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A GUIDEBOOK FOR LGU HOSPITAL BOARDS

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HOSPITAL REFORM TEAM

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THE BEGINNINGS OF A HOSPITAL BOARD IN LOCAL GOVERNMENT HOSPITALS

The Pangasinan Provincial Hospital

The desire for a more efficient and effective delivery of hospital services prompted the leadership of the Pangasinan Provincial Hospital to explore the organization of an advisory committee. In a meeting in late 1998, Dr. Jose R. Rodriguez, Chief of Party of the Management Sciences for Health-Program Management Technical Advisers Team (MSH-PMTAT), Dr. Nemesia Mejia, the Chief of Hospital, with some of her senior managers, and Ms. Luz Muego, the population officer of the province, discussed the idea of involving community members to join the committee. Their expertise will enhance the deliberations in crafting out a plan for the development of the hospital. It was also hoped that these personalities in the community whom they will invite could also use their influence to facilitate the envisioned projects.

Dr. Mejia presented this idea to Governor Victor Agbayani. Anticipating that the proposal will need the commitment of the governor, the MSH Chief of Party constantly followed this up. Eventually, they were able to convince the governor to support this plan. They discussed the composition of the group and called this the Oversight Committee. It was decided that the committee will be composed of the following: a representative from the media, a local community leader, the Mayor of San Carlos City, the Chairman for Health of the Sanggunian Panlalawigan, a representative from the Governor's office, a representative from the religious sector, the Provincial Health Officer and the Chief of the Provincial Hospital.

Governor Agbayani sent invitations to the people who have been identified to constitute the committee. Subsequently, a meeting was convened. All of those who were invited accepted and attended the meeting, except for the local media representative. For the religious sector though, an alternate was sent to the meeting. To show his commitment, the governor presided over the meetings.

The discussions revolved around the problems besetting the hospital and some developmental policies for the health facility.

At about this time, the MSH-PMTAT, a US-AID funded project, was intensifying hospital reform activities in the provincial hospital. Through this project some guidance in the board meetings were provided. It was noted that there was no formal guide to govern the committee, thus a draft by-laws was also made. This was presented to the governor and he sent this to the legal officer of the province for study and clearance. It was envisioned then that this committee would be the forerunner of a hospital board. The committee met for about four times and helped shaped the reform program of the hospital. Having done so, and with the reform program well in place, the meetings became less frequent.

In the meantime, the MSH-PMTAT endorsed the project to the Health Sector Reform Technical Assistance Project (HSRTAP) group. The Secretary of Health, at that time, proposed to change the hospital into a corporation and was able to get the concurrence of the governor. The HSRTAP has been focusing their assistance in preparing the groundwork for the eventual “corporatization” of the hospital. The by-laws were temporarily set aside and the HSRTAP hospital reform team focused on the development of a draft guideline to establish hospital boards. The draft was presented to the hospital core group to solicit their comments. Their inputs were used in the further refinement of this guideline.

Some of their inputs were to include a representative of the hospital staff in the hospital board. Further, they suggested that LGU representatives be involved so that their support can be solicited in the final formation of this board. Aside from the guidelines, they also raised a concern in the timing of establishing the hospital board. They suggested that it should be before the conversion of the hospital so upon the registration in the Securities and Exchange Commission, the names of the board members will appear in the SEC papers as the incorporators.

In the process of developing the guidelines for the hospital board, many concerns were expressed by the hospital staff. For one, they were apprehensive that the members will use their influence for their personal gains. They were worried that the board members might interfere with the procurement of supplies and materials or with the hiring and firing of personnel. It was explained to them that the guidelines for the establishment of the board would still undergo a process that will involve as many stakeholders as possible so that its final form will be acceptable.

Their experience with the oversight committee was beneficial to the hospital. The best advantage was that it provided them a direct communication with some of the stakeholders, which facilitated the solution of problems. For example, the City Mayor, a member of the oversight committee, was responsive to the needs of the hospital. During the meetings he realized the problems and how it affected the hospital services. For example, he provided some funds from his budget to provide oxygen regulators to the hospital. Another concern that was brought to his attention was the presence of squatters in the hospital premises. He committed to take this up with the squatters and come up with a win-win compromise.

As a whole the hospital was able to benefit from the establishment of the oversight committee.

Roxas Memorial Provincial Hospital

The MSH-PMTAT has been providing Roxas Memorial Provincial Hospital technical assistance since 1998. One of the approaches suggested by MSH to improve hospital operations was to create a hospital board to provide governance. The Chief of Hospital and her senior management staff deliberated on the proposal and started establishing an advisory board.

