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**GOVERNANCE
COMMITTEE**

DRAFT

January 10, 2013

To: Sonoma Valley Health Care District Board

From: Kevin Carruth, Governance Committee Chair
Peter Hohorst, Board Member (Immediate Past Board Chair)

Agenda Item Title: Governance Committee Annual Work Plan and Charter Review

Recommendation: The Board shall accept the Governance Committee (GC) 2012 Annual Charter and Work Plan Review

Background:

The GC charter (as do each of the Board Committee Charters) requires an annual report to the Board on the committee's annual work plan performance and a review of its charter. What follows is a combination review of the Board approved 2012 Work Plan and GC Charter, and related accomplishments. Items with an asterisk (*) were added to the 2012 Work Plan by the GC during the year and if not completed are in the GC 2013 Work Plan. **Issues that are either in the Board approved 2012 GC Work Plan and/or the GC Charter, but were not addressed in 2012 are in red.**

Governance Committee 2012 Work Plan Review

1. Developed and obtained Board approval for the GC 2012 Work Plan
2. Began Board Policy Manual—the following policies were developed, submitted to, and approved by the Board in 2012
 - Requirements Governing Purchases of Materials, Supplies, and Equipment and Procurement of Professional Services
 - Requirements Governing Bidding for Public Works Contracts
 - Conflict of Interest Code
 - *Confidentiality Statements
 - Compliance Plan
 - *Memorandum of Understanding Gift Acceptance
 - *Board Travel and Other Reimbursement
 - *Chain of Command for Management of Patient Care Concerns
 - *Organization-wide Performance Improvement Plan
 - *Board Member and Chair Job Descriptions
 - *Board Committee Selection Process

3. Developed/coordinated and obtained Board approval for the Governance, Finance, Audit and Citizen's Bond Oversight Committee Charters (Quality was done in 2011.)
4. Planned and obtained Board approval for two Board retreats
5. Analysis of budgeted and human resources for the Board and its Committees
6. Reviewed and obtained Board approval for the Compliance Plan, including the Code of Conduct, Policies and Procedures, and Compliance Officer Job Description
7. All Board members complied with the bi-annual Ethics Training requirement
8. Reviewed and obtained Board approval for procurement and contracting policies
9. CEO performance review conducted
10. Received Hospital Compliance Reports
11. **New Board Member orientation Program** (This is in the 2013 work plan.)
12. 2013 Work Plan to CEO to review
13. Review GC performance against 2012 Work Plan
14. Develop 2013 Annual Work Plan
15. **Board Policy Manual Completed** (This was overly optimistic and will likely not be completed for quite some time. It will not be called out in the 2013 Work Plan.)
16. ***CEO Authority and Delegation Policy** (This was added by the GC to the Board approved work plan at the CEO's request during 2012. It continues in the 2013 Work Plan.)
17. ***Financial Policies/CEO Spending Limits** (This was added by the GC to the Board approved work plan at the CEO's request during 2012. It continues in the 2013 work plan.)
18. ***CEO Performance Review Process** (This was added by the GC after the last performance review. It continues in the 2013 Work Plan.)

Governance Committee Charter Review

Committee Structure and Membership

1. The Board solicited and in November interviewed and selected citizens and residents of the District for membership on the Finance, Quality and Citizen's Bond Oversight Committees. The GC provided the Hospital with a list of desired knowledge, skill and experiences for each committee that were used in the solicitation press release. The 2013 GC work plan includes working with each Board committee to obtain their input on desired knowledge, skills, abilities, and experiences so that is reflected in future solicitations and selections.
2. **The GC, with input from the Board committees has not yet assessed the current Board Committee member skill sets.** These can also be used when recruiting new committee members in the future.

Board Development

1) New Member Orientation

- a. ***We have initiated the design but have not finalized our Board's new member orientation process for Board approval.**

It is being used in its current form with our new board member. (It is scheduled for completion in the 2013 work plan. The GC charter requires

that the Orientation Program be reassessed before the next Board election.)

2) Continuing Education of the Board

- The Committee planned and the Board approved two retreats.
 - In April 2012, the Board and CEO had a retreat in Sonoma with Accord Limited dealing principally with Board Self Assessment, Improvement Plans, and Governance.
 - In July, 2012 three Board members attended the American Hospital Association's Annual Summit in San Francisco along with the CEO and CFO. (Marin General Hospital's board also attended.) The conference was focused on the future of health care and the changes that can be anticipated.
- In November, 2012 the CEO researched options for on-going Board education and the GC is recommending the iProtean assessment.
- **We have not reviewed the continuing education of the standing board committees.** This is in the charter but was not in the 2012 GC work plan, and was anticipated to be in a future year GC work plan. This is in the 2013 work plan.

