory basics:

***Federal***

Health and Human Services

The United States Department of Health and Human Services (HHS) is a cabinet-level department of the executive branch charged with protecting the health of all Americans and providing essential human services. HHS includes over 300 programs, including research, disease prevention, food and drug safety, Medicare and Medicaid, prevention of child abuse and domestic violence, services for older Americans and health services for Native Americans. Due to the large number of programs under the Department’s umbrella, HHS has many operating divisions, divided into two sections:

*Public Health Service Operating Divisions*

* National Institutes of Health (NIH)
* Food and Drug Administration (FDA)
* Centers for Disease Control and Prevention (CDC)
* Indian Health Service (HIS)
* Health Resources and Services Administration (HRSA)
* Substance Abuse and Mental Health Services Administration (SAMHSA)
* Agency for Healthcare Research and Quality (AHRQ)

*Human Services Operating Divisions*

* Centers for Medicare and Medicaid Services (CMS)
* Administration for Children and Families (ACF)
* Administration on Aging (AoA)
* U.S. Public Health Service Commissioned Corps

HHS Office of Inspector General

HHS and Congress established the HHS Office of Inspector General (OIG) in 1976 to promote efficiency and identify and eliminate waste, fraud and abuse in the Department’s operations. The OIG addresses these issues through nationwide audits, investigations and inspections. Part of reducing fraud includes investigating violations of the Medicare and Medicaid anti-kickback statute, which penalizes anyone who knowingly and willfully solicits, receives, offers or pays anything of value as an inducement in return for referring a patient or recommending, purchasing, leasing, or ordering any facility, good or service payable under Medicare or Medicaid. This carries criminal penalties as well as exclusion from participation in the Medicare and Medicaid programs.

Centers for Medicare and Medicaid Services

The Centers for Medicare and Medicaid Services (CMS), formerly the Health Care Financing Administration (HCFA) is a federal agency within the US Department of Health and Human Services. CMS is responsible for the implementation, oversight and/or regulation of:

* Medicare.
* Medicaid.
* State Children’s Health Insurance Program (SCHIP), called HealthWave in Iowa, in collaboration with the Health Resources and Services Administration.
* All laboratory testing (except research) performed on humans in the United States, based on the Clinical Laboratory Improvement Amendments of 1988 (CLIA).
* The Health Insurance Portability and Accountability Act of 1996 (HIPAA).

As a part of running the Medicare and Medicaid programs, CMS 1) establishes reimbursement policies; 2) assures the programs are properly run to avoid fraud and abuse; 3) conducts research on the effectiveness of methods for health care management, treatment and financing; and 4) assesses the quality of health care facilities receiving Medicare and Medicaid funds, taking appropriate actions if necessary.

CMS is comprised of three centers that support the organization’s functions:

* *The Center for Medicare Management*, focusing on management of traditional fee-for-service (FFS) reimbursement, including the development of payment policies and management of Medicare FFS contractors.
* *The Center for Beneficiary Choices*, focusing on providing information for beneficiaries regarding Medicare plans as well as management of Medicare+Choice plans, consumer research and demonstrations and grievance and appeals.
* *The Center for Medicaid and State Operations*, emphasizing programs administered by the states, including Medicaid, SCHIP, insurance regulation functions, survey and certification and CLIA.

**Medicare Conditions of Participation**

Conditions of Participation (CoP) are the minimum health and safety standards that health care organizations must meet in order to be Medicare and Medicaid certified. The requirements are developed by the Centers for Medicare and Medicaid Services, and address a wide range of topics, from medical records to medications to smoke alarms and hand washing procedures. Hospitals must meet or exceed the CMS requirements to participate in Medicare and Medicaid.

Telligen

Telligen (formerly the Iowa Foundation for Medical Care (IFMC)) is the Quality Improvement Organization (QIO) for Iowa. The QIO program was established by the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982 to promote the quality, medical necessity and appropriateness of services reimbursed through Medicare and Medicaid. The federal government hires QIOs to review the care provided to Medicare and Medicaid patients, who use government-approved criteria to measure whether services were used appropriately. Sometimes the care is pre-certified, and in other cases the care is reviewed after the patient is discharged. Each QIO may use a slightly different process, but all QIOs share the common goals of ensuring that:

* Government funded services are medically necessary;
* Care is provided in the appropriate clinical setting; and
* The quality of care is consistent with accepted medical standards.

Fiscal Intermediary

The fiscal intermediary administers Medicare claims and assesses allowable costs to determine the total amount of payment due to the provider under Medicare provisions. WPS is the fiscal intermediary for Iowa.

Federal Trade Commission and the Department of Justice

The Federal Trade Commission Act of 1914 created the Federal Trade Commission (FTC), an independent administrative agency with the power to study, issue findings and judicially enforce findings regarding “unfair methods of competition” and “unfair or deceptive acts.” The FTC and the US Department of Justice (DOJ) enforce the Sherman Antitrust Act of 1890 and the Clayton Act of 1914 (a supplement to the Sherman Act), which carry both civil and criminal penalties.

Antitrust litigation and enforcement in the health care field was minimal or nonexistent prior to 1975. It has emerged as a major legal issue since then, as the number of health care professionals and alternative delivery systems increased and the health care field became more complex.

***State***

**Iowa Department of Inspections and Appeals (DIA)**

The Department of Inspections and Appeals (DIA) is the agency responsible for inspecting, licensing and/or certifying health care providers and suppliers, restaurants and grocery stores, social and charitable gambling operations, hotels and motels, and barber and beauty shops. In addition, DIA staff investigates alleged fraud in the State's public assistance programs and conducts contested case hearings to settle disputes between Iowans and various state government agencies.  
  
The Department's Health Facilities Division inspects, licenses and/or certifies under the Medicare and Medicaid Programs more than 4,000 health care providers and suppliers in the State of Iowa. Among the regulated providers and suppliers are long-term care facilities, hospitals, hospices, end-stage renal disease units, rural health clinics, and child-placing agencies.

Survey teams from the Division conduct unannounced on-site inspection at health care facilities to assess the quality of care and services provided to clients, patients, residents and tenants. If problems are discovered during an inspection, the Division can initiate corrective and/or disciplinary action to assure a facility's compliance with state and federal rules.

Additionally, the Health Facilities Division staffs the state's [Hospital Licensing Board](http://www.state.ia.us/government/dia/page12.html). The Board advises the Division and the Department on issues impacting the administration of hospitals in the State of Iowa.

