

# Pacific Island Community Health Centers as Public Entity Health Centers

## Governance Requirements and Issues

43<sup>rd</sup> PIHOA Meeting  
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Honolulu, Hawai'i



Many thanks to Michael for most  
of this presentation.

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# Background of the Health Center Program

In response to the large number of individuals living in medically underserved areas, as well as the growing number of special populations lacking access to preventive and primary health care services, Congress enacted the health center programs beginning in the 1960s. These programs were designed to empower communities to solve their own local access problems and to improve the health status of their underserved and vulnerable populations by building community-based primary care capacity and by offering case management, home visiting, outreach and other enabling services.



# Background of the Health Center Program

In 1975 The Community Health Center program was authorized under Section 330 of the Public Health Service Act, supporting the provision of services to medically underserved populations living in urban and rural underserved communities.



# Background of the Health Center Program

Community and consumer participation in the organization and ongoing governance of the centers was and remains a central element of the program. Each center is required to have a governing board, a majority of the members of which are users of the center's services.



# Different models of Community Health Centers

## Private non-profit versus public entity

All six Pacific Island community health centers are public-entity CHCs, governed by a community-based Board under a co-applicant agreement with the respective Ministry/Department of Health

# Board Roles and Responsibilities

- Approve the hiring and dismissal of the Executive Director. Emphasis on “approve”
- *“No other entity can have the authority to select or dismiss the Executive Director”*

# Board Roles and Responsibilities

- Ensure that Executive Director has the authority to select and dismiss (transfer) staff

# Board Roles and Responsibilities

- Review, provide input for, and approve the annual budget.  
Emphasis on “approve”

# Board Roles and Responsibilities

- Select the board chair.
- *“The Chairman of the Board may not be selected by any other entity”*

# Board Roles and Responsibilities

- Select a majority of the members of the executive committee.
- *“No other entity may select a majority of the members of the Executive Committee”*

# Board Roles and Responsibilities

- Select a majority of the board members.
- *“No other entity or entities may select a majority of the health center board members”*
- *“It is not acceptable for any other entity or entities to select a majority of the non-user members”*

# Board Roles and Responsibilities

- *“No other entity or entities will be permitted to preclude the selection of, or require the dismissal of, health center board members who are not ‘endorsed’ by that entity or those entities”*

# Board Roles and Responsibilities

- Retain governance control of CHC.
- *“No other entity may have an overriding approval authority”*
- *“There can be no requirement for a majority of the affiliating entity’s board to also exercise approval (i.e. a “dual majority” requirement)”*
- *“No other entity may have veto power, including “super-majority” provisions with give another entity an effective veto power”*

# Board Role and Responsibilities

- Choose who the CHC wishes to affiliate with
- *“No other entity or entities should dictate, preclude, or otherwise control health center relationships with other entities”*

# Board Role and Responsibilities

- Schedule hours during which services will be provided
- Select services to be provided.
- Evaluate health center operations and Executive Director
  
- *“An affiliation agreement will be considered unacceptable if it precludes the health center board from exercising its authority and fulfilling its responsibilities relative to evaluating service utilization patterns, productivity of the center, patient satisfaction, achievement of center objectives, development of a patient grievance process, and adopting health care policies which include scope and availability of services, location and hours of services, and quality of care audit procedures.”*

# Boards are NOT expected to...

- Establish general personnel policies for the center
- *“The exception, by law, is the governing board of a public center . . . with a co-applicant governing board that meets all health center board requirements except that it does not establish general policies for the center.”*

# Boards are NOT expected to...

- Retain control of policies for financial management practices
- *“The exception, by law, is the governing board of a public center . . . with a co-applicant governing board that meets all health center board requirements except that it does not establish general policies for the center”*

# Sources

DHHS Policy Information Notice  
97-27, 98-24 & PIN 99-09



# Typical Problem Areas for Pacific Basin Grantees

# No sliding fee scale

- For various reasons (for example, constitution guarantees free health care, many patients live subsistence economy, high poverty, an expectation of free services), the health center does not charge patients according to what they can afford, or even a minimal payment of a few dollars.
- *What others are doing:*
  - *Do a policy appropriate to your community, keep it simple.*
  - *Charge a minimum co-pay of a few dollars per patient; use a barter system.*
  - *Do collective (village level) contributions that are documented in a contract between the government and the chief (be careful with this last one, we don't know yet how HRSA will receive this)*
  - Other ideas?

