Board of Directors
Governance Policies

Mountain-Pacific Quality Health

Amended August 2013
Mountain-Pacific Quality Health
Board Governance Policies

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Amended October 2013
People in the areas we serve experience optimal health. These Ends will be achieved in a manner that results in an excellent overall cost-benefit ratio and that justifies the resources invested.

**EP 1: COST EFFECTIVE HEALTH CARE**

1. People receive cost-effective quality health care.

**EP 2: COORDINATED CARE**

2. People experience an optimized and coordinated continuum of care.

**EP 3: PEOPLE ARE EMPOWERED**

3. People are empowered to be active participants in health care.

**EP 4: DATA DRIVEN HEALTH PRACTICES**

4. People benefit from data driven best health practices.
The CEO shall not cause or allow any practice, activity, decision(s) or organizational circumstance which is either unlawful, imprudent or in violation of commonly accepted business and professional ethics, or which fails to justly balance the interests of Mountain-Pacific's affiliated states.

For the purposes of these policies, the CEO shall be assumed to have responsibility for all administrative and operational matters and will have supervisory authority over all staff and consultants. The CEO can delegate responsibility for all matters that pertain directly to the practice of medicine to the appropriate medical director(s). The medical director(s), under the supervision of the office director(s) is responsible to assure that appropriate clinical decision-making is made by the appropriate experts in each state.
In interactions with the population served by the Mountain Pacific Quality Health, the CEO shall not cause or allow conditions, procedures, or decisions which are unsafe, undignified, unnecessarily intrusive, or which fail to provide appropriate confidentiality or privacy.

Accordingly, the CEO shall not allow any person in the organization to:

ELP 1.1. Solicit or use information that is not relevant to the mission of Mountain-Pacific Quality Health for which there is no planned use.

Fail to use or fail to manage data in a manner that supports:
- statistical validity
- accuracy and reliability
- astute and sensitive management of perceptions related to use of data
- fairness
- transparent process
- confidentiality
- the Ends policies of the organization.

ELP 1.2. Use methods of collecting, reviewing, transmitting, or storing information that fails to protect against improper access to the material.

ELP 1.3. Fail to operate without an established policy regarding the collection and dissemination of confidential information.

ELP 1.4. Maintain facilities that fail to provide a reasonable level of privacy, both visual and aural.

ELP 1.5. Fail to establish with consumers a clear understanding of what may be expected from the service provided.

ELP 1.6. Fail to inform consumers of this policy, or to provide a grievance process to those who believe they have not been accorded a reasonable interpretation of their rights under this policy.
POLICY TYPE: EXECUTIVE LIMITATIONS POLICIES

ELP 2: TREATMENT OF STAFF AND VOLUNTEERS

With respect to the treatment of paid staff and volunteers, the CEO may not cause or allow conditions, which are illegal, unethical, unfair or undignified.

Accordingly, the CEO shall not:

ELP 2.1. Operate without written personnel policies approved by legal counsel which clarify personnel rules for staff and volunteers, provide for effective handling of grievances, and protect against wrongful conditions, such as, without limitation, illegal or unethical policies or practices, nepotism and grossly preferential treatment for personal reasons.

ELP 2.2. Discriminate against any staff member or volunteer for expressing an ethical dissent.

ELP 2.3. Fail to take reasonable steps to acquaint staff and volunteers with their rights under this policy or to provide training in the corporation's corporate compliance program.
Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the board's Ends priorities, endanger the fiscal stability of Mountain-Pacific Quality Health, or fail to be derived from a multi-year plan.

Accordingly, the CEO shall not allow budgeting which:

ELP 3.1. Contains too little information to enable credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.

ELP 3.2. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be available for expenditure in that period.

ELP 3.3. Anticipates funds held in general checking and savings accounts to drop below a safety reserve equal to one month’s planned average expenditures, or that anticipates the general checking and savings accounts to exceed two month’s average expenditure. When cash held in the general checking and savings accounts is anticipated to exceed two months average expenditure over a period of time, the excess is to be invested in compliance with ELP 6.7.