**Iowa Department of Public Health**

The Iowa Department of Public Health (IDPH) partners with local public health, policymakers, health care providers, business and many others to fulfill its mission of promoting and protecting the health of Iowans.

IDPH is organized into six divisions and the Director's office.

[Department of Public Health Director’s Office](http://www.idph.state.ia.us/do/default.asp)  
The director is the spokesperson and advocate for public health in Iowa and acts as a liaison to local boards of health, local public health agencies, health care providers, and consumers. The director also represents the department in a variety of national organizations and works with policymakers at the local, state, national and international levels.

* + [Iowa Dental Board](http://www.state.ia.us/dentalboard/)
  + [Iowa Board of Medicine](http://medicalboard.iowa.gov/)
  + [Iowa Board of Nursing](http://www.state.ia.us/nursing/)
  + [Iowa Board of Pharmacy](http://www.state.ia.us/ibpe/)
  + [Office of the State Medical Examiner](http://www.iosme.iowa.gov/)
  + [State Board of Health](http://www.idph.state.ia.us/do/board_of_health.asp)

[Acute Disease Prevention and Emergency Response](http://www.idph.state.ia.us/adper/default.asp)  
Provides support, technical assistance, education, and consultation about infectious disease prevention and control, injury prevention and control, and public health and healthcare emergency preparedness and response.

[Administration and Professional Licensure](http://www.idph.state.ia.us/apl/default.asp)  
Provides services for birth, marriage and death certificates, monitors and reports progress on health objectives and identifies emerging health issues, coordinates 19 licensure boards regulating the activities of more than 30 health professions, fiscal management of department revenues and contract administration, as well as software, network and computer support. The Bureau of Professional Licensure licenses the following professions:

* + [Athletic Training](http://www.idph.state.ia.us/licensure/AthleticTraining.aspx)
  + [Barber](http://www.idph.state.ia.us/licensure/Barbering.aspx)
  + [Behavioral Science](http://www.idph.state.ia.us/licensure/BehavioralScience.aspx)
  + [Chiropractic](http://www.idph.state.ia.us/licensure/Chiropractic.aspx)
  + [Cosmetology Arts and Sciences](http://www.idph.state.ia.us/licensure/Cosmetology.aspx)
  + [Dietetic](http://www.idph.state.ia.us/licensure/Dietetics.aspx)
  + [Hearing Aid Dispenser](http://www.idph.state.ia.us/licensure/HearingAidDispensers.aspx)
  + [Massage Therapy](http://www.idph.state.ia.us/licensure/MassageTherapy.aspx)
  + [Mortuary Science](http://www.idph.state.ia.us/licensure/MortuaryScience.aspx)
  + [Nursing Home Administrator](http://www.idph.state.ia.us/licensure/NursingHomeAdministrators.aspx)
  + [Optometry](http://www.idph.state.ia.us/licensure/Optometry.aspx)
  + [Physical & Occupational Therapy](http://www.idph.state.ia.us/licensure/PhysicalandOccupationalTherapy.aspx)
  + [Physician Assistant](http://www.idph.state.ia.us/licensure/PhysicianAssistants.aspx)
  + [Podiatry](http://www.idph.state.ia.us/licensure/Podiatry.aspx)
  + [Psychology](http://www.idph.state.ia.us/licensure/Psychology.aspx)
  + [Respiratory Care Practitioner](http://www.idph.state.ia.us/licensure/RespiratoryCarePractitioners.aspx)
  + [Sign Language Interpreters and Transliterators](http://www.idph.state.ia.us/licensure/SignLanguageInterpretersandTransliterators.aspx)
  + [Social Work](http://www.idph.state.ia.us/licensure/SocialWork.aspx)
  + [Speech Pathology & Audiology](http://www.idph.state.ia.us/licensure/SpeechPathologyandAudiology.aspx)

[Behavioral Health](http://www.idph.state.ia.us/bh/default.asp)  
Promotes the prevention of substance abuse and problem gambling, secondary conditions among people with disabilities, and violent behavior, regulates substance abuse and gambling treatment programs.

[Environmental Health](http://www.idph.state.ia.us/eh/default.asp)  
Provides technical assistance to local boards of health, local environmental health professionals, public health nurses, and local communities in areas relating to environmental health.

[Health Promotion and Chronic Disease Prevention](http://www.idph.state.ia.us/hpcdp/default.asp)  
Promotes and supports healthy behaviors and communities, the prevention and management of chronic diseases, and the development of public health infrastructure and access to health care/services at local and state levels.

[Tobacco Use Prevention and Control](http://www.idph.state.ia.us/TUPAC/)  
Promotes partnerships among state government, local communities, and the people of Iowa to reduce tobacco use.

**Iowa Board of Medicine**

The Iowa Board of Medicine is the regulatory agency for physicians and surgeons (M.D.s) osteopathic physicians and surgeons (D.O.s) and licensed acupuncturists (L.Ac.s) in Iowa.

**Iowa Board of Nursing**

The Iowa Board of Nursing ensures that nursing is practiced by competent individuals who practice within their authorized scope of practice.

**Iowa Board of Pharmacy**

The Iowa Board of Pharmacy is responsible for regulating the practice of pharmacy and the legal distribution and dispensing of prescription drugs and precursor substances throughout the State.

***Other***

**The Joint Commission**

The Joint Commission is an independent, not-for-profit organization that serves as the nation’s predominant standards-setting and accrediting body for health care organizations. The standards established by The Joint Commission are for each component of the health care organization. The hospital standards are categorized into patient-focused functions, organization functions and structural functions. Examples of patient-focused functions are patient rights, organization ethics, patient and family education and assessment of patients. Organization functions include: infection prevention and control, management of human resources, improving organization performance and safety.

Structural functions address governance, management/administration, medical staff and nursing. The emphasis is placed on meeting the standards through performance and continuing to improve performance.

**DNV**

**DNV Healthcare Inc.** was approved in 2008 by the [Centers for Medicare and Medicaid Services](http://en.wikipedia.org/wiki/Centers_for_Medicare_and_Medicaid_Services) (CMS) to accredit acute care hospitals in the United States and since then has also been granted CMS deeming authority for critical access hospitals. DNV has also developed quality-based certifications for medical specialty areas such as Primary Stroke Centers. It is part of the larger multinational [DNV](http://en.wikipedia.org/wiki/Det_Norske_Veritas) group.

