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What is Certification?

The Association of California Healthcare Districts (ACHD) is leading the way for healthcare districts to be leaders in the transformation of California’s evolving health care landscape. ACHD helps local districts meet the changing needs of local communities. To assist Members in demonstrating exemplary compliance in meeting the health and governance needs of the public, ACHD has developed a set of standards, referred to as “Best Practices in Governance.” Healthcare districts that demonstrate compliance with these practices are eligible to be designated as a Certified Healthcare District. Please note that these do not ensure that a district is compliant with all State and Federal regulations.

Requirements for Certification

The Healthcare District Certification Program is an ACHD solely sponsored program that incorporates current legislative requirements with public governance best practices. Districts that seek certification must demonstrate compliance with all requirements of certification by submitting their documentation online. Certification must be renewed every three years.

Certification Submission Page

ACHD has a simple online [Submission Form](#) to allow healthcare districts to upload all requirements. Districts can view example policies, links and documents in the [Example Certified Healthcare District Library](#).

Demonstrating Compliance

Districts seeking to demonstrate compliance with the Healthcare District Certification Program must [provide evidence of meeting the certification standards](#), either through a pdf document or a weblink form and as directed.

Transparency

Government entities exist to serve the people. As a special district, healthcare districts are required to conduct their public business in accordance with California Law; as well as demonstrate that they are responsible stewards of public funds. Healthcare districts must provide public access to district information. To demonstrate best practices in transparency, districts are required to provide:

- **Completion of Ethics Training**

Cities, counties and special districts in California are required by law ([AB 1234, Chapter 700, Stats. of 2005](#)) to provide ethics training to their local officials. The law also provides that if an entity develops criteria for the ethics training required by AB 1234, the Fair Political Practices Commission and the Attorney General must be consulted regarding any proposed course content. Several training options are available to your agency, including training conducted by commercial organizations, nonprofits, or an agency's own legal counsel. In addition, an online training program has been established that allows local officials to satisfy the requirements of AB 1234 on a cost-free basis.

To demonstrate compliance, provide copies of AB 1234 Training Certificates for all Trustees and Executives.



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- **Sexual Harassment Prevention Training**

California Government Code 12950.1 et. seq., requires employers with five or more employees, to provide at least two hours of sexual harassment training to all supervisory employees and at least one hour to all nonsupervisory employees by January 1, 2020, and once every two years thereafter. Training is required for all new employees and must be completed within six months of employment.

To demonstrate compliance, provide copies of Sexual Harassment Prevention Training Certificates for all Trustees and Executives and a policy for all nonsupervisory employees to receive their mandated training.

- **Ralph M. Brown Act**

The Ralph M. Brown Act, [California Government Code 54950 et seq.](#), is an act of the California State Legislature, authored by Assemblymember Ralph M. Brown and passed in 1953, that guarantees the public's right to attend and participate in all public meetings of local legislative bodies.

To demonstrate compliance, provide a copy of the Board's Policy on the Brown Act.

- **Public Records Requests**

The [California Public Records Act](#) was enacted in 1968 to: (1) safeguard the accountability of government to the public; (2) promote maximum disclosure of the conduct of governmental operations; and (3) explicitly acknowledge the principle that secrecy is antithetical to a democratic system of "government of the people, by the people and for the people." The law specifies how the public may access governmental public records.

To demonstrate compliance, provide a copy of the Board's Policy on public records requests.

- **Conflict of Interest Policy**

California State Government and Corporate [conflict-of-interest laws](#) are based upon the principle that government officials owe paramount loyalty to the public, and that personal or private financial considerations on the part of government officials should not be allowed to enter their decision-making process.

To demonstrate compliance, provide a copy of the Board's conflict of interest policy.

- **Fair Political Practices Commission Required Filers**

Every elected official and public employee who makes or influences governmental decisions is required to submit a Statement of Economic Interest, also known as the Form 700. Every governmental entity is required to designate individuals that are required to file the Form 700. The Form 700 provides transparency and ensures accountability by:

- 1) It provides necessary information to the public about an official's personal financial interests to ensure that officials are making decisions in the best interest of the public and not enhancing their personal finances.
- 2) It serves as a reminder to the public official of potential conflicts of interest, so the official can abstain from making or participating in governmental decisions that are deemed conflicts of interest.

To demonstrate compliance, provide a list of all designated Form 700 filers for your district.



