

# **Health Center Program Site Visit Protocol: Board Authority**

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# BOARD AUTHORITY

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**Primary Reviewer:** Governance/Administrative Expert

**Secondary Reviewer:** N/A

**Authority:** Section 330(k)(3)(H) of the PHS Act; 42 CFR 51c.303(i), 42 CFR 56.303(i), 42 CFR 51c.304(d), and 42 CFR 56.304(d); and 45 CFR 75.507(b)(2)

## Document Checklist for Health Center Staff

### Documents Provided Prior to Site Visit:

- Health center organization chart(s) with names of key management staff
- Corporate organization chart(s) (only applicable for public agencies or for organizations with a parent or subsidiary)
- 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)
- Position description for the Project Director/CEO

### Documents Provided at the Start of the Site Visit:

- Board minutes [health center to research and provide relevant minutes] for:
  - most recent 12 months
  - any prior meetings in the past 3 years to demonstrate that board authorities were explicitly exercised, including approving key policies on:
    - Sliding Fee Discount Program
    - Quality Improvement/Assurance Program
    - Billing and Collections (policy for waiving or reducing patient fees and if applicable, refusal to pay)
    - Financial Management and Accounting Systems
    - Personnel
- Board committee minutes OR committee documents from the past 12 months
- Sample board packets from two board meetings within the past 12 months
- Board calendar or work plan
- Strategic plan or long term planning documents within the past 3 years
- Most recent evaluation of Project Director/CEO
- Project Director/CEO employment agreement (for the purposes of provisions regarding Project Director/CEO selection, evaluation, and dismissal or termination)
- Agreements with parent corporation, affiliate, subsidiary, or subrecipient organization (if applicable)
- Collaborative or contractual agreements with outside entities that may impact the health center board's authorities or functions

## 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 AUTHORITY SECTION ARE APPLICABLE.**

### Element a: Maintenance of Board Authority Over Health Center Project

The health center’s organizational structure, articles of incorporation, bylaws, and other relevant documents ensure the health center governing board maintains the authority for oversight of the health center project, specifically:

- The organizational structure and documents do not allow for any other individual, entity or committee (including, but not limited to, an executive committee authorized by the board) to reserve approval authority or have veto power over the health center board with regard to the required authorities and functions;<sup>91</sup>
- In cases where a health center collaborates with other entities in fulfilling the health center’s HRSA-approved scope of project, such collaboration or agreements with the other entities do not restrict or infringe upon the health center board’s required authorities and functions; and
- For public agencies with a co-applicant board,<sup>92</sup> the health center has a co-applicant agreement that delegates the required authorities and functions to the co-applicant board and delineates the roles and responsibilities of the public agency and the co-applicant in carrying out the health center project.

### Site Visit Team Methodology

- Review organizational chart(s) (health center project and, if applicable, corporate), articles of incorporation, bylaws, and other relevant documents.
- Review health center’s current Forms 5A and 5B to determine current HRSA-approved scope of project.
- Review any collaborative or contractual agreements with outside entities that may impact the health center board’s authorities or functions.
- Review co-applicant agreement (if applicable).

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<sup>91</sup> This does not preclude an executive committee from taking actions on behalf of the board in emergencies, on which the full board will subsequently vote.

<sup>92</sup> Public agencies are permitted to utilize a co-applicant governance structure for the purposes of meeting Health Center Program governance requirements. Public centers may be structured in one of two ways to meet the program requirements: 1) the public agency independently meets all the Health Center Program governance requirements based on the existing structure and vested authorities of the public agency’s governing board; or 2) together, the public agency and the co-applicant meet all Health Center Program requirements.

- Review agreements with parent corporation, affiliate, subsidiary, or subrecipient organization (if applicable).

## Site Visit Findings

### ***In responding to the questions below, please note:***

*In a public agency/co-applicant health center arrangement, the public agency is not considered to be an outside entity as it is the award recipient.*

2. Do health center documents and agreements contain language or provisions that allow:
  - Any other individual, entity or committee (including, but not limited to, an executive committee authorized by the board) to reserve or have approval/veto power over the health center board with regard to the required authorities and functions?  
 YES                       NO
  - Any of the health center's collaborations or agreements with other entities to restrict or infringe upon the health center board's required authorities and functions?  
 YES                       NO

If Yes was selected for any of the above, an explanation is required:

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3. **For public agencies with a co-applicant board:** Does the health center have a co-applicant agreement that delegates the required authorities and functions to the co-applicant board and that delineates the roles and responsibilities of the public agency and the co-applicant in carrying out the health center project?  
 YES                       NO                       NOT APPLICABLE

If No, an explanation is required:

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## Element b: Required Authorities and Responsibilities

The health center's articles of incorporation, bylaws, or other relevant documents outline the following required authorities and responsibilities of the governing board:

- Holding monthly meetings;
- Approving the selection (and termination or dismissal, as appropriate) of the health center's Project Director/CEO;
- Approving the annual Health Center Program project budget and applications;
- Approving health center services and the location and hours of operation of health center sites;
- Evaluating the performance of the health center;

- Establishing or adopting policy<sup>93</sup> related to the operations of the health center; and
- Assuring the health center operates in compliance with applicable Federal, State, and local laws and regulations.

