Board Composition

**Primary Reviewer:** Governance/Administrative Expert  
**Secondary Reviewer:** N/A

**Authority:** Section 330(k)(3)(H) of the PHS Act; and 42 CFR 51c.304 and 42 CFR 56.304
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Document Checklist for Health Center Staff

Documents Provided Prior to Site Visit:

☐ Corporate organization chart(s) (only applicable for public agencies or for organizations with a parent or subsidiary)
☐ Form 6A or Board Roster (if updated since last application submission to HRSA/BPHC)
☐ Articles of Incorporation (if updated since last application submission to HRSA/BPHC)
☐ Bylaws (if updated since last application submission to HRSA/BPHC)
☐ Co-applicant agreement (if applicable) (if updated since last application submission to HRSA/BPHC)

Documents Provided at the Start of the Site Visit:

☐ Board Member Applications, Bios and Disclosure Forms
☐ Clinical or billing records within the past 24 months to verify board member patient status
☐ For health centers with approved waivers, examples of the use of special populations input (e.g., board minutes, board meeting handouts, board packets, etc.)

Demonstrating Compliance

1. Is the health center operated by an Indian tribe, tribal group, or Indian organization under the Indian Self-Determination Act or an Urban Indian Organization under the Indian Health Care Improvement Act?

☐ YES  ☐ NO

NOTE: IF “YES” WAS SELECTED, NONE OF THE QUESTIONS FOR ANY OF THE ELEMENTS IN THE BOARD COMPOSITION SECTION ARE APPLICABLE.

Element a: Board Member Selection and Removal Process

The health center has bylaws or other relevant documents that specify the process for ongoing selection and removal of board members. This board member selection and removal process does not permit any other entity, committee or individual (other than the board) to select either the board chair or the majority of health center board members,¹ including a majority of the non-patient board members.²

¹ An outside entity may only remove a board member who has been selected by that entity as an organizational representative to the governing board.
² For example, if the health center has an agreement with another organization, the agreement does not permit that organization to select either the chair or a majority of the health center board.
Site Visit Team Methodology

- Review corporate organization chart(s) (only applicable for public agencies or for organizations with a parent or subsidiary)
- Review the health center Articles of Incorporation, bylaws, or other relevant documents and co-applicant agreement (if applicable).

Note: Bylaw provisions regarding composition are to be assessed for compliance with Health Center Program requirements as noted in the Site Visit Protocol and are not to be assessed beyond those requirements.

Site Visit Findings

2. Do the bylaws or other documentation specify an ongoing selection and removal process for board members?
   ☐ YES ☐ NO

   If No, an explanation is required:
   __________________________________________________________________________________

3. Do the bylaws or other documentation in any way limit the health center’s ability to select or remove its own board members, specifically the ability to select any of the following:

   o The board chair?
     ☐ YES ☐ NO

   o The majority of health center board members?
     ☐ YES ☐ NO

   o The majority of the non-patient board members?
     ☐ YES ☐ NO

   If Yes was selected for any of the above, an explanation is required describing how the health center board is limited in its board member selection or removal process:
   __________________________________________________________________________________
Element b: Required Board Composition

The health center has bylaws or other relevant documents that require the board to be composed as follows:

- Board size is at least 9 and no more than 25 members, with either a specific number or a range of board members prescribed;
- At least 51 percent of board members are patients served by the health center. For the purposes of board composition, a patient is an individual who has received at least one service in the past 24 months that generated a health center visit, where both the service and the site where the service was received are within the HRSA-approved scope of project;
- Patient members of the board, as a group, reasonably represent the individuals who are served by the health center in terms of demographic factors, such as race, ethnicity, and gender;
- Non-patient members are representative of the community served by the health center or the health center’s service area;
- Non-patient members are selected to provide relevant expertise and skills such as:
  - Community affairs;
  - Local government;
  - Finance and banking;
  - Legal affairs;
  - Trade unions and other commercial and industrial concerns; and
  - Social services;
- No more than one-half of non-patient board members derive more than 10 percent of their annual income from the health care industry; and
- Health center employees and immediate family members (i.e., spouses, children, parents, or siblings through blood, adoption, or marriage) of employees may not be health center board members.