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- **State Controllers Compensation Report**

[Government Code \(GC\) 53891](#) requires cities, counties and special districts to submit an annual Government Compensation in California (GCC) report to the State Controller's Office. Pursuant to GC 53891, the GCC report for the previous calendar year is due no later than April 30. If the special district did not have any paid employees, a GCC report is still required listing the unpaid Board Members.

To access reporting instructions, click [here](#). To find out more about government compensation reporting for special districts, click [here](#).

To demonstrate compliance, please provide a copy of the report submitted to the State Controller's Office.

- **Grant Policy**

[AB 1728 \(Aguiar-Curry, 2017\)](#) requires the Board of a healthcare district to adopt annual policies for financial assistance or grant funding provided by the district. The policies must include:

- 1) A nexus between the allocation of assistance and grant funding with health care and the mission of the district.
- 2) A process for the district to ensure all allocated grant funding is spent consistently with the grant application and the mission of the district.

[AB 2019 \(Aguiar-Curry, 2018\)](#) added additional requirements. The policies must also include:

- 1) The district's plan for distributing grand funds for each fiscal year.
- 2) A process for providing, accepting, and reviewing grant applications.
- 3) A prohibition against individual meetings regarding grant applications between a grant applicant and a district board member, officer or staff outside of the district's established grant awards process.
- 4) Awarding grants to underserved individuals and communities, and to organizations that meet the needs of underserved individuals and communities.
- 5) Considering the circumstances under which grants may be awarded to multiple or single recipients, and exceptions to these circumstances.
- 6) Evaluating the financial need of grant applicants.
- 7) Considering the types of programs eligible for grant funding, including direct patient care, preventive care, and wellness programs.
- 8) Considering the circumstances under which grants may be provided to prior grant recipients, and exceptions to these circumstances.
- 9) Considering sponsorships of charitable events.
- 10) Funding other government agencies.
- 11) Awarding grants to, and limiting funds for, foundations that are sponsored or controlled by, or associated with a separate grant recipient.

To demonstrate compliance, provide a copy of the district's most recently adopted grant policy.



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Website Requirements

There are more than 2,000 special districts in California, including 76 healthcare districts, however less than half of those districts have a website. These statistics led the Little Hoover Commission, in its 2017 report on special districts, entitled [Special Districts: Improving Oversight & Transparency](#), to recommend that the Legislature require every special district to have a website.

In response to requests from the State Legislature and the Little Hoover Commission, and in furtherance of ACHD's efforts to increase the awareness, accessibility, and transparency of special districts, ACHD supported [AB 1728](#) which requires all healthcare districts to have a website to increase the awareness, accessibility, and transparency of healthcare districts. ACHD believes there are key website components that promote transparency in addition to those mandated by [AB 1728](#) and [AB 2019](#).

To demonstrate best practices in website content, districts are required to provide the following on their website:

- **District's mission statement**

To demonstrate compliance, provide a link to where the district's mission statement is located on your website.

- **Map of District Boundaries**

To demonstrate compliance, provide a link to where the district's boundaries is located on your website.

- **ACHD's Definition of a Healthcare District**

The definition of a healthcare district, according to ACHD, is as follows:

"Healthcare districts are public entities that provide community-based health care services to residents throughout the state. They respond to the needs in their district by providing a range of services, which may include a hospital, clinic, skilled nursing facility or emergency medical services; as well as education and wellness programs. Each of California's healthcare districts is governed by a locally elected Board of Trustees who are directly accountable to the communities they serve."

To demonstrate compliance, post the definition of a healthcare district on the district's website and provide a link to the webpage where the definition is listed.

- **Link to ACHD.org on District Website**

To demonstrate compliance, place a link to www.achd.org on the district's website. Provide a link to where the link is posted on the district's website.

- **Trustee, Manager, Staff Contact Information and Board Biographies**

[AB 1728](#) (Aguiar-Curry, 2017) requires that a healthcare district website contain contact information for the district. [AB 2019](#) (Aguiar-Curry, 2018) requires that a districts website contain a list of current board members. ACHD further requires that the district website contain all managers and staff contact information, and the biographies of individual Board Members.

To demonstrate compliance, provide a link to the page(s) on the district's website containing the list of Board Members, managers and staff contact information, and Board Member biographies.



