

**TRICITY HEALTHCARE DISTRICT
BOARD OF DIRECTORS POLICY**

BOARD POLICY 18-042

POLICY TITLE: Duties of the Board of Directors

The purpose of this policy is to define the primary responsibilities of the Board of Directors as the governing body ultimately responsible for leadership of the organization.

Brief Job Description

The Board establishes the mission, vision, and goals for the organization. The Board is ultimately accountable for the quality of care rendered to its patients by both its medical and professional staffs, for its financial soundness and success, and for strategically planning its future. The Board hires the Chief Executive Officer, and approves the plans and budgets by which the CEO will accomplish the quality, financial and strategic goals of the Board. However, the Board has delegated to the CEO responsibility to run the day-to-day operations of all of the District's business enterprises; hence, the Board does not direct operations. Rather, the Board is responsible for ensuring that strategies developed by management will accomplish key goals, achieve the mission and fulfill the vision, and holding the CEO accountable for implementation of those strategies.

Primary Duties and Responsibilities

Financial.

1. Set objectives. It is the role of the Board of Directors, in cooperation with the Chief Executive Office, to specify key financial objectives which are aligned with Board-determined goals, mission and vision for the organization.
2. Oversee attainment of objectives. Through annual approval of the budget, and the ongoing activities of the Financial Operations and Planning Committee, the Board ensures that necessary financial planning activities are undertaken so that the organization's resources are effectively allocated across competing uses. The Board monitors and assesses the financial performance of the organization on an ongoing basis through review of periodic financial statements and other reports prepared and presented by the Chief Financial Officer.
3. Ensure transparency and accountability. Through the selection of independent auditors and acceptance of the annual financial audit report, together with targeted supplemental auditing activities of billing and collection activities for compliance with legal requirements, the Board ensures that appropriate accounting controls are in place and updated, as needed.

Community needs assessment and outreach.

The Board helps keep the organization informed about and sensitive to, community needs and perceptions. Conversely, the Board plays a key role in keeping the community informed regarding the services, activities, and plans of the organization.

Promote quality medical care.

1. Under its Bylaws and those of the Medical Staff, the Board appoints, reappoints and determine privileges of physicians who practice in the institution.
2. The Board hears periodic reports on indicators of quality, utilization and outcomes, as well as quality improvement implementation plans, for each area or department of the organization. The Board holds management accountable to ensure that effective risk management systems are in place and functioning effectively. In this manner, the Board takes responsibility for ensuring the quality of nursing and medical care rendered in the hospital.
3. The Board provides opportunities for members of the medical staff to participate in governance through membership on Board-appointed committees. The Board provides the Chief of the Medical Staff an opportunity to participate in Board meetings, including providing an agenda item at each regular meeting for reports from the Medical Staff.
4. The Board identifies the nurse executive function at the senior leadership level to provide effective leadership and to coordinate leaders to deliver nursing care, treatment, and services.

Compliance oversight.

The Board ensures compliance with requirements of regulatory and accrediting bodies by:

- (a) promoting an ethical, self-governing culture throughout the organization through Board and employment policies; (b) overseeing the effectiveness of the compliance program; and
- (c) providing the resources required to implement effective system.

Responsibilities Defined Elsewhere:

Bylaws.

The Bylaws of the Tri-City Healthcare District Board of Directors set forth, in Article III, the legal powers and duties of the board of directors, as provided under the Healthcare District law. The Board's oversight of compliance activities is reflected in Article VI, §2 (establishing a Compliance and Audit Committee) and Article VII, §3, describing its reporting relationship with the Chief Compliance Officer. Article VIII describes the Board's relationship with the Medical Staff. Article IX, §5 requires the Board to maintain a policy regarding annual self-evaluations.

Board Policies.

Some of the responsibilities of the Board, including those specifically identified by the Joint Commission, are addressed by board policies. The Medical Staff provides input on equipment and services to be provided at the hospital under Policy 17-001. Minimum liability insurance requirements required for medical staff membership are described in a policy jointly-adopted by the Medical Staff. (Policy No. 15-038.) The Board oversees the prudent investment of excess funds under Policy No. 14-017, which is reviewed annually. Self-evaluations are conducted by the Board annually under Policy 14-012. Board member orientation and training are provided for in Policies 16-020 and 17-039. Board responsibilities for decision making on legal matters, including hiring Board Counsel, is described in Policy 17023. Other policies establish a Code of Conduct for the Board (Policy No. 17-039) and committee members (Policy No. 15-031), and conflict of interest rules (by resolution in accordance with the Political Reform Act). These are merely examples and are not intended to be a comprehensive list of policies describing Board responsibilities.

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