

GOVERNANCE AUTHORITY MATRIX PREVIEW

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ABOUT THE MATRIX

As health systems move into population health management they are forming larger, more integrated, and more complex care systems. Mergers and acquisitions are becoming more common.

These trends risk growing confusion about the relative responsibilities of the board, the executive team, and committees of the board that include a mix of community leaders and clinical staff.

It is time for “Crucial Conversations” about these roles and responsibilities. We have found it useful to guide these conversations around an “Authority Matrix” that encourages discussion among the players before the confusion creates frustration and anger.

Who has authority to decide and do what?

The following page identifies nine essential spheres of board decision-making. Each of the nine areas has a worksheet with strategic questions to stimulate conversations among Board, Executive, and Medical Staff leadership about how you might want to define the relative roles and responsibilities in your governance work among your governing body leadership.



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Key Governance Functions	Description of Functions	Governing Body	CEO	Committee
Strategic Planning & Mission	Governing bodies establish the strategic purpose and direction for the organization and its subsidiary units. plus 12 additional sub categories			
Financial Vitality	Governing bodies establish policies and plans that protect and enhance the economic / financial assets of the organization. plus 17 additional sub categories			
Quality & Patient/ Resident Safety	An essential responsibility of a care-giving system is to assure the basic safety and quality outcomes of the service experience. plus 9 additional sub categories			
Physician Economic Relations	Physicians are our most important partners in and customers for our health services mission. plus 9 additional sub categories			
Community Relations & Advocacy	Governing bodies of health services organization/program assign a high priority to activities that maximize positive relationships with our many communities and their political and economic leaders. plus 7 additional sub categories			
Philanthropic Support	Challenges to our financial vitality from erosions in revenues and explosions of expenses place renewed importance for funds to be donated to our local programs and institutions. plus 9 additional sub categories			
Management Oversight	One of the most important roles of a governing body is the selection and support of a competent chief executive officer (CEO) plus 15 additional sub categories			
Governing Body Performance Enhancement	All governing bodies must be attentive to their own development and performance. plus 16 additional sub categories			
Corporate Reorganization	plus 3 additional sub categories			

To get the entire matrix connect with one of our consultants today by calling **800-653-6597**.

1 | GOVERNANCE AUTHORITY MATRIX REVIEW: Who has authority to decide and do what?



This is a draft worksheet to stimulate conversation among the board and executive team about how you might want to define the relative roles and responsibilities in your governance work among your governing body leadership

		What are their relative roles?		
Key Governance Functions	Description of Functions	Governing Body	CEO	Committee
1.0 STRATEGIC PLANNING AND MISSION	<p>Governing bodies establish the strategic purpose and direction for the organization and its subsidiary units. This core responsibility encompasses:</p> <ul style="list-style-type: none"> • Establishing or updating the mission—fundamental reason for existence; • The vision—definition of desired future state of the organization, how it should look and behave in a distant future; • The values—style or manner in which the people of the organization work together to accomplish the overall mission and related plans; and • Strategic plans that direct and guide the use of scarce resources to accomplish the mission. 			
1.1 Mission–Visioning (Text to reflect your health services organization / program’s)	<p>Our reason for being is defined in terms of:</p> <ul style="list-style-type: none"> • Who we exist to serve; • The macro outcomes we hope for these persons served; and • The essential services we intend to provide. <p>Mission To improve human life through excellence in the science and art of health care and healing.</p> <p>Vision To put patients first by providing each beneficiary/patient the quality of care and comfort we want for our families and for ourselves.</p>			



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1.2 Values	The health services organization/program values guide how we do all of our work to achieve our mission and vision. While these values can be periodically reviewed, they are meant to have a permanence that adds stability and clarity to our culture.			
1.3 Ethics Decision-Making	Our leaders must intentionally manage all of our decision-making processes and operational activities in such a way as to assure we meet or exceed the highest ethical standards of local, district, provincial, and national units of government, and our own unique precepts and values.			
1.4 Environmental Assessment	A process of identifying and evaluating forces and trends, and their likely implications to our many services, programs and health facilities, within our various markets and operating environments.			
1.5 Market Needs Assessment	Our local and system leaders must continuously review and understand the strategic and tactical plans and performance of other healthcare providers who might constrain or disrupt our capacity to accomplish our mission and related plans. Our leaders must also assess the implications of these organization's moves and identify potential strategies to meet and improve upon them.			
1.6 Organization Situation Analysis	A process of evaluating each of our units' strengths, weaknesses, opportunities, and threats as related to our mission and the unique realities of our markets and operating environments.			
1.7 Strategic Goals	A process of analysis and reflection that defines the results we need to achieve—over the next 3 to 5 years—from our human and financial resources.			