3) Board Self Assessment

- *In April 2012 the Board assessment was completed by all 5 board members and the CEO. It was reviewed at the first annual board retreat under the facilitation of Accord Limited.

4) Monthly Board Development

- **A systematic reading program designed to increase Board knowledge has not yet been developed.** This is in the charter but was not included in the 2012 GC work plan, and was anticipated for a future year GC work plan. It is in the 2013 work plan.

Develop Policies and Recommend Decisions

Numerous Board policies were developed, reviewed and submitted to the Board for approval in 2012. They are detailed under the Work Plan report above.

Oversight

- Compliance Program and Plan were developed and approved in 2012.
- Compliance Training was completed for all Hospital leaders in 2012.
- The Compliance Committee submitted bi-annual reports to the Governance committee.
- The GC report is the GC's annual assessment of its accomplishments against plan in 2012, and what remains to be accomplished.

Legislation

This responsibility was added to the GC charter this year by the Board.

- Created GC and Board involvement, approval and oversight of recommended legislation and for taking legislative positions.
- Established the requirement for a CEO annual Board legislative update.

Annual GC Calendar

- There was sufficient financial and human resources budgeted to support the Board and the Board Committees, the Compliance Officer function, Continuing Board Education off-site and on-site, the annual board assessment, and new Board member orientation.
- The GC developed the Citizens Bond Oversight Committee and Audit Charters, the Finance Committee developed its own Charter, and the GC recommended approval.
- The 2013 work plan has been reviewed by the CEO and it is a manageable work load.
- The CEO did not submit any audits, reports, etc. from outside organizations regarding Hospital facilities or operations. (The CEO is only required to submit those that do not go to the Quality Committee or Audit Committee pursuant to their charters.)
- **The CEO did not establish a rolling 12 month calendar of Board and Committee meetings, etc.** The CEO has requested that the GC amend this requirement. That recommendation is reflected in the recommended GC Charter changes.
- When the Board amended the GC Charter for legislative issues it came with a requirement for the CEO to schedule an annual review of the prior legislative session. In October the legislative review was presented by a Hospital Council of Northern and Central California representative.
- The Governance Committee approved the District's Code of Conduct and Compliance program in 2012. (It is now an annual requirement to review this annually and it is in the 2013 work plan.) Compliance reports were made to the GC.

GC Membership

- The GC was chaired by the Board Secretary and the other member was the Board Chair.
- The CEO has recommended a Charter change and the GC has recommended a second change. Both are reflected in the GC Charter changes.

Frequency of QC Meetings

- The GC met every month except June 2012, which exceeded the minimum of six times per year.

Public Participation

- The GC complied with Brown Act, but there were never any public members in attendance.

Frequency of Review/Revision

- This report and the related recommended changes to the GC Charter constitutes the annual review.

Consequences of Negative Action/Alternative Actions: The Board will not have a report from the Governance Committee for 2012.

Financial Impact: None

Selection Process and Contract History: N/A

Board Committee:

The Governance Committee unanimously recommends acceptance of this report.

Attachment(s):

2012 Governance Committee Work Plan

<p>January</p> <ul style="list-style-type: none"> • Governance Committee Charter Approval • Governance Committee Work Plan Review • Continuing Education Suggestions • Begin Board Policy Manual 	<p>February</p> <ul style="list-style-type: none"> • Finance committee Charter • CBOC Charter • Plan Board Retreat (1) • Review Board Policies • GC Analysis of resources for committees to BOD and CEO 	<p>March</p> <ul style="list-style-type: none"> • Audit Committee Charter • Review Board Self Assessment • Plan Board Retreat (2) AHA Leadership Summit? 	<p>April</p> <ul style="list-style-type: none"> • Compliance Plan Including Code of Conduct , Policies and Procedures and Compliance Officer job description • Ethics Training
<p>May</p> <ul style="list-style-type: none"> • Procurement and Contracting Policy • Compliance Report 	<p>June</p> <ul style="list-style-type: none"> • Compliance Report • Confidentiality Agreements • Conflict of Interest <p>MEETING CANCELLED</p>	<p>July</p> <ul style="list-style-type: none"> • CEO Performance Review started • Review Board Policies • Compliance Report 	<p>August</p> <ul style="list-style-type: none"> • Compliance Report • Conflict of Interest • Board member & Chair position descriptions
<p>September</p> <ul style="list-style-type: none"> • Compliance Report • CEO Performance Review completed • New Board Member Orientation Program • Review and assess board policies and GC charter 	<p>October</p> <ul style="list-style-type: none"> • Compliance Report • CEO spending limit policy • New Board Member Orientation Review 	<p>November</p> <ul style="list-style-type: none"> • GC Work Plan received from CEO • Annual review of governance performance measures • Compliance Report • Policy for Executive Compensation and Evaluation 	<p>December</p> <ul style="list-style-type: none"> • Annual Work Plan 2013 • Annual review of governance performance measures • Compliance Report
<p>COMPLETED</p>	<p>IN PROCESS</p>	<p>UNDONE</p>	

The following are not included in the 2012 Work Plan, but are anticipated to be in the 2013 Work Plan.

