

COVID-19 and Health Center Boards

FOCUS AREA: LOOKING BEYOND THE PANDEMIC

Health Center Boards & HRSA Health Center Program Compliance: Considerations During and After the Pandemic

BACKGROUND

Patient-majority, community-based boards of directors play a vital role in the overall success and sustainability of health centers. Health center governance is complex; health center boards must comply with relevant state and federal laws, and the most effective boards are also aware of and implement good governance practices.¹

Additionally, as a condition of receiving an award under the Health Resources and Services Administration (HRSA) Health Center Program, health center boards must also follow various requirements of that program.² HRSA's **Health Center Program Compliance Manual** (often referred to as the "Compliance Manual") is the main resource to assist health centers in understanding and demonstrating compliance with Health Center Program requirements.³ HRSA conducts periodic site visits of health centers, called Operational Site Visits (OSV), as part of its oversight responsibility under the Health Center Program.⁴ The **Site Visit Protocol** (SVP) is the tool used to assess compliance with the Health Center Program requirements during such visits; the SVP establishes a standardized methodology for the OSV that aligns with

the Compliance Manual.⁵ A summary of changes to the SVP effective in May 2021 can be found [here](#).

Not surprisingly, the pandemic prompted a change in the OSV process and—despite the crisis—ensuring compliance with the Health Center Program remained essential. **This short resource outlines key considerations for health center boards during and after the pandemic, outlines various resources available to boards on Health Center Program Compliance, and includes discussion questions for boards.**

Items to Consider

Various considerations are listed below for boards:

- **Ensure all board members—including new members—are aware of Health Center Program Compliance requirements**—It is always important for boards to be familiar with the Compliance Manual in its entirety. The chapters that most directly address the board are:
 - **Chapter 19: Board Authority** and
 - **Chapter 20: Board Composition.**These chapters include references to various other chapters which contain additional relevant details for boards, including:
 - **Chapter 6: Accessible Locations and Hours of Operations,**
 - **Chapter 9: Sliding Fee Discount Program,**
 - **Chapter 11: Key Management Staff,** and

1 NACHC's **Governance Guide for Health Center Boards** outlines board roles and good governance practices.

2 Under the Health Center Program, Congress appropriates federal dollars for awards to health centers and tasks the U.S. Department of Health and Human Services (DHHS) to oversee award-supported activities. For more information, visit <https://bphc.hrsa.gov/>.

3 See HRSA's **Health Center Program Compliance Manual** (English version) and Spanish language version available [here](#).

4 Typically OSVs occur once per project/designation period, which for most health centers is once every three years.

5 See HRSA's **Site Visit Protocol**.

- **Chapter 13: Conflict of Interest.**⁶

Boards can incorporate education on the Compliance Manual and OSV into board member orientation, board meetings (including an ongoing board training plan), and board retreats (see various resources listed below).

- **Use available resources to support boards with Health Center Program Compliance—**

Various resources exist to support boards in understanding and ensuring compliance with the HRSA Health Center Program. Resources include:

- HRSA's website which includes the HRSA Health Center Program Compliance Manual in **English** and **Spanish**, and the **Site Visit Protocol**, along with additional resources. The **FAQ** maintained by HRSA also contains helpful information including a consolidated list of policies a board must approve to ensure compliance such as:
 - Sliding Fee Discount Program
 - Quality Improvement/Assurance
 - Billing and Collections (those that address the waiving or reducing of amounts owed by patients due to inability to pay, and if applicable those that limit or deny services due to refusal to pay)
 - Financial management and

accounting systems and personnel

- The Health Center Association of Nebraska has a **six-part online video training series** in English focused on Health Center Program Compliance and good practices, including:

- Session 1: The Health Center Governing Board and Meeting HRSA's Continuous Compliance Expectations
- Session 2: Essential OSV Documentation for Health Center Boards
- Session 3: Board Authority, Compliance Manual Chapter 19 (Part 1)
- Session 4: Board Authority, Compliance Manual Chapter 19 (Part 2)
- Session 5: Board Composition, Compliance Manual Chapter 20
- Session 6: Board Preparation for the HRSA Operational Site Visit
- NACHC's **Governance Guide for Health Center Boards** (available in English and Spanish) puts overall board roles in the context of the HRSA Health Center Program Requirements.
- NACHC's **"New Board Member Orientation PowerPoint Template"** (available in English and Spanish) contains a few sample overview slides about