2 | GOVERNANCE AUTHORITY MATRIX REVIEW: Who has authority to decide and do what?



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Key Governance Functions	Description of Functions	Governing Body	CEO	Committee
	Health services organization/program should define overall goals to be accomplished by the health services organization/program health workers and care providers			
1.8 Facility Master Planning	Much of our resources are committed within the physical settings (facilities and technologies) in which our caregivers interact with beneficiaries, patients and residents to optimally restore and maximize health. Our leaders must continuously, with the occasional use of outside experts, assess the degree to which these settings are functioning optimally, and how best to maintain and enhance their effectiveness—over a 5 to 10 year period.			
1.9 Annual Performance Targets	Our leaders must define (within the context of our overall mission and strategic goals) specific objectives, measures, and milestones of accomplishment to be achieved in our next fiscal year. These performance targets should stretch our people to new levels of effectiveness and efficiency, and should represent a hierarchy of synergistic activities among and across the many organizational units of the health services organization/program.			
1.10 Performance Monitoring of Plans	Health services organization/program leaders must continuously assess the degree to which our performance is meeting or varying from planned performance targets, and be prepared to measure and explain variation and practical strategies to improve performance.			
1.11 Contingency Planning	Health services organization/program leaders need to anticipate that opportunities, threats, and performance variations can occur, and have			

3 | GOVERNANCE AUTHORITY MATRIX REVIEW: Who has authority to decide and do what?



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	predefined strategies and resources available to deploy as needed for midcourse corrections in plans and progress.			
1.12 Plan & Progress Reporting	There are many health services organization/program internal and external stakeholders—employees, physicians, vendors, payers, bond holders, local employers, patients, and the general public—who have a right and need to know who we are, where we’re going, and the degree to which we are accomplishing our missions and plans. Our leaders must continuously develop and deploy useful reporting mechanisms to share our plans and progress with stakeholders			
2.0 FINANCIAL VITALITY	Governing bodies establish policies and plans that protect and enhance the economic/financial assets of the organization. Their assets are held and managed as resources to accomplish our healing ministry in the most optimal way, over the longest period of time possible. We understand the dynamics around “no margin no mission—no mission no margin.”			
2.1 Fiscal Performance Targets	Our leaders must continuously evaluate and define high standards of financial performance for our capital and operating assets. Financial performance ratios should be heavily influenced by our desire to balance achieving A-rated bonds and our mission of healing services for those living and working in our communities			
2.2 Fiscal Vitality Assessment	Our performance against previously established three-year and annual operating budgets and our debt coverage, liquidity, cash management, and operating surplus targets must be continuously reviewed. Variations must be			

4 | GOVERNANCE AUTHORITY MATRIX REVIEW: Who has authority to decide and do what?



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	measured and explained. Strategies to meet and exceed budgets should be championed.			
2.3 Operational Budgeting	Each unit and our system as a whole must develop annual operating budgets that define quantitative service and financial results to be achieved within the next fiscal year and its subordinate reporting periods.			
2.4 Capital Budgeting	To maintain and enhance our healthcare technologies and facilities, we establish an annual budget that defines aggregate and unit capital needs and fund flows planned to enable mission and strategic plan achievement. Who is authorized to approve investments at each level?			
i) < \$500,000				
ii) \$500,000–\$2.0 M				
2.5 Define Process for Approval of Signatories	Certain designated positions are granted authority to approve expenditures within or beyond the board approved budgets.			
2.6 Approval to obligate on non-budgeted projects with capital expenditures of:				
i) < 250,000M				
ii) 250-750,000				

5 | GOVERNANCE AUTHORITY MATRIX REVIEW: Who has authority to decide and do what?