Draft policies and decisions regarding governance performance and submit them to our Board for deliberation and action.

Recommend quantitative measures to be employed by our Board to assess governance performance and contributions.

Conduct the annual review of governance performance measures and submit an analysis to our Board for deliberation and action.

Conduct an assessment of Standing Committee members, vacancies and the desired traits for new members and alternates.



SUBJECT: Governance Committee Charter

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PAGE 1 OF 5

DEPARTMENT: Board of Directors

EFFECTIVE: 1/5/12

APPROVED BY: Board of Directors (1/5/12)

REVISED:

Purpose:

Consistent with the Mission of the District the Governance Committee (GC) assists the Board to improve its functioning, structure, and infrastructure, while the Board serves as the steward of the District. The Board serves as the representative of the residents of the SVHCD by protecting and enhancing their investment in the SVH in ways that improve the health of the community collectively and individually. The Board formulates policies, makes decisions, and engages in oversight regarding matters dealing with ends, CEO performance, quality of care, and finances. The Board must ensure that it possesses the necessary capacities, competencies, structure, systems, and resources to fulfill these responsibilities and executive these roles. In this regard it is the Board's duty to ensure that:

- Its configuration is appropriate;
- Necessary evaluation and development processes are in place;
- Its meetings are conducted in a productive manner;
- Its fiduciary obligations are fulfilled.

The GC shall assist the Board in its responsibility to ensure that the Board functions effectively. To this end the GC shall:

- Formulate policy to convey Board expectations and directives for Board action;
- Make recommendations to the Board among alternative courses of action;
- Provide oversight, monitoring, and assessment of key organizational processes and outcomes.
- Take action on behalf of the Board when prompt action is necessary regarding pending legislation (state or federal) that affects the District/Hospital. The GC Chair shall report such action, and provide copies of correspondence with legislators, to the Board at the next regular Board meeting.

The Board shall use the GC to address these duties and shall refer all matters brought to it by any party regarding Board governance to the GC for review, assessment, and recommended Board action, unless that issue is the specific charge of another Board Standing Committee. The GC makes recommendations and reports to the Board. It has no authority to make decisions or take actions on behalf of the District, except for legislative issues requiring prompt action.



SUBJECT: Governance Committee Charter

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DEPARTMENT: Board of Directors

EFFECTIVE: 1/5/12

APPROVED BY: Board of Directors (1/5/12)

REVISED:

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Policy:

SCOPE AND APPLICABILITY

This is a SVCHD Board Policy and it specifically applies to the Board, the Governance Committee and all other Standing Committees, the CEO, and the Compliance Officer.

RESPONSIBILITY

Committee Structure and Membership

- The GC, with input from the Standing Committees, shall review the composition of the Standing Committees annually for vacancies, including an assessment of the desired homogeneous and heterogeneous traits necessary for the Board to work together effectively. Examples of desired homogeneous traits include integrity, interest in, and commitment to the Hospital, interpersonal maturity, and willingness to devote the necessary time and effort, and the ability get along and work effectively with others; and heterogeneous traits include their relationship to the Hospital, experience, gender, ethnicity, and expertise. The GC shall assist the Board in having a well qualified, committed, interpersonally skilled, and diverse mix of Standing Committee members, reflective of the District.
- The GC, with input from the Standing Committees and the Board, shall identify the skill sets of the current members and the skills sets ideal for the Standing Committees as a whole, and present a matrix to the Board for its action and use when recruiting and screening potential Standing Committee members. SVH employees and family members are not permitted to be on the Board Committees. SVH employees and family members are not permitted to be on the Board Committees.

Board Development

- **New Member Orientation**
 - Design our Board's new-member orientation process and reassess it bi-annually before elections.
- **Continuing Education of the Board**
 - Plan the two annual board retreats—one in and one away from Sonoma. Identify an annual training program addressing current issues of importance to the Board to be presented off-site in Sonoma for the Board, possibly including Standing Committee members, Medical Staff, selected hospital leaders, and others as deemed appropriate by the Board. Coordinate with other Standing Committees as appropriate to avoid duplication of effort.
 - Direct and oversee our Board's continuing education and development activities



SUBJECT: Governance Committee Charter

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DEPARTMENT: Board of Directors

EFFECTIVE: 1/5/12

APPROVED BY: Board of Directors (1/5/12)

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for both the Board and its Standing Committees.