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- **Board Meeting Information**

[AB 2257](#) (Maienschein, 2016) requires a link to the most recent agenda be posted on the homepage of a district's website, in a text-based PDF format. Districts seeking certification must have a link to the most recent agenda posted to their homepage in PDF format.

To demonstrate compliance, provide a link to the district's homepage where the Board meeting information is located.

[AB 2019](#) (Aguiar-Curry, 2018) requires healthcare districts post information relating to Board of Directors meetings. Districts seeking certification must have 12 months of Board meeting information available on their website. This includes links to access Board meeting minutes and attachments, agendas, or upcoming meetings 72 hours in advance of a public meeting.

To demonstrate compliance, provide a link to the district's webpage that lists 12 months of meeting information.

- **Enterprise Systems Catalog**

[SB 272](#) (Hertzberg, 2015) requires each local agency to annually create a catalog of enterprise systems that store information about the public, as defined in [Government Code 6270.5](#), utilized by the agency. The bill further requires that catalog to be posted on the agency's website.

To demonstrate compliance, provide a link to where the district's catalog of enterprise systems is located on the district's website.

- **Programs and Services Offered**

To demonstrate compliance, provide a link to the district's webpage that describes all the programs and services offered by the district.

- **Annual Operating Budget**

[AB 2019](#) (Aguiar-Curry, 2018), requires districts to adopt an annual budget in a public meeting, on or before September 1 of each year and post their annually adopted budget on their website.

To demonstrate compliance, provide a link to the district's webpage that provides the most recently adopted annual operating budget for the district.

- **Financial Audits**

[AB 2019](#) (Aguiar-Curry, 2018) requires that a healthcare district website contain a link to the district's annual external financial audit. ACHD further requires the last three years of external financial audits be posted on the district's website.

To demonstrate compliance, provide a link to webpage location of the last three years of audits for district.



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- **District Election/Vacancy Process**

Often, there are vacancies that occur on a healthcare district Board during the middle of a term. ACHD requires healthcare districts to have a policy on how elections and vacancies on the Board are filled so that members of the public may better understand how to apply and be elected to serve on the Board.

To demonstrate compliance, provide a link to the webpage location of the district's policy on electing or filling vacancies on the Board.

- **Healthcare District Authorizing Statute**

Healthcare districts are governed by [Health and Safety Code Section 32000](#).

To demonstrate compliance, provide a link to the district's webpage where a link to Health & Safety Code Section 32000 has been posted.

- **Recipients of Grant Funding**

[AB 2019](#) (Aguiar-Curry, 2018) requires healthcare district's that provide grants in the community to post a list of entities that have received grant funding from the district on their website.

To demonstrate compliance, provide a link to the webpage with the district's list of current grant recipients.

- **Municipal Services Reviews conducted by the Local Agency Formation Commissions (LAFCO)**

A Municipal Service Review (MSR) is a comprehensive study to determine the adequacy of governmental services being provided by the local agencies under LAFCO jurisdiction ([Government Code Section 56430](#)). An MSR is a comprehensive study designed to better inform LAFCO, local agencies, and the community about the provision of municipal services. MSRs attempt to capture and analyze information about the governance structures and efficiencies of service providers, and to identify opportunities for greater coordination and cooperation between providers. LAFCOs are required to complete MSRs for all special districts as needed or every five years.

[AB 2019](#) (Aguiar-Curry, 2018) requires that the most recent MSRs be placed on a healthcare district's website.

To demonstrate compliance, provide a link to the latest MSR conducted (if completed) by your LAFCO.

- **Annual Financial Reports sent to the State Controller (State Controllers Financial Report)**

[Government Code 53908](#) requires cities, counties and special districts to submit an annual Government Compensation in California (GCC) report to the State Controller's Office (SCO). Pursuant to [Government Code 53891](#), the GCC report for the previous calendar year is due no later than April 30.

[AB 2019](#) (Aguiar-Curry, 2018) requires that a link to the annual financial report be placed on a healthcare district's website.

To demonstrate compliance, provide a link to where your district's specific [State Controllers Financial Report](#) is linked on the district's website.



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- **AB 1234 Ethics Certificate for all Trustees and Executives**

As previously stated, cities, counties and special districts in California are required by law ([AB 1234, Chapter 700, Stats. of 2005](#)) to provide ethics training to their local officials. The law also provides that if an entity develops criteria for the ethics training required by AB 1234, the Fair Political Practices Commission and the Attorney General must be consulted regarding any proposed course content.