# No leveraging (finding additional ways to pay for health services)

- No patient revenue, no insurance program, no grants from private or international sources, no collaborations, besides government contributions.
- *What others are doing:*
  - *Partner with other government programs (MCH, nutrition, immunization, education, head start, public health; universities and colleges, AHEC)*
  - *Partner with other NGO's (SPC, WHO, etc..)*
  - *Foster community level contributions (donated time, facilities, land, volunteers, community projects)*
  - *Yap strategy (incorporating in Hawaii)*
  - *Other ideas?*

# Patient income does not go to health center

- Money collected from patients (or provided by insurance programs if there is insurance) does not go to the health center, but to a general fund for the government health services.
- *What others have done:*
  - *Special legislation or agreements that allows CHC income to stay with the CHC, as part of its overall budget.*
  - *Demonstrate that the funds return to the CHC in the form of a particular budget item (e.g. pharmaceuticals)*

# No real governing board; just an advisory board

- The community board does not have the authority required by the Community Health Center program.
- *Note: HRSA is no longer allowing advisory boards, and is not making any exceptions to the governance requirements. You will lose your funding if you don't come into compliance.*
- *What others are doing:*
  - *Coming into full compliance with governance requirements*
  - *Training, training, training (initial and ongoing)*

# The board is appointed by an outside entity

- The governor, mayor, chief, secretary of health, or some other entity not on the governing board selects and approves board members.
- *Note: A majority of board members must be selected by the board, not by an outside entity or person.*
- *However, must honor political, cultural, social entities, to make right choice.*
- *What others are doing:*
  - *Special legislation*
  - *A written agreement with the Department of Health*
  - *Other ideas?*

# The board does not approve, or even look at, the health center budget

- Government agencies do not typically seek community input or approval when creating or approving budgets.
- *Note: The board does not have to create the budget; they just need to review and approve it. Purpose: To ensure that money is spent in a way that is consistent with community need; to provide some oversight and some checks and balances.*
- *Possible solutions:*
  - *Train the board how to read and understand budgets.*
  - *Annually present the budget to the board, showing how it is consistent with the health center strategic plan that they helped create.*
  - *Be willing to make changes to the budget based upon the board's input.*

# The board does not participate in planning for the health center

- Government agencies have their own planning processes that may not typically involve a community group.
- *Solutions:*
  - *Involve the board in your planning process.*
  - *Give them the room to take a leadership role, you'll be pleasantly surprised by the results.*
  - *Conduct annual strategic planning before the grant is due, and use the plan when developing your grant.*

# The board does not approve the hiring and firing of the executive director

- The secretary of health selects and evaluates the executive director and does not consult the board. The civil service system does not allow for an outside entity to hire or fire government employees.
- *Note: If you are receiving 330 CHC money, the board must approve the hiring and firing of the executive director. The key word here is approve. It does not say the board must hire and fire; it says the board must approve the hiring and firing.*
- *Possible solutions:*
  - *Typically, a government agency will advertise for the position in its usual way, interview candidates, and choose the top three candidates. These candidates are then interviewed by the board, who chooses the final candidate.*
  - *If the board wants an executive director “fired”, the government agency reassigns (rather than fires) the individual to another program.*
  - *A change in civil service regulations may still be required to make this work.*
  - *Make sure the respective roles and rights of the board and public entity are spelled out in an agreement signed by both parties.*

# The executive director has too many other duties besides the CHC.

- The Executive Director may also be an assistant secretary of health, or have another significant government role, or have too many other programs under them (MCH, immunization, family planning, all of public health, the hospital, etc...). This can present problems (though not necessarily).
  - Hard for board to evaluate or fire the Executive Director if they hold substantial authority in other areas.
  - May not be able to give the CHC the attention it needs
- *Possible solution: Hire someone just for the CHC who reports to a secretary or assistant secretary.*

The Executive Director cannot hire and fire (or get reassigned) his or her own staff.

- Civil service regulations do not allow an executive director to hire or fire his or her own staff. Only the secretary of health can, and even then, it's difficult.
- *Possible solution:*
  - *Written agreement between health department and CHC that the executive director can have the authority to choose his or her own staff, and to have poorly performing staff reassigned to another program.*
  - *May require changes to civil service regulations.*

The government audit does not provide sufficient detail to show that CHC funds are being spent properly.

- Audits are government wide; the CHC program is only one of many funding sources and CHC funds may not be sufficiently broken out in the audit.
- *Possible solution: Make sure your auditor understands the audit requirements for the CHC program, and that CHC funds must be clearly tracked and accounted for in the government-wide audit.*

# For more information or training:

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# Thank You.



Future Board of the Pohnpei CHC.