ELP 3.4. Provides less for board responsibilities during the year than is set forth in the Cost of Governance policy.

ELP 3.5. Fails to budget for reasonably equitable and appropriate allocation of resources in each affiliated state, to include staffing, programs and facilities, that ensure:
  • Mountain-Pacific’s contractual obligations in each affiliated state are met.
  • The unique priorities for each affiliated state with respect to the board’s Ends, as identified by appropriate area health care providers and other experts, are addressed.

ELP 3.6. Fails to provide adequate funding and budgetary information to support effective planning at the state level.
With respect to the actual, ongoing financial condition and activities, the CEO shall not endanger the fiscal stability of the organization or cause or allow a material deviation of actual expenditures from board priorities established in Ends policies.

Accordingly, the CEO shall not:

**ELP 4.1.** Expend in any single fiscal year more funds than have been received in the fiscal year to date, unless the debt guideline in sub-policy 4.2 is met.

**ELP 4.2.** Indebt the organization, in an amount greater than can be repaid by certain, otherwise unencumbered revenues within ninety days with the exception of certain long term obligations that are accommodated and funded through the budgeting process, including:
- office lease(s)
- equipment lease(s)

**ELP 4.3** Use any long-term reserves without the board of directors’ approval.

**ELP 4.4** Make determinations regarding contributions to long-term reserves.

**ELP 4.5** Fail to settle payroll and debts in a timely manner.

**ELP 4.6** Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.

**ELP 4.7** Make a single purchase or commitment of greater than $100,000.

**ELP 4.8** Acquire, encumber or dispose of real property.

**ELP 4.9** Fail to aggressively pursue receivables after a reasonable grace period, not to exceed one year.

**ELP 4.10** Fail to refer the organization’s external financial auditors to the finance and audit committee of the board for the annual engagement commitment and for receipt of the auditor’s report.
In order to protect the board from sudden loss of CEO services, the CEO shall have no fewer than two other executives familiar with operational and material information necessary with respect to board and CEO issues and processes.
POLICY TYPE: EXECUTIVE LIMITATIONS POLICIES

ELP 6: ASSET PROTECTION

The CEO shall not allow tangible and intangible corporate assets to be unprotected, inadequately maintained, or unnecessarily placed at risk.

Accordingly, the CEO shall not:

ELP 6.1. Fail to insure against theft and casualty losses to at least 80% of replacement value and against liability losses to the board members, staff and the organization itself, by providing adequate insurance coverage.

ELP 6.2. Allow unbonded staff and volunteers regular access to material amounts of funds or negotiable instruments.

ELP 6.3. Unnecessarily expose the organization, its board, volunteers or staff to claims of liability.

ELP 6.4. Make any purchase: (a) wherein normally prudent protection has not been given against conflict of interest; (b) in a material amount greater than $10,000 without having obtained comparative prices for alternatives of comparable quality and having applied a reasonable methodology for assuring the balance of long term quality and cost in light of the magnitude of the purchase.

ELP 6.5. Fail to protect intellectual and other intangible property, information and files from loss or significant damage.

ELP 6.6. Receive, process or disburse funds under controls that are insufficient to meet the board-appointed auditor’s standards.

ELP 6.7. Cause or allow any practice in the investment management of the organization's funds that would violate the "prudent investor rule" giving due regard to the timing of dispositions of the funds so invested and the likely or foreseeable public response to the investment policies and vehicles employed.

ELP 6.8. Invest or hold operating capital in insecure instruments, including uninsured checking accounts and bonds of less than AA rating, or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.

ELP 6.9. Endanger the public image or credibility of the organization.

ELP 6.10. Fail to ensure that staff members and volunteers effectively represent and uphold the interests of Mountain-Pacific Quality Health.
With respect to employment, compensation, and benefits to employees, consultants and contractors, the CEO shall not cause or allow impairment to fiscal integrity or public image.