With its background in quality certifications and risk management for complex industries, DNV set its sights on hospital accreditation, investing four years to create a new, modern accreditation program than integrates ISO 9001:2008 Quality Management System into the Medicare COPs. This unique program is called NIAHO (National Integrated Accreditation of Healthcare Organizations). Globally, DNV Healthcare is extending the NIAHO accreditation platform to hospitals seeking to establish consistent, benchmarked standards for quality of care and patient safety. The company is also leveraging its expertise in biorisk to bring new infection management regimes to the world's health systems.

DNV Healthcare is a wholly owned subsidiary of [Det Norske Veritas](http://en.wikipedia.org/wiki/Det_Norske_Veritas), a global organization with 8600 employees operating in over 100 countries.

Other Regulatory Bodies with Oversight Over Health Care Organizations

Several other regulatory bodies also have varying levels of oversight of health care organizations:

* Drug Enforcement Administration (DEA)
* Organ Procurement Organizations (OPOs)
* Securities and Exchange Commission (SEC)
* Internal Revenue Service (IRS)
* Environmental Protection Agency (EPA)
* Federal Trade Commission (FTC)
* Federal Commerce Commission (FCC)
* Health Resources and Services Administration (HRSA)
* National Institute for Occupational Safety and Health (NIOSH)
* Nuclear Regulatory Commission (NRC)
* Department of Labor (DOL)
* Federal Bureau of Investigation (FBI)
* Occupational Safety and Health Administration (OSHA)
* Department of Transportation (DOT)
* Food and Drug Administration (FDA)

**Reimbursement Basics**

Hospitals and health systems are reimbursed for services provided through four primary methods:

* Medicare, the federal insurance for individuals over age 65.
* Medicaid, the state insurance program for low-income individuals.
* Insurance companies.
* Self-pay patients.

***Medicare***

Medicare is a health insurance program for people 65 years of age and older, some people with disabilities under age 65, and people with end-stage renal disease (permanent kidney failure requiring dialysis or a transplant). Medicare has four parts; Part A, Part B, Part C and Part D. Part A is hospital insurance; most Medicare recipients do not have to pay for this part. It helps pay for care in hospitals as an inpatient, critical access hospitals, skilled nursing facilities, hospice care, and some home health care. Part B is medical insurance; most people pay monthly for this part. It helps cover doctors’ services, outpatient hospital care, and some other medical services that Part A does not cover, such as the services of physical and occupational therapists, and some home health care. Part B helps pay for these covered services and supplies when they are medically necessary. Part C is the Medicare Managed Care program for HMOs and the Medicare Advantage PPOs. Part D is the Prescription Drug Program for seniors.

Hospitals must accept the payment from Medicare and may not bill the patient for the difference other than the patient’s deductible and co-insurance.

***Medicaid***

Medicaid is a state administered health insurance program available to certain low-income individuals and families who fit an eligibility group that is recognized by federal and state law. Each state has its own guidelines regarding eligibility and services. Specific requirements often include age, whether the recipient is pregnant, disabled, blind or aged, whether he/she is a U.S. citizen or a lawfully admitted immigrant. The rules for counting income and resources vary from state to state and from group to group.

In large part due to state and federal budget limitations and deficits, adequate, stable and predictable financing is one of the most critical issues facing health care organizations today. According to data collected by the American Hospital Association, the majority of hospitals lose money on both Medicare and Medicaid patients. This issue is compounded for hospitals - while they are struggling with Medicare and Medicaid reimbursement, demographic changes are resulting in a significant growth in enrollment in both programs.

***Insurance Companies***

The Iowa Insurance Division supervises all insurance business transacted in the state. The insurance commissioner oversees companies and individuals in the sale of insurance in Iowa and has general control over all aspects of their business, from the forms they use to the rates they charge.  The Insurance Division also has statutory authority over many activities related to the sale of securities and other regulated products in the state.

***Self-Pay Patients***

Patients that are not covered by either Medicare or Medicaid or by an insurance company are generally classified as “self-pay.” Self-pay patients are subject to the hospital’s usual and customary charges from the services they receive. Oftentimes these individuals lack sufficient financial means to pay for the services received. Hospitals will have policies and procedures in place that address billing, financial assistance and collection practices consistent with their mission for these patients.

**Leadership Role Overview**

**CEO/Executive Staff**

The [Hospital Name] board/CEO relationship is a trusting partnership in which both trustees and the CEO understand their respective roles and work together as a team to achieve the highest level of organizational success. The relationship is built upon a collective understanding of one another’s needs, clear communication, shared goals and objectives, structured meetings and a constant sharing of information.

Specific responsibilities of the [Hospital Name] CEO and administrative team include:

* Providing input to the long-term strategic plan.
* Establishing and carrying out the details of implementing both short-term and long-term plans.
* Making all management decisions and developing policies and procedures for day-to-day operations.
* Preparing budgets, assumptions and targets to present to the board for approval.
* Preparing requests and information to present to the board for capital purchases and decisions about the hospital’s facility, renovation, leasing and expansion.
* Following board policies regarding supply purchases and repairs.
* Developing a fee schedule and proposing billing, credit and collections policies for the board to approve, and implementing the policies after they are approved.
* Hiring, assigning responsibilities, determining responsibilities, training, evaluating and terminating staff.
* Recommending personnel policies to the board, negotiating labor contracts and implementing and evaluating employee satisfaction surveys.
* Preparing regular updates about strategic progress for the board.
* Overseeing medical staff affairs and policies.
* Establishing and implementing quality improvement initiatives.
* Establishing a corporate compliance plan.
* Knowledge of current issues and development of legislative/political action plan.
* Providing communication and transparency to the community.
* Establishing a plan and priorities to address the community’s health needs.
* [Other may be added here.]

**Medical Staff**

[Insert information about the medical staff: how it is comprised, number of physicians by specialty, and how medical staff development (physician needs assessment and recruitment) is undertaken.]

Hospital leadership is a collaborative effort between the medical staff, administration and the board of trustees. The [Hospital Name] medical staff participates meaningfully in hospital governance, serves on committees and actively contributes to strategic direction and decisions.

**System Affiliations**

[Describe any hospital system or network relationships your hospital has with other organizations.]

**Governance Operations**

**Fiduciary Duties**

**Duty of Care** requires that trustees apprise themselves of all reasonably available information before taking action; and then, having been so informed, to act with attentiveness and care appropriate under the circumstances in the discharge of their duties.

**Duty of Loyalty** requires trustees to discharge their duties unselfishly, in a manner designed to benefit only the corporate enterprise and not the trustees personally. It incorporates a duty to disclose situations which may present a potential for conflict with the corporation’s mission, as well as a duty to avoid competition with, and appropriation of the assets of, the corporation.

