

Policy Name: Finance Committee – Composition and Functions Policy (HHP-03)

Effective Date:

Approved by the Board: [June 26, 2013]

Previous Versions: None

Approval Signature: _____



Name: Douglas Kwock, M.D.

Title: President/Chair

Definitions:

"Board" means the HHP Board of Managers.

"Committee" means the HHP Finance Committee.

"HHP" means Hawai'i Health Partners, LLC.

"HHP Hospitals" means Kapi'olani Medical Center for Women and Children, Pali Momi Medical Center, Straub Clinic & Hospital and Wilcox Memorial Hospital or such other acute or chronic care hospital in the State of Hawai'i, provided such hospital has entered into a Participation Agreement with HHP to provide covered services to HHP Patients.

"HHP Patient(s)" means an individual who is enrolled in a health plan or product sponsored or administered by a commercial or government health care insurer or any self-insured health plans that have contracted with HHP to participate in quality and incentive programs related to the furnishing of medically necessary items and services to such individual.

"HPH" means Hawai'i Pacific Health.

"LLC Agreement" means the Limited Liability Company Operating Agreement, dated June 10, 2013, made by and between HHP and Hawai'i Pacific Health, as the sole member of HHP.

"Participation Agreement" means a written agreement with HHP to provide covered services to HHP Patients.

"Physician Participant(s)" means a Hawai'i-licensed physician in active clinical practice who has entered into and has a current Participation Agreement with HHP or who has been employed by an entity that has entered into and has a current Participation Agreement with HHP and is a participating physician thereunder.

"President/Chair" means the Board President/Chair of the Board.

"Secretary/Treasurer" means the Secretary/Treasurer of the Board.

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Purpose:

This policy defines the Committee's membership and general operations, and the processes by which it oversees the fiscal activities and functions of HHP, including but limited to, HHP's financial performance, participant incentives/compensation, and payor contracts.

Policy / Procedure:

I. Committee Composition

A. Eligibility Criteria and Appointment

1. The Committee shall consist of between six (6) to eight (8) members. All Committee members shall be appointed by the President/Chair, subject to Board approval. The Secretary/Treasurer of the Board shall serve as the Committee chair.
2. Committee members are not required to be members of the Board.
3. The Committee may consist of the following individuals:
 - a. Physician Participants;
 - b. Finance and/or executive leadership from HPH or HHP; or
 - c. Other individuals as the Board deems necessary.
4. The Committee must contain at least the following types of individuals as Committee members:
 - a. At least one primary care physician (i.e., internal medicine physicians, pediatricians, and family medicine physicians who are treated as primary care physicians pursuant to their Participation Agreements);
 - b. At least one specialist physician (i.e., all physicians who are not primary care physicians, as described above, including obstetricians and hospitalists); and
 - c. At least one independent physician (i.e., a physician who is not an employee at an HHP Hospital).
5. An independent physician who is either a primary care physician or specialist shall qualify as providing representation for two of the three above composition requirements.

B. The term of each Committee member shall be two (2) years, and members can be reappointed by the President/Chair, subject to Board approval. There are no term limits imposed on individuals serving on the Committee.

C. Committee member responsibilities include the following:

1. Regularly attend meetings;
2. Provide input and actively engage in discussions;
3. Review all background documents prior to each meeting; and

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4. Accept individual tasks as assigned by the Committee.

II. Committee Operation and Function

A. The principal responsibilities and functions of the Committee shall include:

1. Report to and make recommendations on financial matters to the Board;
2. Recommend policies that maintain and improve the financial health and integrity of the organization;
3. Review and recommend long-range financial plans for the organization;
4. Review and recommend an annual operating budget and annual capital budget consistent with the long-range HHP financial plan and financial policies;
5. Review and recommend capital expenditures and unbudgeted operating expenditures in accordance with HHP policies;
6. Review the financial aspects of major proposed transactions, new programs and services, as well as proposals to discontinue programs or services, and making action recommendations to the Board in accordance with HHP policies;
7. Monitor the financial performance of the organization and or business lines against approved budgets, long-term trends, and industry benchmarks;
8. Require and monitor actions to bring the organization into compliance with its budget and other financial targets;
9. Monitor and review necessary audit and compliance activities;
10. Develop financial analyses and risk assessments related to the terms and conditions of all Payor contracts; and
11. Develop the shared savings and incentives program to incentivize and reward providers to become accountable for the quality, cost, and overall care provided to HHP Patients.

B. Committee Meetings

1. The Committee shall meet monthly.
2. Committee meetings can be in person or via any means of communication by which all Committee members can hear each other during the meeting.
3. Prior to Committee meetings, Committee members shall be provided all pertinent information needed to make informed decisions.

Related Documents:

Distribution: