

CHAMPAIGN COUNTY NURSING HOME

BOARD OF DIRECTORS

POLICY BOOK

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I. Mission Statement: Champaign County Nursing Home (CCNH)

The Champaign County Nursing Home provides compassionate long-term, rehabilitative, and memory care services reflective of the community we serve, and in a manner respectful of our 100-year history. Our Adult Day Care provides exceptional daily respite services for local caregivers and members of our community who prefer the safety and comfort of a day care center to staying at home. We give residents and clients something to look forward to each morning, and something to dream about each night.

II. Policy Statements

A. Role of the Board of Directors and the Board's Primary Functions

The Board of Directors, hereinafter referred to as the Governing Body, is responsible to the Champaign County Board for the overall governance and direction of Champaign County Nursing Home, hereinafter referred to as CCNH. The Governing Body is appointed by the County Board and serves in an advisory capacity to it. A full description of the responsibilities of the Governing Body is found in the Board of Directors Bylaws. Henceforward, Board of Directors members are referred to as Directors. Management is hereinafter defined as the Nursing Home Administrator and any Department Leader of the Champaign County Nursing Home.

Except as otherwise provided by the Champaign County Board, the Board of Directors Bylaws, or applicable law, the activities and affairs of CCNH shall be conducted and all powers shall be exercised by or under the direction of the Governing Body (see Bylaws, Articles II and III). The Governing Body shall engage in the process of governance by overseeing the activities of the Administrator; and by seeking to fulfill its obligations to the County Board, residents, physicians and other healthcare professionals, employees, and the communities in which it operates for the exercise of responsible, reasonable diligence in the provision of health care services at CCNH. The Governing Body further seeks to be the primary force pressing CCNH to discover, examine, and realize opportunities that are compatible with the strategic direction of CCNH and with the mission statement.

The Governing Body recognizes four (4) primary functions and responsibilities needed for effective governance:

1. Provision of High-Quality Services
2. Planning
3. Managing
4. Maintaining Financial Viability

These primary responsibilities are specified further in Exhibit 1 which follows immediately.

CHAMPAIGN COUNTY NURSING HOME

RESPONSIBILITIES OF THE GOVERNING BODY

<u>PROVISION OF HIGH-QUALITY SERVICES</u>	<u>Action by Governing Body</u>	<u>Action by Management</u>
To comply with all accreditation standards, standards of licensure, regulatory requirements, and the like to restore or maintain resident function in accordance with accepted care-planning criteria	Yes	Yes
<u>PLANNING</u>		
A. To implement and direct an institutional planning process to meet the health needs of the community and to provide for the future viability of CCNH	Yes	Yes (via staff support who organize the process, committee and task force work, and feasibility analyses)
B. To establish goals and objectives for CCNH	Yes	As above in A
<u>MANAGING</u>		
	<u>Action by Governing Body</u>	<u>Action by Management</u>
A. To recommend to the County Board, through the Nominating Committee, candidates to serve on the Governing Body and to act as representatives of the County in directing the affairs of CCNH.	Yes - Recommend	No
B. To engage in succession planning at the Governing Body level so that CCNH will have qualified individuals to evaluate the impact of its activities.	Yes - Recommend	Yes
C. To establish policy for CCNH to assure the most effective and productive use of its resources.	Yes	Yes - Recommend

CHAMPAIGN COUNTY NURSING HOME

EXHIBIT 1
(continued)

RESPONSIBILITIES OF THE GOVERNING BODY

- | | | | |
|----|---|-----|---|
| D. | To maintain a well-qualified management team. | Yes | Yes |
| E. | To comply with applicable regulatory standards.
To maintain applicable licensure and accreditation standing. | Yes | Yes – Recommend Implementation |
| F. | To promote CCNH in the community. | Yes | Yes, Staff support, Community relations |

FINANCIAL VIABILITY

- | | | | |
|----|---|-----------------|-----------------|
| A. | To cause procedures to be instituted for the proper handling of CCNH funds and to require the preparation of routine reports and an annual audit of CCNH. | Yes | Yes - Implement |
| B. | To recommend the operating and capital budgets of CCNH to the Champaign County Board. | Yes | Yes - Recommend |
| C. | To review and recommend courses of action to the County Board regarding those capital projects requiring County Board approval. | Yes - Recommend | Yes - Recommend |
| D. | To review revenues and expenditures for balance and monitor any shortfall of revenues and excesses of expenditures. | Yes - Recommend | Yes |

B. Governing Body Size, Composition, and Tenure

Consistent with the Governing Body Bylaws (Article III, Section 2), the number of Directors shall be seven (7).

CCNH seeks a balance of skills among its Directors and does not wish to create a reliance upon any particular segment of the population, upon any particular individual, or upon any occupational pursuit for advice or leadership to CCNH. Consequently, ad hoc and committee assignments are made with the express understanding that potential conflicts of interest must be avoided both for the benefit of the individual Director and for CCNH, that independent scrutiny is the greatest benefit any Director can bring to an assignment, and that CCNH ultimately suffers from compromising the independence of a Director or from allowing itself to become dependent upon a particular individual Director or group of Directors. In addition, and as an assist to the Governing Body in obtaining independent deliberation and broader community representation, qualified individuals of the CCNH service area who are not Directors may be asked to serve on Governing Body committees or as advisors to the Governing Body.

The Governing Body believes that regular, controlled turnover of Directors is one manner in which a balanced, independent perspective can be maintained. Directors are limited to a maximum tenure of three (3) two (2) year terms; Directors may return to the Governing Body after an absence of one (1) year.

With the current Directors being appointed to the Governing Body at the same time during 2008, all Directors may rotate off the Governing Body in the same year. The Governing Body recognizes that complete replacement of its Directors may cause difficulties in management succession and directs that staggered rotation off the Governing Body begin in 2008 with terms established as follows:

Date of Appointment – November 2008: Two (2) County Board Member Directors (subsequent appointment would be from December 2008 – November 2010 in concert with the next session of the County Board)

Date of Appointment – November 2009: Three (3) Directors (subsequent appointment would be from December 2009 – November 2011)

Date of Appointment – November 2010: Two (2) Directors (subsequent appointment would be from December 2010 – November 2012)

To assist the Nominating Committee in its efforts to maintain a roster of qualified persons to recommend to the County Board for service on the CCNH Governing Body, the roster shall be compiled and kept in the records of the Governing Body in the Administrator's office.

C. Conflicts of Interest

Disclosure of Self-Dealing Transactions

CCNH is operated under the auspices of the Champaign County Board and the laws of the State of Illinois for charitable purposes and, as such, is subject to all laws, rules, and regulations regarding such operations.

The specific purpose of CCNH is to establish, maintain, and operate a nursing and rehabilitation institution, and other facilities for the care of ill, injured, or disabled persons and to enhance the health of those in the community served by CCNH.

The Board of Directors is responsible for the prudent and proper handling of the activities and affairs of CCNH. Each Director owes to CCNH the duty to perform honestly, promptly, and economically and to use reasonable care, skill, and judgment in such performance.

Keeping in mind the aforesaid laws, rules, regulations, and specific purposes of the CCNH, each Director shall disclose to the other Directors any of the following:

1. A transaction to which CCNH is or may be a party and in which such Director and/or a member of his or her immediate family has a direct or indirect material financial interest;
2. A transaction that may compete in a direct or indirect manner with the activities of CCNH in the purchase, lease, and/or sale of property, goods, and services;
3. A transaction in which advice or consultation is given by such Director to a third party that competes with CCNH in the health care field;
4. A transaction in which gifts or other favors in excess of \$75 are offered to a Director by a third party to influence such Director in the performance of his or her duties;
5. A transaction in which information relating to the business of CCNH is used or communicated to others for the personal profit or advantage of such Director or his or her immediate family.

All such disclosures shall be made at the first opportunity, and before any discussion and/or action by the Governing Body relative to such a transaction.

Once disclosure has been made regarding such a transaction, no vote of such Director shall be counted in determining the existence of a quorum to vote on such a transaction and such Director shall not directly or indirectly discuss or attempt to influence any action on such transaction and such Director shall not vote thereon. The term "immediate family" shall mean spouse, child, parent, brother, or sister of the Director.

All such disclosures shall be recorded in the minutes of the Governing Body, as well as abstentions from voting and abstentions from the determination of quorums.