- **Board Self Assessment**

- Direct and oversee the annual assessment of our Board, Standing Committees, and individual Board members; reviewing these assessments; and making recommendations to the Board regarding ways in which its performance and contributions can be enhanced.

Monthly Board Development

- Plan a systematic reading program for the Board, designed to increase Board knowledge in issues of interest and important to the District. The GC shall consult with the other Board members and the CEO in developing the program.

Develop Policies and Recommend Decisions

- Draft policies and decisions regarding governance performance and submit them to the Board for deliberation and action.

Oversight

- **Compliance**

- Recommend quantitative measures to be employed by the Board to assess governance performance and contributions.
- Conduct the annual review of governance performance measures and submit an analysis to the Board for deliberation and action.

- Conduct an annual assessment of all Board policies and decisions regarding governance performance.

Legislation

- Review, draft, and/or recommend legislative proposals to the Board for deliberation and action.

Perform other tasks related to governance as assigned by the Board.

Annual GC Calendar

- In April, in advance of the budget process, review the adequacy of financial and human resources currently allocated for the Board and its Standing Committees to meet their obligations and comply with their Charters. This includes but is not limited to the financial and human resources necessary to support the Board, for a Compliance Officer and related support funding, and Continuing Education Board retreat and local offsite, the annual Board self assessment, and new Board member orientation, and



SUBJECT: Governance Committee Charter

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DEPARTMENT: Board of Directors

EFFECTIVE: 1/5/12

APPROVED BY: Board of Directors (1/5/12)

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Board monthly development.

- Annually review and assess all board policies regarding governance, specifically including the GC and all other Standing Committee Charters, and make recommendations to the Board for action in December.
- The CY GC work plan shall be submitted to the CEO no later than November for input and resource assessment and shall be submitted to the Board for action no later than December.
- The GC shall report on the status of its prior year's work plan accomplishments by December.
- The GC shall establish the next CY meeting schedule no later than December.
- The CEO shall develop and provide a 12 month calendar of all scheduled Regular and Special Board Meetings, and post on the SVH website at the beginning of the calendar year. It shall be kept updated.
- The CEO shall develop and submit proposed legislative changes annually at the first meeting after the legislature has adjourned its regular session for the next calendar year—typically September, October at the latest. The GC shall make its recommendations to the Board for action no later than December.
- The GC shall annually review the District's Code of Conduct and Compliance Program and report to the Board for its action no later than December.
- The CEO shall promptly submit to the GC all reports, assessments, audits by external organizations and the Hospital's responses that are not submitted to the Audit Committee or the Quality Committee as required by their Charters. In those cases the GC shall determine the appropriate reviewing body and make that referral or conduct the review and referral to the Board itself.

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Deleted: the Board Chair and the Board Secretary. The Board Chair shall serve as Chair of the Governance Committee, unless the Board specifically acts to make an exception.

Even Numbered Year GC Calendar Years

- Present the New Board Member Orientation Process to the Board for its review and action by August in even numbered years, in advance of the pending election.

GC Membership

The GC shall have 2 members, normally the Board Chair and the Board Secretary. The Board Chair shall serve as a member and Chair of the Governance Committee, unless the Board specifically acts to make an exception. .

Staff to the GC

The GC shall be staffed by the Hospital's CEO and/or Administrative Representative. At the request of the GC Chair, the Compliance Officer, shall attend GC meetings. GC membership is,



SUBJECT: Governance Committee Charter

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DEPARTMENT: Board of Directors

EFFECTIVE: 1/5/12

APPROVED BY: Board of Directors (1/5/12)

REVISED:

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Frequency of QC Meetings

The GC shall meet six times a year at minimum, unless there is a need for additional meetings. Meetings may be held at irregular intervals.

Public Participation

All GC meetings shall be announced and conducted pursuant to the Brown Act. The general public, patients, and their families and friends, Medical Staff, and Hospital staff are always welcome to attend and provide input. Other Board members may attend but may not comment as it may be a Brown Act violation.

FREQUENCY OF REVIEW/REVISION

The GC shall review the Charter annually, or more often if required. If revisions are needed, they will be taken to the Board for action.

