

## **Checklist of the Key Functions and Responsibilities of a Health Center Governing Board**

A health center Board of Directors has numerous functions and responsibilities. Many of those responsibilities are grounded in a Board member's inherent legal duties to the health center of care, loyalty, and obedience. Federal regulations applicable to health centers (42 C.F.R. § 51c.304) and Bureau of Primary Health Care policy statements (Policy Information Notice 98-23, *Health Center Program Expectations*) elaborate on these duties and set forth specific functions and responsibilities that a governing Board of a health center are expected to fulfill. This checklist provides an overview of such duties and responsibilities. It is not intended, however, to be exhaustive of a Board member's roles and responsibilities, nor can it anticipate all circumstances under which the Board performs its duties. Further this checklist does not, and cannot, substitute for good "common sense" in making decisions and should not be used as an alternative to full Board training. Accordingly, each health center Board of Directors should customize its roles and responsibilities to fit its own circumstances and needs, incorporating the duties described below and taking into consideration its specific goals and objectives and, as applicable, State law considerations.

- ❑ Establishes a code of conduct for the Board and the health center management, employees, consultants, agents, etc. The code of conduct should address how to handle actual and potential conflicts of interest and how to ensure confidentiality of health center information.
- ❑ Establishes a Board training program, under which all Board members (new and experienced) become knowledgeable about: the difference between governance and management and the Board's role vis-à-vis health center staff; the general roles and responsibilities of corporate Boards of Directors (*e.g.*, fiduciary duties); the specific duties of Federally-sponsored health center Boards; and potential liabilities and the methods to limit such liabilities.
- ❑ Holds a regularly scheduled meeting at least once a month, keeps minutes of each meeting, and approves the minutes at the next subsequent meeting.
- ❑ Attends and participates in all Board meetings – each Board member should be prepared for the meetings (*i.e.*, read reports and minutes provided prior to the meetings and be familiar with the agenda), ask questions (as appropriate), express his/her opinion, be respectful of the opinions of other members, and act in the best interests of the health center at all times.
- ❑ Approves the selection and dismissal of the health center's Chief Executive Officer/Executive Director.
- ❑ Conducts periodic reviews of the performance of the Chief Executive Officer/Executive Director.

- ❑ Establishes personnel policies and procedures, including selection and dismissal procedures, salary and benefit scales, employee grievance procedures, and equal opportunity practices.
- ❑ Adopts policies for financial management practices, including a system to assure accountability for center resources, approval of the annual project budget, center priorities, eligibility for services including criteria for partial payment schedules, and long-range financial planning.
- ❑ Adopts health care policies, including the scope and availability of services, the location and hours of services, and quality-of-care audit procedures.
- ❑ Establishes a tracking system to document and verify: approval and disapproval of health center policies and procedures that are established/adopted by the Board; the proper functioning of the policies and procedures; and as necessary, modification of the policies and procedures.
- ❑ Evaluates the health center's activities, including service utilization patterns, productivity, patient satisfaction, achievement of center objectives, and development of a process for hearing and resolving patient grievances.
- ❑ Conducts periodic needs assessments to ensure that the health center remains responsive to the community.
- ❑ Assures that the health center operates in compliance with applicable Federal, State, and local laws and regulations, including the adoption of corporate compliance and risk management programs.
- ❑ Establishes and periodically reviews the health center's mission, and reviews operations for consistency with the established mission.
- ❑ Establishes and periodically reviews the governance structure for the health center, including:
  - The Board's overall size, composition and responsibilities, the terms of office, and the selection and removal processes for members of the governing Board;
  - Establishing the responsibilities of corporate officers, the terms of office, and the selection/removal processes for officers;
  - Establishment of the committees of the Board (standing, ad hoc), and membership and responsibilities of each committee;
  - Establishment of a meeting schedule, quorum, and acceptable meeting venues;
  - Ensuring the proper recording, distribution and storage of meeting minutes of the health center corporation; and
  - Establishment of conflict of interest provisions for Board members and staff, executive session and dissolution.

- ❑ Engages in strategic planning and assures effective organizational planning.
- ❑ Ensures adequate resources for the health center, including conducting appropriate fundraising activities.
- ❑ Manages resources (budget, reviews, audits, *etc.*) in a cost-effective manner.
- ❑ Evaluates the health center's management and delivery systems (by, among other things, receiving and reviewing reports, conducting discussions with the Executive Director and other top management, and establishing committees to investigate problematic areas).
- ❑ Promotes the image of the health center in the community (and determines who should speak publicly for the organization).
- ❑ Periodically self-assesses the Board's own performance.
- ❑ Conducts Board development activities, including arranging for and participating in periodic Board education programs.
- ❑ Develops a process for recruiting and selecting new Board members.

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*While based on principles of Federal law, as well as general corporate law and sound corporate principles, the recommendations provided do not constitute, and are not a substitute for, legal advice. If legal advice or other expert assistance is required, the services of a competent professional should be sought. In particular, a health center with questions regarding the legality and/or potential liabilities of its Boards actions (or omissions) should consult with competent legal counsel.*