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iii) > \$750,000				
2.7 Creation of new clinical services, budgeted programs, and lines of business based on projected annual net revenues of:	Who has the authority to approve and commit our brand and resources to establish certain forms of service offerings to our committees?			
i)				
ii)				
iii)				
2.8 Capital Allocation	Our leaders must carefully manage and deploy our scarce capital to the locations and programs judged most likely to yield an optimal balance of short and long-term economic vitality for our system, while also optimizing our commitments to the poor and vulnerable. Our capital allocation processes must be easily understood, transparent, accountable, and must fairly reward the creativity and hard work of our local operating units / programs / departments / services lines.			
2.9 Transfer of Equity or Financing Arrangements Between Corporations	Who has the authority to control how assets impact our fiduciary role to enhance or protect asset use to achieve our mission?			
2.10 Fiscal Performance Monitoring	Leaders must continuously assess the degree to which our financial budgets and targets are being achieved. Performance variations need to be understood			

6 | GOVERNANCE AUTHORITY MATRIX REVIEW: Who has authority to decide and do what?



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	and explained, and practical ways to regain maximum performance should be championed.			
2.11 Investment Management	In unforgiving markets and challenging financial times we need all the cash we can earn. Cash balances must be carefully managed and interest income from our cash must be maximized across our system of providers. Our leaders must establish GAAP and Medicare compliant processes and use expert advisors to achieve optimal investment earnings from our combined funds.			
2.12 Approval of Major Banking Relationships and Criteria for Other Financial Institutions	Relations with major financial institutions can impact our short and long term vitality and reputation.			
2.13 Bond Holder Relations	To optimize the terms and minimize the costs of our bond and debt financings, we must carefully manage relationships with those who hold, sell, and manage our sources of bond/debt funds. Periodic communications about our plans and performance are needed.			
2.14 Rating Agency Relations	Our bond/debt terms and costs are heavily influenced by the opinions held of our financial vitality by external bond rating agencies. We must maximize their ongoing confidence in our stewardship of capital resources entrusted to us. Periodic communications about our plans and performance are needed.			
2.15 Internal Compliance and Auditing	Governing our large system of care providers requires constant vigilance over thousands of transactions and contractual relationships. Our decision processes and systems must be carefully designed and administered to assure			

7 | GOVERNANCE AUTHORITY MATRIX REVIEW: Who has authority to decide and do what?



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	the highest level of compliance with ethical standards, industry and governmental rules and regulations. Formal review and reporting mechanisms must be continuously assessed, managed, and refined by our leaders.			
2.16 Select and Monitor External Auditor	Our internal vigilance for compliance with sound business, accounting, and governmental standards and practices must be carefully reviewed annually by an objective CPA firm. Selection, monitoring of, and reliance on this auditor is an essential responsibility of our leaders.			
2.17 Fiscal Reporting for Advocacy	As we hold and manage our assets in trust for the long-term vitality of our pursuit of mission, we must openly, actively, and honestly report on our stewardship performance to our multiple stakeholders in and outside our system. Communities, politicians, media, payers, and regulators must be particularly well informed about our fiscal health and performance trends. Community benefit reporting is an important facet of this responsibility.			
3.0 QUALITY AND PATIENT / RESIDENT SAFETY	An essential responsibility of a care-giving system is to assure the basic safety and quality outcomes of the service experience. Both clinical and customer service outcomes are a driving force of the health services organization/program performance commitments and vitality.			
3.1 Setting Quality and Safety Standards	All components of the service system should help define and own measurable and industry leading performance standards regarding the quality and safety of our patients and residents.			