Site Visit Team Methodology

- Review the health center Articles of Incorporation, bylaws, or other relevant documents and co-applicant agreement (if applicable).

Site Visit Findings

4. Do the bylaws or other documentation include provisions that ensure:

3 For the purposes of the Health Center Program, the term “board member” refers only to voting members of the board.
4 For the purposes of health center board composition, an employee of the health center would include an individual who would be considered a “common-law employee” or “statutory employee” according to the Internal Revenue Service criteria, as well as an individual who would be considered an employee for state or local law purposes.
5 In the case of public agencies with co-applicant boards, this includes employees or immediate family members of both the co-applicant organization and the public agency component (for example, department, division, or sub-agency) in which the health center project is located.
○ Board size is at least 9 and no more than 25 members, with either a specific number or a range of board members prescribed?  
☐ YES  ☐ NO

○ At least 51% of board members are patients served by the health center (Note: Select “Not Applicable” only if the health center has an approved waiver)?  
☐ YES  ☐ NO  ☐ NOT APPLICABLE

○ Patient members of the board, as a group, reasonably represent the individuals who are served by the health center in terms of demographic factors, such as race, ethnicity, and gender?  
☐ YES  ☐ NO

○ Non-patient members are representative of the community served by the health center or the health center’s service area?  
☐ YES  ☐ NO

○ Non-patient members are selected to provide relevant expertise and skills such as community affairs, local government, finance and banking, legal affairs, trade unions and other commercial and industrial concerns, and social services?  
☐ YES  ☐ NO

○ No more than one-half of non-patient board members derive more than 10% of their annual income from the health care industry?  
☐ YES  ☐ NO

○ Health center employees and immediate family members (i.e., spouses, children, parents, or siblings through blood, adoption, or marriage) of employees may not be health center board members?  
☐ YES  ☐ NO

If No was selected for any of the above, an explanation is required:

________________________________________________________________________

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6 Per the regulations in 42 CFR 56.304, for health centers funded/look-alikes designated solely under section 330(g) of the PHS Act, no more than two-thirds of the non-patient board members may derive more than 10% of their annual income from the health care industry.

7 For the purposes of health center board composition, an employee of the health center would include an individual who would be considered a “common-law employee” or “statutory employee” according to the Internal Revenue Service criteria, as well as an individual who would be considered an employee for state or local law purposes.

8 In the case of public agencies with co-applicant boards, this includes employees or immediate family members of both the co-applicant organization and the public agency component (for example, department, division, or sub-agency) in which the health center project is located.
Element c: Current Board Composition

The health center has documentation that the board is composed of:

- At least 9 and no more than 25 members;
- A patient majority (at least 51 percent);
- Patient members of the board, as a group, reasonably represent the individuals who are served by the health center in terms of demographic factors -- such as race, ethnicity, and gender -- consistent with the demographics reported in the health center’s UDS report;¹⁰
- Representative(s) from or for each of the funded/designated special population(s)¹¹ for those health centers that receive any funding/look-alike designation under one or more of the special populations section 330 subparts, 330(g), (h), and/or (i); and
- As applicable, non-patient board members:
  - Who are representative of the community in which the health center is located, either by living or working in the community, or by having a demonstrable connection to the community;
  - With relevant skills and expertise in areas such as community affairs, local government, finance and banking, legal affairs, trade unions, other commercial and industrial concerns, or social services within the community; and
  - Of whom no more than 50 percent earn more than 10 percent of their annual income from the health care industry.¹²

Site Visit Team Methodology

- Interview board members (concurrent with interviews for Board Authority requirements).
- Review current board roster or Form 6A.
- Review board member applications, board member bios, and board member disclosure forms, as available.
- Review clinical or billing records to confirm the patient status of board members.
- Review UDS data for an overview of patient population demographic factors (race, ethnicity and gender).