ACHD requires that healthcare districts post AB 1234 Ethics Certificate for all Trustees and Executives on their website to demonstrate the district's commitments to ethical standards.

To demonstrate compliance, provide a link to where the AB 1234 Ethics Training certificates are on your website for all Trustees and Executives.

- **Reimbursement Policy**

Healthcare districts are obligated to ensure that expenditures made by the district are for public purposes. Districts are accountable to taxpayers and citizens of the district to be prudent and wise in making those expenditures. The purpose of these procedures is to provide the process by which a district trustee or employee may seek reimbursement for expenses that the officer or employee has incurred in the conduct of district business as authorized by the employee's supervisor or manager or other action.

To demonstrate compliance, provide a link to the district's reimbursement policy for Trustees and employees.

- **Compensation Policy**

Government compensation and employment policies are important for the efficient delivery of public services by healthcare districts. By conducting regular compensation studies, districts may revise wages paid to senior executives consistent with labor markets, supply and demand. Conducting such studies ensures that districts set appropriate and competitive compensation to attract and retain skilled staff and incentivize performance, and the flexibility to adjust the level and composition of employment to respond efficiently to demographic and technological developments. Healthcare districts should also have policies for their Board compensation.

To demonstrate compliance, provide a link to where the district's executive compensation policy is on the website.

- **Public Records Request Form**

As previously stated, the California Public Records Act was enacted in 1968 to: (1) safeguard the accountability of government to the public; (2) promote maximum disclosure of the conduct of governmental operations; and (3) explicitly acknowledge the principle that secrecy is antithetical to a democratic system of "government of the people, by the people and for the people."

To demonstrate compliance, provide a link to where the district's public records request form is on the website.



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- **Financial Reserves Policy**

ACHD believes that it is a best practice when healthcare districts inform their constituents and community about general district operations, including how the Board manages their financial reserves. Reserves are necessary for the sustainable delivery of core services and to manage through various cash flow cycles. A healthy reserve may provide healthcare districts with significant benefits, including, savings to balance budgets, ability to respond to emergencies, maintenance of infrastructure, and to provide investment capital for future needs.

To promote transparency and commitment to a strong financial plan, districts seeking certification must adopt a financial reserves policy that demonstrates how the district manages their reserves.

To demonstrate compliance, provide a link to where the district's financial reserves policy is on the website.

- **District Bylaws**

California State Law and Corporations Code requires that organizations have adopted bylaws. Bylaws regulate the way a healthcare district is governed. The bylaws are established by the Board of Directors and legally guide the district in operations. Within the bylaws, the specific roles, duties and responsibilities for the Board of Directors and Executive Staff are defined.

To demonstrate compliance, provide a link to where the district's bylaws are on the website.

- **Mobile Friendly Website**

More and more Californians are using smartphones to access government services. ACHD believes that healthcare districts have a responsibility to keep pace with technological innovation and make it easy for citizens to engage with their government.

To demonstrate compliance, provide a link to your healthcare district's home page to allow staff to test compatibility.

- **Website Transparency**

In an effort to increase healthcare district transparency, ACHD has incorporated into the Certification Standards as a best practice, opportunities for healthcare districts to illustrate their role to the public. A district is required to select from at least one of the options to illustrate their compliance with website transparency:

- Annual Utilization Report
- Annual Services Report
- Patient Demographics Report
- Quality Reports
- Annual Report to the Community
- Hospital License

To demonstrate compliance, provide a link to where one of the above six district reports is on the website.



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Executive Compensation

Healthcare districts should have a written policy that defines the process for determining executive compensation, including all benefits received. As government entities, healthcare districts must be transparent in how compensation is determined, and the standards used to evaluate compensation of executives.

To demonstrate effective executive compensation, districts are required to provide:

- **Policy on Executive Compensation**

Ensuring that the Board has approved "reasonable and not excessive" compensation for the Executive Director/CEO/General Manager of the healthcare district is one of the fiduciary responsibilities of every special district. The Board must have an approved executive compensation (salary and benefits) policy.

To demonstrate compliance, provide a copy of the district’s policy on executive compensation.

- **Listing of Executive Positions**

The highest-level executives in senior management usually have titles beginning with “Chief.” The traditional three such officers are Chief Executive Officer, Chief Operations Officer and Chief Financial Officer. Special districts also often utilize the term Administrator or Director as the “CEO” of their organizations

To demonstrate compliance, provide a copy of the district’s listing of executive positions.