They sat down to develop the criteria for the selection of possible members. Foremost among the criteria was the integrity of the potential board member. A meeting was then set and personalities with matching qualifications were invited to the gathering. While the governor was informed and concurred with the idea of an advisory board, he did not preside over the meetings. The Chief of Hospital had to meet separately with him to apprise him of the board's deliberations.

Similar to Pangasinan, the advisory board did not have a formal guide by which to govern the group. As such, by-laws similar to those adapted in Pangasinan were presented to them. The draft by-laws was forwarded to the Governor's office for his comments and clearance. The governor's response was to take it up after the election. He anticipated that formalizing a hospital board might create some apprehensions among the hospital staff and other stakeholders. Simply put, the governor prefers to tackle and explain the planned conversion of the hospital into a public corporation after the election and not during the campaign period.

At about the middle of 1999, the attention of the hospital leadership was diverted to the implementation of the health passport and the integration of the district health systems. The shift in priorities and the unclear link between the board and these new activities indirectly led to a dormant advisory board.

The project was turned-over to the MSH-HSRTAP group. The HSRTAP team met with the governor and proposed to him the restructuring of the hospital into a corporation. Although he welcomed the proposal, the governor decided to postpone its full implementation until after the elections. The MSH-HSRTAP was allowed to prepare the groundwork for corporate restructuring but, at the same time, they were also advised to limit their activities to the less controversial areas such as the review of hospital policies and procedures and the introduction of Total Quality Management (TQM).

Observations

1. In the initial phases of introducing the concept of hospital boards to the local executives, it would require strong representation from the DOH or head of the MSH to convince local officials of its advantages.
2. The LGU executives did not feel threatened in losing control over their hospital facilities by establishing hospital boards. On the contrary, they felt that outside expertise was necessary to enrich the way the hospital is being managed.
3. In the two sites, there was no formal basis for the existence of the board except for the LGU executives' concurrence. There was no administrative order or any other issuances that provided them with their authority/limitations. This implied that the group was just ad-hoc. This may be the reason why in both sites the board meetings waned.
4. In the absence of a formal authority, the board by-laws was really not binding. Without that authority not much provisions can be placed in the by-laws. This may be the reason why it has not developed to completion.

5. It would be beneficial to the hospital management if the governor attended the board meetings, preferably he should preside over the meetings. This means that the decisions taken up are more likely to be carried out.

6. Having a hospital advisory committee provided the hospital leadership and the LGU with a unique experience of working with personalities outside of the hospital organization on hospital related concerns. This opened their eyes to an eventual acceptance of a full-fledged board. Furthermore, members of the hospital advisory committee can act as the precursor of the corporate board. The board membership can also function as incorporators of the corporate hospital, a prerequisite to SEC registration.

7. The roles and responsibilities of the advisory board were not clearly defined. This caused some hesitancy both on the part of the board and the hospital management as to how they would act out their parts. There was also no formal orientation as to the situation of the hospital nor was there a strategic plan that they can deliberate on. Their actions were then limited to problem solving and were not proactive in nature. This brings to fore the importance of the Hospital Board Guidebook, a draft presented for review and eventual adoption.

THE HOSPITAL BOARD HANDBOOK REVIEW PROCESS

A multi-stage review process has been envisioned for this handbook. The first draft of this handbook will be submitted to a technical working group composed of representatives from the National Center for Health Facility Development of the DOH, hospital directors from selected DOH hospitals, and the Management Sciences for Health. The first draft will be revised according to the results of this initial technical review.

The second draft will then be presented to the hospital core groups in the different local government units. Hospital core groups are composed of the chief of hospital and the heads of the major service departments of the hospital. LGU officials, such as the provincial health officer, provincial legal officer, and a representative of the local chief executive may also be invited to participate in the review. The hospital core groups or local technical working groups are expected to review and modify the draft handbook based on their experiences and appreciation of local culture, dynamics and practices.

After the local technical working group review, several versions are expected to be produced, with each version unique to a particular local setting. Thus, the Pangasinan Provincial Hospital is expected to adopt a Hospital Board Handbook which may differ from that of Capiz.

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PURPOSE OF HOSPITAL BOARD ORIENTATION

Newly appointed board members need to be familiarized with key elements of the hospital and board functions in order to provide a foundation of information and understanding in preparation for the Board's roles and responsibilities. (MSH Hospital Board Handbook, Kenya Health Project).