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¹ A legal guardian of a patient who is a dependent child or adult, a person who has legal authority to make health care decisions on behalf of a patient, or a legal sponsor of an immigrant patient may also be considered a patient of the health center for purposes of board representation. Students who are health center patients may participate as board members subject to state laws applicable to such non-profit board members.

¹⁰ For health centers that have not yet made a Uniform Data System (UDS) report, this would be assessed based on demographic data included in the health center’s application.

¹¹ Representation could include advocates for the health center’s 330 (g), (h), or (i) patient population (for example, those who have personally experienced being a member of, have expertise about, or work closely with the current special population). Such advocate board members would count as “patient” board members only if they meet the patient definition set forth in the Health Center Program Compliance Manual.

¹² For example, in a 9 member board with 5 patient board members, there could be 4 non-patient board members. In this case, no more than 2 non-patient board members could earn more than 10% of their income from the health care industry.
- Review background information on health center to confirm special populations funding or designation (if applicable).

Site Visit Findings

5. Are at least 51% of health center board members classified by the health center as patients?  
   **Note:** Select “Not Applicable” only if the health center has an approved waiver.  
   ☐ YES     ☐ NO     ☐ NOT APPLICABLE

   If No, an explanation is required, including specifying the number of total board members and how many (if any) are current patients of the health center:

   ______________________________________________________________________

6. Were you able to confirm that individuals classified by the health center as patient board members have actually received at least one in-scope service at an in-scope site within the past 24 months that generated a health center visit?  
   ☐ YES     ☐ NO

   If No, an explanation is required:

   ______________________________________________________________________

7. **For health centers with special populations funding/designation:** Was the health center able to identify one or more board member(s) who serves as a representative from or for each of the health center’s funded/designated special population(s) (individuals experiencing homelessness, migratory and seasonal agricultural workers, residents of public housing)?  
   ☐ YES     ☐ NO     ☐ NOT APPLICABLE

   If No, an explanation is required:

   ______________________________________________________________________

8. Has the health center ensured that patient board members as a group are representative of the health center’s patient population in terms race, ethnicity, and gender?  
   **Note:** Select “Not Applicable” only if the health center has an approved waiver.  
   ☐ YES     ☐ NO     ☐ NOT APPLICABLE

   If No, an explanation is required:

   ______________________________________________________________________

9. For the health center’s non-patient board members, do all such board members either live or work in the community?  
   ☐ YES     ☐ NO

   If No, an explanation is required describing whether/how board members who do not live or work in the community have a demonstrable connection to the community:

   ______________________________________________________________________
10. Do the non-patient board members have relevant skills and expertise in a variety of areas that support the board’s governance and oversight role (e.g., community affairs, local government, finance, banking, legal affairs, trade unions, major local employers or businesses, social services)?

☐ YES  ☐ NO

If No, an explanation is required:
____________________________________________________________________

11. Do any non-patient board members earn more than 10% of their annual income from the health care industry?  

☐ YES  ☐ NO

If Yes, an explanation is required that includes the number of non-patient board members who earn more than 10% of their annual income from the health care industry and the total number of non-patient board members:
____________________________________________________________________

Element d: Prohibited Board Members

The health center verifies periodically (for example, annually or during the selection or renewal of board member terms) that the governing board does not include members who are current employees of the health center, or immediate family members of current health center employees (i.e., spouses, children, parents, or siblings through blood, adoption, or marriage).

Site Visit Team Methodology

- Interview board members (concurrent with interviews for Board Authority requirements).
- Review current board roster or Form 6A.
- Review board member applications, board member bios, and board member disclosure forms, as available.

13 Per the regulations in 42 CFR 56.304, for health centers funded/look-alikes designated solely under section 330(g) of the PHS Act, no more than two-thirds of the non-patient board members may derive more than 10% of their annual income from the health care industry.
Site Visit Findings

12. Has the health center verified that the current board does not include any members who are:

- Employees of the health center?¹⁴,¹⁵
  - ☐ YES
  - ☐ NO

- Immediate family members of current health center employees (i.e., spouses, children, parents, or siblings through blood, adoption, or marriage)?
  - ☐ YES
  - ☐ NO

**Note:** The health center board determines whether to include non-voting, ex-officio members such as the Project Director/Chief Executive Officer (CEO) or community members on the board, consistent with what is permitted under other applicable laws.