the Health Center Program

- Check with your **state or regional Primary Care Association** for additional resources.
- Look out for periodic trainings by organizations such as **NACHC, Feldesman Tucker Leifer Fidell LLP**, and others.
- **Ensure continuous compliance with requirements of the Health Center Program using tools such as a board work plan—**Health center boards are responsible for a significant number of requirements for the HRSA Health Center Program. The best boards are also nimble during times of crisis, such as the COVID-19 pandemic, while also following good governance practices. The workload can be overwhelming during the best of times. The **SVP** can be used to monitor continuous compliance with HRSA requirements. Additionally, an annual board work plan can help a board ensure it not only complies with HRSA requirements, but also fulfills its other governance responsibilities, such as adherence with its bylaws and immediate governance items during times of crisis. This planning tool is essential to stay organized during times of crisis when urgent issues can overwhelm routine needs. An example can be found in the **Governance Guide for Health Center Boards**. Remember, this is a "living, breathing" document that

⁶ **Chapter 19** includes references to: Chapter 4: Required and Additional Health Services; Chapter 6: Accessible Locations and Hours of Operation; Chapter 9: Sliding Fee Discount Program; Chapter 10: Quality Improvement/Assurance; Chapter 12: Contracts and Subawards; Chapter 15: Financial Management and Accounting Systems; Chapter 17: Budget; Chapter 18: Program Monitoring and Data Reporting Systems. **Chapter 20** includes references to: Chapter 4: Required and Additional Health Services; Chapter 6: Accessible Locations and Hours of Operation; Chapter 9: Sliding Fee Discount Program; Chapter 17: Budget. See HRSA's **Health Center Program Compliance Manual** (English version) and Spanish language version available [here](#).

changes as the board refines its work.⁷

- **Be aware of board-focused high-risk areas for Health Center Program Compliance during and post-pandemic, and consider strategies to ensure compliance**—Below are some common risk areas:

- **Ensuring monthly meetings with quorum**—HRSA requires that health center boards **meet monthly with a quorum** as defined in their bylaws. If your board has not already done so during the pandemic, it is important to update bylaws to allow for remote meeting participation. Given school closures amidst the pandemic, health center boards may also want to consider reimbursing for childcare to support board member participation⁸ in full board and committee meetings. Many boards are also providing tablets to ensure access to board meeting materials, as well as virtual board and committee meetings.
- **Ensuring the board's discussion and voting (with quorum) are appropriately documented in board meeting minutes**—Key areas to pay attention to for compliance include having a quorum to vote on key personnel policies, budget, changes to hours and locations, and the sliding fee discount scale. Such votes must

continue to be documented in board minutes, which are reviewed and approved at the following board meeting.

- **Ensuring approval of the annual audit**—If the health center's annual audit has been delayed or postponed due to the pandemic, it is important to get back on track to satisfy HRSA's annual audit requirement. Furthermore, the board is required to understand if audit findings have been found and oversee their resolution. The board minutes will need to reflect board oversight of actions related to audit findings. For pandemic related audit considerations, see the article, **Audit Considerations Related to the COVID-19 Pandemic**.
- **Ensuring the board is complying with conflict-of-interest requirements**—As of May 2021, the primary reviewer will be the governance/administrative expert reviewer under **updates to the SVP**. While requirements are not changing, the board should be aware that there are pieces that pertain to the board disclosing conflicts of interest. For good practice considerations related to conflicts of interest, see **Governance Legal Brief 1: Identifying, Disclosing, and Managing Board Members' Conflicts of Interest**.
- **Ensuring board composition**

fully complies with requirements of Chapter 20: Board Composition—Boards may have had some board members resign during the pandemic, at the same time when recruitment was more challenging. It is important to ensure the patient-majority is intact, along with other requirements. It is also good practice for the board's Governance (or Nominating) Committee to focus on strategic board recruitment on an ongoing basis to ensure continuous compliance. For more on recruiting see, **Recruiting and Retaining Board Members: Considerations During and Immediately Post-Pandemic** and the **Governance Guide for Health Center Boards** (Chapter 2).

- **Stay informed about the format of Operational Site Visits, including ways for the board to be involved, as the country emerges from the pandemic**—During the pandemic, HRSA carefully transitioned its on-site Operational Site Visits (OSVs) to an all-virtual format to maintain oversight of compliance while limiting travel. HRSA intends to continue with virtual OSVs throughout the remainder of calendar year 2021. These virtual OSVs will continue to include three consultants whose expertise will include clinical, fiscal, and governance/administrative.

7 For more information about board work plans, see NACHC's **Governance Guide for Health Center Boards**, Chapter 10. Additionally, a sample can be found in Appendix 20 of the same publication.