**Duty of Obedience** requires that trustees be faithful to the underlying charitable purposes and goals of the nonprofit corporation they serve, as set forth in the corporation’s governing documents. It presumes that the mission of the corporation, and the means to achieve it, are inseparable.

Fulfilling the fiduciary responsibilities includes the following:

* Maintaining the confidentiality of board meetings and executive sessions.
* Preparing for each board meeting by studying the agenda and supporting information.
* Attending the entire board meeting(s). If unable to attend, trustees should notify [name, title, contact information] as far in advance as possible.
* Participating in board meetings and voicing opinions.
* Carrying out committee and board assignments.
* Publicly supporting board actions, even if the trustee may not agree with the decision.
* Having some knowledge about hospital and health care challenges and issues.
* Attending continuing education programs.
* Acting as a trustee for the assets and investments of the hospital for the residents of the service area.
* Selecting, advising, supporting, evaluating and appropriately compensating the CEO.
* Granting physicians staff privileges and ensuring that quality medical care is provided.
* Providing broad direction for the affairs of the hospital and ensuring the development and growth of the institution’s services.
* Participating in and promoting board education and self-evaluation.
* Promoting and maintaining positive external relationships with the community, local business, government, funding sources, and other health-related organizations.
* Promoting and maintaining positive external relationships with the medical staff.
* Creating an environment for assessing, maintaining and improving the quality of care provided.
* Ensuring that the hospital complies with and meets regulatory, legal and accreditation standards and requirements.
* [Other may be added here.]

**Basic Board Roles**

Management is responsible for the day-to-day tasks of running the hospital. The board delegates the day-to-day management to the [your hospital’s CEO/administrator]. The [your hospital’s CEO/administrator] and the senior management team is guided, but not directed, by the governing board. They lead the hospital’s staff to carry out the mission and vision that has been developed and approved by the governing board.

The roles and responsibilities of the governing board involves everything from ensuring the cost-effective utilization of resources to determining the hospital’s mission, and establishing a long-range strategic plan to help attain that mission. The board has primary responsibility in six key areas:

* Ensuring the achievement of the hospital’s mission, vision and strategic direction.
* Ensuring quality and patient safety.
* Building strong board/CEO relationships.
* Providing informed and effective financial leadership and oversight.
* Advocating for the hospital’s interests, and building strong community relations.
* Medical staff credentialing.

**Trustee Job Description**

***Major Responsibilities***

[Hospital Name] trustees are responsible for overseeing the progress and success of [Hospital Name]. The board of trustees must ensure that [Hospital Name] achieves its mission, vision and values. The board also assists in the development and approval of [Hospital Name]’s strategic plan, evaluation of the plan’s implementation, and taking corrective action when necessary. [Hospital Name]’s board of trustees is responsible for hiring, determining the compensation of and evaluating the CEO. The board of trustees assumes ultimate responsibility for the quality of care and patient safety provided by the hospital, and is accountable for the financial soundness and success of [Hospital Name]. Key duties include:

* Identifying important community constituencies, and designing a plan for trustee involvement that advances the hospital’s image, reputation and market awareness levels; include resource requirements, objectives and projected outcomes.
* Ensuring that the board has a clear and consensus-driven understanding of the most important community health needs and issues.
* Defining and measuring improvement in the community’s health.
* Regularly measuring the public’s perceptions of the hospital’s programs and services, community contribution, perceived trust, economic impact and overall value as a community health asset.
* Working with others in the community to develop collaborative partnerships in building a healthier community.
* Establishing a process for eliciting community input and viewpoints about the value and appropriateness of current services, and future service needs and opportunities; solicit community ideas for ways the hospital can best achieve its mission and vision.
* Relating with other community service organizations, schools and social agencies.
* Developing opportunities for trustees to interact with the public on local health care issues, and demonstrate strong, competent leadership, serving as well-informed “ambassadors” or spokespersons on behalf of the hospital.
* Developing a strategy to ensure that the hospital’s objectives, priorities, and challenges are successfully shared with the community, engaging leaders and residents and building community advocates.
* Being well educated on public policy, the board’s role in providing healthy community leadership, and other health care advocacy issues that are critical to hospital success; engage trustees in a focused advocacy plan of action, when required.
* Acting as a liaison with the institution’s local, state, and federal government representatives and agencies.
* Ensuring that patient satisfaction assessments are performed continuously, and that improvement objectives are defined, measured and reported.
* [Other may be added here.]

***Trustee Success Factors***

The successful [Hospital Name] trustee has strong interpersonal skills, and is comfortable interacting with other board members, the CEO, medical staff leaders and the hospital’s executive team. Trustees must commit the time necessary for successful board service, and have a willingness and a desire to learn and understand the complexities of the health care environment and the challenges of meeting [Hospital Name]’s patient and community needs. The ability to constructively challenge the status quo, understand and evaluate financial information and collaborate with a broad range of diverse stakeholder groups is key to the success of our trustees. It is vital that trustees understand and follow their fiduciary obligations to the organization, and not serve any individual constituency or group.

***Necessary Personal Skills and Assets***

Successful [Hospital Name] trustees build positive relationships with other board members, the hospital’s executive team, medical staff leaders and the organization’s other key stakeholders.

Adaptability, flexibility, organization, initiative, leadership and analytical skills are key qualities which enable our trustees to be successful. Other important personal assets include sound, independent judgments and decisions; the ability to analyze complex issues and develop effective solutions; and the ability to create a vision for the future, given the many uncertainties prevalent in today’s health care environment. Trustees should have a basic general understanding of the health care field, be committed to preparing for active insightful involvement in board and committee meetings, and be able to read, understand, and apply industry information and financial acumen to strategic decisions. Strong communication skills are essential. Trustees must be deeply committed to the hospital and the community we serve, and have no irresolvable conflicts of interest with [Hospital Name]’s operations or key stakeholders. When conflicts of interest do arise, trustees must abstain from discussions and votes surrounding the issue.

**Board Member Selection**

Properly identifying, assessing and successfully recruiting new trustees is one of the board’s most important functions. Our board begins by conducting a comprehensive governance self-assessment to determine where we may have potential leadership “gaps,” either now or in the future. After identifying specific characteristics and skills sets desired, the board talks with a variety of candidates who may meet our board service requirements. Once specific desired skills and characteristics have been identified, the board recruits individuals that meet these specifications.