If No was selected for any of the above, an explanation is required:
______________________________________________________________________

Element e: Waiver Requests

Health centers requesting a waiver of the patient majority board composition requirements for health centers receiving Health Center Program funding only for special populations (sections 330(g), (h), and/or (i)) present to HRSA for review and approval:

- “Good cause” that justifies the need for the waiver by documenting:
  - The unique characteristics of the population (homeless, migratory or seasonal agricultural worker, and/or public housing patient population) or service area that create an undue hardship in recruiting a patient majority; and
  - Its attempt(s) to recruit a majority of special population board members within the past three years; and

- Strategies that will ensure patient participation and input in the direction and ongoing governance of the organization by addressing the following elements:
  - Collection and documentation of input from the special population(s);
  - Communication of special population input directly to the health center governing board; and

¹⁴ For the purposes of health center board composition, an employee of the health center would include an individual who would be considered a “common-law employee” or “statutory employee” according to the Internal Revenue Service criteria, as well as an individual who would be considered an employee for state or local law purposes.

¹⁵ In the case of public agencies with co-applicant boards, this includes employees or immediate family members of both the co-applicant organization and the public agency component (for example, department, division, or sub-agency) in which the health center project is located.
Incorporation of special population input into key areas, including but not limited to: selecting health center services;\(^\text{16}\) setting hours of operation of health center sites;\(^\text{17}\) defining budget priorities;\(^\text{18}\) evaluating the organization’s progress in meeting goals, including patient satisfaction;\(^\text{19}\) and assessing the effectiveness of the sliding fee discount program.\(^\text{20}\)

Site Visit Team Methodology

**N/A** – HRSA assesses whether the health center has demonstrated compliance with this element through its internal review of the competing continuation application (SAC or RD). No onsite review of this element is required.

Site Visit Findings

**N/A** – HRSA assesses whether the health center has demonstrated compliance with this element through its internal review of the competing continuation application (SAC or RD). No onsite review of this element is required.

Element f: Utilization of Special Population Input

For health centers with approved waivers, the health center has board minutes or other documentation that demonstrates how special population patient input is utilized in making governing board decisions in key areas.

Site Visit Team Methodology

- **For health centers with an approved waiver**: Review the health center’s HRSA-approved waiver Form 6B.
- Review documented examples from the health center on the use of special populations input.
- Interview board members (concurrent with interviews for Board Authority requirements).

Site Visit Findings

13. **For health centers with approved waivers only**: Does the health center collect and document input from the special population(s)?

    **Note**: Select “Not Applicable” only if the health center does not have an approved

\(^{16}\) See Health Center Program Compliance Manual, Chapter 4: Required and Additional Health Services for more information on providing services within the HRSA-approved scope of project.

\(^{17}\) See Health Center Program Compliance Manual, Chapter 6: Accessible Locations and Hours of Operation for more information on health center service sites and hours of operation.

\(^{18}\) See Health Center Program Compliance Manual, Chapter 17: Budget for more information on the Health Center Program project budget.

\(^{19}\) See Health Center Program Compliance Manual, Chapter 19: Board Authority for more information on the health center board’s required authorities.

\(^{20}\) See Health Center Program Compliance Manual, Chapter 9: Sliding Fee Discount Program for more information on requirements for health center sliding fee discount programs.
waiver.
☐ YES  ☐ NO  ☐ NOT APPLICABLE

If No, an explanation is required:
______________________________________________________________________

14. Was the health center able to provide at least one example of how special population
input has impacted board decision-making (e.g., selecting health center services; setting
hours of operation of health center sites; defining budget priorities; evaluating the
organization’s progress in meeting goals, including patient satisfaction; or assessing the
effectiveness of the sliding fee discount program)?
☐ YES  ☐ NO  ☐ NOT APPLICABLE

If No, an explanation is required:
______________________________________________________________________