Deleted: Generally, the GC Chair shall be the Board Chair, at the Chair's discretion.¶

2013 Governance Committee Work Plan

<p>January</p> <ul style="list-style-type: none"> • CEO Spending authority • Delegation of authority to CEO • Board Education system • Board Retreats • Board Assessment • Regular CEO Board reviews • CEO Adv Comm on Comm Perceptions • Monthly Board Development • Annual CEO Evaluation • Annual CEO Performance Objectives • Brown Act training for Board 	<p>February</p>	<p>March</p> <ul style="list-style-type: none"> • Evaluating governance performance CEO • Spending Limits • Board ethics Training Assessment 	<p>April</p> <ul style="list-style-type: none"> • Compliance Report • Board Self Assessment • Review Board and Committee proposed resources for FY 2014 •
<p>May</p> <ul style="list-style-type: none"> • 	<p>June</p> <ul style="list-style-type: none"> • Financial Policies to GC for review • Assess standing committee members and committee's member needs • Board Orientation plan complete 	<p>July</p> <ul style="list-style-type: none"> • 	<p>August</p> <ul style="list-style-type: none"> • Compliance Report •

<p>September</p> <ul style="list-style-type: none"> • 	<p>October</p> <ul style="list-style-type: none"> • Code of Conduct/Compliance Review • Advise committees of charter and 2013 Work Plan review dates 	<p>November</p> <ul style="list-style-type: none"> • 	<p>December</p> <ul style="list-style-type: none"> • Review committee charters • 2014 work plan and charter review report • 2013 work plan report
<p>COMPLETED</p>	<p>IN PROCESS</p>	<p>UNDONE</p>	

Ongoing:

Review and recommend legislation.



Meeting Date: January 10, 2013
Prepared by: Peter Hohorst, Governance Committee Member
Agenda Item Title: Annual CEO Objective Setting Policy

Recommendation:

The Governance Committee recommends that the Board consider and discuss all of the following recommendations and that action on the proposed policy be agendized for a subsequent Board meeting.

1. The Board shall annually set the Hospital CEO's objectives for each fiscal year.
2. The Board Chair shall annually nominate a Board Advisory Committee, no later than the Regular May Board meeting to work with the CEO to identify the significant problems/issues facing the Hospital and the District and to develop the annual CEO objectives to address these problems/issues.
3. The Board Advisory Committee shall be comprised of two Board members approved by a vote of the Board in a regular Board meeting.
4. The Board Advisory Committee is temporarily established and not being a standing Board Committee is not subject to the Brown Act.
5. The draft objectives shall be developed by the Board Advisory Committee during the month of May in collaboration with the CEO for review in closed session by the Board in conjunction with the regular June Board meeting, and shall give an interim report at the June meeting, which may or may not include draft objectives. The Board may hold additional closed session meetings as necessary to finalize the objectives prior to their presentation for action at a regular Board meeting.
6. The proposed CEO objectives shall be submitted to the Board for action at the July regular Board meeting unless they are not ready, in which case a written Interim report shall be presented to the Board by the Board Advisory Committee.
7. These objectives shall be measurable on a monthly basis, to the degree possible, so that the CEO is able to provide a written report on progress toward their achievement at the regular monthly Board meetings.

8. The Board Advisory Committee shall be disbanded when the CEO's annual objectives have been/adopted by the Board.

Background and Reasoning:

It is important for the Board to standardize the process and schedule by which this occurs annually. This makes the Board accountable for setting transparent measurable standards and adopting them in a public meeting, thereby allowing public review and comment.

This policy will also help ensure that the Board Chair, the Board, and the CEO are all equally clear on what needs to be accomplished and by when. The setting of objectives is critically important as a means of setting measurable objective standards against which to evaluate the CEO's performance annually. These standards and the CEO's performance then may be used for decisions about retention, contract extension, termination, performance bonus, etc.

It is considered desirable, actually ideal, if the Board Advisory Committee and the CEO can agree on the major issues and objectives for the coming fiscal year. But if that cannot occur the disagreement can be presented to the full Board in the hopes of working out the differences. The CEO can also speak at the regular Board meeting regarding the agenda item, prior to the Board taking action.

The Board shall approve the annual CEO annual objectives at the start of the fiscal year in order to enable the allocation of the resources necessary for their achievement and to measure management's performance with a transparent yardstick.

Consequences of Negative Action/Alternative Actions:

With a policy that requires the establishment of the CEO's objectives in an orderly fashion, the Board Chair will initiate and the Board will accomplish this task in a timely fashion, which will in turn allow the CEO to implement a plan to meet the objectives in the fiscal year.

Financial and Quality Impact:

Careful setting of transparent annual CEO objectives by the Board, including but not limited to financial and quality issues, will help the Board ensure the future of the Hospital and improve and maintain the health of the residents of the Valley.

Selection Process and Contract History:

Not applicable.

Board Committee:

The Governance Committee unanimously supports these recommendations and recommends the Board discuss but not act on them at the January Board meeting.

Attachments:

None.



