Maricopa County
Special Health Care District

Board of Directors
Special Meeting

December 11, 2013
10:00 a.m.

Agenda
Board Members
Mary A. Harden, R.N., Chair, District 1
Mark Dewane, Vice Chair, District 2
Susan Gerard, Director, District 3
Elbert Bicknell, Director, District 4
Terence McMahon, Director, District 5

AGENDA – Special Meeting
Board of Directors of the Maricopa County Special Health Care District

• The Flinn Foundation • Terrace Room • 1802 North Central Avenue • Phoenix, AZ  85004 •
• Clerk’s Office 602-344-5177 • Fax 602-344-0892 •

Wednesday, December 11, 2013
10:00 a.m.

If you wish to address the Board, please complete a speaker’s slip and deliver it to the Clerk of the Board. If you have anything you wish distributed to the Board and included in the official record, please hand it to the Clerk who will distribute the information to the Board Members and Maricopa Integrated Health System Senior Staff. Speakers are limited to (3) three minutes.

(NOTE: One or more of the members of the Board of Directors of the Maricopa County Special Health Care District will attend either in person or by telephone conference call or video communications.)

Pursuant to A.R.S. § 38-431.03(A)(3), or any applicable and relevant state or federal law, the Board may vote to recess into an Executive Session for the purpose of obtaining legal advice from the Board’s attorney or attorneys on any matter listed on the agenda. Pursuant to A.R.S. § 38-431.03(A)(4), or any applicable and relevant state or federal law, the Board may vote to recess into an Executive Session for the purpose of consulting with its attorneys to consider its position and instruct its attorneys regarding the Board’s position regarding any contracts that are subject to negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation, and that are listed on the General Session agenda for discussion or action or both. The Board also may wish to discuss any items listed for Executive Session discussion in General Session, or the Board may wish to take action in General Session on any items listed for discussion in Executive Session. To do so, the Board will recess Executive Session on any particular item and reconvene General Session to discuss that item or to take action on such item.

ITEMS MAY BE DISCUSSED IN A DIFFERENT SEQUENCE

Call to Order

Roll Call
Call to the Public
This is the time for the public to comment. The Board of Directors may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling a matter for further consideration and decision at a later date.

General Session, Presentation, Discussion and Action

1. Discuss, Review and Approve Amendment to the Maricopa County Special Health Care District Bond Advisory Committee Charter
   District Board

Motion to Recess General Session and Convene in Executive Session

Executive Session:

E-1 Contracts Subject to Negotiations; Records Exempt by Law from Public Inspection: A.R.S § 38-431.03(A)(4) and A.R.S. § 38-431.03(A)(2). Maricopa County Special Health Care District d.b.a. Maricopa Integrated Health System strategic planning regarding behavioral, educational, and clinical and educational health initiatives, business, contractual and product service line strategies, and financial, budget, and operational strategies

1 Exemptions based upon A.R.S. § 48-5541.01(M)(4) (c) and (d) records or other matters, the disclosure of which would cause demonstrable and material harm and would place the district at a competitive disadvantage in the marketplace; or violate any exception, privilege or confidentiality granted or imposed by statute or common law.

Recess Executive Session and Reconvene in General Session

General Session Presentation, Discussion and Action:

2. Discuss, Review and Possible Action on Governance Best Practices and a Governance Development Plan Including but Not Limited to:
   Board Member Role Descriptions
   Board Education
   Board Committees – Establishment and Charters
   Annual Work Plan
   District Board

Adjourn
Maricopa County
Special Health Care District

Board of Directors
Special Meeting

December 11, 2013

Item 1.
Purpose

1. Review, prioritize and make recommendations to the Maricopa County Special Health Care District Board of Directors (“District”) on proposed bond projects in support of the Maricopa Integrated Health System mission, vision and community needs.

2. Develop a bond proposal comprised of prioritized projects and make a recommendation to the District Board regarding the issuance of bonds or any other viable financing vehicle to fund the prioritized capital projects, including the consideration of a bond election.

3. Obtain public comment, community and stakeholder input, and expert opinion into bond project and proposal deliberations.

Creation of Advisory Committee

1. The Maricopa County Special Health Care District Board of Directors (“Board”) will create the Bond Committee as an Advisory Committee of the Board of Directors, as authorized by A.R.S. 38-431.

2. By Board Resolution, the Board will
   a. Identify the powers of the Advisory Committee.
   b. Establish a budget and funding source for the Advisory Committee.
   c. Require annual review of need for continuation of the Advisory Committee.
   d. Identify and contract with a consultant with project management and meeting facilitation experience to staff the Advisory Committee.
   e. Establish, in conjunction with the Chief Executive Officer, criteria by which to evaluate projects and prioritize them.
   f. Develop a timeline for delivery of the bond proposal and a companion ballot proposal.

Membership of Advisory Committee

1. Advisory Committee members are to be appointed by the District Board.

2. The District Board will select members of the Advisory Committee, representing each District and reflecting the community at large, as well as representatives from different stakeholder groups.
3. By the majority vote of the Board of Directors, one member of the District’s Board of Directors shall be selected to serve as a non-voting member of the Advisory Committee.

4. The Chair and Vice Chair of the Advisory Committee are to be appointed by the District Board.

Powers of Advisory Committee

1. Make recommendations to the District Board regarding the creation of a bond proposal and consideration of a bond election for the voters of Maricopa County whose goal is consistent with the Purpose of the Advisory Committee as stated above.