State and Local Agency Reporting

All special districts, including healthcare districts are subject to LAFCO review. An MSR, is a comprehensive study to determine the adequacy of governmental services being provided by the local agencies under LAFCO jurisdiction (Government Code Section 56430). These studies may be used by LAFCO, other governmental agencies, and the public to better understand and improve provision of services and to identify opportunities for greater cooperation between service providers. The service review is a prerequisite to a sphere of influence update and may lead a LAFCO to recommend actions to other agencies or to take actions under its own authority.

To demonstrate state/local agency reporting, districts are required to provide:

- **Recent MSR Report**

LAFCOs are required to complete MSRs for all special districts as needed or every five years.

To demonstrate compliance, provide the most recent LAFCO report filed, if completed.

- **Responses to MSR Report**

Healthcare districts have an opportunity to respond to MSRs conducted on the district.

*To demonstrate compliance, please provide a copy of the MSR response by the district. *If an MSR has not been completed, please submit a letter to that effect.*



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Financial Reporting

Public financial reporting is legally required and essential to hold government officials accountable for making appropriate decisions, minimize corruption, and provide citizens an opportunity to understand how government dollars are spent.

To demonstrate financial reporting, districts are required to provide:

- **Reimbursable Expenses Policy**
To demonstrate compliance, provide a copy of the district’s policy on reimbursable expenses for Trustees and employees.

- **Signature Authority Policy**
To demonstrate compliance, provide a copy of the district’s signature authority policy for authorizing expenditures and making financial commitments for the district.

- **Annual External Financial Audit**
To demonstrate compliance, provide a copy of the district’s most recent external financial audit.

- **Request for Public Funds**
To demonstrate compliance, provide a copy of the district’s policy on reviewing and granting public funds.

Best Practices

ACHD has identified a set of best practices that should enhance the effectiveness of a healthcare district. By definition, best practices are a set of methods or programs that have been found to be successful by other governmental entities (or corporations) in helping a Board establish and manage the healthcare district’s strategic objectives.

To demonstrate compliance, districts are required to provide:

- **CEO Evaluation**
Boards should annually evaluate the performance of their Chief Executive Officer.

To demonstrate compliance, provide proof of completion of an Annual CEO evaluation from the previous year, either in the form of adopted Board minutes or a signed letter from the Board Chair notating the date(s) the evaluation was completed. For initial certification, districts must provide the most recent annual evaluation of the CEO. For renewal applications, districts must provide three years of documentation relating to the annual evaluation of the CEO.

- **Board Self Evaluation**
Boards should annually assess their effectiveness.

To demonstrate compliance, provide proof of completion of an annual board evaluation from the previous year, either through the form of adopted Board minutes or a signed letter from the Board Chair notating the date(s) the evaluation was completed. For initial certification, districts must provide the most recent annual evaluation of the Board. For renewal applications, districts must provide three years of documentation relating to the annual evaluation of the Board.



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- **Job Descriptions for Officers of the Board**

The Board should have a clear statement of its roles and responsibilities posted on its website.

To demonstrate compliance, provide a copy of the roles and responsibilities of Board officers.

In addition to the best practice requirements above, ACHD requires demonstration of additional examples of how the district engages in planning for the future and for engaging with the community. To demonstrate additional examples of best practices, please provide at least three of the following:

- **Strategic Plan**

To demonstrate compliance, provide a copy of the district's most recently adopted strategic plan.

- **Community Messaging**

To demonstrate compliance, provide an example of how the district communicates and informs the public. Examples may include: social media plan, newsletters, notice procedures, or any form of communication used to inform the community of its services, programs, meetings, projects, or events.

- **Community Engagement**

To demonstrate compliance, provide a description of how the district engages the public to interact with and have input into the services and programs of the district. For example, does the Board have committees or opportunities for the public to serve? How is the community notified of these opportunities?

- **Annual Budget Hearing**

To demonstrate compliance, provide a description of how the district solicits and engages the public when reviewing the district's budget.

- **Live or Recorded Board Meetings**

To demonstrate compliance, provide a link to the district's website where members of the public can access recordings or watch live streaming of Board meetings.

- **Board Continuing Education**

To demonstrate compliance, provide the district's policy for ensuring that Trustees complete a specified number of hours of continuing education on a yearly basis.