Several approaches are used to find candidates, including:

* Maintaining a list of potential board candidates, including the specific skills they can bring to the organization.
* Assessing the leadership potential of individuals who already volunteer for the hospital in other capacities, such as serving on the hospital’s foundation, or participating in ad hoc committees and task forces.
* Seeking out individuals who have a record of successful governing service on other boards, and who have the potential to bring credibility, expertise and community connections to board work.
* Asking the CEO and former board members to suggest replacements for outgoing members.
* Contacting successful former board members who were highly regarded for their leadership skills, and ask if they would be willing to serve again. These individuals are often a deep well of information and perspective.
* Considering expanding the “network” of potential candidates, perhaps looking outside the immediate community for qualified trustees.

Once a potential trustee (or trustees) has been identified, several additional steps are taken before extending an offer to serve on the board:

* Double-check for potential conflicts-of-interest.
* Invite the prospective board member to meet with the board chair and the CEO for a detailed overview of the organization as well as relevant organizational materials, a board member job description, etc.
* Provide the candidate with the names and contact information for board members he or she may contact with questions.
* Invite the prospective new member to observe a board meeting, and follow up with the candidate after the meeting to discuss his or her continuing interest.

**Board Committees**

Our board consists of [#] committees. Below is a description of each, with its primary responsibilities.

[NOTE: Eliminate the committees your hospital board does not have and modify the duties of each committee accordingly. Not all committees are required. Depending on size and need, hospitals may utilize a "committee of the whole" approach to governance.]

***Executive Committee***

The Executive Committee is comprised of [#] members and meets [frequency with which it meets]. The committee is charged with the following responsibilities:

* Provides advice and counsel to the CEO related to major organizational development issues.
* Acts on the board’s behalf when necessary, while keeping the board fully informed of all deliberations and decisions that have been made.

***Strategic Planning Committee***

The Strategic Planning Committee is comprised of [#] members and meets [frequency with which it meets]. The committee is charged with the following responsibilities:

* Provides a written “plan for planning” that describes how strategic planning will occur within the hospital, including how key stakeholders at various levels within the hospital will be engaged throughout the process.
* Ensures ongoing review and updates of the hospital’s mission and vision statements
* Receives and reviews an environmental assessment from administration annually, and using the assessment to provide advice related to the modification or development of goals and strategies.
* Provides a final review and refinement of the strategic plan, ensuring its support of achieving the vision and long-term success of the hospital.
* Ensures that a comprehensive strategic planning process is implemented for the hospital every three to five years.
* Reviews and comments on business plans for specific actions identified within the strategic plan, such as discontinuing major services.
* Monitors the ongoing implementation of the strategic plan and recommends modifications to the plan when it considers appropriate.
* Ensures that the strategic planning process involves and communicates with all key stakeholders, including the medical staff, to develop adequate understanding and support for strategic directions.

***Finance Committee***

The Finance Committee is comprised of [#] members and meets [frequency with which it meets]. The committee is charged with the following responsibilities:

* Reviews and refines the annual operating and capital development budget prepared by management.
* Presents reviewed budgets to the entire board for approval.
* Monitors the implementation of major initiatives that impact strategic and financial objectives, making appropriate recommendations to the board on an as-needed basis.
* Reviews monthly financial statements.
* Recommends hospital investment policies and monitors the hospital’s investments.
* Recommends an auditing firm to the board to audit the hospital’s records every five years.

***Nominating and/or Governance Committee***

The Nominating and Governance Committee is comprised of [#] members and meets [frequency with which it meets]. The committee is charged with the following responsibilities:

* Develops and implements policies and procedures to ensure that the board will be appropriately organized to meet fiduciary obligations.
* Establishes codes of ethics and conduct for board members, management and employees of the hospital, periodically reviewing the codes and recommending proposed changes to the board for approval.
* Monitors compliance with codes of ethics.
* Identify and brings to the attention of the board and management current and emerging governance issues, trends and best practices that may affect business operations, performance or the public image of the hospital.
* Ensures that the board and individual committees develop written objectives annually.
* Reviews and makes recommendations to the board regarding the nature and duties of the board committees, including evaluation of their charters, duties and powers and criteria for membership.
* Makes recommendations regarding appointments to board committees and the election of committee chairs, including rotation, reassignment or removal of any committee member.
* Develops and implements a formal trustee orientation plan.
* Develops and implements ongoing education for all board members to further enhance their knowledge and skill related to effective governance.
* Conducts an annual self-assessment of the board and its committees, and discusses outcomes with the board.
* Uses the self-assessment results to create an action plan designed to support ongoing development of the board.
* Conducts a self-evaluation of individual board members annually.
* Reviews individual board members’ performance on an annual basis in relationship to board-approved performance standards.
* Develops criteria for selection of new board members and committee members, such as independence/lack of conflict-of-interest, personal experience in the context of the needs of the board, diversity and age.
* Annually reviews the board member and committee selection criteria with the board.
* Ensures that there is appropriate succession planning related to filling the officer positions within the board.
* Nominates board members for each committee.
* Identifies individuals qualified to become board members, developing a pool of potential future board members that can strengthen the board’s ability to govern effectively.
* Nominates individuals for appointment to the board as current terms expire.
* Considers the qualifications of all individuals properly recommended for election to the board.

***Physician Advisory Committee***

The Physician Advisory Committee is comprised of [#] members and meets [frequency with which it meets]. The committee is charged with the following responsibilities:

* Ensures physician leadership and support for achieving the mission and vision.
* Ensures a broad base of physician input into the definition of clinical priorities and in the ongoing planning of clinical services within the hospital.
* Ensures opportunities for developing a more collaborative relationship between and among physicians affiliated with the hospital.
* Ensures opportunities for developing a more collaborative relationship between the board and medical staff.
* Oversees the development and implementation of an appropriate medical staff development plan.
* Provides advice and counsel related to economic partnerships between the hospital and physicians.
* Recommends approaches for education that would help physicians and the hospital’s leadership to develop a shared understanding of challenges presented by changes occurring within the local and regional health care environment.
* Recommends approaches to addressing the concerns of specific groups of physicians, when differences develop and conflicts need to be resolved.

***Quality Committee***

The Quality Committee is comprised of [#] members and meets [frequency with which it meets]. The committee is charged with the following responsibilities:

* Oversees the development, implementation and reporting of a hospital-wide program that measures quality, risk management and clinical resource utilization.
* Reviews results of regulatory and accrediting body review of the hospital’s performance.
* Monitors the performance of all hospital programs in developing and implementing quality improvement programs.
* Reviews quality and patient safety indicators.
* Reviews and makes recommendations related to policies and procedures that enable the medical staff to process applications and re-appointments and the granting of clinical privileges in a timely and appropriate manner.
* Reviews medical staff success in carrying out its responsibilities for evaluating and improving the delivery of medical care.
* Periodically reviews trend reports that reflect the overall performance of the hospital in providing quality care in a customer-focused, cost-effective manner.