Each new board member will go through an orientation program consisting of the following general topics:

SESSION #1 – Presented by the Provincial Health Officer / Hospital Administrator

General overview of the Philippine hospital situation, difference between public and private hospitals, difference between retained and devolved Hospitals, and the need for managerial and fiscal autonomy.

SESSION #2 - Presented by the administrator

History of hospital and scope of services offered, general role of the board member, board bylaws, mission statement, organizational charts

SESSION #3 - Presented by the administrator

Medical Staff Bylaws, functions of Board, Management, and Medical Staff. Medical staff credentialing process.

SESSION #4 - Presented by the deputy administrator, finance

Review of budget and process. Financial statements, financial audit, other insurance and payor information.

SESSION #5 - Presented by personnel officer and coordinator, quality assurance

Review of employee handbook, staff complement, compensation package, and quality assurance program.

SESSION #6 - Presented by the administrator

Review goals / objectives of the hospital's strategic plan and annual progress review.

SESSION #7 – Presented by the administrator

The hospital referral system (overview of the local health system and the function of the provincial hospital within the referral system), types of patients, patient classification system, billing and collection procedures, some data on cost/hospital expense per patient type.

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SECTION ONE (1)

THE HOSPITAL BOARD

I. RATIONALE FOR ORGANIZING HOSPITAL BOARDS IN LOCAL GOVERNMENT UNIT (LGU) HOSPITALS

There are basically two principal reasons for establishing a hospital board in devolved hospitals.

The first reason is there is a need for a governing body based at the hospital that assumes responsibility in charting the health facility towards its avowed mission and objectives. In essence, the hospital board reflects managerial autonomy and takes the place of the local government unit and local chief executive in charting the direction and policies of the hospital. The board of trustees, therefore, has the ultimate authority and responsibility for patient care, the overall quality of service, and the survival of the hospital. It provides the general direction and guidance for the management and operation of the hospital.

To fulfill this responsibility the board has the obligation to demonstrate leadership in determining the hospital's mission and in establishing a strategic plan that is consistent with that mission and with the resources available in the community.

The board shares its leadership responsibility with the executive management and medical staff to establish the hospital as the organized center for improving the health status of the community.

The second rationale for the establishment of a hospital board is to strengthen the bond between the hospital and the community it serves. The hospital board functions as the link between the facility and its clientele. The creation of a hospital board also represents the shift in public hospital management system, from a purely government function to a (community) participative approach. The community, through its representatives in the board, takes an active role in hospital management. Health programs and services needed by the community are expressed and translated by the board into policies and procedures. In the same vein, community representatives in the board can explain hospital policies and procedures better to the general public.

The structure and composition of the board and the policies and procedures it follows to ensure the orderly conduct of its business are critical in fulfilling the hospital's mission and goals to serve the community.

The composition of the board is of great importance; therefore, the board should establish procedures for the selection of members. Board members should be selected on the basis of ability to serve the hospital and community effectively.

The board also should establish an orientation program for new board members and continuing education programs to keep members current on key issues.

II. THE ROLES AND RESPONSIBILITIES OF HOSPITAL BOARD MEMBERS

1. WHAT IS THE PRIMARY FUNCTION OF THE BOARD?

The Board of Trustees shall have general charge of the properties, business, affairs and transactions of the Foundation with the power to manage, direct and supervise the same under its collective responsibility as provided in the by-laws or conferred upon it by applicable laws and regulations. (Model By-Laws of a non-stock, non-profit corporation).

To govern effectively, boards must perform certain roles and fulfill certain responsibilities.

2. WHAT ARE THE **CORE ROLES OF THE BOARD?**

Roles are the “HOW” aspect of governance. Roles are activities boards must undertake to fulfill their responsibilities. The hospital board has three (3) principal roles, namely:

- a. **POLICY FORMULATION** - by setting the organization’s policies, the board sets the direction and expectations of management and medical staff.
 - Policies – statements of intent that guide and constrain further decision making and action and limit subsequent choices
 - Primary mechanism through which boards influence their organizations
 - Boards formulate policy with respect to each of their six responsibilities. Policies flow directly from statements of responsibility
 - Policies provide organizations with direction and are the means by which authority and tasks are delegated to management and the medical staff.

