

REDWOOD HEALTH INFORMATION COLLABORATIVE ORGANIZATION AND GOVERNANCE STRUCTURE

This report presents the organizational objectives, governance principles and organizational structure for the Redwood Health Information Collaborative. The organizational objectives clarifies the purpose and intent of any entity overseeing the HIE. Governance is necessary to provide oversight of how the HIE is developed and used.

I. METHODOLOGY

The Project Team collected and analyzed information, both legal and factual, from a range of resources including [XYZ], [ABC], participants in the pilot project, members of the project team, several “model organizations” and _____, as well as our own research. As our initial step, we used these resources to help us identify the needs and desires of those already involved in the project, both as funders and as participants. In particular, we studied the findings from the interviews of the project participants in order to better understand their interests and goals. A summary of interviewee responses to the governance, membership and governing body interview questions can be found in Exhibit E. Based on our findings, we developed a set of organizational and governance principles (the “Principles”). (See IV.B.2. Governance Principles.) We asked [XYZ] and [ABC] to approve the Principles before moving forward in our analysis.

II. ORGANIZATIONAL OBJECTIVE AND PRINCIPLES

A. Organizational Objective

With respect to ownership and governance of the HIE (collectively the “the HIE System”), the objective of the Governance Project is to establish a plan for a adopting a governance structure that would fit within the existing organization that would operate the HIE (the “the HIE Entity”) that will have as its mission:

- to acquire the authority and continue the vision, efforts and initiatives of, [XYZ] with respect to the HIE System,
- to promote a shared effort among the HIE Participants to further the development and implementation of the HIE System standardization and expansion, but also allow for appropriate customization, and
- to enable and enhance communication among and between the HIE Participants and funding agencies.

B. Governance Principles

1. Membership

“Membership” means the collective entities and individuals that are authorized to establish and maintain the governance structure of the

Governing Body that will advise the HIE Entity. Some Members will also be the HIE Participants. However, [XYZ] and/or ABC (“[ABC]”) will also be Members. [XYZ] and [ABC] will identify who shall be authorized as Members and the HIE Entity’s governing documents will grant that authority. The Membership shall be constituted as follows:

- Important stakeholders will be represented through Membership
- Classes of Membership may be established to establish different rights and duties for different Members, *e.g.*, certain _____ could belong to one class of Members, with standard rights and duties, and [XYZ] and [ABC] could belong to a second class of Members, with certain reserved powers (*See* “Role and Reserve Powers of [XYZ]/[ABC]” under Roles of Stakeholders. *See* also definition of “Governing Body,” below.)
- [Members making a greater investment will have a major voice, *e.g.*, a Member that provides substantially greater funds or services may have additional rights, such as additional appointment powers to the Governing Body]
- The Membership will elect the Governing Body (except *ex officio* members of the Governing Body)
- Membership will grow and change to reflect growth and change in the HIE Participants and in the uses of the HIE System

3. Governing Body

“Governing Body” means the group of individuals with the responsibility to advise the HIE Entity with respect to the management of the affairs of the HIE Entity. The HIE Entity will agree with HIE Participants to take certain specified actions with respect to HIE management only with the approval of the Governing Body.

- The Governing Body will
 - advise with respect to the appointment of HIE Entity officers
 - establish and oversee implementation of policies regarding
 - the HIE product development
 - the HIE standardization
 - fees and charges

- terms and conditions of agreements with HIE Participants and
 - vendor arrangements
- oversee financial performance
- accommodate Membership composition, growth and change
- The composition of the Governing Body will be reflective in part of the HIE Participants
- A significant number of Governing Body members will be independent; the Governing Body and the Membership shall establish a common definition of “independence” (*i.e.* relationship to vendors, the HIE Customers, funding sources)
- Members of the Governing Body will represent diverse backgrounds, skills and sophistication necessary to govern the HIE enterprise
- The HIE Entity’s executive management will be represented on the Governing Body
- [XYZ] and [ABC] will select some members of the Governing Body
- Governing Body members will be fiduciaries of the HIE Entity and not primarily representatives of the HIE Participants or other affiliations
- The Governing Body will adopt written statements of its governance principles and code of conduct and regularly re-evaluate them
- The Governing Body will establish written performance criteria and periodically review Governing Body performance against those criteria
- The Governing Body will receive input from advisory boards of the HIE stakeholders (e.g., the HIE Participants, funding agencies and members of the public) established as necessary by the Governing Body
- Members of the Governing Body will
 - have staggered terms

- have term limits
- serve without compensation
- The Governing Body chair will be independent of management
- The Governing Body will meet without management at least once per year
- Audit, nomination, management evaluation, compliance and ethics functions will be carried out by non-management Directors and committees supported by management
- The nominating function for members of the Governing Body will address
 - industry knowledge and know-how
 - competing time commitments
 - continuing director tenure
 - openness to new ideas
 - willingness to critically re-examine the status quo
 - effective Governing Body size
 - qualification for re-nomination based on individual behavior expectations – e.g., attendance, preparedness, participation, candor
 - the input of the Membership

4. Officers

- The CEO of the HIE Entity will
 - provide management of day-to-day operations of the HIE Entity
 - recommend policy and strategic direction of the HIE Entity for consideration by the Governing Body
 - be the spokesperson for the HIE Entity
 - be a compensated executive

- The Governing Body chair will
 - conduct all meetings of the Governing Body and the Membership
 - oversee preparation of Governing Body and committee agendas
 - define the quality, quantity and timeliness of the flow of information between management and the Governing Body
 - approve consultants who report directly to the Governing Body
 - interview candidates for nomination as a director
 - oversee development and revision of governance guidelines
 - evaluate the CEO's performance
 - recommend the composition of Governing Body committees and appoint committee chairs
- All members of the Governing Body will have access to senior management

5. Roles of Stakeholders

- The Governing Body should consider establishing advisory bodies to ensure necessary participation and input from the HIE stakeholders (*e.g.*, the HIE Participants, funding agencies and members of the public)
- Role and Reserve Powers of [XYZ]/[ABC]
 - As a source of credibility for the HIE, [XYZ] and [ABC] and their continuing support will be strongly visible
 - [XYZ] and [ABC] will have specified reserve powers to ensure that the mission of the HIE Entity with respect to the HIE System is carried out and that the HIE Entity is regularly accountable to [XYZ] and [ABC]
- Funding Agencies
 - The HIE Entity will maintain close, strong relationships with funding agencies

- Certain funding agencies may condition grants on reserved oversight and approval rights
- the HIE Participants
 - will contribute the HIE solutions to the HIE Entity
 - will leverage experience
 - will participate in efforts to standardize and simplify the HIE System
- Members of the Public
 - The HIE Entity will provide an opportunity to receive input from members of the public otherwise unaffiliated with the HIE Customers and health benefits funding sources

C. Governance Recommendation

The Principles related to governance contemplate three levels of activity—Membership, Governing Body and Officers.

- Membership is to be broadly based to include significant HIE stakeholders in some way through a stratification of membership classes that will elect the Governing Body. Stakeholders making the greater investments in the HIE will have a major voice.
- Governing Body will advise the HIE Entity’s board of directors, and exercise certain reserve powers, with the additional ability to change the membership to include additional classes of members with rights to elect members of the Governing Body to allow full participation of HIE Participants. While the Governing Body will be reflective of HIE Participants, a significant number of Governing Body members will be independent and management will be represented as well. The Governing Body will be informed by advisory bodies of stakeholders. The chair of the Governing Body will be independent of management. Committees of the Governing Body will focus on categories of Board responsibility, such as finance, audit and compensation and governance.