2. As directed by the Board of Directors and in conjunction with the consultant:
   a. Develop a working knowledge of MIHS’s mission, vision, strategies, services, programs, operations and finances as a foundation from which to evaluate future needs and projects, while taking into consideration recent economic challenges, future health care delivery trends and models, and healthcare workforce training education.
   b. Tour all current MIHS facilities to understand their ability to deliver services to meet community needs today and into the future and to secure MIHS’s role as a 21st century academic medical center.
   c. Review each proposed project in terms of its overall purpose, strategy, goals, resource requirements, performance expectations and cost. Challenge underlying project assumptions regarding demand and utilization expectations as well as changes in healthcare delivery. Any recommendations for new programs or service lines need to include business plans with a five-year return on investment pro forma.
   d. Recommend a proposed capital investment proposal that:
      i. identifies the capital needs, and priorities of the District based on goals and objectives;
      ii. analyze the operational cost impact of each plan component; and
      iii. includes a recommendation regarding capital financing.

3. The Advisory Committee may at its discretion appoint subcommittees to assist the Advisory Committee.

4. Conduct hearings to review bond projects, present the bond proposal and seek input from the community.
5. Request additional Powers from the District Board, via Bond Advisory Committee charter amendments, in order to carry out its duties as defined in the Purpose of said charter.

6. Limitations on power:
   a. The Advisory Committee may not expend District funds without the District Board prior approval.
   b. The Advisory Committee may not make District policy.

Administrative Requirements

1. Advisory Committee and its members, and any subcommittee and its members, are subject to the Arizona Open Meeting Law and Public Records Act and Arizona and District conflict of interest laws, regulations, and policies; and therefore:
   a. Must record and maintain minutes of all meetings.
   b. Conduct all meetings as open to the public and noticed as required by the Arizona Open Meeting Law.

2. Make bimonthly reports of the activities of the Advisory Committee and any subcommittee to the District Board. The Advisory Committee shall meet not less than once a month.

3. The Advisory Committee’s final report is due by December 31, 2013 February 28, 2014.

4. All funds held by Advisory Committee are public funds and must be held in accounts permitted for public funds and are subject to audit as public funds. Funds can only be spent in accordance with District procurement procedures.
Maricopa County Special Health Care District

Board of Directors Special Meeting

December 11, 2013

Item 2.
Board Chairperson Role Description

The role of the Board Chair is to be the keeper of governance integrity. Governance integrity resides with the board, as does governance authority. The chairperson leads the process that results in high-performance governance.

The Board Chair is a member of the Board and is elected to the position by the Board in accordance with provisions of the Maricopa County Special Health Care District Board of Directors Bylaws and A.R.S. § 48-5504.

Responsibilities

Leadership
- Keep the mission of MIHS at the forefront and articulate it as the basis for all Board action.
- Propose Board goals and objectives and translate them into annual work plans.

Role Clarification
- Understand and communicate the roles and functions of the Board, its committees, medical staff, and senior administration.
- Understand and communicate individual Board members, and committee chair responsibilities and accountability.

Liaison
- Build cohesion among the Board chair, CEO, and medical staff leaders.
- Interprets the Board’s needs and concerns to the CEO, and the CEO’s needs and concerns to the Board.
- Act as a liaison between and among other boards/councils in the organization.
- Represent MIHS at official functions and be the Board's spokesperson to the media.

Meetings
- Approved agendas and plans for board meetings.
- Preside over the meetings of the Board; start and end meetings on time.
- Attend other MIHS internal/operational meetings as requested.
- Facilitate discussions and decision-making; ensures that all Board members have the same information; ensures all viewpoints are considered and clear decisions are reached.

Board Conduct
- Enforce Board bylaws and policies.
- Set a high standard for Board conduct by modeling rules of conduct in Board bylaws and policies.
Committees
- Appoint Board committee chairs in a consistent and systematic approach.
- Work with Board committee chairs to encourage effective disposition of responsibilities.
- Ensure that Board committee work plans flow from and support the District and Board goals, objectives, and work plans.
- Assign Board members to MIHS committees/councils/boards when appropriate.

Education
- Ensure new Board members receive comprehensive orientation.
- Mentor new Board members as appropriate.
- Support and arrange continuing education for the Board.

CEO Evaluation
- Lead the CEO compensation review and performance evaluation process.

Self-Evaluation and Annual Goal Setting
- Ensure effective Board self-evaluation and annual goal setting.
- Ensure committees conduct self-evaluations and annual goal setting.
- Seek feedback on personal performance as chair.

Succession Planning
- Plan for Board leadership succession.

Additional Roles
- Serve as an *ex-officio* non-voting member of all committees.
- Term: two years
Board Vice Chairperson Role Description

The Board Vice Chair is a member of the Board and is elected to the position by the Board in accordance with provisions of the Maricopa County Special Health Care District Board of Directors Bylaws and A.R.S. § 48-5504.

Responsibilities

**Liaison**
- Represent the MIHS at official functions and be the Board’s spokesperson to the media if the Board Chair cannot.

**Meetings**
- Preside over the meetings of the board in absence of the Board Chair.

**Succession Planning**
- Assist the Board Chair with planning for board leadership succession.

**Additional Roles**
- Term: two years
Individual Board Member Role Description

The Fundamental Duty of Oversight
The Board of Directors is the party responsible for the Maricopa County Special Health Care District. The Board must supervise and direct itself and govern Maricopa Integrated Health System’s efforts in carrying out its mission. The duties of care, loyalty, and obedience describe the manner in which the Directors are required to carry out their fundamental duty of oversight. In order to fulfill this obligation, directors must discharge three legal fiduciary duties:

Duty of Care
_Duty of Care_ requires Board members to have knowledge of all reasonably available and pertinent information before taking action. The Board member must act in good faith, with the care of an ordinarily prudent businessperson in similar circumstances, and in a manner he or she reasonably believes to be in the best interest of MIHS.