- b. **DECISION MAKING** - based on policy
- Retain authority (example, responsibility for its own performance)
 - Delegate authority
- To management or medical staff (specified by policy) - i.e. allow decisions given certain limits (e.g. officers / staff are given freedom to decide on and make purchases up to a certain amount—w/o board approval)
- Management or medical staff can be directed to forward recommendations that serve as the basis for a board decision
- c. **OVERSIGHT**- ensures accountability, i.e., monitoring, assessment, and feedback
- Monitoring – delegated tasks and authority are being executed and meet expectations
 - Assessment – as above
 - Feedback – information needed to modify existing policies and formulate new ones –

The board must put into place a governance information system (info designed for the board)

3. WHAT ARE THE **CORE RESPONSIBILITIES** OF THE BOARD?

Responsibilities are the “WHAT” aspects of governance. In other words, responsibilities are specific matters to which boards must attend. There are six (6) basic responsibilities the hospital board must fulfill, namely:

- a. **SETTING THE DIRECTION – ENVISIONING AND FORMULATING ORGANIZATIONAL ENDS**
- Trustees working in partnership with management, involves the development and implementation of:
 - ✓ a compelling *vision* (attributes and characteristics desired for the future),
 - ✓ an unambiguous *mission* (purpose), and
 - ✓ a measurable *action plan*.

The important tools of direction setting- vision, mission, strategies, and action plans cannot be developed and implemented effectively without an informed board that is involved cooperatively and continuously with executive management, and that is rooted in the needs and expectations of the community being served. All other board responsibilities flow from, and depend on, the fulfillment of this one.

a. ENSURING HIGH LEVELS OF EXECUTIVE MANAGEMENT PERFORMANCE

- Appointing, supporting, and evaluating the performance of the Administrator
- Approving an appropriate organization and management structure, bylaws, policies
- Putting into place a plan for management development and succession

It's clear that these important activities require:

- a collaborative and active relationship with management
- a significant time commitment
- and a commitment that accountability for performance centers on mutually agreed-upon measures of personal and organizational achievements
- It is also imperative that the administrator has the skills and resources to ensure:
 - that the trustees have in place an orientation program for new members,
 - ongoing educational opportunities, and a board performance self-evaluation process.

b. ACHIEVING QUALITY GOALS – ensuring the quality of patient care

- Meeting contemporary standards
- Rendering clinically appropriate care
- Achieving high levels of satisfaction by the community, the patients and their families

Maintaining an environment of continuous improvement for all elements of service is involved in this set of trustee responsibilities. Board members, therefore, need to be:

- knowledgeable about the state of the art of all such elements of quality
- must develop the information that is needed to maintain an environment of improvement in order to
- provide necessary oversight
- achieve understanding with those responsible for delivering the service to the community.

c. ENSURING THE HOSPITAL'S FINANCIAL HEALTH – protecting and enhancing resources

Assets include:

- ✓ financial
- ✓ human
- ✓ facilities
- ✓ reputation

Fiduciary responsibilities of a board, enabled by the community to provide such essential services as health, are rooted in the financial performance of the organization. The board must pay equal attention to the good name and reputation of the organization, as well as the interests and needs of all those who serve as direct caregivers, support staff, and volunteers

d. ASSUME RESPONSIBILITY FOR ITSELF – its own effective and efficient performance

- Appropriate configuration
- board size and composition
- member terms
- board budget and staffing
- officers, and committees
- recruitment, selection, and orientation for new members, and
- board performance evaluation

e. ACTING AS THE STAKEHOLDER FOR THE COMMUNITY BEING SERVED

- Develop an understanding of the true needs and expectations of its key stakeholders- strategies implemented by the hospital can be both responsive and practical
- Recognize and balance the true needs of the community with the self-interest or priorities of the organization

As Board members, leaders can clearly focus on:

- ensuring access to needed care for all,
- improving the health status of those served, and in moderating costs for the individual, the payment source, and the community-at-large.

To be effective a board must understand the “things” it must be doing – the right things, the right way, and at the right time

An understanding of these responsibilities highlights their importance and calls for a proactive, informed, and effective governing board.

Someone will fulfill these responsibilities in all of our communities because they are essential for the success of any organization and they deal with a vital public service for the community. It is highly desirable that these responsibilities continue to be carried out by community-based voluntary leaders.

While boards assume ultimate accountability, boards have no ability to perform the actual work of their organizations. They must see to it that such work is done by delegating tasks and authority to management and medical staff.

Management and the staff are, in turn, directly accountable to the board for their decisions and actions.

The board, executive management, and the medical staff share interdependent leadership roles in guiding hospitals to assume a broader responsibility and accountability for the health status of the community.