### Site Visit Team Methodology

- Review the health center's articles of incorporation, bylaws, and other relevant documents.
- Review co-applicant agreement (if applicable).

### Site Visit Findings

4. Do the health center's articles of incorporation, bylaws (either for the health center board or, if applicable, the co-applicant health center board) or other corporate documents (e.g., co-applicant agreement) outline the following required authorities and responsibilities:

- Holding monthly meetings?  
 YES                       NO
- Approving the selection (and termination or dismissal, as appropriate) of the health center's Project Director/CEO?  
 YES                       NO
- Approving the health center's annual budget and applications?  
 YES                       NO
- Approving health center services and the location and hours of operation of health center sites?  
 YES                       NO
- Evaluating the performance of the health center?  
 YES                       NO
- Establishing or adopting policy related to the operations of the health center?  
 YES                       NO
- Assuring the health center operates in compliance with applicable Federal, State, and local laws and regulations?  
 YES                       NO

If No was selected for any of the above, an explanation is required, including specifying which authorities/responsibilities are not addressed in such documents:

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<sup>93</sup> The governing board of a health center is generally responsible for establishing and/or approving policies that govern health center operations, while the health center's staff is generally responsible for implementing and ensuring adherence to these policies (including through operating procedures).

## Element c: Exercising Required Authorities and Responsibilities

The health center's board minutes and other relevant documents confirm that the board exercises, without restriction, the following authorities and functions:

- Holding monthly meetings where a quorum is present to ensure the board has the ability to exercise its required authorities and functions;
- Approving the selection, evaluation and, if necessary, the dismissal or termination of the Project Director/CEO from the health center project;
- Approving applications related to the health center project, including approving the annual budget, which outlines the proposed uses of both Health Center Program award and non-Federal resources and revenue;
- Approving the health center project's sites, hours of operation and services, including decisions to subaward or contract for a substantial portion of the health center's services;
- Monitoring the financial status of the health center, including reviewing the results of the annual audit, and ensuring appropriate follow-up actions are taken;
- Conducting long-range/strategic planning at least once every three years, which at a minimum addresses financial management and capital expenditure needs; and
- Evaluating the performance of the health center based on quality assurance/quality improvement assessments and other information received from health center management,<sup>94</sup> and ensuring appropriate follow-up actions are taken regarding:
  - Achievement of project objectives;
  - Service utilization patterns;
  - Quality of care;
  - Efficiency and effectiveness of the center; and
  - Patient satisfaction, including addressing any patient grievances

### Site Visit Team Methodology

- Interview Project Director/CEO regarding how board carries out its functions.
- Interview board (co-applicant board in the case of a public agency-co-applicant model) regarding how it carries out board functions, specifically how:
  - Project Director/CEO reports to the board
  - Board carries out its functions
  - Goal is to interview a majority of board members as a group. If this is not possible, interview officers and at least one patient member. If group interview is not possible, interview individually.
- If conducting a review for a public agency health center, interview relevant public agency staff (e.g., leadership, staff within the unit of the public agency related to the health center project) about their various roles and responsibilities.
- Review board calendar or other related scheduling or planning documents.

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<sup>94</sup> For more information related to the production of reports associated with these topics, see Health Center Program Compliance Manual, [Chapter 18: Program Monitoring and Data Reporting Systems](#), [Chapter 15: Financial Management and Accounting Systems](#), and [Chapter 10: Quality Improvement/Assurance](#).

- Review board minutes [health center to research and provide relevant minutes] for most recent 12 months and minutes for any prior meetings in the past 3 years to demonstrate that board authorities were explicitly exercised.
- Review any relevant board committee minutes OR committee documents from within the past 12 months that support board functions and activities.
- Review sample of board packets from within the past 12 months.
- Review strategic planning or related documents from within the past 3 years.
- Review most recent Project Director/CEO evaluation documentation.
- Review the position description and employment agreement for the Project Director/CEO.

## Site Visit Findings

5. Do board minutes document that the board met monthly for the past 12 months and had a quorum (quorum is determined by the health center) present that enabled the board to carry out its required authorities and functions?