Duty of Loyalty
_Duty of Loyalty_ requires Board members to candidly discharge their duties in a manner designed to benefit only the health system, not the individual interests of the board member. It incorporates the duty to disclose situations that may present a potential for conflict with MIHS’s mission, as well as a duty to avoid competition with MIHS.

Duty of Obedience
_Duty of Obedience_ requires Board members to ensure that Maricopa Integrated Health System’s decisions and activities adhere to its fundamental purpose and charitable mission, as stated in A.R.S. §48-5501 – 48-5571, policies and bylaws.

Each Board member is also entrusted with individual responsibilities as a part of his or her Board membership. The obligations of Board service are considerable; they extend well beyond the basic expectations of attending meetings or participating in MIHS events. Individual Board members are expected to meet higher standards of personal conduct on behalf of MIHS than what is usually expected of other types of community volunteers.

Yet, despite all of these “special” responsibilities, Board members as individuals have no special privileges, prerogatives, or authority. They must meet in open session to propose, deliberate, negotiate and take action/make decisions.
Individual Board Member Core Responsibilities and Expectations

Board members must clearly understand the difference between governance and management. The Board is responsible for ensuring the mission and vision of the organization, in addition to being legally responsible for the operation of the organization. The Board must see the “big picture,” and work with all of the information available to it in order to lead the organization forward in carrying out its mission and vision. Management is responsible for the day-to-day tasks of running the hospital. The Board delegates the day-to-day management to the Chief Executive Officer. The CEO and the senior administration team is guided, but not directed, by the Board. They lead staff in carrying out the mission and vision that has been developed and approved by the Board.

Core Responsibilities
The Special Health Care District Board must fulfill certain core or fundamental responsibilities in overseeing the efforts of Maricopa Integrated Health System. These responsibilities cluster around six major areas:

1. Financial Oversight
2. Quality Oversight
3. Setting Strategic Direction/Mission Oversight
4. Self-Assessment & Development
5. Management Oversight
6. Advocacy

The Board fulfills these responsibilities by adopting specific outcome targets against which to measure MIHS’s performance. To accomplish this, the Board must:

- Establish policy guidelines and criteria for implementation of the District’s mission statement.
- Evaluate proposals brought to the Board based on their consistency with the mission.
- Monitor programs and activities of the business lines and corporations to ensure mission consistency.
- Periodically review, discuss, and amend the mission statement if necessary to ensure its relevance.

Financial Oversight
The Board has responsibility for the financial soundness of MIHS. To accomplish this Board must:

- Review and approve overall financial Board policies and plans for MIHS.
- Provide financial oversight for the assets of MIHS and its subsidiaries.
- Approve financial Board policies, plans, programs, and standards to ensure preservation and enhancement of MIHS’s assets and resources.
- Monitor actual performance against budget projections.
- Review and approve major capital plans proposed for MIHS and its subsidiaries.
- Ensure that the financial, capital, and strategic plans are aligned.

Quality Oversight
The Board is obligated to ensure the quality of all services provided by all physicians, allied health professional, dentists and nurses who perform their duties in MIHS or under this Board’s sponsorship. To do this, the Board must:

- Approve a system-wide quality assurance plan that has explicit improvement targets.
- Make quality of care and patient safety top priorities for MIHS.
• Approve and oversee quality improvement initiatives recommended by senior administration and the medical staff.
• Review and carefully discuss quality reports that provide comparative statistical data, and set measurable targets to ensure continual improvement in quality performance.
• Monitor performance to ensure fulfillment of MIHS’s commitment to quality.
• Take corrective action, when appropriate and necessary, to address quality performance.
• Recognize that the quality of services must be closely related to strategic planning and financial oversight responsibilities.
• Regularly receive and discuss malpractice data.
• Regularly receive and discuss data about medical staff to assure that future staffing will be adequate in terms of ages, numbers, specialties, and other demographic characteristics.
• Monitor programs and services to ensure that they comply with policies and standards relating to quality.

Setting Strategic Direction/Mission Oversight
The Board has the responsibility to recommend the future direction MIHS will take to meet the community’s health needs. To fulfill this responsibility, the Board must:
• Review and approve a comprehensive system-wide strategic plan and supportive Board policy statements.
• Ensure that MIHS’s strategic plan is consistent with the mission.
• Ensure that MIHS’s strategic plan reflects the needs and concerns of MIHS’s business lines and that they understand their role in implementation.
• Monitor the programs and initiatives of MIHS’s business lines and subsidiaries to ensure consistency with overall strategy.
• Regularly review progress toward meeting goals in the strategic plan to assure that the District is fulfilling its mission.
• Periodically review, discuss, and amend the strategic plan to ensure its relevance.

Self-Assessment & Development
A Board must assume responsibility for itself—its own effective and efficient performance. To discharge its stewardship responsibilities to the taxpayers of Maricopa County, the board must:
• Annually participate in a formal board evaluation process.
• Maintain and update policy statements regarding roles, responsibilities, duties, and job descriptions for itself, its members, officers, and committees.
• Participate both as a Board and as individuals in orientation programs and continuing education programs.

Chief Executive Officer Oversight
The Board is the final authority regarding oversight of management performance by the CEO. To exercise this authority, the Board must:
• Recruit, employ, and evaluate the performance of the CEO.
• Evaluate the performance of the CEO annually using goals and objectives agreed upon with him or her at the beginning of the evaluation cycle.
• Communicate regularly with the CEO regarding the board’s goals, expectations, and concerns.
• Periodically review the CEO employment arrangements at comparable organizations to ensure the reasonableness and competitiveness of his or her compensation package.
Periodically review the CEO and senior administration succession plans to ensure leadership continuity.

Establish specific performance policies that provide the CEO with a clear understanding of what the Board expects and update these policies based on changing conditions.

Advocacy
The Board needs to focus on advocacy and lobbying around public policy issues. In order to take an activist role, the Board must:

- Ensure that MIHS conducts a periodic community health needs assessment to understand the health issues of the communities served.
- Set legislative goals/public policy advocacy priorities for MIHS at least every two years.
- Ensure that the Maricopa Health Foundation establish has a policy that spells out its role in fund development and philanthropy efforts.
- Ensure that the MHF reviews a survey of community perceptions at least every three years.
- Assist the MHF in communicating with key external stakeholders (community leaders, potential donors).
- Actively support the MHF's fund development program (identify potential donors, participate in solicitations, serve on fund development committees).
- Expect individual Board members to engage in advocacy efforts with legislators.
- Adopt a policy regarding information transparency, explaining to the public in understandable terms MIHS’s performance on measures of quality, safety, pricing, and customer service.
- Require that management of each subsidiary annually report community benefit value to the general public.

Finally, the Board is responsible for managing its own governance affairs in an efficient and effective way. To fulfill this responsibility, the Board must:

- Maintain written conflict-of-interest policies that include guidelines for the resolution of existing or apparent conflicts of interest.
- Ensure that each Board member understands and agrees to maintain confidentiality with regard to information discussed by the Board in executive session.
- Maintain efficient and timely communication with subsidiary boards.
- If necessary, repeal the articles and bylaws of subsidiaries.
- Maintain an up-to-date Board policy manual, which includes specific policies covering its specific duties of care, loyalty, and obedience, and its oversight responsibilities in the areas of finance, quality, strategic planning, self-assessment and development, management oversight, and advocacy.

General Expectations
Prospective and incumbent Board members should commit themselves with regards to the following:

- Know Maricopa Integrated Health System’s mission, purposes, goals, programs, services, history, strengths, and needs.
- Perform the duties of Board member responsibly and conform to the level of competence expected from Board members as outlined in the duties of care, loyalty, and obedience.
- Prepare for the policy discussions and decision-making required for governance excellence within the organization.
- Undertake special assignments willingly and enthusiastically.
• Avoid prejudiced judgments on the basis of information received from individuals and urge those with grievances to follow established policies and procedures through their supervisors (all matters of potential significance should be called to the attention of the CEO as appropriate).

• If a member of the community or medical staff brings a specific issue, concern or complaint to a member of the Board, the Board member should handle it through appropriate channels. In general, complaints and concerns about hospital operations or medical staff issues should be directed to the CEO. Unresolved matters should be brought to the Board only after consultation with the CEO for resolution has been attempted.

• Avoid asking for special requests for extensive information, without prior consultation with the CEO, Board, or appropriate Board committee chairperson.

• Know the difference between the Board’s role and the role of the CEO.

• Counsel the CEO as appropriate and support him or her through difficult relationships with groups or individuals.

• Participate annually in educational opportunities to remain current on changing trends and issues affecting governance.

Meetings
The Board only exists, in both a legal and functional sense, when it meets. Consequently, Board meetings are the center of governance. The way they are planned and conducted significantly influence the quality of governance. Therefore, individual Board members are expected to:

• Prepare for and attend Board and Board committee meetings as assigned.

• Participate in Board and Board committee meetings with forethought, courtesy, critical thinking and analyses, and attention to results.

• All Board members are expected to serve on one or more Board committees.

• Ask timely and substantive questions at Board and Board committee meetings consistent with conscience and convictions, while at the same time supporting the majority decision on issues decided by the Board.

• Maintain confidentiality of the Board’s executive sessions, and speak for the Board or MIHS only when authorized by the Board to do so.

• Treats others with trust and respect, even if another Board member voiced other views during a Board discussion.

Conflict of Interest
Conflict of interest, confidentiality, and disclosure are concepts that figure prominently in the understanding of governance responsibilities. They do not tell a Board, or an individual director, how to govern; rather, they imply a code of conduct and ethical behavior. In order to prevent using the power, position, or information derived from their situations to influence Maricopa Integrated Health System’s activities and decisions, individual Board members must:

• Disclose any possible conflicts to the Board in a timely fashion.

• Maintain independence and objectivity and act with a sense of fairness, ethics, and personal integrity, even though you may not be required to do so by law, regulation, or custom.

• Never offer or accept favors or gifts to or from anyone who does business with the organization.
Individual Board Member Development Plan

This one-page development plan is designed to assist Board members in identifying current key areas for development, professional advancement and to understand their current contributions and opportunities for growth.

Leadership
1. I would like to take more actions in overcoming barriers to achieving MIHS’s mission.
2. I would like to make at least one positive contribution at each Board meeting.
3. I would like to act as a mentor to help orient new Board members.

Relationships
1. I would like to get to know other Board members and, in general, have an understanding of their strengths and weaknesses.
2. I would like to be more sensitive to the concerns of physicians and employees while maintaining impartiality and a total institutional perspective.
3. I would like to provide counsel and support to the CEO, on request and as needed, in his or her relationships with groups internal and external to the organization.
4. I would like to better understand the Board’s role versus the CEO’s role.

Continuing Education
1. I would like to participate in outside educational opportunities to remain current on changing trends and issues affecting our governance.
2. I would like to initiate educational activities that will help the full Board perform at its highest level.
3. I would like to subscribe to publications relevant to Board members.
4. I would like to contact and work with state-level organizations on issues of importance to the organization.

Individual Effectiveness
1. I would like to participate in identifying individuals whose skills and knowledge may be useful to MIHS as potential committee members.
2. I would like to be better prepared for Board and committee meetings, and assume a fair workload with my colleagues.
3. I would like to be more mindful of both MIHS’s mission and its financial condition when considering its strategic direction, new programs, or proposals.
4. I would like to be more open-minded to new ideas and perspectives.

Personal Development
1. In what specific areas would you like to develop?
2. Where would you most like to contribute?
3. What would make your experience more fulfilling?

List three key objectives for the next period.

1. __________________________________________________________
2. __________________________________________________________
3. __________________________________________________________
# Board Development Plan

## I. Board Structure

<table>
<thead>
<tr>
<th>Calendar of Meetings</th>
<th>We Do This Well Now</th>
<th>We Need to Focus on This</th>
<th>Plan for Improvement Goals and Objectives/Tasks/Timelines</th>
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</thead>
<tbody>
<tr>
<td>Board has evaluated meeting frequency to determine optimal number of board meetings and meeting duration.</td>
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<td>Board publishes and updates the calendar at the beginning of each year.</td>
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<td>Board has a strategy review and development meeting annually.</td>
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<td>Board has a calendar for committee meetings.</td>
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<td>Board includes in its annual calendar at least one formal, special meeting with physician leaders, and at least one special meeting with community leaders.</td>
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<td>Board includes in annual calendar at least one joint meeting of all boards within the system.</td>
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<tr>
<th>Board Agendas</th>
<th>We Do This Well Now</th>
<th>We Need to Focus on This</th>
<th>Plan for Improvement Goals and Objectives/Tasks/Timelines</th>
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<tr>
<td>Board strives to have most meetings 60% focused on strategic and future issues.</td>
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<td>Board requires one-page executive summaries by management for all information items and action proposals.</td>
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<td>Board requires management summaries to spell out management’s conclusions, assessment of pros and cons, and clear recommended course of action.</td>
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<tr>
<td>Board meetings periodically have time set aside for presentations that address the impact of the organization on its surrounding community and stakeholders.</td>
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<tr>
<th>Board Information</th>
<th>We Do This Well Now</th>
<th>We Need to Focus on This</th>
<th>Plan for Improvement Goals and Objectives/Tasks/Timelines</th>
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<tbody>
<tr>
<td>Board requires lower-quantity, higher-quality information.</td>
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<td>Board insists on greater reliance on dashboard and graphic indicators.</td>
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<td>Board makes use of electronic information exchange.</td>
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<tr>
<th>Board Self-Assessment</th>
<th>We Do This Well Now</th>
<th>We Need to Focus on This</th>
<th>Plan for Improvement Goals and Objectives/Tasks/Timelines</th>
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<tbody>
<tr>
<td>Board seeks to continuously improve its own performance by conducting an annual assessment of the board as a whole.</td>
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<tr>
<td>Board seeks to continuously improve its own performance by conducting an annual assessment of individual board members.</td>
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<tr>
<td>Board commits to remain educated on priority issues, and come well prepared for board meetings and interactions.</td>
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<tr>
<th>Board Education</th>
<th>We Do This Well Now</th>
<th>We Need to Focus on This</th>
<th>Plan for Improvement Goals and Objectives/Tasks/Timelines</th>
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<tbody>
<tr>
<td>Board has a formal program for its own orientation and ongoing education.</td>
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<tr>
<td>Board has an annual board education plan that is reflected in the organization’s budget for board activities and support.</td>
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## II. Board Attributes

<table>
<thead>
<tr>
<th>Leadership Effectiveness</th>
<th>We Do This Well Now</th>
<th>We Need to Focus on This</th>
<th>Plan for Improvement Goals and Objectives/Tasks/Timelines</th>
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<tbody>
<tr>
<td>Board behaves in a professional manner.</td>
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<td>Board is not reluctant to challenge strategic thinking of management, others.</td>
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<td>Board is team-oriented and comprised of team players.</td>
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<td>Board uses excellent decision-making techniques.</td>
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<td>Board understands healthcare issues, challenges, and impacts.</td>
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<td>Board members are leaders who know how to encourage innovation and welcome organizational change.</td>
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<td>Board confronts barriers to organizational transformation and innovation.</td>
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<tr>
<td>Board deals efficiently and effectively with unplanned change.</td>
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<tr>
<td>Board focuses on vision and outcomes versus programs and actions.</td>
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<tr>
<td>Board members are open to alternative views and challenge conventional wisdom.</td>
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<tr>
<td>Board members think in terms of the future and can envision various scenarios and their implications.</td>
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### Board Culture

| | | | |
| Board has a shared governance vision. | | | |
| Board has a culture that embraces change. | | | |
| Board views change as a creator of opportunities versus viewing change as a threat. | | | |
| Board capitalizes on the knowledge, insights, and experiences of its members. | | | |
| Board successfully adapts to a complex, fast-paced environment. | | | |
| Board makes rapid and informed decisions resulting from continuous knowledge development. | | | |
| Board synthesizes important information into knowledge for strategic advantage. | | | |