III. ORGANIZING THE HOSPITAL BOARD SELECTION COMMITTEE

In organizing the first batch of hospital board members, a selection committee will have to be formed. Since the devolved hospital is currently operating under the local government unit, the selection committee will be composed of members coming from the hospital core group and the LGU core group. There will be an equal number of seats in the selection committee allotted for the hospital and LGU core groups.

The hospital core group shall include the current hospital chief and members of the major service departments. The composition of the LGU core group, on the other hand, may vary depending on who or what offices are appointed by the local chief executive. It is, however, suggested that the LGU core group be composed of major provincial or municipal agencies that have direct supervision over or coordination with the hospital. These LGU offices are the budget, accounting, general services office, local health board, and the office of the local chief executive.

The immediate task of the selection committee is to formulate the selection criteria for board members. Integrity, intelligence, interest, proven decisiveness and dedication should be given weight in the selection process.

IV. CRITERIA FOR SELECTING HOSPITAL BOARD MEMBERS

It must be remembered that the Corporation Code of the Philippines allow only natural persons to be admitted as members of a non-stock, non-profit organization (foundation), as such, a local government unit or any organization, for that matter, cannot be an incorporator of the hospital corporation. The first batch of hospital board members may, therefore, serve as incorporators of the soon-to-be organized hospital corporation.

In selecting or appointing hospital board members, it is proposed that the search committee limit its choices to persons who have the right knowledge, skills and experience, time, and inclination to serve the hospital. It must be remembered that hospital board members will be entrusted to protect the public's interest, ensuring that the hospital is (1) serving the community healthcare needs, and (2) well-managed and adequately financed to sustain its operations. Board members should, therefore, be tempered by the realities of the issues facing the organization and the types of expertise required to address them.

Potential board members should preferably have a variety of expertise, among of which are in the area of: (hospital) finance and administration, medical care, public healthcare, government rules and regulations, legal, business management, and marketing. The board members should also be residents of the province where the corporatized government hospital is located and should have at least five (5) years experience in his/her field of expertise.

V. SELECTING HOSPITAL BOARD MEMBERS

The selection process for the first batch of Hospital Board Members shall be as follows:

- a. The selection committee scouts for qualified individuals and invite various groups to submit nominees to the hospital board;
- b. The selection committee screens the nominees;
- c. The selection committee submits a short-list of qualified persons for board membership to the local chief executive (provincial governor);
- d. The Local Chief Executive appoints the board members. It is suggested that half of the first batch of board members shall be appointed for a two year term while the other half will be appointed for a four-year term. This, in essence, will mean that the terms of office should overlap.

The selection process for the succeeding batches of hospital board members shall be as follows:

- a. From the second batch onwards, the terms of office shall be four years each. Thus each batch will have the opportunity to work with an outgoing batch for two years and an incoming batch for another two years.
- b. The composition of succeeding boards will be determined by the nominating committee approved by the board.

The hospital board may revise or amend this selection process. But the new process should still conform to the provisions of legal edicts that created and govern the operation of the hospital corporation.

Potential board members may come from the following groups:

- Local Government Unit(s) within the hospital's catchment area
- Hospital staff, excluding the hospital chief (since he/she is already an ex-officio member of the board)
- Medical practitioners in the community
- Professional and civic organizations
- Non-Government Organizations / Peoples Organizations
- Any religious community

VI. THE NUMBER OF BOARD SEATS

Board membership must be maintained at an odd number to avoid deadlocks during voting. The ideal number may fall anywhere between 9-15. A lesser number may restrict the board's ability to tap a healthy mix of specialists from the different fields of expertise mentioned earlier. A higher number, on the other hand, may be unmanageable.

It is proposed that the board seats be initially set at 11, the distribution of which are as follows:

- a. One from the religious sector (any religion).
- b. Three nominated by Local Authority (e.g. Office of the Governor, Provincial Health Board, Budget Office, Provincial Health Offices, Association of Barangay Captains)
- c. One seat for the Hospital Chief Executive Officer (ex-officio)
- d. Two seats for the hospital personnel (medical, non-medical staff)
- e. Not more than 3 representing community interests (e.g. association of Barangay Captains, market vendors, youth sector, media, labor group, women, association of barangay health workers, peasants, etc.)
- f. One from any local medical Professional Organization.