The foregoing shall not prevent such Director from briefly stating his or her position in the matter, nor from answering pertinent questions from other Directors.

This Conflict of Interest policy and questionnaire shall be circulated among all Directors and administrative personnel (the Administrator and Operating Officer/DON) during September and March of each year. The results of the questionnaire shall be maintained in CCNH offices and at the office of the County Administrator. Further, this Conflict of Interest policy and questionnaire shall be circulated among all Directors and administrative personnel whenever a project involving a potential for conflict of interest through investment of any kind shall arise.

List of Definitions

1. Outside Interests
 - a. A position or a material financial interest, held directly or indirectly, in any outside concern from which the individual Director has reason to believe that CCNH secures goods or services, or provides services competitive with CCNH or any of its related entities.
 - b. Competition, direct or indirect, with CCNH in the purchase or sale of property rights, interests, or services.

2. Outside Activities

Directive, managerial, or consultative services rendered to any outside concern that does business with or competes with the services of CCNH, or renders other services in competition with CCNH or any of its related entities.

3. Gifts, Gratuities, and Entertainment

Gifts or other favors valued in excess of \$75 that are accepted from any outside concern that does business with, is seeking to do business with, or is a competitor of CCNH under circumstances from which it might be inferred that such action is intended to influence or possibly would influence the individual in the performance of his or her duties as a Director. This does not include the acceptance of items of nominal or minor value that are clearly tokens of respect or friendship and are not related to any particular transaction or activity of CCNH or any of its related entities.

4. Inside Information

Information relating to the business of CCNH, or any of its related entities that is used for the personal profit or advantage of the individual Director or his or her immediate family, which information shall be disclosed to the other Directors.

5. Material Financial Interest

A person, his or her spouse, or his or her immediately family member living with that person is ineligible to serve on the CCNH Board of Directors if that person (a) is entitled to receive more than 7½% of the total distributable income under a contract

with CCNH or (b) if that person, together with his or her spouse and immediate family members living with that person, are entitled to receive more than 15% in the aggregate of the total distributable income under a contract with CCNH.

Conflict of Interest Questionnaire

Pursuant to the purposes and intent of the conflict of interest policy adopted by the Governing Body of Champaign County Nursing Home requiring disclosure of certain interests, a copy of which has been furnished to me, I hereby state that I or members of my immediate family have the following affiliations or interests and have taken part in the following transactions that, when considered in conjunction with my position with or relation to Champaign County Nursing Home, might possibly constitute a conflict of interest.

(Check "None" where applicable.)

1. Outside Interests

Identify any interests, other than investments, held by you or a member of your immediate family, as described in the list of definitions accompanying this questionnaire.

() None

2. Investments

List and describe all investments held by you or a member of your immediate family that might fall within the category of "material financial interest," as described in the list of definitions accompanying this questionnaire.

() None

3. Outside Activities

Identify any outside activities, engaged in by you or a member of your immediate family, as described in the list of definitions accompanying this questionnaire.

() None

4. Material Financial Interest

Identify whether you, your spouse, or any immediately family member living with you (a) is entitled to receive more than 7½% of the total distributable income under a contract with CCNH or (b) if you, together with your spouse and immediate family members living with you are entitled to receive more than 15% in the aggregate of the total distributable income under a contract with CCNH.

() None

D. Agenda Preparation and Schedule of Meetings

The Administrator is responsible for preparing meeting agendas for the Governing Body and for preparing all business items for information, action, follow-up, or final disposition/reporting. The Administrator shall review the agenda with the Chair of the Governing Body and is responsible for any adjustments the Chair may direct.

Agenda materials shall be mailed in advance of meetings so that Directors will customarily receive items and supporting documents approximately one week preceding each meeting. Agenda items usually cover such topics as:

- > Public participation
- > Strategic planning activities
- > Reports of operations
- > Quality improvement reports
- > Committee reports
- > Annual audit and management letter
- > Major policy issues
- > Operating and capital budget versus actual budget
- > CCNH objectives
- > Legal report/status of litigation and other significant matters.
- > Human resources

Any Director may place an item placed on the agenda by contacting the Administrator in advance of the monthly mailing. If staff work is required to support an item's discussion, the Administrator may request that the matter be deferred. Items not submitted for inclusion on the agenda in time for the advance mailing generally should not be brought up at a regularly scheduled meeting. However, special situations may arise in which advance discussion with the Chair may permit inclusion of an unscheduled item as an addendum to the agenda.