YES       NO

If No, an explanation is required:

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6. Based on your review of board minutes and other relevant documents as well as interviews conducted with the CEO and board members, were there examples of how the board exercises the following authorities and functions:
- Approving the selection of, evaluating and, if necessary, approving the dismissal or termination of the Project Director/CEO from the health center project?  
 YES       NO
  - Approving applications related to the health center project, including approving the annual budget, which outlines the proposed uses of both Federal Health Center Program award and non-Federal resources and revenue?  
 YES       NO
  - Approving health center project's sites, hours of operation and services, including (if applicable) subawarding or contracting for a substantial portion of the health center's services?  
 YES       NO
  - Monitoring the financial status of the health center, including reviewing the results of the annual audit and ensuring appropriate follow-up actions are taken?  
 YES       NO
  - Conducting long-range/strategic planning at least once every three years, which at a minimum addresses financial management and capital expenditure needs?  
 YES       NO



- Evaluating the performance of the health center based on quality assurance/quality improvement assessments and other information received from health center management?<sup>95</sup>  
 YES                       NO

If No was selected for any of the above, an explanation is required, including specifying any restrictions on the board in carrying out these authorities and functions:

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7. Have follow-up actions been planned or taken and reported back to the board regarding:

- Achievement of project objectives?  
 YES                       NO                       NOT APPLICABLE
- Service utilization patterns?  
 YES                       NO                       NOT APPLICABLE
- Quality of care?  
 YES                       NO                       NOT APPLICABLE
- Efficiency and effectiveness of the center?  
 YES                       NO                       NOT APPLICABLE
- Patient satisfaction, including addressing any patient grievances?  
 YES                       NO                       NOT APPLICABLE

If No OR Not Applicable was selected for any of the above, an explanation is required:

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## Element d: Adopting, Evaluating, and Updating Health Center Policies

The health center board has adopted, evaluated at least once every three years, and, as needed, approved updates to policies in the following areas: Sliding Fee Discount Program, Quality Improvement/Assurance Program, and Billing and Collections.<sup>96</sup>

### Site Visit Team Methodology

- Review board minutes [health center to research and provide relevant minutes] from previous 3 years to confirm that the board has reviewed and, if needed, approved updates to the following policies:
  - Sliding Fee Discount Program

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<sup>95</sup> For more information related to the production of reports associated with these topics, please see Health Center Program Compliance Manual, [Chapter 18: Program Monitoring and Data Reporting Systems](#), [Chapter 15: Financial Management and Accounting Systems](#), and [Chapter 10: Quality Improvement/Assurance](#).

<sup>96</sup> Policies related to billing and collections that require board approval include those that address the waiving or reducing of amounts owed by patients due to inability to pay, and, if applicable, those that limit or deny services due to refusal to pay.

- Quality Improvement/Assurance Program
- Billing and Collections (policy for waiving or reducing patient fees and, if applicable, refusal to pay)
- Interview same board members as previously identified regarding their process for evaluating health center policies.

## Site Visit Findings

8. Within the last three years, has the board adopted or evaluated health center policies in the following areas:

- Sliding Fee Discount Program?  
 YES                       NO
- Quality Improvement/Assurance Program?  
 YES                       NO
- Billing and Collections (policy for waiving or reducing patient fees and if applicable, refusal to pay)?  
 YES                       NO

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

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9. Was the health center able to provide one to two examples, if applicable, of actions taken as a result of these evaluations (e.g., updating a particular policy, making recommendations to key management)?

- YES                       NO                       NOT APPLICABLE

If No or Not Applicable, an explanation is required:

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## Element e: Adopting, Evaluating, and Updating Financial and Personnel Policies

The health center board has adopted, evaluated at least once every three years, and, as needed, approved updates to policies that support financial management and accounting systems and personnel policies. However, in cases where a public agency is the recipient of the Health Center Program Federal award or designation and has established a co-applicant structure, the public agency may establish and retain the authority to adopt and approve policies that support financial management and accounting systems and personnel policies.

## Site Visit Team Methodology

- Review board minutes [health center to research and provide relevant minutes] from previous 3 years to confirm that the board has reviewed and, if needed, approved updates to the following policies:
  - Financial Management and Accounting Systems
  - Personnel

- Interview same board members as previously identified regarding their process for evaluating financial management and accounting systems and personnel policies.
- Review the co-applicant agreement to determine if the public agency retains authority for adopting and approving personnel and financial management policies (if applicable; ONLY if conducting a site visit for a public agency health center with a co-applicant board).

## Site Visit Findings

### ***In responding to the question below, please note:***

*The content and extent of a health center's financial management and personnel policies may vary. For example, some financial management policies may address procurement, but the lack thereof does not indicate non-compliance. Assessing compliance with respect to procurement procedures is addressed in Contracts and Subawards.*

10. Within the last three years, has the board evaluated health center policies that support the following areas:

- Financial management and accounting systems?  
 YES                       NO                       NOT APPLICABLE
- Personnel?  
 YES                       NO                       NOT APPLICABLE

**Note:** *For health centers where the public agency retains the authority to adopt and approve the policies listed, select "Not Applicable" for the above questions.*

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

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