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3.2 Strategy to Achieve Standards	Leaders need to develop creative and practical ways to establish and enhance a culture that celebrates world-class performance to achieve agreed upon quality standards.			
3.3 Medical Staff Structure and Support	Physicians are essential partners in our pursuit of quality and patient safety. Leaders need to continuously assess and enhance the infrastructure, system, and support for our medical staff organizations throughout the system.			
3.4 Physician Credentialing	Reviewing and assuring that our physician colleagues are able to perform the procedures and services to which they are best trained and prepared is a central responsibility of our governing bodies. Processes for these review and approvals must be carefully established and managed within state and federal, legal and ethical guidelines.			
3.5 Credentialing / Review of Non-Credentialed Patient-Care Staff	Population health requires expanded reliance on new therapists, health navigators, and faith communities. Who and how to ensure they qualify?			
3.6 Physician Quality Contributions	Physician expertise, creativity, and leadership is central to our achievement of excellent patient and resident clinical quality and satisfaction. Our leaders must establish and support processes that encourage and facilitate maximum physician contributions in all facets of our quality and safety initiatives.			
3.7 Quality Performance Monitoring	Our leaders must continuously assess the degree of success achieved by our strategies and investments to achieve high quality and patient safety. These assessments should be accomplished as close as possible to the individual caregiver interactions with patients and residents.			

9 | GOVERNANCE AUTHORITY MATRIX REVIEW: Who has authority to decide and do what?



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3.8 Quality Results Reporting	Our progress toward quality/safety best practices needs to be effectively communicated to our stakeholders to both earn internal pride and external market position gains. Reporting should be frequent, comprehensive, and honest. Transparency is essential.			
3.9 Patient / Resident Satisfaction Monitoring	An important proxy indicator of good care quality is the degree of patient satisfaction with our service performance. Periodic assessment and reporting of patient and resident satisfaction should be championed by our leaders. This is now a Medicare obligation.			
4.0 PHYSICIAN ECONOMIC RELATIONS	Physicians are our most important partners in and customers for our health services mission. These relationships require activities to attract, retain, and enthuse the most appropriate number of specialists needed to care for the people. We exist to serve in our many communities.			
4.1 Physician Planning Engagement	One of the most powerful ways to assure physician enthusiasm for our plans and programs is to provide frequent and meaningful participation in the strategic planning and budgeting processes of our system of care providers.			
4.2 Specialty Mix Definition	Our leaders need to analyze the mix of physician specialists required to serve the diverse health needs of people in our communities.			
4.3 Physician Recruitment Support	Our leaders need to continuously define the number and type of physician specialists required to serve the people of our communities. Clear strategies and budgets are needed to achieve these recruitment targets.			



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4.4 Physician Contracting to Include: Medical Director Contracts Non-Employment Services Contracts Practice Acquisitions Joint Ventures Physician Employment Agreements	Population health and accountable care will use many forms of collaboration and alignment with clinical partners. Who has what level of authority to enter into these agreements at various financial levels? How will these accountable parties ensure compliance with regulations?			
i) < \$1.5M				
ii) \$1.5M – \$4M				
iii) > \$4M				
4.5 Consulting and Other Professional Service Contracts				
i) < \$1.5M				
ii) \$1.5M – \$4M				
iii) > \$4M				
4.6 Legal Settlements				



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Medical Malpractice				
i) < \$1.5M				
ii) \$1.5M – \$4M				
iii) > \$4M				
Other Legal Settlements				
i) < \$1.5M				
ii) \$1.5M – \$4M				
iii) > \$4M				
4.7 Physician Co-Venture Planning	Our long-term financial vitality to achieve our mission is dependent upon finding ways to align our economic incentives with those of our physician colleagues. Strategies and investment into physician co-ventures must enable us to meet our mission, values, plans, and all ethical and legal standards.			
4.8 Physician Satisfaction Monitoring	Processes to continuously measure, evaluate, and enhance the degree to which we are earning physicians' enthusiasm and involvement in our plans and performance are critical to mission achievement. We need systems to assess and report on strategies expected to maximize physician collaborations.			



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4.9 Physician Trust and Loyalty Building	All of our programs and institutions need to allocate scarce human, technological, and financial resources to earn maximum levels of trust and loyalty from physicians who chose to affiliate their offices and practices with our system of care providers.			
5.0 COMMUNITY RELATIONS AND ADVOCACY	Governing bodies of health services organization/program assign a high priority to activities that maximize positive relationships with our many communities and their political and economic leaders.			
5.1 Assess Community Understanding of Plans and Progress	Our local and system plans must stand on clear assessments of the degree to which local community leaders understand and support our plans and performance. Annual analysis of trends and progress for optimal community rapport is a key process for enhancing our influence with local community leaders.			
5.2 “Ambassador” Reporting of Plans and Progress	Our leaders need to act as ambassadors that develop and support two-way communications about our plans and progress among local, civic, social, and business organizations and decision-makers. Active participation and memberships in these organizations should help influence them to support the accomplishment of our mission and plans.			
5.3 Continuous Scanning for Future Governing Body Members	Health services organization/program leaders need to continuously interact with influential local and regional community leaders in order to identify and cultivate the best and brightest for potential future governance roles within our system of healthcare providers.			