Meetings shall be set by the Board of Directors.

E. Contracting Authority

The Governing Body, except as in the Bylaws or otherwise provided, may authorize the Administrator, an officer(s), or agent(s) to enter into any contract or execute any instrument in the name of and on behalf of CCNH, if the expenditure necessitated by such a contract has been approved by the County Board in the CCNH budget for the fiscal year in question, or has been specifically authorized by the County Board for the fiscal year in question. Unless so authorized by the Governing Body, no Administrator, officer, agent, or employee shall have any power or authority to bind CCNH by any contract or engagement, to pledge its credit, or to render it liable for any purpose or in any amount. The execution of any contract is subject to and bound by the current Champaign County Purchasing Policy. However, the Governing Body does not have the power to negotiate or enter into collective bargaining agreements, which power is reserved exclusively to the Champaign County Board.

The Administrator may execute contracts, including renewals or extensions, for matters covered in the operating and capital budgets as approved by the Governing Body and by the

County Board. Examples of items upon which the Administrator may act directly or may delegate to the Operating Officer are equipment leases, service contracts (e.g., equipment service agreements), and transfer agreements. Professional service agreements consistent with the approved budget and/or program for CCNH may be executed by the Administrator, or by the Operating Officer as delegated by the Administrator.

All contracts, whether or not covered by the operating or capital budgets, that exceed operant statutory limits must be bid competitively and must be approved by the Governing Body and by the Champaign County Board.

The Administrator has the authority to negotiate and to bind CCNH regarding Medicaid reimbursements from the State of Illinois and Medicare reimbursements from the federal government.

Programs under development, as reflected from time to time in the Program Development Budget, are the responsibility of the Administrator once the Program Development Budget has been approved. The Governing Body may elect to commission an ad hoc committee to work with the Administrator in developing a specific project and to enter into contracts necessary and proper to bring a program to fruition, subject to the limitations imposed by Article XII of the Bylaws.

F. Human Resources

The Governing Body recognizes the paramount significance of human resources in providing healthcare services and seeks to maintain harmonious, fair, and impartial personnel policies and practices at all times. The Governing Body further recognizes that human resources are the means through which the values of CCNH are implemented and realized.

The Governing Body shall encourage the maintenance of open channels of communication (e.g., employee meetings, newsletters) and the development and practice of sound supervisory practices for all employees.

As the Governing Body encourages CCNH to pursue higher levels of customer service, it shall have significant concern that the CCNH human resource policy be committed to ongoing training. CCNH is fully committed to training supervisory personnel in techniques of effective supervision, communication, performance appraisal, human resource motivation, and such other management practices that may be effective in implementing the mission of CCNH.

G. Continuous Quality Improvement

The Governing Body shall commit to an active Continuous Quality Improvement function (see Bylaws, Article VII). The Governing Body shall receive written quarterly reports from the Administrator, providing sufficient detail of problems discovered, action taken, and follow-up activity.

Quarterly reports are scheduled to be issued as follows:

March	Includes December, January, and February
June	Includes March, April, and May
September	Includes June, July, and August
December	Includes September, October, and November

The objectives of the Quality Improvement function are:

- > To provide planned, systematic, and ongoing monitoring and evaluation of the quality and appropriateness of care provided to residents.
- > To identify and resolve problems.
- > To provide an effective method of communication and of coordination when problems or opportunities to improve resident care are identified.
- > To provide a process of continued monitoring for evaluation of the effectiveness of the action taken.
- > To provide an objective reporting of quality improvement monitoring activities to the Governing Body.

The Governing Body understands that the above objectives require active support of management efforts in Quality Improvement. Integral to the realization of the objectives is the linking of quality assurance data with actual resident care practices, and with the documentation of corrective action and organizational change as a result of Quality Improvement activities.

H. Administrative Policies

The Governing Body shall approve the CCNH policies, which shall be published and maintained in an Administrative Policy Manual. The Administrator is responsible for carrying out all policies, for reviewing the work of the CCNH Policy Committee, and for keeping the manual up-to-date.