VII. SOME OF THE FIRST TASKS OF HOSPITAL BOARDS

As soon as members of the hospital board are selected, they will have to be convened to discuss the immediate tasks that need to be fulfilled. Among the things that require immediate attention are the following:

- a. Electing a set of officers

The officers of the hospital boards are the following:

Chairperson
Vice-Chairperson
Secretary
Treasurer

- b. Drafting the board by-laws
- c. Acceptance of Assets and Liabilities from the Previous Hospital Organization
- d. Preparing for the drafting of or Reviewing the Hospital Strategic Plan, including setting the vision, mission, and goals of the hospital
- e. Reviewing or reorganizing the hospital organizational structure
- f. Appointing members to the various committees

VIII. HOW IS THE BOARD OF TRUSTEES ORGANIZED?

One of the immediate tasks of the board members is to elect among themselves who will be the:

- a. Board Chairperson
- b. Vice Chairperson
- c. Secretary
- d. Treasurer

The proposed duties and responsibilities of these board officers are presented in section X of this guidebook.

IX. COMMITTEES: THE WORKHORSES OF THE BOARD

In the course of its existence, the board may organize committees. Committees are workhorses of the board. Its primary function is to support the board in studying, evaluating, investigating, and analyzing specific activities or events. The recommendation(s) of committees are valuable inputs to aid the board in crafting policies and directions for the hospital.

Committees are carved out from the board membership. However, it may also include officers and staff of the hospital and, sometimes, also experts who are necessarily employed or affiliated with the hospital. It is important to remember that committees cannot and should not do the work of the full board.

Properly structured and well-functioning committees are an asset; poor ones waste valuable time and deflect, or even subvert, board attention and energy. Thus, the board must ensure that committees function effectively. A healthy board delegates primary consideration of major concerns and issues to the appropriate committee, seeking guidance and direction from it. When a good committee structure is in place, board functions and responsibilities are distributed equitably among its members and the board is positioned to maximize its effectiveness.

There are two types of committees : Standing and Ad Hoc

- a. **Standing Committees** reflect those responsibilities the board must fulfill – enhancing the effectiveness and efficiency of the full board when it meets
The following are examples of Standing Committees :

- Executive
- Budget and Finance
- Medical Staff Affairs
- Quality Improvement
- Strategic Planning

- b. **Ad Hoc Committees**, on the other hand, are formed only when standing committees are not an appropriate mechanism for addressing a particular issue. Ad Hoc Committees have a very specific function and are disbanded when their task is completed

- Building
- Disaster Planning/Preparedness, Etc.

X. THE ROLES AND RESPONSIBILITIES OF HOSPITAL BOARD OFFICERS

1. RESPONSIBILITIES OF THE CHAIRMAN:

- ◆ Setting meeting schedules and overseeing preparation of meeting materials
- ◆ Presiding over board meetings
- ◆ Overseeing all committees
- ◆ Maintaining board policy and other resource manuals
- ◆ Ensuring effective recruitment, orientation, and development of board members
- ◆ Providing for regular board and individual trustee self-evaluation
- ◆ Planning for leadership succession

THE BOARD CHAIRMAN CAN NOT:

- ◆ Override decisions of the board
- ◆ Manage the daily operations of the hospital
- ◆ Make independent decisions regarding policy, goals, long range planning
- ◆ Unduly influence board members

WHAT ARE THE ROLES OF THE OTHER BOARD OFFICERS:

Vice Chairman-	Assumes chairman's role if he is unavailable or unable to serve
Secretary-	Keeps accurate records of board meetings, attendance, decisions, long range plans and goals, and policies
Treasurer-	Oversees board related expenditures; may chair budget / finance committee

XI. ACCOUNTABILITY OF HOSPITAL BOARD MEMBERS

The hospital board has an enormous responsibility bestowed upon its shoulders by the community and the LGU. As such, the board, individually and collectively must at all times ensure that its decisions are to the best interest of the community and the hospital.

It is important for the LGU to draft a basic document that would outline the duties and responsibilities of the board, the scope and limitations of its work, and a list of perceived offenses that may serve as grounds for dismissal or legal action. This document may eventually take the form of a covenant between the board member, the LGU, and the community.

XII. COMPENSATION OF HOSPITAL BOARD MEMBERS

The hospital board members are not entitled to any form of compensation.

SECTION TWO (2)

ROLES AND FUNCTIONS OF THE HOSPITAL ADMINISTRATOR AND THE HOSPITAL DEPARTMENT HEADS

The role of the hospital board member has been described in the first section. However, many decisions and activities in the hospital involve two other groups: the hospital administrator and the hospital staff. The roles they play are important to ensure that the hospital is functioning as one organized, cohesive team.

Potential conflicts arise from a lack of understanding and appreciation of the roles and functions the different groups. It is necessary for each hospital official and employee to understand his/her role in the organization and be aware also of the roles of the other groups within the hospital.