8 See the Compliance Manual Chapter 20, Footnote 6 at <https://bphc.hrsa.gov/programrequirements/compliancemanual/chapter-20.html#titletop>.

The governance/administrative consultant will need to meet (via remote technology) with members of the board at some time during the three-day virtual OSVs, typically on the afternoon of the second day. Board members are also encouraged to attend the entrance and exit conferences at the onset and conclusion of the virtual OSV. Also, as noted above, a new change in 2021 is that the governance/administrative reviewer will be reviewing the conflict of interest program requirement. Longer-term, HRSA will inform health centers of future changes in OSV process.

- **Prepare for the Operational Site Visit**—As part of this process, certain governance records will be reviewed by the OSV reviewers to assess compliance. Such records include the bylaws, board meeting minutes and associated materials such as the CEO’s report, financial data, quality and risk oversight, and others. Additionally, the board will participate in a group virtual interview as part of this process.⁹ Some organizations also participate in a “mock OSV” to prepare for the site visit; this can include a “mock” board interview which can help prepare board members for the discussion with the reviewer. A mock review can be run by staff or an external consultant hired by the health center.

- **Don’t settle for just complying with requirements**—It is important to underscore that meeting requirements for the Health Center Program is a baseline for compliant governance performance. A board must ensure it is also meeting applicable requirements of additional state and federal laws, as well as incorporating effective governance practices such as those found in NACHC’s **Governance Guide for Health Center Boards**. Especially during the pandemic and in a post-pandemic world, health center boards need to be focused on key strategic issues impacting the center’s future. Various resources are available to help boards **focus on the future**, and consider key topics such as **telehealth**.

Discussion Questions

Below are questions health center board members may want to ask during board meetings:

- Is our full board familiar with the HRSA Health Center Program and the associated requirements of the program?
- What type of Health Center Program-related board education has been provided previously and what resources might be helpful for our current board members?

- Did we have findings in our last OSV final report? If so, have these items been corrected?
- Do we have any conditions on our HRSA Notice of Award? If so, have these items been corrected?
- Are we in compliance with the requirements on Board Authority (Chapter 19)?
- Are we in compliance with the requirements on Board Composition (Chapter 20)?
- Are we in compliance with all other board-focused requirements?
- When is our next OSV and how can we prepare as a board? How are we preparing the board especially if our prior site visit was in a different format than our forthcoming OSV?
- Does our board use a work plan to help it ensure the board focuses on routine and required items, as well as strategic issues and opportunities?
- How does our board ensure we also focus on good governance practices in addition to complying with HRSA requirements?

⁹ See the Site Visit Protocol and resources from HRSA on the Operational Site Visit at <https://bphc.hrsa.gov/programrequirements/svprotocol.html>.

RESOURCES

Various resources are available to support health center boards learn about the Health Center Program and its requirements:

- **HRSA's website** which includes the HRSA Health Center Program Compliance Manual in **English** and **Spanish**, and the **Site Visit Protocol**, along with additional resources. The **FAQ** maintained by HRSA also includes helpful information including a consolidated list of policies a board must approve to ensure compliance.
- The Health Center Association of Nebraska has a **six-part online video training series** in English focused on Health Center Program Compliance and good practices, including:
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 - Session 3: Board Authority, Compliance Manual Chapter 19 (Part 1)
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 - Session 5: Board Composition, Compliance Manual Chapter 20
 - Session 6: Board Preparation for the HRSA Operational Site Visit
- **NACHC's Governance Guide for Health Center Boards** (available in English and Spanish) puts overall board roles in the context of the HRSA Health Center Program Requirements.
- NACHC's **"New Board Member Orientation PowerPoint Template"** (available in English and Spanish) contains a few sample overview slides about the Health Center Program
- Check with your **state or regional Primary Care Association** for additional resources
- Look out for periodic trainings by organizations such as **NACHC, Feldesman Tucker Leifer Fidell LLP**, and others

KEY ACRONYMS

BPHC—Bureau of Primary Health Care

Compliance Manual—Health Center Program Compliance Manual

DHHS—U.S. Department of Health and Human Services

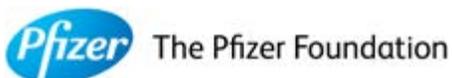
HRSA—Health Resources and Services Administration

OSV—Operational Site Visit

SVP—Site Visit Protocol

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Growth and Development, NACHC. For additional resources from NACHC related to COVID-19, please visit <https://www.healthcenterinfo.org/priority-topics/covid-19/> and <http://www.nachc.org/coronavirus/>. Please contact Emily Heard, Director of Health Center Governance at NACHC, with questions (trainings@nachc.com).