The administrative policies reflect position statements applicable to all departments, employees, and other parties. Policies are developed by a multidisciplinary Policy Committee, appointed by the Administrator, which is responsible for the periodic review and assessment of policies and compliance levels.

I. Conduct of Meetings

All meetings of the Governing Body will be conducted according to “Roberts' Rules of Order” and shall comply with the Illinois Open Meetings Act. However, technical failures to follow such rules shall not invalidate action taken at such a meeting.

J. Business Opportunities

The Governing Body recognizes that CCNH may find it necessary to capitalize upon nontraditional business opportunities in order to achieve its objectives or to respond to competitive challenges in the marketplace.

The policy of the Governing Body in regard to each business opportunity shall be governed by its concerns for compatibility with the mission of CCNH and with the business opportunity's fit with CCNH. Therefore, the CCNH must, at all times, remain in a position to control or to direct these concerns and shall not participate in a venture in which it is a minority shareholder or is a limited partner, absent satisfactory evaluation of these concerns and consent of the Champaign County Board.

The minimum criteria to be used for addressing any business opportunity are:

1. Nature of the Business
The business opportunity should be health-related and fit with the Strategic Plan or should represent an interest vital to CCNH. The objectives of the business venture must be clearly delineated before further analysis.
2. Ethical Principles
The business opportunity must not compromise the values of CCNH or its mission.
3. Conflicts of Interest
The business opportunity should not present undisclosed conflicts of interest to Directors, physicians and other healthcare professionals, employees, or community leaders.
4. Service Area
The business opportunity should be geographically located within the immediate CCNH service area or should demonstrate sufficient management capability to function effectively in another location.
5. Business Risks
The business opportunity must receive a full management work-up following management's standards for Data Requirements for Internal Proposals and Projects.
6. Physician/Hospital Impact
Impact on physicians, allied healthcare professionals, and hospitals must be fully evaluated. Broad-based support is highly desirable for any venture.
7. Competition
The business or market plan for the opportunity should identify the competitors and the effect(s) that marketplace competition is likely to have on CCNH.
8. Organization and Management
The legal and management structure must be fully detailed and must include an assessment of the management capabilities required for success.

K. Director Orientation and Education

All new Directors shall receive an orientation to CCNH that shall be conducted by the Administrator and that shall include, at a minimum, the following elements of CCNH's operations:

1. Legal Organization
County Board
Champaign County Nursing Home (CCNH)
Foundation/Auxiliary Organization
2. Bylaws
Justice & Social Services Committee
3. Governing Body Policies
4. Organization & Plans
5. Annual Financial Statements
6. Administrative and Personnel Policies
7. Community Standing
Customer Surveys
Community Surveys Service
Needs
8. Major Management Practices
Planning Budgeting Finance
Controls
Reimbursement Issues
Government Regulation
9. Quality Assurance Activities
10. Accreditation Status and Issues
11. Facility Tour

All Directors shall receive the Board/Director Orientation Manual containing specific documents relating to the operation of CCNH. The manual is updated periodically and is given to all Directors so that they may possess current information regarding CCNH.

Director Orientation Worksheet

NAME:

DATE:

ORIENTED BY:

REVIEWED:

1. Legal Organization
County Board
Champaign County Nursing Home
CCNH Foundation/Auxiliary
2. Bylaws
Justice & Social Services Committee
3. Governing Body Policies
4. Organization & Plans
5. Annual Financial Statements
6. Administrative and Personnel Policies
7. Community Standing
Customer Surveys
Community Surveys
Service Needs
8. Major Management Practices
Planning
Budgeting
Finance
Controls
Reimbursement Issues
Government Regulation
9. Quality Assurance Activities
10. Accreditation Status and Issues
11. Facility Tour

III. ORDINANCES OF THE COUNTY BOARD

(That pertain to CCNH)

Ordinance No. 323 Establishing Champaign County Purchasing Policy

Ordinance No. 529 Establishing Nursing Home Personnel Policy

Ordinance No. 805 – Equal Employment Ordinance

Ordinance No.652 – Ordinance Establishing Information Technology Resources Policy and Procedures

Ordinance No. 780 Establishing Champaign County Travel Regulations

CHAMPAIGN COUNTY NURSING HOME ORGANIZATIONAL CHART

January 2008