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5.4 Support Advocacy at Local, State, and National Levels	Our leaders need to champion health services organization/program's mission and plans with all appropriate community and political decision-makers who can help assure the availability of political and economic resources to achieve our plans in the most cost-effective manner possible.			
5.5 Media Relations Enhancement	Positive public opinion is important to our capacity to engage and enhance community understanding of and support for our mission and plans. Positive media relations can help influence positive public opinion among all our internal, as well as external, stakeholders.			
5.6 Assess and Influence Community Health Organization Relationships	Population health management requires our health services organization/program's capacity to meaningfully enhance "health gains," as well as "healthcare" requires coordination and collaborations with many local and regional organizations dedicated to the protection and promotion of healthy communities. Continuous monitoring and managing of these relationships is important for the achievement of our mission and plans.			
5.7 Community Economic Development	Our institutions are among the largest employers and sources of economic vitality in the many communities we exist to serve. Our leaders must assure that we continuously monitor the need for and nature of our contributions to optimal economic growth and development of our communities served.			
6.0 PHILANTHROPIC SUPPORT	Challenges to our financial vitality from erosions in revenues and explosions of expenses place renewed importance for funds to be donated to our local			



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	programs and institutions. Earning this philanthropic support will be an ongoing priority for our governing bodies.			
6.1 Understand Capital Needs of Local Units	Our foundation governing bodies and staff must be supported in their understanding of the short and long-range capital and operational funding requirements of our local health programs and institutions. These needs become the ongoing fundraising targets for our philanthropic initiatives.			
6.2 Assess Market Receptivity for Philanthropy	Leaders must continuously gauge the degree of understanding of and support for our healthcare service initiatives. This role includes the identification of potential donors and the degree of receptivity they might have for our requests for funding support.			
6.3 Foundation Strategic Planning	All foundations are to develop and execute against formal, annual strategic business and marketing plans to guide our pursuit of maximum philanthropic support of our local service roles and programs.			
6.4 Staff Selection and Performance Monitoring	Philanthropy expert staff must be recruited, hired, and supported. Their results oriented performance should be carefully considered in their selection and ongoing performance enhancement. Merit compensation principles and practices are desired.			
6.5 Appointment of Governing Body Committees	Integrated, cooperative, coordinated, and mutually reinforcing board work is essential among many of our enterprises and initiatives.			



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6.6 Fund Raising Systems and Support	Raising funds and friends does not just happen. With growing competition for philanthropic funding, our governing bodies must actively champion sensible investments into the systems and staff needed for our success.			
6.7 Assessing Charitable Regulatory Compliance	Our leaders must continuously understand and assure compliance with all regulatory requirements applicable to our philanthropic plans, performance, and public accountability.			
6.8 Investment Management of Donated Funds	We should seek maximum financial returns on our available fund balances. This maximization philosophy will require coordination with outside experts on legal, accounting, and investment banking requirements.			
6.9 Stakeholder Reporting and Celebrations	Ongoing and frequent reports to our internal and external stakeholders will help assure our long-term access to philanthropic sources. Contributors should receive suitable recognition for their efforts to generate friends and funds.			
7.0 MANAGEMENT OVERSIGHT	One of the most important roles of a governing body is the selection and support of a competent chief executive officer (CEO). Support includes sharing insights and expertise about the strategic priorities for the organization, but also about the quality and appropriateness of the CEO's accomplishment of strategies and plans delegated for CEO performance by the governing body. Support also means investing in the development, recognition, and performance rewards, along with succession planning and occasionally replacement.			



