



*Strengthening Oklahoma's Safety Net,
One Community At A Time*

Board Bulletin

Volume 7, Number 3 • March 2009

Effective Policies Protect CHC Operations

Developing policy is the responsibility of community health center (CHC) board members. To fulfill this critical role, CHC boards must routinely assess health center policies to determine if they need to be modified or even discarded if no longer relevant to current health center operations. Board members, when assessing priorities and the current health center environment, should remember to consider how changing needs impact policy. As stressed in the Health Resources and Services Administration's (HRSA) Governing Board Guidebook, "Never make financial and programmatic decisions independently of each other!" Health center trends must be considered as sound policy cannot be developed in a vacuum. Policy formulation typically falls within one of four categories: operations, personnel, finances and provision of services/quality assurance.

Operations Policy

Board members are never to intrude in day-to-day operations of the health center. Doing so would be a violation of health center bylaws and has the potential to subject the entire board to litigation. To ensure sound health center operations, boards must develop policies that include but are not limited to the following areas:

- *Address the selection, review and dismissal of the CEO* – CHC boards have one employee, the chief executive officer (CEO). It is critical that health center policy outlines the board's CEO selection process with a position description that includes criteria (e.g., experience, education, skills). Likewise, there should also be written policy as to how the board dismisses the CEO. Board members must strictly adhere to termination policy as this is a high exposure activity that could easily result in legal action if done incorrectly. To minimize litigation threat, CHC boards must have a process for evaluating the CEO – in good times and in bad. Performance expectations should be clearly outlined and serve as a basis for the evaluation process.
- *Provide for an effective organizational structure* – Policy must define 'chain of command' with lines of authority delineated to clearly identify responsibilities and promote smooth operations.
- *Ensure the availability of equipment, facilities and personnel necessary to achieve the center's goals and objectives* – Resources required to operate a health center have associated risks. Not only must boards outline how necessary resources will be made available, policy must also identify spending limits that require board approval (e.g., purchases over a specified dollar amount). Appropriate safety measures and risk management principles relative to equipment operation and facility use must also be incorporated into policy. Conflict of interest is prohibited and should be factored into all policy, particularly those related to securing of resources.
- *Determine the scope, location(s) and availability of center services* – Because the board chair signs the grant application on behalf of the entire governing body, CHC boards are accountable for the grant, which, in essence is the 'contract' between the health center and the federal government. Policy must reflect that the CHC board is responsible for approving the overall plan and budget, the hours of operation for health center sites and selection of services. All requests for project scope changes must be approved by the CHC board.
- *Establish a process for handling and resolving client grievances* – By design, CHCs are keenly accountable to the people they serve. CHC boards must institute a process to deal with patient complaints so that the community feels concerns are being effectively addressed. However, issues must be presented in accordance with approved policy. Board members must refuse attempts to circumvent the process (e.g., receiving calls at home) and strictly adhere to the approved policy no matter who is filing the complaint.
- *Ensure that the center is operated in compliance with applicable Federal, State, and local laws and regulations* – Ignorance is not bliss. CHC boards should have a working knowledge of applicable laws and regulations, documenting adherence to the law, particularly in regard to required tax payments and handling of retirement funds. Exercising 'duty of care' is critical when it comes to legal compliance.

CHC boards must take measures to monitor that approved policies are being effectively implemented. Health center exposure to litigation is increased if policies have been developed but are not being followed. To review OKPCA's entire *Board Bulletin* series, visit the 'CHC Boards' section of www.okpca.org.

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