Accordingly, the CEO shall not:

**ELP 7.1.** Change his or her own compensation and benefits. See BCL 5.

**ELP 7.2.** Fail to present to the board at least once every three years, the full compensation program for employees including salary ranges and benefits.

**ELP 7.3.** Promise or imply permanent or guaranteed employment.

**ELP 7.4.** Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.

**ELP 7.5.** Create compensation obligations over a longer term than revenues can be safely projected, in no event longer than one year, and in all events subject to losses in revenue.

**ELP 7.6.** Establish or change pension benefits so as to cause unpredictable or inequitable situations, including those that:
- Incur unfunded liabilities.
- Provide less than some basic level of benefits to all full time employees, though differential benefits to encourage longevity are not prohibited.
- Allow any employee to lose benefits already accrued from any foregoing plan.
POLICY TYPE: EXECUTIVE LIMITATIONS POLICIES

ELP 8: COMMUNICATION AND SUPPORT TO THE BOARD

The CEO shall not permit the board to be uninformed or unsupported in its work.

Accordingly, the CEO shall not:

ELP 8.1. Neglect to submit monitoring data required by the board (see policy on Monitoring CEO Performance, BCL 4) in a timely, accurate and understandable fashion, directly addressing provisions of board policies being monitored.

ELP 8.2. Fail to inform the board of relevant trends, anticipated adverse media coverage and material external and internal changes, particularly changes in the assumptions upon which any board policy has previously been established.

ELP 8.3. Fail to advise the board if, in the CEO’s opinion, the board is not in compliance with its own policies on Governance Process and board-CEO Linkage, particularly in the case of board behavior that is detrimental to the work relationship between the board and the CEO.

ELP 8.4. Fail to marshal for the board as many staff and external points of view, issues and options as are needed for adequately informed board choices that balance the interests of the affiliated states and effectively meet the needs of their respective constituents.

ELP 8.5. Present information in an unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.

ELP 8.6. Fail to provide a mechanism for official board, officer or committee communications.

ELP 8.7. Fail to deal with the board as a whole except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the board.

ELP 8.8. Fail to meet or communicate regularly with the president between board meetings to review progress towards meeting ends and to address other strategic high level issues.

ELP 8.9. Fail to communicate Mountain-Pacific actions that will have significant impact on an affiliated state’s respective projects, operations or staff to the board members of that state in a timely manner.

ELP 8.10. Fail to supply for the consent agenda all items delegated to the CEO yet required by the board, law, or by contract to be board approved, along with the monitoring assurance pertaining thereto.

ELP 8.11. Fail to provide Directors’ and Officers’ Liability insurance coverage in an amount acceptable to the board.
The CEO shall not enter into any grant or contract arrangements that fail to emphasize primarily the production of Ends or detract from their accomplishment, and, secondarily, that fail in the avoidance of unacceptable means.

Accordingly, the CEO shall not:

**ELP 9.1.** Fail to prohibit particular methods and/or activities that may result in grant or contract funds being used in imprudent, unlawful, or unethical ways.

- Fail to design, implement and manage a corporate compliance program.

**ELP 9.2.** Fail to provide adequate staffing to address a contract commitment or place undue stress or excessive duty time upon existing staff in the course of its execution.

**ELP 9.3.** Fail to assess and consider the capability of a grant or contract applicant to produce appropriately targeted efficient results or to fulfill the terms of the contract.

**ELP 9.4.** Fund any external research grant or external project that has not been subject to peer review by individuals possessing skills necessary to knowingly evaluate the proposal and its likely or possible impact on Ends.
The CEO shall not fail to provide a mechanism for the recruitment, training, retention and recognition of a diverse community of effective volunteers when it is determined that volunteers are needed.
The CEO shall not enter into any agreement, which fails to advance the stated mission of Mountain-Pacific Quality Health.

Accordingly, the CEO shall not:

ELP 11.1 Enter into any agreement which does not focus primarily mission-related messages of Mountain-Pacific Quality Health or which does not provide support for the mission of Mountain-Pacific Quality Health.

ELP 11.2 Fail to involve relevant experts and volunteer leaders in the preliminary and developmental stages of a comprehensive cause related marketing strategy and in the development of specific agreements.

ELP 11.3 Enter into any agreement that does not provide fair and sufficient value, in funds or in-kind services, for the use of Mountain-Pacific Quality Health’s name and logo.

ELP 11.4 Fail to incorporate in any cause-marketing contract an unconditional right to terminate the agreement.

ELP 11.5 Relinquish control of any public communications relating to the relationship.

ELP 11.6 Allow the Mountain-Pacific Quality Health logo to appear on any health-related product not in alignment with the mission of the organization.

ELP 11.7 Grant general, comprehensive exclusivity to any single product or company which prevents Mountain-Pacific Quality Health from forming relationships with any other products or companies. Limited exclusivity may be granted to one company for specifically described discreet projects, events or promotions.
The CEO shall not cause or allow the use of contributed funds other than in support of the charitable purpose defined by the organization's mission or cause or allow fund raising practices that fail to meet the standards for Charitable Accountability of the Better Business Bureau.

Accordingly, the CEO shall not:

- **ELP 12.1.** Fail to demonstrate gratitude to donors or fail to provide the public with an understanding of how funds are used.

- **ELP 12.2.** Fail to spend contributed/public funds in accordance with donor intentions, substantiating upon request that the timing and nature of its expenditures are in accordance with donor restrictions, designations and expectations.

- **ELP 12.3.** Allow less than 65 percent of its total expenditures to be spent on mission delivery.

- **ELP 12.4.** Allow more than 35 percent of contributions to be spent on supporting services (fundraising and administration).

- **ELP 12.5.** Accumulate funds that could be used for current mission delivery beyond maintenance of the restricted reserves.

- **ELP 12.6.** Fail to assure that all of Mountain-Pacific's promotional materials are accurate, truthful and not misleading.
The CEO shall assure that all clinical review and decision making is conducted by peer physicians.

Accordingly, the CEO shall assure that all staff does not:

- **ELP 13.1** Proceed with the sanction process against a physician or a provider without recommendation by the appropriate medical director and approval by the board or committee of the board duly authorized by the board to act on their behalf. See GP 4 Board Involvement in the Sanction Process.

- **ELP 13.2** Independently make a negative clinical decision on any utilization or quality issue on an individual case, absent peer review and recommendation by appropriate staff or medical director.

- **ELP 13.3** Allow the employment of non-physician reviewers to make a negative clinical decision on any utilization or quality issue on an individual case. Only peers may make negative clinical decisions.

- **ELP 13.4** Fail to assure that the medical directors, whenever possible, utilizes physician reviewers whose licensure, specialty and practice setting are the same as (or similar to) those of the physician whose services are under review.

- **ELP 13.5** Fail to assure that physicians who serve in physician review will have liability insurance provided by Mountain-Pacific in addition to statutory protection.
POLICY TYPE: BOARD-CEO LINKAGE POLICIES

POLICY TITLE: GLOBAL GOVERNANCE-MANAGEMENT CONNECTION

The board’s sole official connection to the operational organization, its achievements, and conduct shall be through the chief executive officer.
POLICY TYPE: BOARD-CEO LINKAGE POLICIES

BCL 1: UNITY OF CONTROL

Only decisions of the board acting as a body are binding on the CEO.

BCL 1.1. Decisions or instructions of individual board members, officers, or committees are not binding on the CEO except in rare instances when the board has specifically authorized such authority.

BCL 1.2. In the case of board members or committees requesting information or assistance without board authorization, the CEO can refuse such requests that require, in the CEO’s opinion, a material amount of staff time or funds, or are disruptive.
POLICY TYPE: BOARD-CEO LINKAGE POLICIES

BCL 2: ACCOUNTABILITY OF THE CEO

The CEO is the board's only link to operational achievement and conduct in his or her respective domain, so that all authority and accountability of staff, as far as the board is concerned, is considered the authority and accountability of the CEO.

BCL 2.1. The board will never give instructions to persons who report directly or indirectly to the CEO.

BCL 2.2. The board will refrain from evaluating, either formally or informally, any staff other than the CEO.

BCL 2.3. The board will view CEO performance as identical to organizational performance, so that organizational accomplishment of board-stated Ends and avoidance of board-proscribed means will be viewed as successful CEO performance.

BCL 2.4. This policy does not inhibit interactions between staff members and board members for mutually acceptable advisory, informational, or other non-instructional purposes.

BCL 2.5. The board will receive formal report at each meeting from the following key staff: CEO, Chief Financial Officer, and the Corporate Compliance Officer or their equivalents.
POLICY TYPE: BOARD-CEO LINKAGE POLICIES

BCL 3: DELEGATION TO THE CEO

The board will instruct the CEO through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretations of the policies.

Accordingly:

BCL 3.1. The board will develop policies instructing the CEO to achieve certain results, for certain recipients at defined cost. The policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends Policies.

BCL 3.2. The board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels and they will be called Executive Limitations Policies.

BCL 3.3. As long as the CEO uses any reasonable interpretation of the board’s Ends and Executive Limitations Policies, the CEO is authorized to make all decisions, take all actions, establish all practices and develop all activities within their respective domains.

BCL 3.4. The board may change its Ends and Executive Limitations Policies at any time. As long as any particular delegation is in place, however, the board will respect and support the CEO’s reasonable interpretations.
Systematic monitoring of CEO job performance will be based solely on expected CEO job outputs: organizational accomplishment of the board’s Ends Policies and organizational operation pursuant to the board’s Executive Limitations Policies.

Accordingly:

BCL 4.1. Data that directly addresses board policies will be considered to be monitoring data.

BCL 4.2. The board will acquire monitoring data by one or more of three methods: (a) by internal report, in which the CEO presents information to the board with respect to accomplishment of board policies on Ends and Executive Limitations, (b) external report, in which an external disinterested third party selected by the board presents information to the board, with respect to accomplishment of board policies on Ends and Executive Limitations, and (c) by direct board inspection, in which a designated member or members of the board presents information to the board with respect to accomplishment of board policies on Ends and Executive Limitations.

BCL 4.3. In every case, the standard for compliance with a board Policy shall be any reasonable CEO interpretation of the board policy being monitored.

BCL 4.4. All policies that instruct the CEO will be monitored at a frequency and by a method chosen by the board. The board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.
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Executive compensation for services provided by the CEO will be reasonable. Reasonable is defined as the amount that would be paid for like services by like enterprises under like circumstances.

To determine reasonable executive compensation, the board will consider comparative data from similarly situated organizations, the availability of similar services in the area, compensation surveys compiled by independent firms, actual written offers for similar organizations competing for similar services or other appropriate information.

The board may use the services of an independent consulting service, which would report directly to the board, to assist in determining reasonableness of executive compensation.

The board will review the compensation program for all staff periodically including salary ranges and benefits. This review will occur, at a minimum, once every three years.

The board will approve annually, and in advance, all executive compensation including salary, bonuses and benefits.
The purpose of the board, acting as stewards on behalf of the moral owners of Mountain Pacific Quality Health is to see to it that Mountain Pacific Quality Health achieves appropriate results for appropriate persons at an appropriate cost and avoids unacceptable actions and situations.

Mountain-Pacific’s moral ownership are providers, payers, purchasers, and the public including all parties who receive health care and contribute to the improvement of health outcomes, health care system performance, and the general health of the communities we serve.
POLICY TYPE: GOVERNANCE PROCESS POLICIES

GP 1: GOVERNING STYLE

The board will govern with an emphasis on:

- Vision
- Strategic leadership
- Encouragement of diversity in viewpoints
- Clear distinction of board and chief executive officer roles
- Collective rather than individual decisions

Accordingly:

GP 1.1. The board will cultivate a sense of group responsibility and is responsible for excellence in governing. The board will be the initiator of policy, not merely a reactor to staff initiatives. The board will use the expertise of individual members to enhance the ability of the board as a body, rather than to substitute individual judgments for the board's values. The board will not allow a director to hinder or be an excuse for not fulfilling board commitments.

GP 1.2. The board will direct, control and inspire the organization through the careful establishment of broad governance policies reflecting the board's values and perspectives.

GP 1.3. The board's policy focus will be the intended long-term effects outside the organization, not on day-to-day operational means.

GP 1.5 The board will ensure consumer and stakeholder representation and diversity on the board.

- Governing body membership will include providers, payors, purchasers, business leaders, public policy officials, and academia, so that the board is not comprised of a majority of physicians or any other type of practitioner or profession. Examples of possible members can include statisticians, epidemiologists, and medical records managers.
The board’s job is to be an advocate of Mountain-Pacific’s moral owners, to achieve continuous improvement in the health status of the communities we serve and to support the efforts of our moral owners as they work to influence health care quality and outcomes and organizational performance.

Accordingly:

**GP 2.1.** The board will produce the link between the organization and its moral owners.

**GP 2.2.** The board will produce, follow, and monitor written governing policies that, at the broadest levels, address each category of organizational decisions.

- **Ends:** Organizational products, impacts, benefits, outcomes, recipients, and their relative worth.
- **Executive Limitations:** Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
- **Governance Process:** Specification of how the board conceives carries out and monitors its own tasks.
- **Board-CEO Linkage:** How authority is delegated and its proper use monitored; the CEO’s role, authority and accountability.

**GP 2.3.** The board will provide assurance of CEO performance by continually comparing CEO performance against board Ends and Executive Limitation policies. A formal evaluation will be conducted annually.
To accomplish its job with a governance style consistent with board policies, the board will follow an agenda that provides for monitoring, reviewing, and updating the Ends and Executive Limitation Policies and continually improves board performance through education, input and deliberation.

GP 3.1. The annual board cycle begins with the spring/summer meeting and the approval of the annual board goals from the fall/winter meeting.

GP 3.2. Policy governance education and education related to the Ends Policies is determined by the executive committee.

GP 3.3. CEO monitoring will be included on board meeting agendas as an information item. Discussion will ensue if the monitoring reports indicate a policy violation or if policy criteria requires debate.

GP 3.4. CEO remuneration will be decided at the spring/summer meeting after reviewing the monitoring reports from the fall/winter meeting.
Example
Perpetual Agenda

Individual meeting, specific content to be determined by the board or its board member or committee designee in advance of the meeting

Draft Agenda

Organization

REGULAR BOARD MEETING

[Insert date]

I. Approval of Minutes of [Insert Date]

II. Consent Agenda
   d. Communication and Support to the Board Items (at Executive Director’s discretion)
   e. Other items, as appropriate

III. Ends Issues:
    a. Policy Reference: _________________ Issue or Concern
    b. Policy Reference: _________________ Issue of Concern

IV. Consultation with Moral Owners, if scheduled

V. Other Policy Issues:
   a. Policy Reference: _________________ Issue or Concern
   b. Policy Reference: _________________ Issue or Concern

VI. Board Business: (i.e. Election of Officers, Educational activity)

VII. Board Calendar and Scheduling

VIII. Meeting evaluation

IX. Adjourn
POLICY TYPE: GOVERNANCE PROCESS POLICIES

GP 4: BOARD INVOLVEMENT IN THE SANCTION PROCESS

The board is the final authority with respect to recommendation of physician sanction to the State Board of Medicine or to other governmental bodies.

Accordingly,

GP 4.1. The CEO shall assure that the staff shall not refer a case to the Centers for Medicare & Medicaid Service advising the loss of Medicare credentialing or to the State Board of Medicine for investigation of disciplinary action without approval of the board.

A two-thirds (2/3) majority vote of the board is required to determine if criteria for adverse action have been met. In an emergent situation, where the peer physician believes patients are at immediate risk of injury, a report may be generated immediately to the State Board of Medicine.

The board’s role is not to perform another peer review. In making their decision the board should evaluate the appropriateness of the peer review process including:

- Qualification of peer reviewers.
- Adequate number of reviewers.
- Whether or not all relevant information has been considered.
- Responses of physician or other health care provider being reviewed.
- Objectivity of review process.
- Whether or not criteria for proposed action have been met.

The board may, if necessary, request further information and/or further peer review before making a decision.

- The board will act as expeditiously as possible to resolve the matter. The following procedure will be utilized to facilitate the process.

GP 4.2. Generalized procedure:

A copy of the core data in the case to include but not be limited to will be sent to every board member:

- A detailed case summary.
- A copy of the peers comments including the peer identity.
- A copy of the physician or other health care provider response to the peer.
- A copy of the graded summary and recommendations of the peer.
- A copy of the CMS guidelines regarding the sanction process Mountain-Pacific must follow.
- A note from the staff demonstrating compliance with the CMS Guidelines.
- A detailed summary from the staff or clinical peer on why he/she is recommending a sanction.
The board president assures the integrity of the board's processes and provides for appropriate representation of the board to outside parties.

Accordingly:

GP 5.1. The job result of the chairperson is that the board behaves consistently with its own rules and those legitimately imposed upon it from the organization.
   • Meeting discussion content will be only those issues that, according to board policy, clearly belong to the board to decide, not the CEO.
   • Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.

GP 5.2. The authority of the board president consists of making decisions covered by board policies on Governance Process and Board-CEO Linkage, except where the board specifically delegates portions of this authority to others. The board president is authorized to use any reasonable interpretation of the provisions in these policies.
   • The board president is empowered to chair board meetings with all the commonly accepted power of that position (e.g., ruling, recognizing).
   • The board president has no authority to make decisions about policies created by the board within the Ends and Executive Limitations policy areas. Therefore, the board president has no independent authority to supervise or direct the CEO.
   • The board president may represent the board to outside parties in announcing board-stated positions and in stating chair decisions and interpretations within the area delegated to her or him.
   • The board president is responsible for ensuring that appropriate medical and scientific input is presented to the board for its deliberations on Ends issues. The board president may delegate this authority but remains accountable for its use.
POLICY TYPE: GOVERNANCE PROCESS POLICIES

GP 6: BOARD MEMBERS' CODE OF CONDUCT

The board commits itself and its directors to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum.

GP 6.1 Members must represent unconflicted loyalty to the interests of Mountain-Pacific. The duty of loyalty is the obligation to give primacy to the interests of Mountain-Pacific and this supersedes any conflicting loyalty such as advocacy to other boards or staffs or personal interest of any director.

GP 6.2 Members must avoid situations creating an actual, a potential, or the appearance of a conflict of interest with respect to their fiduciary responsibility.

- Whenever a director has either a direct or indirect personal or financial interest in another party that has or may have business dealings with Mountain-Pacific, he or she will disclose that interest to the board and absent themselves, without comment, from deliberations and board actions involving the party.
- If a director is in a position where access to Mountain-Pacific’s proprietary information may influence his or her financial or investment decisions, or decisions involving another party engaged in business or competition with Mountain-Pacific, he or she will decline that information.
- Directors must not use his or her positions to establish a financial relationship or obtain employment with Mountain-Pacific for himself or herself, family members, or close associates. Should a member desire such a relationship or employment, he or she must first resign.
- Directors will annually disclose on a form prescribed by Mountain-Pacific his or her direct or indirect financial, personal, or other interests and relationships that may present a conflict of interest. Any change to the information set forth in the annual statement shall be disclosed to the board president as soon as reasonably practical. Annually, each director must attest in writing that he or she has received and understands the conflict of interest policy.

GP 6.3. Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in board policies.

- Directors’ interaction with the CEO or with staff must recognize the lack of authority vested in individuals except where explicitly board authorized.
- Directors’ interaction with the public, the media, or other entities must recognize the same limitation and the inability of any director to speak for the board except to repeat explicitly the stated board decision.
- Directors will give no consequence or voice to individual judgments of the CEO or staff performance.

GP 6.4. Directors respect the confidentiality appropriate to issues of a sensitive nature.

GP 6.5. Members will make reasonable efforts to attend all board meetings, be properly prepared for board deliberation and participate in board discussion and educational training.
Board committees, when used, will be assigned to reinforce the wholeness of the board's job and never to interfere with delegation from the board to the CEO.

Accordingly:

GP 7.1. Board committees are to help the board accomplish its job, not to direct staff. Committees ordinarily will assist the board by preparing policy alternatives and implications for board deliberation. In keeping with the board’s broader focus, board committees will normally not have dealings with current staff operations.

GP 7.2. Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the CEO.

GP 7.3. Board committees cannot exercise authority over staff. Because the CEO works for the full board, the CEO will not be required to obtain approval of a board committee before an executive action, unless such action is clearly reserved to the board by policy.

GP 7.4. Board committees are to avoid over-identification with organizational parts rather than the whole. Therefore, a board committee that has helped the board create policy on some topic will not be used to monitor organizational performance on that same subject.

GP 7.5. Committees will be used sparingly and ordinarily in an ad hoc capacity.

GP 7.6. This policy applies to any group that is formed by board action, whether or not it is called a committee and regardless of whether the group includes board members. It does not apply to committees formed under the authority of the CEO.
POLICY TYPE: GOVERNANCE PROCESS POLICIES

GP 8: COST OF GOVERNANCE

The board recognizes that financial and human assets are necessary to carry out effective governance.

Accordingly:

GP 8.1. Board skills, methods, and supports will be sufficient to assure governing with excellence.
   - Training and re-training will be used liberally to orient new members and candidates for membership, as well as to maintain and increase existing member skills and understandings.
   - Outside monitoring assistance will be arranged so that the board can exercise confident control over organizational performance. This includes but is not limited to an annual financial audit.
   - Outreach mechanisms will be used as needed to ensure the board’s ability to listen to moral owner’s viewpoints and values.

GP 8.2. Governance costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior governance skills.

GP 8.3. Board compensation will be determined following these guidelines:
   - Consideration for what is fiscally prudent for the organization.
   - Consideration for the role and responsibility of the member being compensated, the complexity of the responsibility, the time commitment involved, the type of professional training and skills required.
   - Compensation must be approved in advance by an authorized body composed entirely of individuals unrelated to and not subject to the control of the board members involved in the compensation arrangement. The authorized body for the board is a committee of board members who are not compensated for their time or other persons chosen by the board. The authorized body must obtain and rely upon appropriate data as to the comparability of compensation. The authorized body must adequately document the basis for its determinations concurrently with making the decision.
   - Board members will be reimbursed for travel expenses following the travel policies of the organization and in the most cost effective manner possible. Spouses and family members will not be reimbursed for travel expenses.
   - The compensation policy will undergo policy review on an annual basis.
The Directors recognize the importance of transparency for a non-profit organization.

Accordingly:

GP 9. The following information will be posted on the website and updated annually.

- Number of board members
- Length of appointment/term of office
- Maximum terms of service permitted
- When election/appointments are made
- What percentage of the board is typically appointed each year
- Names, contact information, affiliation and compensation (split out as travel compensation and professional compensation) of board members.