		What are their relative roles?		
Key Governance Functions	Description of Functions	Governing Body	CEO	Committee
7.1 System CEO Selection and Appointment	The system governing body is responsible for the recruitment, selection, and appointment of the health services organization/program CEO based upon governing body developed criteria regarding desired knowledge, skills, and attitudes for exemplary CEO performance.			
7.2 System CEO Performance Monitoring & Incentives	The system CEO is delegated substantial leadership responsibilities and accountabilities to manage the overall enterprise toward mission accomplishment in the most cost effective manner possible. A formal annual performance review of the system CEO is to be conducted against his or her performance targets, initially defined and agreed to in advance of the fiscal year by the governing body and CEO. An incentive compensation program is to be developed and maintained for the CEO and his or her senior management team that optimally encourages managers to work together in the most ethical and effective way to accomplish our mission, vision, and values while enhancing the long-term economic vitality of the health services organization/program.			
7.3 System CEO Performance Support	The system governing body is responsible to seek from the CEO indication of needs for support, and for professional and personal growth in a manner that well serves the vitality of the health services organization/program. This support is to be provided, in a timely and compassionate manner, by the governing body directly or by arrangement with suitable external resources.			
7.4 System CEO Succession Planning	To assure continuity and stability of executive leadership for the health services organization/program, the governing body will develop, maintain, and update			



		What are their relative roles?		
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	as needed an appropriate “succession plan” to replace the system CEO in any unfortunate circumstances that make it impossible for the CEO to adequately perform his or her leadership responsibilities.			
7.5 System CEO Termination	The system governing body may terminate the CEO for cause as defined in his or her employment agreement and after appropriate consultation with external corporate counsel. Appropriate interim management coverage and recruitment processes for a replacement should also be accomplished in conjunction with such a termination.			
7.6 Unit CEO Selection and Appointment	Unit CEO selection and appointment is to be performed as a partnership between the unit’s governing body and the health services organization/program CEO. The System CEO has final approval for this appointment to ensure the most cost effective development of a system-wide management team. The unit CEO is to demonstrate a mix of talents and personality optimally suited for the unique needs of the local operating unit.			
7.7 Unit CEO Performance Monitoring and Incentives	Unit governing bodies are to collaborate with the system CEO to conduct at least annual performance reviews of their unit CEO. These define opportunities for continuous performance enhancement, as well as provide recognition, reinforcement, and reward for exemplary system-wide teamwork, local organizational performance, and professional/personal growth. Incentive compensation is to be provided in a manner consistent with the health services organization/program-wide systems for human resource development and administration.			



		What are their relative roles?		
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7.8 Unit CEO Performance Support	The local governing body and system CEO collaborate to define and provide support for the unit CEO's optimal performance of his or her responsibilities within the local unit, as a system team player, and for the professional and personal development of the unit CEO.			
7.9 Unit CEO Succession Planning	To assure continuity and stability of local unit management, the health services organization/program CEO is to collaborate with the local unit governing body to develop and maintain a plan for the orderly transition of executive leadership in any unfortunate circumstances where the unit CEO is unable to adequately discharge his or her responsibilities.			
7.10 Unit CEO Termination	The System CEO may terminate the unit CEO for cause as defined within the local unit CEO's employment agreement after careful consultation with the local unit governing body and appropriate physician leaders. Suitable interim management coverage and recruitment processes for a replacement should also be accomplished by the system CEO and local governing body in conjunction with such a termination.			
7.11 Employee Satisfaction Monitoring	The health services organization/program governing body is responsible to work with the system CEO to establish a system-wide culture that encourages and rewards excellent performance by our employees within our values, and toward accomplishment of our mission. Periodic assessments should be conducted to the degree that our employees are satisfied with our system's plans, performance, ethical behavior, and their pride in contributing in meaningful ways to our healing ministry. Transparent reporting of these			