Meeting Date: January 10, 2013
Prepared by: Peter Hohorst, Governance Committee Member
Agenda Item Title: Annual CEO Evaluation Procedure and Schedule

Recommendation:

The Governance Committee recommends the Board discuss this proposed policy at the January Board meeting and act on it at a subsequent Board meeting. The proposed policy follows.

The Board shall establish a policy for annually evaluating the performance of the CEO. Nothing in this Board Policy shall preclude the Board from conducting a CEO performance report or evaluation and taking appropriate action at any time.

1. The CEO evaluation shall be prepared annually by a Board Advisory Committee and submitted to the Board for review, refinement and action in September.
2. The Board Chair shall annually nominate a two member Board Advisory Committee at the regular July Board meeting. The Board Advisory Committee must be approved by a vote of the Board at the same meeting.
3. The Board Advisory Committee shall be comprised of two Board members.
4. The Board Advisory Committee, being temporary in nature and not a standing Board Committee is not subject to the Brown Act.
5. The evaluation shall be based on objective, measurable metrics to the greatest degree possible. The Board's fiscal year CEO objectives shall be used, as well as other performance measures determined by the Board.
6. The evaluation shall be based on a comparison of the final results of the prior fiscal year compared against the Board established CEO objectives and on a summary of the information gained through the use of the attached survey tool (or a similar instrument approved in advance by the Board).
7. The Board Advisory Committee shall request that the following individuals complete the survey. This list may only be amended by Board action at a regular Board meeting.
 - a. The five members of the District Board
 - b. The CEO of Marin General Hospital
 - c. The Chair of the Medical Executive Committee

- d. The District/Hospital CEO
8. The survey shall be issued by and returned to the Hospital HR Director. The HR Director shall collect the raw data, and shall assist as requested by the Board Advisory Committee in the development of reports or information coming from that data. The HR Director shall provide raw data, reports or any information coming from the data only to the Board Advisory Committee, or the full Board, and to no other person(s).
 9. The Board Advisory Committee shall prepare a summary of the survey information for submission to the Board for its action.
 10. The CEO Evaluation Report by the Board Standing Advisory Committee shall contain a recommendation to the Board for the CEO's compensation for the coming year.
 11. The Board may meet in closed session to discuss CEO performance. The final evaluation and any CEO compensation recommendation(s) will be agendaized for and acted on by the Board at a regular Board meeting.
 12. The Board Advisory Committee shall be disbanded after the Board acts on its report and recommendations, and its purpose is completed.

Background and Reasoning:

The Board and the CEO need a standard process and timetable for accomplishing the annual CEO evaluation. It should be started as quickly as possible after the end of the fiscal year so that it can be completed in a timely manner so having a prescribed timetable will help insure that occurs. As it must be based on the operating results of the prior fiscal year the process cannot start until these results are available at the end of July. The Board Advisory Committee would therefore have the month of August to complete the performance review before submitting their report to the Board in September.

The use of a two member Board Advisory Committee to prepare an evaluation report was successfully utilized this past year and would appear to be a model for the future.

Consequences of Negative Action/Alternative Actions:

The use of a performance review that is timely and objective is a positive and transparent means of measuring and hopefully also improving performance.

Financial Impact: Not applicable.

Selection Process and Contract History: Not applicable.

Board Committee:

The Governance Committee recommends the Board discuss this proposed policy at the January meeting and that it be acted upon at a subsequent Board meeting.

Attachments:

None

CEO Assessment

PLANNING

*** 1. Please give your name:**

*** 2. PLANNING**

	Don't Know	Area of Concern	Making Progress Contintue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Achievement of entity strategic plan objectives.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Effectively positions organization for growth.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C) Demonstrates ability to grow key service lines.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

*** 3. FINANCIAL MANAGEMENT**

	Don't Know	Area of Concern	Making Progress Contintue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Achievement of key financial targetss & budgets (operating income, EBITDA, Days in A/R, 5- Yr. Financial Forecast).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Effectively manages organization to cost benchmarks.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

CEO Assessment

*4. OPERATIONS MANAGEMENT

	Don't Know	Area of Concern	Making Progress Continue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Effective management team and organization processes are in place.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Effective management and organization processes are in place for a positive work-culture for employees.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C) Maintains effective compliance program that reduces risk to the organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

*5. CLINICAL & SERVICE QUALITY

	Don't Know	Area of Concern	Making Progress Continue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Demonstrates continuous improvement & excellence in clinical quality.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Demonstrates continuous improvement & excellence in service quality.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

CEO Assessment

*6. SETS & COMMUNICATES VISION

	Don't Know	Area of Concern	Making Progress Continue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Has created a vision for our organization that aligns with Sonoma Valley Community needs.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Actively and regularly communicated our organization's vision and values to staff and peers.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