The general roles and functions of the Hospital Administrator and the hospital department heads are described below.

THE HOSPITAL ADMINISTRATOR

1. Develops and maintains programs that implement board authorized goals and policies.
2. To develop and, with board approval, implement an organizational staffing plan for hospital operations (e.g., specify limits of authority delegated to employees).
3. Act as liaison to the community and other health care institutions.
4. To coordinate and facilitate appropriate interaction and communication among the various groups working at the hospital (e.g., ensure that the board and medical staff are communicating appropriately).
5. To develop and implement evaluation procedures for all functional areas / units of the hospital (e.g., analyze and report the costs per unit of laboratory tests)
6. To safeguard and ensure appropriate use of hospital resources (e.g., report to the board on hospital performance as shown by the operating budget)

THE DEPARTMENT HEADS

1. To implement policies and procedures designed to provide patients with the best possible medical care within the hospital's available resources.
2. To recommend staff appointments and privileges in order to provide a balanced and competent medical staff.
3. To develop and implement a quality assurance mechanism, including peer review of the process and the clinical outcomes of care.
4. To provide continuing education and training for its members.
5. To develop an organizational structure that will enable the staff to relate to the board and to govern itself.

SECTION THREE (3)

RELATIONSHIPS AND EXPECTATIONS OF THE BOARD HOSPITAL ADMINISTRATOR AND MAJOR SERVICE DEPARTMENT HEADS

Hospitals are among the most complex organizations to manage. This complexity is due in part of the “management of interpersonal relations”. While the preceding section (Section 2) describes the roles and functions of the hospital administrator and the hospital staff, this section presents concrete examples of the relationships and expectations between the hospital board and those who are tasked to manage the operations of the facility.

THE BOARD’S EXPECTATION OF THE ADMINISTRATOR

The board’s principle expectation of the administrator is managing the hospital with considerable skill and diplomacy, particularly with regard to the quality of care provided, and cost complaint control.

Boards judge their administrator’s success in terms of:

- A clean well maintained facility
- Modern equipment
- Good food, and most important,
- Lack of complaint on the part of the medical staff first, and patients second.

Boards also expect the administrator to project a favorable image of the hospital both within and outside its walls.

THE ADMINISTRATOR’S EXPECTATION OF THE BOARD

The administrator expects board members to be a source of :

- Information
- Direction
- Advice
- Counsel and
- Guidance

This has been referred to as “board oversight” – management, financial, quality, and strategic oversight.

The administrator also expects board members to provide information based on “feedback” from the community that yields valuable insight in the expectations, problems, or concerns of the general community.

AVOIDING BOARD-ADMINISTRATOR ROLE CONFLICT

- ❑ Most administrators would argue that the translation of board policy into operational strategies must be the responsibility of the administrator.
- ❑ The administrator usually does not expect or desire the board to become involved in the administration of the hospital, other than to ensure it is consistent with board policy.
- ❑ When the action is required and consistent with board policy and direction, the administrator expects the board’s support.
- ❑ The administrator expects the board to respect the role of the administrator by discouraging physicians and hospital staff from bringing their concerns directly to board members without consulting the administrator.

The most common source of role ambiguity between the board and the administrator is the blurred line between policy development and administration.

THE ADMINISTRATOR’S EXPECTATIONS OF MAJOR SERVICE DEPARTMENT HEADS

The administrator expects the Department Heads :

- ❑ Assist with the control of cost.
- ❑ Participate in the decision-making process so they can understand and support tough decisions that must be made to allocate resources.
- ❑ Complete their paperwork (e.g. patient’s Medical Records, Hospital Financial Records, Inventory Records, Personnel Records).
- ❑ Attend meetings
- ❑ Participate in other activities even those that may not be in their direct interest.
- ❑ To participate in quality improvement programs
- ❑ Maintain high quality medical care, and

- To treat hospital staff with respect and dignity because morale is largely dependent on their interaction with each other.

Ultimately, both of their livelihoods depend on the astute management of the hospital by the administrator.

DEPARTMENT HEADS EXPECTATIONS OF THE ADMINISTRATOR

Department Heads expect the Hospital Administrator to:

- Not interfere in their decisions concerning the provision of medical care
- Promote access to the facilities, equipment, supplies, and trained personnel
- Allow the staff to do all that they are trained and equipped to do
- Be the first to be informed of new hospital policy or decisions through personal and timely communication

Department Heads understand that their reputation and that of the hospital are mutually dependent.