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	assessments should be accomplished to ensure our collective pursuit of a system-wide culture of caring and industry leading performance.			
7.12 Compensation Philosophy and Guidelines	The governing body, after careful consultation with the CEO and his or her senior human resources executive, should periodically define and update a statement of principles intended to guide the CEO in creating and continuously enhancing a workplace culture that recognizes, develops, and rewards our workforce to live our values in our collective pursuit of our mission. These principles should also assist us in attracting and retaining the highest quality employees in the market.			
7.13 Culture Enhancement	Governing bodies are to collaborate with the CEO to provide insight and resources that help accomplish the employment and workplace principles needed to optimize our system-wide values. Governing body experiences in other organizations, industries, and communities should be adapted to help catalyze and nurture innovations for excellence within the health services organization/program family of healthcare providers.			
7.14 Comparative Compensation Market Reviews	To continuously attract and retain the best and brightest managers and employees, the governing system should support the CEO to periodically conduct and report the comparative and competitive posture of our compensation programs with local, regional, and national realities.			
7.15 Staff Planning and Recruitment Strategies	The organization should develop and achieve governing body plans for the continuous recruitment of needed health professionals. Governing body input should be sought to ensure that these plans reflect the unique needs, styles,			



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	and realities of local markets. Suitable budgets should be promulgated to help ensure the achievement to these staff recruitment and development plans.			
8.0 GOVERNING BODY PERFORMANCE ENHANCEMENT	All governing bodies must be attentive to their own development and performance. As governing bodies encourage and expect continuous clinical quality process improvement from the medical staff, and continuous administrative process improvements from the management staff, governing bodies must expect, encourage, and enable “continuous governance enhancement” in all their governance roles and responsibilities.			
8.1 Organization Articles and Bylaws	Each entity of the health services organization/program is to be formally established and operated within the statutes and regulatory framework of state and appropriate federal governmental health programs. The governing body will adopt, maintain, and refine as necessary such articles of incorporation, bylaws, and related policies needed to function cost effectively and in compliance with all necessary legal obligations.			
8.2 Governing Body Policies Manual	The processes and performance of each governing body's roles and responsibilities are to be guided by a collection of formal policies focused on the principal work of the governing body and its committees. This collection of policies is maintained, and updated as needed within a digital and paper manual easily accessible to all governing body members and the senior management of the organization. External legal counsel will periodically be retained to assist the governing body in ensuring the appropriateness of these			



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	policies as vehicles to achieve the mission and plans of the health services organization/program of care providers.			
8.3 Governing Body Member Job Descriptions	Each governing body member must clearly understand and enthusiastically seek to accomplish his or her “job description.” This job description defines the principal roles, responsibilities, and behaviors needed to maximize the individual contribution of each governing body member for the proper governance of the health services organization/program. The job description and related conflict-of-interest statement should be read, discussed, and signed annually by each governing body member.			
8.4 Governing Body Committee Structure and Roles	Much of the governing body’s work is accomplished by delegated tasks to a series of ad hoc or standing committees of the governing body. These committees enable not only a division of labor needed for the cost-effective work of the governing body, but also enable the development and application of certain specialty expertise to the affairs and plans of the governing body. Governing body committees can also allow non-governing body members to join in and contribute to the work of the governing body, thereby enabling additional expertise to be brought into the deliberations of the governing body, and also for the governing body to assess the appropriateness of such persons as a future governing body candidate. All committees are to have their work guided by a formal annual work plan and supported by experienced staff assigned by the CEO.			



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8.5 Annual Governance Performance Assessment	Each governing body should strive for continuous governance enhancement by conducting and acting upon an annual assessment of the performance of each governing body member, committee, and the governing body as a whole. These annual assessments can periodically involve external resource advisors, but should be principally conducted as self-assessment against explicit governing body accountabilities. Written action plans should be developed annually to define practical strategies to continuously improve the work and results of the governance processes in a manner in sync with our mission and values.			
8.6 Governing Body Skills and Competency Planning	Governing bodies should have a sufficient number and composition of governing body members to cost effectively accomplish its overall governance responsibilities. Periodic assessments and plans should be adopted and followed to ensure the best mix of competencies, knowledge, skills, and attitudes for each governing body within the health services organization/program. These desired competencies are often referred to as a “Competency Map”, and should be well understood by all health services organization/program internal and external stakeholders.			
8.7 Governing Body Member Nominations	The governing body members and staff of health services organization/program should continuously be sensitive and receptive to candidates for future governing body roles that meet the published competencies and job descriptions. Formal processes for identifying and recommending persons judged suitable for future governing body positions should be developed and periodically refined by the governing body with			



		What are their relative roles?		
Key Governance Functions	Description of Functions	Governing Body	CEO	Committee
	support from the CEO or his or her designee. Reference checks on the appropriateness and diligence of each potential governing body nominee should be properly reviewed by a subgroup of the governing body and with CEO involvement.			
8.8 Governing Body Member Recruitment and Placement	New governing body candidates should be invited to stand for election/placement on a specific governing body within the health services organization/program. Final acceptance and placement will be made by the proper governing body level within the system.			
8.9 Appointment of System Governing Body Chairpersons	Chairpersons are essential to develop and guide the governing body's journey to superior board work. While a person can be asked to serve by election, appointment or consensus, the CEO's input is essential, as is a clear set of performance expectations for the position at either the system or unit level governing body.			
8.10 Appointment of Unit Governing Body Chairpersons				
8.11 Governing Body Orientation and Education	The complexity and dynamism of the U.S. health and health services organization/program sector requires continuous enhancement of the knowledge, skills, and attitudes of each governing body member and the governing body as a whole. A prompt and comprehensive orientation regarding health services organization/program history, mission, vision, values, plans, performance, and organization is an essential foundation for maximum contribution by and enthusiasm of each new governing body member. Ongoing			



		What are their relative roles?		
Key Governance Functions	Description of Functions	Governing Body	CEO	Committee
	governing body and governing body member development should occur through participation in carefully planned education and learning experiences inside and outside the health services organization/program and regions. Formal budgets are expected to support these investments into continuous governance enhancement.			
8.12 Inter-Governing Body Relations and Communications	Maximum mission accomplishment within the health services organization/program family of care providers requires open, frequent, candid, honest, and friendly two-way communications among all governance bodies and levels. These communications are to reflect our values and our drive toward mission and the long-term vitality of health services organization/program. High tech and high touch opportunities are needed to nurture enhanced inter-governing body relationships for our collaborative strategic planning, pursuit of growth, quality, and stewardship.			
8.13 Refine Model Governing Body Meeting Agendas	Governing body meetings should be focused on future strategic issues challenges, opportunities, and plans. This future focus must be grounded on diligent reviews and understanding of our performance and compliance with all legal and ethical obligations of our governing bodies. Agendas should encourage and enable the free flow of discussion, inquiry, and decision-making for the vitality of our systems. A calendar of routine and special governing body and committee meetings should be published and readily accessible to the leadership of health services organization/program governing body members and senior staff.			



		What are their relative roles?		
Key Governance Functions	Description of Functions	Governing Body	CEO	Committee
8.14 Refine Model Governing Body Information System (GIS)	Governing body work requires easy and fast access to high-quality information regarding our plans, performance, and future challenges. This information will generally be provided by management within criteria and guidelines adopted by the governing body. The information must be easy to comprehend and of a scope and nature that facilitates, not frustrates, the cost-effective discharge of the governing body's fiduciary roles and responsibilities.			
8.15 Continuous Governance Enhancement	Each governing body is expected to periodically review and update their performance improvement plans adopted after each annual governing body performance assessment. Each governing body and each governing body member is expected to use his or her best efforts to contribute to excellent governance by helping draft and execute the strategies and actions of these plans for continuous governance enhancement.			
8.16 Governing Body Member Performance Celebrations	Governing body work has become challenging and time consuming. Individual governing bodies and governing body member performance excellence should be frequently acknowledged and celebrated in front of all key internal and external stakeholders. Suitable statements and acts of recognition and appreciation should be accomplished throughout the year.			
9.0 CORPORATE REORGANIZATION	The rapidly changing context for health gain within an era of population health management and accountable care will encourage changes in the legal, ownerships and governance structure of the health service organization. Who must play what roles in these varying governance decisions?			



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		What are their relative roles?		
Key Governance Functions	Description of Functions	Governing Body	CEO	Committee
9.1	Mergers, consolidations, reorganizations, or dissolutions impacting or involving changes in legal documents or powers of any entity (legal or operating unit)			
9.2	Creation of any subsidiaries of health services organization / program or a health services organization / program subsidiary			
9.3	Joint ventures that require: Transfers of assets An ownership position Impacts up to 5% of revenue stream of the health services organization / program unit or subsidiary			