*7. MAKES EFFECTIVE STRATEGIC & OPERATIONAL DECISIONS

	Don't Know	Area of Concern	Making Progress Continue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Exercises good judgment by making sound, well-informed decisions based upon information available.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Takes into consideration potential impact and implications of decisions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C) Is proactive and takes informed risks to achieve outcomes.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

CEO Assessment

*8. EXECUTIVE DEMEANOR

	Don't Know	Area of Concern	Making Progress Continue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Demonstrates an awareness of behavioral strengths and limitations and their impact on others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Manages self to achieve desired outcomes/impact with others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C) Displays self-control, self-confidence, initiative, optimism and ability to effectively adapt to changing circumstances.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

*9. INFLUENCES & PERSUADES

	Don't Know	Area of Concern	Making Progress Continue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Demonstrates ability to persuade or influence through effective use of information.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Demonstrates ability to persuade or influence through effective use of communication.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C) Demonstrates ability to persuade or influence others to accept a point of view, adopt a specific agenda and/or take a course of action.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D) Influences others to achieve results.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

CEO Assessment

*10. SUPPORTS LARGER ORGANIZATIONAL SUCCESS

	Don't Know	Area of Concern	Making Progress Continue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Actively participates in and ensures staff participation in partnership initiatives.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Keeps Board updated on partnership activities that may impart or add value to the local community.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

*11. PROFESSIONAL EXPERTISE, INDUSTRY KNOWLEDGE & SELF DEVELOPMENT ORIENTATION

	Don't Know	Area of Concern	Making Progress Continue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Demonstrates knowledge of state of art concepts and applications.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Demonstrates breadth of discipline and industry knowledge - including national, state and local issues.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C) Proactively plans for professional development and growth opportunities.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D) Completes self-development activities and demonstrates new skills or behaviors on the job.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

CEO Assessment

*12. PLANS & ORGANIZES

	Don't Know	Area of Concern	Making Progress Contintue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Translates vision into a tangible plan(s) that include clear goals and objectives..	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Organizes work, processes and resources to carry out plans.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C) Achieves goals and initiatives through appropriate delegation of work.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

*13. IMPROVES EFFICIENCY & EFFECTIVENESS

	Don't Know	Area of Concern	Making Progress Contintue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Monitors operations continuously to find better solutions or methods.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Identifies and implements new or cutting edge initiatives.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

CEO Assessment

*14. DIRECTS AND CONTROLS

	Don't Know	Area of Concern	Making Progress Continue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Develops and implements monitoring systems and conducts regular assessment of performance against objectives.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Keeps focused and holds self and others accountable for actions and achieving desired outcomes.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C) Stays focused in achieving goals and objectives, effectively balancing emerging issues.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D) Has established regularly reporting system to keep Board informed of progress, corrective action and emerging issues.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

*15. MANAGES COMPLEXITY

	Don't Know	Area of Concern	Making Progress Continue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Is able to identify underlying issues and potential solutions to complex situations.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Analytically breaks down large problems to define priorities, identify solutions and alternatives.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C) Communicates complex information in a way that is easy to understand and supports Board review, discussion and decision-making.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

CEO Assessment

* 16. STAFFING

	Don't Know	Area of Concern	Making Progress Continue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Continuously assesses and plans for current and future talent needs for senior management positions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Implements plan to fill gaps and develop staff.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C) Ensures similar systems are in place to forecast workforce needs and gaps at all levels of the organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

* 17. BUILD RELATIONSHIPS, NETWORKS & ALLIANCES

	Don't Know	Area of Concern	Making Progress Continue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Demonstrates ability to influence individuals and groups to build consensus and secure buy-in and support for initiatives and strategies.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Identifies individual and group needs to maximize influence effectiveness.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C) Develops networks and expertly manages conflict among individuals and groups to achieve consensus and common direction.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

CEO Assessment

*18. TEAMWORK

	Don't Know	Area of Concern	Making Progress Continue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Demonstrates the ability to lead, develop and manage teams.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Supports teams by creating an environment that encourages open flow of communication and ideas.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C) Seen as a team player throughout the organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

*19. COMMUNITY RELATIONSHIPS

	Don't Know	Area of Concern	Making Progress Continue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Has established strong, organization supportive relationships with influential community members, organizations & constituencies.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Demonstrates ability to effectively mobilize community support for organization strategies, initiatives and actions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C) CEO and administrative team effectively communicate and further our organization's mission in the community.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