THE HOSPITAL LEADERSHIP TEAM

- THE GOVERNING BOARD
- THE HOSPITAL MANAGEMENT
- THE ORGANIZED MEDICAL STAFF
- THE ORGANIZED NON-MEDICAL STAFF

The more cohesive the leadership team, the greater the likelihood they will achieve the ultimate goal: To improve the health of the community and provide cost effective services in a quality – oriented manner.

KEY RESPONSIBILITIES OF AN EFFECTIVE LEADERSHIP TEAM

1. Maintaining good internal and external relationships
 - Communication, Cooperation, and Compromise
2. Rethinking the organization's mission and establishing goals and objectives
 - Ensuring the hospital's survival and improving the health status of the people it serves

3. Assuring the competency of the governing board, the medical staff and senior management
 - Establish a formal quality improvement process and ensure a sound medical staff credentialing process for granting privileges to qualified physicians
4. Encouraging continuing education for board members, physicians and employees.
5. Efficiently using resources to meet the community's most important health needs in an economically efficient, quality-oriented manner
 - Realize the hospital can not be all things to all people
 - Requires an ongoing assessment of community needs
 - Re establish the hospital's priorities and allocate its financial and human resources wisely

SECTION FOUR (4)

THE HOSPITAL AS A COMMUNITY ORGANIZATION

The relationship between a hospital and the community it services is a major determinant of the hospital's effectiveness. The board must assist in the assessment of community needs and must see that the hospital addresses the health problems in the community by offering appropriate services. It is important to understand that maintaining a relationship that is mutually beneficial is an ongoing process.

Establishing a strong and lasting relationship with the community can come about only with the involvement and participation of all three-the board, the hospital management and the hospital staff.

FIVE STEPS IN RELATING TO THE COMMUNITY

The five steps the board needs to consider in the process of identifying and meeting community health care needs:

1. Identify and define the community. What is the community being served by your hospital? This is one of the elements required in any hospital strategic plan.
 - What is the demographic profile of your community in terms of population size? Level of income? Population over 55?
 - What is the community profile expected to be 5-years from now?
2. What other health care providers are serving your community?
3. Identify community health care needs.
4. Determine the hospital's role in meeting community health care needs.
5. Find out community attitudes about health care services –
 - A community advisory committee can provide both a forum for the community to express itself to the hospital and a sounding board for the hospital to gauge community reaction to proposed hospital actions. Community surveys can be helpful to learn opinions.

Most Board members understand that the hospital's services should reflect the community's health care needs. Less clear, however, is how to define that community, how to assess its health care needs, and how to ensure that the hospital is meeting those needs.

THE SIGNS OF A BOARD-COMMUNITY DISCONNECT ARE NOT ALWAYS OBVIOUS

- Review the board's mix – a lack of diversity of opinion
- Lack of turnover and/or introduction of new members
- Difficulty recruiting new members, or-current members are from the same subset in the community (all from the business sector, etc.)
- Poor attendance at board meetings
- The same agenda from meeting to meeting-dull meetings
- Members who fail to bring community ideas and issues to the table
- Boards that do not engage in self-evaluation, as both individual members and as group
- Failing to respond to community needs with the appropriate programs and services
- Declining community health outcomes, or financial performance, or marked payer, employer, or patient dissatisfaction

MAINTAINING A FRESH PERSPECTIVE

- Set term limits for board officer and members
- Appoint "regional" advisory councils composed of people who live in the community to keep the board updated of what is going on, especially in population clusters. The hospital board may also tap barangay health workers to regularly provide them with updates on the health conditions and requirements of the villages

- Use a self-evaluation process to determine board effectiveness
- Conduct individual self-evaluations-number of meetings attended, quality and frequency of participation, whether their contributions warrant their membership
- Develop meaningful board selection criteria. Often, it's about looking for people in the community with a broader public health view, a broader vision of what's best for everybody

MAINTAINING BOARD MOMENTUM : WARNING SIGNALS OF BOARD DISTRESS

1. Board is unwilling to discuss potentially difficult issues as a group-or board members are forming private cliques to debate such issues
2. The Board seeks additional information or a second opinion on an important matter without the involvement of the Administrator
3. The Board spends more time discussing how things were done in the past than planning for the future
4. The Board ignores its own bylaws, notably by exempting itself from term limits
5. Similar agendas from one meeting to the next
6. Failing to involve physicians, nurses, and other hospital staff members in discussions
7. Weighing down the board with "outside experts"

Being sensitive to any of these changes in board dynamics may help to avert serious conflicts and keep the board focused on what is best for the organization in the long term.