### CEO Evaluation

| | | | |
| Board has comprehensive, clear criteria for CEO evaluation. | | | |
| Board and CEO agree on scope, purpose, and how evaluation is tied to compensation. | | | |
| The evaluation has specific performance goals related to strategic success. | | | |
| The evaluation process works effectively to attract/retain quality leadership. | | | |

### Board Self-Assessment

<p>| | | | |
| | | | |
| Board conducts an annual self-assessment of the board as a whole. | | | |
| Board uses the assessment process to identify specific governance improvement opportunities, and has included these in an annual plan for improvement. | | | |</p>
<table>
<thead>
<tr>
<th><strong>Strategic Decision Making</strong></th>
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<tbody>
<tr>
<td>Board meeting agendas match strategic issues and priorities.</td>
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<tr>
<td>Board devotes at least 60% of its time to strategic and policy issues; it generates key insights and wisdom versus simply gathering information.</td>
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<tr>
<td>Board discussion is future-oriented.</td>
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<tr>
<td>Management provides the board with well-thought-out options and alternatives.</td>
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<tr>
<td>Board provides strategic guidance to management.</td>
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<tr>
<td>Board continually scans the environment for meaningful change that is critical to the organization.</td>
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<tr>
<td>Board anticipates market needs rather than reacts to them.</td>
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<tr>
<td>Board strategically invests in new core competencies.</td>
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<tr>
<td>Board can rapidly modify strategic direction as circumstances change.</td>
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<tr>
<th><strong>Stakeholder Relationships</strong></th>
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<tbody>
<tr>
<td>Board understands key stakeholders’ perceptions.</td>
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<td>Board develops new responses to community needs.</td>
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<tr>
<td>Board has clearly defined the organization’s value, and has committed to exceeding expectations and enhancing stakeholder satisfaction.</td>
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<tr>
<td>Board knows how to build collaborative relationships.</td>
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<tr>
<td>Board understands and develops effective responses to the interest and needs of patients and customers.</td>
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<tr>
<td>Board has an active advocacy program to ensure that civic, state, and federal leaders understand key healthcare issues as these issues relate to their constituencies.</td>
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<tr>
<td>Board has defined what success will look like as a result of governance and organizational change.</td>
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<tr>
<th><strong>Board Education and Orientation</strong></th>
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<tr>
<td>There is a written policy and budget for education and development.</td>
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<tr>
<td>New trustees receive a thorough orientation.</td>
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<tr>
<td>Board has an active ongoing education program tied to strategic challenges.</td>
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<tr>
<td>Board has a peer-to-peer mentoring program.</td>
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<tr>
<td>Board meetings typically include an education component.</td>
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<tr>
<td>Governance development process is responsible for emerging governance issues, education, and self-assessment.</td>
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Committee Charter: Finance Committee

Statement
Board committees are not authorized to formulate policies or make decisions on behalf of the Board. Rather, Board committees are charged with performing governance staff work that leverages the Board time and effort.

Purpose
The Finance Committee will assist the Board in oversight of financial affairs by monitoring Maricopa Integrated Health System’s financial policies and the adequacy of its financial reporting, and recommending actions to protect and enhance the community’s investment in MIHS. It will also ensure that appropriate policies and procedures are in place to safeguard and preserve the assets.

Responsibilities
In fulfilling its charge, the Finance Committee is responsible for the following activities and functions:
- Prepare and submit annually to the Board a five-year capital and operating budget showing expected revenues and other income, expenses, and capital expenditures in detail for the ensuing year.
- Recommend to the Board an annual operating budget and make recommendations with respect thereto.
- Review the monthly financial statements.
- Review the financial performance of the operations on a regular basis.
- Monitor and evaluate management of the organization’s funds.
- Analyze and recommend methods of financing for business ventures.
- Monitor the debt structure of the organization, analyze borrowing proposals, and make appropriate recommendations.
- Review un-budgeted expenditures for major projects and equipment and make appropriate recommendations.
- Supervise preparation of the master financial plan.
- Review all proposed transfers of funds and make appropriate recommendations.
- Draft guiding financial principles for the Board to use when evaluating various financial options and the long-term financial plan.
- Establish financial objectives that relate to MIHS’s goals and mission.
- Ensure that the Board is always informed of the organization’s financial state.

Reports
The committee will receive and review the following reports:
- Monthly, quarterly, and annual financial statements
- Investment reports
- Payer trend reports
- Key financial ratios
- Key operating benchmarks
- Financial contributions of physicians by specialty
- Service line profit and loss
- Healthcare reimbursement changes
Meetings
- Monthly, 12 times per year
- Expected duration: 1.5 hours
- Agenda and background materials will be distributed to committee members at least five business days prior to the meeting

Composition
- At least one, no more than two Board members (voting), serving for a two-year term
- Two citizen’s of Maricopa County with knowledge in the area of accounting or financial matters (voting), serving for a two-year term, with a maximum of two terms
- Chief Financial Officer (ex-officio without vote)
- Chairperson must be a Board member, preferably with knowledge in the area of accounting or financial matters
- The President and CEO will be invited to attend all meetings (non-member)
- The Audit Committee chairperson will be invited to all meetings (non-member)

Staffing
- Professional: one senior member of the finance staff designated by the CFO
- Administrative/secretarial: individual designated by the Clerk of the Board
Committee Charter: Quality Committee

Statement
Board committees are not authorized to formulate policies or make decisions on behalf of the Board. Rather, Board committees are charged with performing governance staff work that leverages the Board time and effort.