CEO Assessment

*20. BOARD RELATIONSHIPS

	Don't Know	Area of Concern	Making Progress Continue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Maintains positive relationships with Board members.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Provides support and executive leadership to the governance process.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C) Ensures Board is well informed and is effectively engaged in major policy or strategy decisions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D) Agendas and materials for Board meetings are received in sufficient time to allow Board members to make informed decisions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

*21. PHYSICIAN RELATIONSHIPS

	Don't Know	Area of Concern	Making Progress Continue to Focus	Strong Performance	Area of Particular Strength	Exceptional Far Exceeds all Targets
A) Maintains effective working relationships with organized medical staff and physician constituencies such as medical groups and house physicians.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B) Organized medical staff processes are effectively supported.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C) Effectively balances not-for-profit status with physician interests.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

CEO Assessment

*22. OVERALL EVALUATION

Improvement Required (Does not meet expectations)	Growth needed in some areas (Meets expectations in most areas. Development needed insome areas)	Strong Performance (Consistently meets majority of expectations. Strong performer. May exceed expectations in focused areas.))	Exceeds Expectations (Consistently meets priority expectations in many areas. May be role model in several areas.)	Role Model (Far exceeds all expectations. Serves as a role model in ALL aspects of job performance in both what was achieved and how results were achieved.
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A) Meets expectations.

Other (please specify)

***23. Please comment on what you believe was Kelly's most significant accomplishment in FT 2012.**

***24. Please comment on what you believe is Kelly's area for most needed improvement.**



Meeting Date: January 10, 2013

Prepared by: Kevin Carruth, Governance Committee Chair
Peter Hohorst, Governance Committee Member

Agenda Item Title: District Confidentiality Agreement

Recommendation:

The Board shall approve the attached revised Confidentiality Agreement for the District.

The CEO shall ensure that all Board committee members have this revised signed Confidentiality Agreement on file with the Hospital.

Background:

Hospital staff, working with District Counsel and the Governance Committee, have developed a modified version of what was presented by the CEO and adopted by the Board in October 2012 as a part of the overall Compliance Plan. While consistent with the intent of the previously adopted version, the changes make it clear that anything presented in a Board or Board committee meeting is public information and therefore not protected, and not subject to confidentiality. This new format is also in the form of a letter, but that is not a substantive change.

District Counsel has also reiterated that the Board does not need to sign the statement since they are already bound to confidentiality in their role as Board members. However, this is not true of Board committee members and therefore the document is appropriate to expect all Board committee members to sign.

The CEO continues to be responsible for ensuring that Fair Political Practice Commission Form 700s are filled out by all parties as required and notifying the Board if there is any noncompliance with that requirement.

Consequences of Negative Action/Alternative Actions:

The Board and the District will continue with the current Confidentiality statement that is not as clear as it could be and may continue to lead to confusion on the part of Board committee members.

Financial Impact:

None

Selection Process and Contract History:

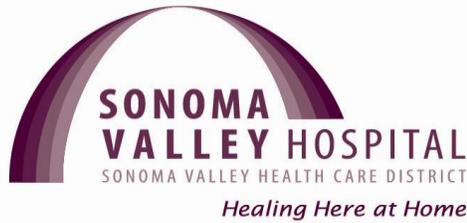
None

Board Committee:

The GC unanimously recommends approval.

Attachment:

Proposed Confidentiality Agreement



(Date) _____ 2013

Re: PUBLIC MEMBERS OF HOSPITAL COMMITTEES / POLICY CONCERNING CONFIDENTIAL HOSPITAL INFORMATION

Dear _____:

State and Federal laws, as well as ethical obligations, require that information concerning the care, condition and treatment of our patients be treated as confidential matters. Moreover, public agency transparency laws recognize that other Health Care District matters are appropriately confidential, including Medical Staff reports (care assessments, credentialing, and peer review), personnel matters and negotiations, legal privileges, and trade secret and real estate matters. These topics and other confidential matters designated by law, unless appropriately disclosed publicly by the District, are considered District Confidential Information (“DCI”). Accordingly, DCI, including related departmental, operational, statistical and financial information, should be held in confidence. No DCI may be used by any individual connected with the hospital for their own purposes.

Any and all inquiries by members of the media concerning the Hospital and/or its patients shall be referred to the office of the President/CEO or Board Chair. DCI is not to be shared or communicated to the press, public or staff. Any questions concerning the status of information as confidential or subject to public records laws shall be submitted to administration for a determination.

In agreeing to assist the District, SVH, and the Board of Directors in the role of a public member of a Hospital committee, you are reminded that failure to adhere to this policy may have significant legal ramifications for the Hospital, its patients, the Board, and you and your committee.

ACKNOWLEDGEMENT

I acknowledge that I understand my obligation to protect District Confidential Information.

Signature

Date

Print Name