The Role of The Board of Directors at Federally-Qualified Health Centers (FQHC) in The Strategic Planning Process

Community Health Center Association of New York State

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With special Thanks to:
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1. Health Center governing boards must maintain an acceptable size as per regulation (between 9-25), members should reflect the population served and the board should have an adequate committee structure to carry on the work of the center.

2. The board has a legal and fiduciary responsibility by providing policy level leadership.

Legal responsibility for ensuring that the center is operating in accordance with applicable federal, state, and local laws and regulations. Fiduciary responsibility in maintaining financial solvency and the center is financially viable and stable.
3. Provide leadership and guidance with established policies in support of the center’s Mission.

4. Measure and evaluate health center performance in meeting its annual and long term programmatic and financial goals.

5. Reviews and approves the grant application and annual budget, ensuring the financial health of the organization and aligning the goals of the project application with the strategic direction of the center.

6. Participate in the strategic planning process for the future of the organization.
7. Approves the selection and dismissal of the CEO and delegates the responsibility and authority for the day-to-day leadership and management, the board must evaluate the performance of the CEO and hold him/her accountable for the performance of the health center.

8. Health center governing boards must meet at least monthly and keep minutes of board actions.
9. Board members should be provided with opportunities for training and development. Orientation and training should be conducted for new board members.

10. Health center boards should conduct periodic self-evaluation to identify educational and training needs.

11. Must have an approved board policy to include provisions that prohibit conflict of interest or the appearance of conflict of interest by board members, employees, consultants and others that provide goods and services to the health center.
2. Strategic Planning, one of the BPHC Program Expectations re: Governance.

How is strategic planning described/ defined

- A continuous, dynamic process/activity required throughout the life of your health center.
- A framework for action in creating the center’s future.
- A look at where the center is, where it is going and how’s it going to get there.
- Not always focused on future growth, but where trade-offs need to be made so the center can best allocate scarce resources.
- A necessary activity in response to local market issues and opportunities.
- Is broad-based and conceptual.
3. Why engage in the strategic planning process?

- One of the roles of the board of directors (a program expectation).
- Joint Commission often questions the level of involvement of the Board of Directors in the strategic planning process.
- In order to think about future changes, we must look at our current position as we explore possibilities for future growth and readiness for change.
- A way to reaffirm the center’s Mission and establish policies and procedures to sustain that Mission.
- To look at how we operate in the economic, social and political environment impacting our survival.
- Again to see where we are, where we belong and how we get there.
4. Participants in the strategic planning process work as a team. When individuals have input into a process and claim some ownership, they will more likely work harder for successful implementation.

- Health center staff (administration, department heads, clinical staff, etc.)
- Board members (consumer input is invaluable)
- Other stakeholders (affiliated partners)
- Professional facilitator
5. The role of the Board of Directors in the strategic planning process.

- Involved in setting directions such as approving goals and objectives as well as operating policies and procedures.

- As stewards of the center’s assets, the board is responsible for prudent management and reinvestment that promotes increased access to services needed by the population served.

- Plan for succession of leadership at the center executive level and the board level.
5. The role of the Board of Directors in the strategic planning process.

- One of the standing board committees should be the Strategic Planning Committee, with specific responsibilities spelled out in the board By-laws.

- As community residents, board members can elicit community support when needed.

- As participants in the process and stakeholders in the organization, board members can assist in the implementation of the plan.

- Commit the financial resources and human resources necessary for additional services.
6. The strategic planning process

- There is no one perfect strategic planning model for your organization, the process depends on your center.

- The traditional strategic planning processes are often considered “mechanistic” or “linear”, they proceed from the general to the specific or address cause and effect.
What Does Strategic Planning Involve?

- Five Key Factors
  - Defining and refining the mission
  - Visioning what the Health Center will look like in 3-5 years, tied to the organization’s vision statement
  - Tying organizational goals to the mission
  - Assessing the Health Center’s
    - Strengths
    - Weaknesses
    - Opportunities
    - Threats
  - Mapping a course to get to where you want to go (this is a business plan - you need one!!)
Strategic Thinking Process

Health Center-Related
Internal Factors
- Strategic Plan
- Community Needs
- Mission and Vision
- Analysis of Services and Capacity by Location
- Financial Impact

Environment-Related
External Factors
- Health Care Environment
- HRSA Direction – Special Populations
- Grant-specific Objectives
- State Strategic Plan
- Local Factors
Strategic Thinking Internal Factors

**Strategic Plan**
- Mission
- Vision for growth
- Goals/objectives

**Community Needs**
- Demographic and health status data
- Target population needs survey
- Board input/participation
Strategic Thinking Internal Factors

Analysis of Services and Capacity by Location

On-Site Services Matrix

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**Level of Use:**

1 – Underutilized Service  
2 – Adequate Level of Utilization  
3 – Demand Exceeds Capacity
Strategic Thinking External Factors

Health Care Environment
- Competition
- Politics
- Collaborators
- Policy/Reimbursement environment
- Local health care ecology
HRSA (Others?) Strategic Directions

- Historical/Philosophical Influences
  - Statutory imperatives

- Administration Priorities
  - Frontier & rural

- Funding Trends/Mandates
  - Special pops only applications
Analysis of the internal and external variables helps to identify “SWOT” (Strengths, Weaknesses, Opportunities, and Threats).

**Strengths** are inherent characteristics of the organization that position it for success, by virtue of their existence,
- i.e. a culturally competent staff
- a new facility

**Weaknesses** are conditions that can be improved upon to eliminate them.
- A weakness, when corrected, is not automatically a strength; rather, the correction may simply stabilize the organization.

Examples:
- an inefficient MIS system
- less than 15 days cash reserve
- large operating losses year after year
- clinical vacancies for a long time
**SWOT**

**Opportunities** are areas available for improvement, as well as chances to take advantage of changes in the environment.

**Examples:** assuming operations of a hospital-based clinic
HRSA/BPHC Expanded Medical Capacity Grants
Medical Director’s election as president of local medical society

**Threats** are issues that, if not quickly addressed, have the potential to negatively impact the organization, or even force its closure.

**Examples:** state budget deficits
sudden departure of a clinician with a large patient load
increasing competitive grant funding environment
closure of backup hospital
gentrification of service area (core neighborhood)
STRATEGIC PLANNING

- Set goals and objectives and prioritize these

- Develop an action plan and timetable for achieving the goals and objectives
  - strategic action plan
  - tactical action plan

- Evaluation
An element of strategic planning, helps to ensure a smooth and orderly transition of leadership when it occurs:

A. Change in executive leadership

B. Change in board leadership
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