Purpose
The Quality Committee will assist the Board in ensuring the quality of care provided in, and by, Maricopa Integrated Health System, patient safety and patient satisfaction provided throughout MIHS. The Quality Committee with develop, implement, monitor and report on Maricopa Integrated Health System’s Quality Program and to assist in identifying opportunities for improvement in the quality of care. The Committee will also assist the Board in maintaining a constructive relationship with the medical staff, making recommendations for approval of medical policies, professional staff appointments, reappointments, and clinical privileges.

Responsibilities
In fulfilling its charge, the Quality Committee is responsible for the following activities and functions:

- Monitor and report on the system-wide program encompassing the measurement and improvement of quality, risk, and clinical resource utilization at all Maricopa Integrated Health System facilities.
- Monitor a comprehensive quality plan, including quality measures that are important for the business lines to track each year.
- Review and recommend quality and safety-related policies and standards.
- Monitor and review dashboard of key performance indicators compared to organizational goals and industry benchmarks to ensure continuous quality improvements throughout MIHS.
- Coordinate regulatory and accrediting body review of MIHS.
- Analyze and evaluate the data trends emerging from the quality management, risk management, and resource management programs, advising the Board and CEO on improvement possibilities.
- Reviewing and recommending a multi-year Strategic Quality Plan with long-term and annual improvement targets.
- Reviewing sentinel events and root cause analyses; if appropriate, recommend corrective action.
- Monitoring summary reports of hospital and medical staff quality and patient safety activities.
- Reviewing senior administration’s corrective plans with regard to negative variances and serious errors.
- Making recommendations to the Board on all matters related to the quality of care, patient safety, customer service, and organizational culture.
- Assist in the structuring and management of MIHS’s professional/general liability and workers’ compensation insurance.
- All activities of the committee shall be conducted consistent with federal and state law, including applicable provisions regarding immunity, confidentiality and privilege, such as, A.R.S. § 36-441 et. seq., 36-445 et. seq., 36-2401 et. seq., and 36-2917 et. seq.
Reports
The committee will receive and review the following reports:
- Quality indicators in dashboard format, including roll-up measures of clinical quality, patient safety and satisfaction (quarterly).
- Progress on major performance improvements and patient safety goals (quarterly).
- Root Cause Analysis (as they occur)
- Sentinel event summary (at least quarterly).
- Patient satisfaction/perceptions (quarterly and annual in-depth report).
- Physician satisfaction/perceptions (annual)
- Employee satisfaction/perceptions (annual).
- Accreditation (when received).
- Audit of credentialing process (at least every two years).

Meetings
- Monthly, 12 times per year
- Expected duration: 1.5 hours
- Agenda and background materials will be distributed to committee members at least five business days prior to the meeting

Composition
- At least one, no more than two Board members (voting), serving for a two-year term
- Two citizen's of Maricopa County with a professional background in health care services (voting), serving for a two-year term, with a maximum of two terms
- Vice President of Quality (voting)
- Chief of Medical Staff (ex-officio without vote)
- Chief Nursing Officer (ex-officio without vote)
- Chairperson must be a Board member, preferably with knowledge in the area of quality/health care services
- The President and CEO will be invited to attend all meetings (non-member)
- The Chief Medical Officer will be invited to all meetings (non-member)
- The Vice President of Ambulatory Services will be invited to all meetings (non-member)

Staffing
- Professional: one senior member of the quality staff designated by the CMO
- Administrative/secretarial: individual designated by the Clerk of the Board
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<td>Governance</td>
<td>Plan CEO goals for upcoming FY</td>
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Maricopa Integrated Health System: District Governance - Board Policy Statement

Effective Date: 
Reviewed Dates: 
Revision Dates: 

Policy #: ______ G
Policy Title: Board Policy – Governance
  • Strategic Planning

Scope: [X] District Governance(G)
  [ ] System-Wide(S)
  [ ] Multi-divisions(MD)
  [ ] Division(D)
  [ ] Multi-departments(MT)
  [ ] Department(T)

Signature: __________________________________________________ __________
[Mary. A. Harden, R.N., Chair - Board of Directors, Maricopa County Special Health Care District]                [Date]

Policy:
Maricopa Integrated Health System will establish an ongoing strategic planning process by which it translates its mission and values into actionable and measurable goals, strategies, initiatives, and programs. The plan will provide direction for both long and short-term decision-making by the Board of Directors and Senior Administration to fulfill the mission of the organization and make choices among competing demands for capital investment, philanthropy, facilities, and human resources.

Process:
The strategic planning process will incorporate the following components:
  o Mission statement
  o Values statement
  o Long term vision statement
  o Community health needs and assets assessment
  o Environmental factors assessment
  o Critical assumptions about the future
  o Four-year, written, Board-approved Strategic Plan that includes:
    o Long-term vision statement (time horizon – 5 – 20 years)
    o Major initiatives and goals (time horizon- 2-3 years)
    o Annual plan and goals (time horizon – 1 year)
  o Standard format for plans and goals for subsidiaries, operating units, divisions, and departments
  o Strategic performance measurement report format
  o Active engagement in the process at all levels of the organization.

Planning Cycle:
1. **Long-term visioning.** At certain times, MIHS leaders will determine the need exists to engage in a strategic visioning process with long term horizon, such as five, ten or twenty years, in order to make decisions about organizational direction, major capital investments, master facility plans, program commitments, or organizational structure. The resulting long-term vision will create an overarching strategic context for an ongoing strategic plan.
2. **Rolling, multi-year strategic plan.** MIHS will engage in a rolling strategic planning process to ensure MIHS’s strategic initiatives and goals always reflect conditions.

3. **Calendar.** MIHS’s planning year is the fiscal year. The strategic plan will drive the financial plan.

4. **Four-year plan.** Every four years, MIHS will engage in a comprehensive, data-driven assessment and adoption of a strategic plan. Data gathering may include input from:
   - Community health needs and assets assessment
   - Environmental assessment, including national and local trends in patient care quality and safety; payment systems; competitive market; capital financing; technology; talent supply; health policy and regulation; etc.
   - Opinions of organizational leaders, including the Board of Directors, senior administration, clinical leaders, and operating unit/department managers
   - Expert panels of community and industry leaders
   - Opinions of community and stakeholder leaders.

5. **Two-year review.** At the mid-point of the four-year plan, MIHS will engage in more limited, baseline data gathering (update of community health needs, environmental assessment, and strategic plan progress). Based on the input, MIHS leaders will re-examine the strategic plan and make adjustments as necessary to major initiatives and goals.

6. **Annual plan.** Every year, MIHS will adopt annual performance goals and adjust this plan based on changing conditions. The annual planning cycle will be:
   - Data-gathering: December - March
   - Board/leadership strategy retreat – March
   - Board approval of Strategic Plan Update – April
   - Annual budgeting process begins - April
   - Board approval of annual budget – June

7. **Continuous monitoring.** Senior administration will continuously monitor changes in the critical assumptions underpinning the strategic plan as well as MIHS’s actual performance in achieving its strategic goals. A material change in critical assumptions or actual performance may prompt a recalibration or revision of the strategic plan at any time.

8. **Integrated planning.** The strategic plan is an overarching document that should drive related organizational plans for such areas as quality improvement, community health improvement, hospital-physician alignment, capital financing, information systems, facilities planning, philanthropy, education, and human resources.

9. **Alignment.** There will be one mission and vision statement and one set of core values. Strategic plans for operating units, and departments will be aligned with and supportive of the organization-wide mission, vision, values, strategic plan. Financial plans (including annual budgets and long-term capital plans) will be tied directly to the strategic plan. Senior administration and department leaders will be held accountable for the goals in their plans.

10. **Communications.** Senior administration will be responsible for communicating the strategic plan to key stakeholders and enrolling them in achieving the goals of the plan.

**Role of the Board**
The Board of Directors will play an active role in the strategic planning process while ensuring it does not disrupt senior administration’s responsibilities. The Board will:
   - Adopt a policy committing MIHS to a mission-driven strategic planning process that includes broad inclusion of MIHS leadership to create and carry out the plan
   - Adopt a compelling long-term vision statement for the organization
   - Formally approve multi-year and annual strategic plans
- Adopt an annual plan for Board work that focuses on strategic priorities of MIHS
- Allot time on every Board meeting agenda for discussion of strategic-level issues. Focus on the critical strategic issues facing the hospital and avoid routine operational matters
- Monitor progress toward achieving strategic goals and require corrective actions and adjustments as necessary to changing conditions
- Participate in at least an annual strategic planning and education retreat
- Avail itself of education and information to stay abreast of community and environmental trends
- Raise questions and contribute expertise
- Bring insights from and help communicate the plan to key stakeholders.

**Role of Senior Administration**
- Engage the Board to fully utilize its experience, expertise and knowledge of community and stakeholder needs
- Bring objective analysis and recommendations to the Board for deliberation and decision making
- Structure presentations to the Board on strategic topics to allow sufficient time for questions and Board feedback/guidance
- Plan at least an annual board/leadership retreat
- Provide education on community needs and healthcare/industry trends, opportunities and challenges
- Review progress on implementation of the strategic plan regularly. Provide to the Board a concise, dashboard-style report Strategic Performance Measurement Report showing progress toward the key goals and measures in the strategic plan. Include the report in Board packets sent out prior to Board meetings.
Annual Education Plan

Annual Education Plan Guidelines:

- The Special Health Care District Board of Directors shall approve an annual education plan for each fiscal year.
- The Executive Board of Directors will be responsible for proposing an annual education plan to the Board that aligns with the Maricopa Integrated Health System annual agenda calendar, the President and CEO's annual goals and critical strategic and operational issues that arise during the fiscal year.
- The annual education plan will consist of the following five educational tools.
  1. Educational topics and/or presentations at each monthly Board meeting
  2. Annual review of governance best practices
  3. A quarterly compilation of healthcare and governance articles selected by the Executive Director of Board Operations in conjunction with the President and Chief Executive Officer from industry journals
  4. A menu of healthcare conferences with a variety of topics and locations, selected by the Executive Director of Board Operations in conjunction with the President and Chief Executive Officer from which each Board member must choose at least one to attend
  5. Optional: one healthcare and/or governance educational conference, seminar or webinar of each Board member’s choosing

Resources:

- American Hospital Association
- America’s Essential Hospitals (f.k.a. National Association of Public Hospitals)
- Arizona Hospital & Healthcare Association
- Healthcare Advisory Board
- Healthcare industry journals
- Professional industry organizations
- Quality organizations (National Quality Forum, Institute of Medicine, Institute of Health Improvement)
- Governance organizations (The Governance Institute, Center for Healthcare Governance, Boardsource, GreatBoards, Estes Park Institute)
- The League of Arizona Cities and Towns
- Office of the Attorney General