***Compensation Committee***

The Compensation Committee is comprised of [#] members and meets [frequency with which it meets]. The committee is charged with the following responsibilities:

* Annually reviews and approves the hospital’s goals and objectives relevant to the compensation of the CEO.
* Evaluates the CEO’s performance at least one a year in light of the established performance goals and objectives, using the evaluation to set the CEO’s annual compensation, including salary, bonus, incentive and equity compensation.
* Annually reviews and approves the evaluation process and compensation structure for all the hospital’s officers.
* Annually evaluates the performance of the hospital’s executive officers, and approves the annual compensation, including salary, bonus, incentive and equity compensation.
* Provides oversight of management’s decisions concerning the performance and compensation of hospital officers other than the CEO and executive officers.
* Approves any employment agreements for the hospital’s CEO and other executive officers.
* Approves the terms of any consulting or severance agreements with current or former executive officers or trustees of the hospital.
* Members are free from relationships that would interfere with the exercise of their independent judgment as a member of the committee.
* Ensures that the CEO’s performance evaluation is based on pre-determined and clearly communicated performance criteria.
* Recommends the CEO’s annual compensation package.
* Ensures that the CEO’s compensation package is tied to performance and is comparable to CEO salaries of health care organizations similar in size and scope.
* Develops a plan for the succession of the hospital’s CEO and key members of senior management, including requirements for qualifications, character, skills and availability of potential successors based on the hospital’s needs.

***Audit Committee***

The Audit Committee is comprised of [#] members and meets [frequency with which it meets]. The committee is charged with the following responsibilities:

* Encourages continuous improvement of, and fosters adherence to, the hospital’s finance, accounting and legal policies, procedures and practices at all levels.
* Assists the board of trustees in fulfilling its oversight responsibilities with respect to the integrity of the financial reports and other financial information provided by the hospital to any governmental body or the public.
* Assists the board of trustees in fulfilling its oversight responsibilities with respect to the hospital’s compliance with legal and regulatory requirements.
* Assists the board of trustees in fulfilling its oversight responsibilities with respect to the independent auditors’ qualifications and independence.
* Assists the board of trustees in fulfilling its oversight responsibilities with respect to the performance of the hospital’s systems of internal controls regarding finance, accounting and legal compliance and independent auditors.
* Assists the board of trustees in fulfilling its oversight responsibilities with respect to the performance of the hospital’s auditing, accounting and financial reporting processes.

**Audit Committee Membership Composition**

* Is financially literate and possess a general understanding of basic finance and accounting practices.
* Maintains at least one member that is determined to be an “audit committee financial expert,” possessing accounting or related financial management expertise.

**Audit Committee’s Review and Discussions with Management and Auditors**

* Discusses with management, independent auditors and internal auditors the hospital’s critical accounting policies, the auditors’ judgments of the quality and appropriateness of accounting policies and financial disclosure practices of the hospital.
* Discusses with management, independent auditors and internal auditors any disagreements with management over the application of accounting principles.
* Discusses with management, independent auditors and internal auditors accounting policies applied, especially significant estimates made by management or significant changes in accounting methods.
* Discusses with management, independent auditors and internal auditors significant transactions or courses of dealing with parties related to the hospital which are relevant to an understanding of the hospital’s financial condition or results of operation.
* Discusses with management, independent auditors and internal auditors significant audit adjustments.
* Discusses with management, independent auditors and internal auditors any difficulties encountered during the audit, including any restrictions on the scope of work or access to required information.
* Discusses with management, independent auditors and internal auditors any material financial or non-financial arrangements of the hospital which do not appear on the financial statements of the hospital.
* Discusses with management, independent auditors and internal auditors the hospital’s internal controls regarding finance, accounting and legal compliance.
* Discusses with management, independent auditors and internal auditors any other matters related to the conduct of the audit required to be communicated to the Audit Committee by the independent auditors or that any member of the Audit Committee desires to review or discuss.

**Audit Committee’s Independent Auditors' Report**

* Annually receives and reviews a report from the independent auditors.
* Ensures that the annual auditors’ report reviews all accounting policies and practices used by the hospital.
* Ensures that the annual auditors’ report includes all alternative accounting treatments of financial information within generally accepted accounting principles (GAAP) related to material items that have been discussed with management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the accounting firm.
* Ensures that the annual auditors’ report includes other material written communication between the accounting firm and management.

**Audit Committee’s Selection and Roles of Independent Auditors**

* Selects, engages and fixes the compensation and other terms of engagement for the independent auditors.
* Ensures the independence and effectiveness of the independent auditors, including internal quality control procedures, any material issues or concerns raised by internal quality control review, peer review, or any inquiry or investigation by governmental or professional authorities in the previous five years, and relationships between the independent auditors and the hospital.
* Evaluates the independent auditors’ qualifications and performance, including review of the lead partner and reviewing the partner of the independent auditors.
* Ensures regular rotation of the lead audit partner.
* Considers the periodic rotation of the independent auditors, if necessary.
* Considers if the proposed provision of any non-audit services by the independent auditors is compatible with maintaining the auditors’ independence.
* Reviews and discusses with the independent auditors and the trustee of internal audit the audit plan and the procedures to be followed, including the scope and timing of the audit, staffing, locations, foreseeable issues, priorities, the coordination between the independent auditors and the trustee of internal audit in executing the audit plan and, after completion of the annual audit, the results of the annual audit examination and the accompanying management letters, and any reports of the independent auditors with respect to the interim periods.
* Regularly reviews with the independent auditors any difficulties that the audit team encountered during the course of audit work, such as restrictions on the scope of the independent auditors’ activities or access to requested information, or significant disagreements with management.
* Reviews with the independent auditors any accounting adjustments that were noted or proposed by the audit team but were “passed.”
* Reviews with the independent auditors any communications between the audit team and the audit firms’ national office respecting auditing or accounting issues presented by the engagement.
* Reviews with the independent auditors any “management” or “internal control” letter issued, or proposed to be issued, by the audit firm to the hospital.
* Consults at least quarterly with the independent auditors outside the presence of management about internal controls and the completeness and accuracy of the hospital’s audited annual financial statements and quarterly financial statements.

**Audit Committee’s Financial Reporting Process**

* Reviews and discusses with management and the independent auditors the integrity of the hospital’s financial reporting process, both internal and external.
* Reviews and discusses with management and the independent auditors the hospital’s critical accounting policies, the auditors’ judgments about the quality of the hospital’s accounting policies, and any significant changes to the hospital’s accounting policies and practices suggested by the independent auditors and management.
* Reviews and discusses with management and the independent auditors the hospital’s “disclosure controls” and its “internal controls and procedures for financial reporting.”

**Audit Committee’s Additional Audit Committee Roles**

* Reviews and reassess the adequacy of its committee charter.
* Reviews and discusses with management, the hospital’s legal counsel and the board’s compliance committee pending legal proceedings or investigations, compliance issues and other contingent liabilities that could have a significant impact on the hospital’s financial statements.
* Reviews and discusses with management the hospital’s policies with respect to risk assessment and risk management, including significant financial risk exposures and the steps management has taken to monitor and control such exposure.
* Sets clear policies consistent with applicable law regarding the hiring of employees or former employees of the hospital’s independent auditors.
* Coordinates with the nominating and governance committee to establish procedures for the receipt, retention and treatment of complaints received by the hospital regarding accounting internal controls and procedures for financial reporting and auditing related matters.
* Establishes procedures for the confidential and anonymous submission by hospital employees of concerns regarding questionable accounting or auditing matters.
* Reviews and reassess the adequacy of its committee charter.
* Reviews and discusses with management, the hospital’s legal counsel and the board’s compliance committee pending legal proceedings or investigations, compliance issues and other contingent liabilities that could have a significant impact on the hospital’s financial statements.

**Strategic Planning**

The board governs and leads the strategic plan; it does not create or manage it.

The board has a fiduciary duty of trust to the stakeholders of the organization to ensure that the hospital is healthy, serves the interests of the stakeholders, and moves in the right future direction. The board is the driver and keeper of the [Hospital Name] mission, values, vision, goals and strategic development process, but it does not dictate the plans for delivering on those expectations.

The board of trustees is accountable to the organization’s stakeholders—patients, community members, employees, physicians, donors and others. The board serves as the stakeholders’ representatives, bearing the duty of trust, or fiduciary responsibility, to secure their interests in achieving the mission, vision and values.

Although the board is not involved in the details of the strategic plan development and implementation, it plays a pivotal role in the strategic planning process, determining the path for the [Hospital Name] future and setting a course for the organization to achieve its mission and vision.

The board bears ultimate responsibility for the design of the strategic planning process and for the organization’s success or failure. Key trustee responsibilities throughout the strategic planning process include:

* Ensuring that a productive planning process is in place.
* Aligning responsibility to successfully oversee the process.
* Making policy decisions on the strategic direction of the organization.
* Ensuring that the strategic direction is consistent with the mission and vision, and is appropriate relative to the environment.
* Reviewing and approving specific projects and actions to verify that they are consistent with and support the strategic plan.
* Monitoring the implementation of the strategic plan and how goals and objectives are being achieved.
* Modifying and updating the plan on a regular basis.

***Our Strategic Plan***

[Insert a brief summary of your strategic plan here]

**Medical Staff Credentialing**

Medical staff credentialing is one of the most important tasks our board undertakes to ensure the quality of care in our organization. Credentialing is conducted by the Medical Executive Committee (MEC). Approval of MEC recommendations is done by the board.

The overall objective of credentialing is to ensure that only qualified doctors are admitted to (and remain on) the hospital’s medical staff, and that they practice within their scope of experience and competence.

Medical staff credentialing is a two-pronged process that involves establishing requirements and evaluating individual qualifications for entry into a particular medical staff status. Credentialing first involves considering and establishing the professional training, experience, and other requirements for medical staff membership. The second aspect of credentialing involves obtaining and evaluating evidence of the qualifications of an individual applicant.

Credentialing requires primary source verification – direct contact of the sources of credentialing, such as schools, residency programs, and licensing agencies – to assure that statements of education, training, experience and other qualifications are legitimate. Primary source verification is not only important in meeting the requirements of main accreditors, such as JCAHO, but also critical in avoiding legal problems and ensuring quality patient care.

Another aspect of the credentialing process is privileging the medical staff applicant. Privileging is a three-pronged process that determines:

* The diagnostic and treatment procedures a hospital is equipped and staffed to support.
* The minimum training and experience necessary for a clinician to competently carry out each procedure.
* Whether the credentials of applicants meet minimum requirements and allow authorization to carry out requested procedures.

Often called “delineation of clinical privileges,” this process determines what procedures may be performed or which conditions each medical staff member may treat. Delineation of privileges is an ongoing process that must not only be flexible enough to add new procedures or conditions to treat, but also be firm, fair and consistent.

**Legislative and Community Advocacy**

One of the most important roles of the board is to maintain strong and vibrant community relationships that build community understanding and loyalty to the hospital. Our Trustees play a vital role in securing strong public perceptions of the hospital and raising its profile as a premier community financial, health care and social services asset.

Our community has a wide range of key constituencies or stakeholders who should be communicated with and influenced by the hospital. The board of trustees is the ideal conduit between the hospital and these community groups, which include, but are not limited to:

* Community spokespersons or health advocates.
* Purchasers of health care.
* Insurers and other payers.
* Patients and families.
* Legislative and regulatory bodies.
* The news media.
* Civic groups, agencies and organizations.
* Religious leaders.
* Business owners.
* Educational institutions.

These stakeholder groups have varied interests in the activities of the hospital, but all are dependent in one way or another on the long-term success of the hospital.

The board of trustees is accountable to the community for the quality of care provided by the hospital and the efficacy of the various services provided by the hospital. Trustees ensure that the hospital’s community service role is well-articulated in the hospital’s mission statement, and ensure strong and meaningful understanding by various community segments of the challenges facing the hospital today and the challenges it will face in the future. By building this level of awareness and understanding, the hospital will be in a better position to solidify needed community support, build strong bridges, and ensure broad based and wide-spread loyalty to the hospital as an economic engine and as a vital health care resource.

***Key Roles***

Advocate:Taking the hospital’s message to legislators through lobbying or delivering testimony at hearings; representing the community’s interests in board decision making.

Educator:Speaking on issues facing the hospital at schools or civic groups; appearing on local television or radio shows to discuss health care.

Spokesperson:Being a designated board contact for the news media.

Conduit:Participating in public forums to discuss issues facing the hospital and to learn about community opinions or health care needs.

Ambassador:Representing the hospital at important community social gatherings.

Host:Presiding over visits of legislators, senior citizens, or key business leaders to the hospital to help them learn about available services and to hear about their interests or needs.

**Conflict of Interest**

To be “independent,” a trustee must be free of relationships with the organization or management that might influence his or her ability to make decisions. Potentially conflicting relationships include indirect links through family, business or charitable organizations where an individual may hold an officer or trustee position.

By ensuring ethical, independent, and conflict of interest-free behavior, health care organizations will be able to sustain greater fiscal solvency and provide the highest quality of care to patients while simultaneously earning and reinforcing employee and community trust.

[Insert hospital conflict of interest or code of conduct policy here]

**Confidentiality**

The confidentiality of governance discussions and decisions is an absolute requirement of our hospital board members. Significant damage may be done if board members reveal confidential matters with anyone outside of the board meetings.

[Insert hospital confidentiality statement here]

**Legal Protection**

Trustees have protection when their duties are exercised according to the duty of care standard. That duty requires that at trustee perform their responsibilities in good faith, in a manner reasonably believed to be in the best interest of the hospital, and with the care that a prudent person would reasonably be expected to exercise in a like position and under similar circumstances. In order to meet this standard, trustees must make reasonable inquiry, demonstrate a deliberative process, and make an informed decision. Even in those instances in which a trustee has not exercise the functions of the duty of care standard, the trustee may not be held liable unless the breach of duty was the cause of the damage suffered by the hospital.

Additionally, a trustee needs to exercise such reasonable care and skill as a person of ordinary prudence would employ in dealing with personal property. This standard is known as the “prudent man” standard.”

Board members can be protected from liability by 1) responsible governance; 2) indemnification; 3) directors’ and officers’ liability insurance; and 4) general hospital liability insurance.

Responsible governance is the first line of defense for board members. Trustees who are knowledgeable about their legal responsibilities and mindful of their duties to the hospital are protected from liability in most cases.

***Directors’ and Officers’ Liability Insurance***

[Insert a summary of your hospital’s directors’ and officers liability insurance]

***General and Other Liability Insurance***

[Insert a summary of your hospital’s general and other liability insurance]

**Board Self-Assessment**

## Our board of trustees’ leadership self-assessment is an annual quantitative and qualitative evaluation of the board’s satisfaction with all aspects of its performance in fulfilling its governance responsibilities. It combines ratings of various statements about the hospital’s governance environment, processes, focus and performance with trustee recommendations for change to improve leadership performance. Our board self-assessment *process* (a combination of the assessment and the action plans created from it) enables the board to identify critical “leadership gaps”, and achieve and maintain the level of governing excellence required for success in today’s challenging health care environment.

**Meeting Schedules**

Our board meetings are organized and focused on the important, timely, strategic planning decisions facing the organization. These meetings are designed around a carefully-crafted agenda, allowing board members to prepare ahead of time for discussions and become informed on the relevant topics.

**Board meetings** are [insert day, time and location of board meetings]

**Committee meetings** are [list committee and day, time and location of committee meetings]

**Association Memberships**

**Iowa Hospital Association**

The Iowa Hospital Association (IHA) is a nonprofit/advocacy organization and is the state of Iowa’s only trade association for hospitals and health systems. IHA provides value and service to Iowa’s hospitals through its strategic priorities of:

**Advocacy -** Effectively represent hospitals public policy interests that maintain quality health services for Iowa communities.   
**Education -** Provide learning opportunities that assist members in complying with regulations, knowledge of best practices and preparing for changes in health care delivery.  
**Information -** Develop resources for hospitals and consumers to better understand health care trends and hospital data.   
**Membership Support -**Create business partnerships that financially benefit member hospitals and preserve IHA resources.

**Mission**

## The Iowa Hospital Association is the organization that represents Iowa hospitals and supports them in achieving their missions and goals.

## **Vision**

## The Iowa Hospital Association will be Iowa's most trusted, respected, and influential leader in health policy and advocacy, and a valued resource for information and education.

## **Values**

## The Iowa Hospital Association is committed to Integrity, Leadership, Innovation, Engagement

All Iowa hospitals are members of IHA. IHA also has 149 Associate Members. These organizations are law firms, accounting firms, architects, consultants, and health care vendors with significant health practices.

IHA has two subsidiary corporations, The Iowa Hospital Education and Research Foundation (IHERF) and ServiShare of Iowa, Inc. (SSI). IHERF is the Association’s research and education foundation. SSI is the Association’s taxable subsidiary providing an array of fee supported programs for IHA members.

**IHA Trustee Education Certification**

IHA has developed a special voluntary trustee certification designed to make a good board member great and a committed board member an exceptional asset. The certification is a process of verifying an individual trustee’s initiatives to improve personal health care knowledge, leadership effectiveness and compliance with a variety of governance best practices. The IHA Trustee Education Certification (TEC) recognizes hospital trustees who participate in education offerings and confirm their board has adopted governance best practices. Commit as an individual or as an entire board and publicly confirm your effort to be a high-performing board to community members, business leaders and government officials.

Enrollment materials are available under the “Members and Groups” section on the IHA Web site.

**IHA Governance Education**

Annually IHA provides a governance forum designed specifically to address current issues of interest to hospital trustees. At this one-day meeting, individual trustees and entire boards are also recognized for completing their Trustee Education Certification. In addition, the IHA Annual Meeting each October has a track dedicated to governance issues and content throughout the convention of value to trustees. The IHA Summer Leadership Forum is also an important learning opportunity for Iowa hospital trustees who are encouraged to attend along with their CEO and senior leaders. Each of these events will provide content supporting trustees completing their certification.

**American Hospital Association**

The American Hospital Association (AHA) is the national organization that represents and serves all types of hospitals, health care networks, and their patients and communities. Close to 5,000 hospitals, health care systems, networks, other providers of care and 37,000 individual members form the AHA. Founded in 1898, the AHA provides education for health care leaders and is a source of information on health care issues and trends.

Through representation and advocacy activities, AHA ensures that members’ perspectives and needs are heard and addressed in national health policy development, legislative and regulatory debates, and judicial matters. Its advocacy efforts include the legislative and executive branches and include the legislative and regulatory arenas.

The vision of the AHA is “a society of healthy communities, where all individuals reach their highest potential for health.”

The mission of the AHA is “to advance the health of individuals and communities. The AHA leads, represents and serves hospitals, health systems and other related organizations that are accountable to the community and committed to health improvement.”

The IHA is independent of AHA, but works closely with AHA on federal advocacy and resources.

**Other Association Affiliations**

[List other associations your hospital is affiliated with, and the purpose of each]