



The MetroHealth System

Board of Trustees

Wednesday, April 9, 2025

2:00pm - 3:30pm

The MetroHealth System Board Room K-107 or via YouTube Stream

Governance Committee

Regular Meeting

The MetroHealth System Board of Trustees

GOVERNANCE COMMITTEE

DATE: Wednesday, April 9, 2025
TIME: 2:00pm - 3:30pm
PLACE: MetroHealth Board Room K107 / Virtual Via YouTube Stream:
<https://www.youtube.com/@metrohealthCLE/streams>

AGENDA

I. Approval of Minutes

Minutes of the January 15, 2025 meeting of the Governance Committee

II. Information Items

- A. Official Capacity Appointment Process – S. Partington
- B. Delegation of Authority – M. Summers / B. Sorg
- C. Board Management Software Public Bid – T. Rose / B. Sorg
- D. Executive Session Best Practices – J. Wellons
- E. Board Retreat – M. Summers

III. Future Subjects

- A. System-Wide Third-Party Contracts
- B. Review BOT Policies
- C. Review Bylaws
- D. Review Committee Charters (i.e., Audit and Compliance Committee)
- E. BOT Self-Assessment
- F. Scope of Insurance Coverage

IV. Executive Session

Return to Open Meeting

V. Recommendation / Resolution Approvals

- A. Approval to Adopt Changes of BOT-07 Delegation of Authority policy

The MetroHealth System Board of Trustees

GOVERNANCE COMMITTEE MEETING

Wednesday, January 15, 2025

2:00pm - 3:30pm

Virtual via Zoom

Meeting Minutes

Committee Members:	John Moss, Michael Summers, E. Harry Walker, MD
Other Trustees:	John Corlett, Maureen Dee, Sharon Dumas, Ronald Dziedzicki, Nancy Mendez (late)
Staff:	Christine Alexander-Rager, MD, Robin Barre, Allison Poullos, Tamiyka Rose, James Wellons
Guest:	Guests not invited by the Board of Trustees are not listed as they are considered members of the audience, and some were not appropriately identified.

Mr. Summers called the meeting to order at 2:00 pm, in accordance with Section 339.02(K) of the Ohio Revised Code.

(The minutes are written in a format conforming to the printed meeting agenda for the convenience of correlation, recognizing that some of the items were discussed out of sequence.)

I. Approval of Minutes

The minutes of the September 25, 2024, Governance Committee Meeting were unanimously approved as submitted.

II. Information Items

A. Delegation of Authority

Mr. Summers began the meeting by reviewing the Committee charter to reiterate the purpose of the Committee and discussing the BOT-07 Delegation of Authority policy that was included in the meeting materials. Mr. Summers informed the Committee that he will be working with the Chief Legal Officer (CLO) to assist the Board on structuring the review of the Delegation of Authority policy in future meetings and proposes board members read the policy and raise questions for further discussion to ascertain if any policy changes are appropriate.

The MetroHealth System Board of Trustees

B. Board Recruitment

Mr. Summers informed the Committee of three open positions on the Board. Dr. Walker's term ends in March, but is expected to be reappointed. Mr. Summers will follow-up with the County Executive to make the County Executive aware of the Board's recruitment and reappointment needs and report back to the Committee.

C. Board Succession

Mr. Summers reminded the Committee that any Board member who chooses not to seek reappointment should inform the Board promptly to allow ample time to plan for succession.

D. Board Education

Mr. Summers highlighted the meeting material, which included details about two upcoming conferences. The first is the American Essential Hospital VITAL 2025 Conference, scheduled for June 11-13, 2025. The second is the American Hospital Association Leadership Summit, taking place from July 20-22, 2025. Mr. Summers encourages Board members to attend educational events to enhance skillset and keep abreast of the latest healthcare updates.

III. Future Subjects

A. System-Wide Third-Party Contracts

Mr. Summers opened the floor for a discussion pertaining to how MetroHealth engages in system-wide third-party contracts. Concerns of effective selection and oversight of large third-party contracts within the System and their performance evaluation were raised. Mr. Summers will work with Dr. Alexander and her team to gain a better understanding of the selection process and the opportunity to strengthen third-party contract management, including any Board oversight parameters.

IV. Executive Session

Mr. Summers asked for a motion to move into executive session to discuss hospital trade secrets - as defined by ORC 1333.61, to consider the appointment, employment, dismissal, discipline, promotion, demotion, or compensation of a public employee, and to conference with the public body's attorney to discuss a pending or imminent court action. Dr. Walker made a motion and Mr. Moss seconded. Upon unanimous roll call vote, the Committee went into executive session to discuss such matters stated by Mr. Summers. Members of the public were excused, and the Committee went into executive session to discuss the identified matters at 2:28pm.

The MetroHealth System Board of Trustees

Following the executive session, the meeting reconvened in open session at approximately 3:11 pm and welcomed back the public who remained online.

There being no further business to bring before the Committee, the meeting was adjourned at 3:12 pm.

THE METROHEALTH SYSTEM

Michael Summers
Chairperson, Governance Committee



MetroHealth
Devoted to Hope, Health, and Humanity

The MetroHealth System Official Capacity Process

The MetroHealth System Board of Trustees – Governance Committee

April 9, 2025

Current list of MetroHealth official capacity fiduciary positions.

Appointments to a non-MetroHealth entity.

- 340B Health
- American Red Cross of Northeast Ohio
- America's Essential Hospitals
- The Center for Health Affairs
- First Year Cleveland
- Essential Hospitals Institute – new
- Global Cleveland
- Greater Cleveland Partnership
- Health Action Counsel – new
- HealthComp, Inc.
- Ohio Hospital Association
- United Way

Current list of MetroHealth official capacity fiduciary positions.

Appointments to a MetroHealth affiliate/joint venture.

- CCH Development Corporation
- Collaborative Care Partners, LLC
- Lumina Imaging and Diagnostics
- Ovatient, Inc.
- MetroHealth Community Health Centers (MCHC)
- The MetroHealth Foundation, Inc.
- CCF/MHS Renal Care Company, Ltd.
- Ohio Renal Care Group, LLC
- Northern Ohio Trauma System “NOTS”
- Recovery Resources
- Select Assurance Captive, LLC

The role of board positions: personal versus official capacity.

Expectations and duties vary depending on the role and capacity in which one serves.

	Official Capacity	Personal Capacity
Does the employee have a personal interest in the organization?	No	Yes
Does the employee speak for MetroHealth?	Yes	No
Can MetroHealth publicly contract with the organization?	Yes	No*
Does the employee have to recuse themselves from MHS business involving organization?	Yes*	Yes

* Limited exception available

Certain board positions/fiduciary roles may pose potential conflicts of interest.

Public officials/employees cannot have a private interest in a public contract.

Private Interest

- Must be definite and direct
- Can be pecuniary or fiduciary
- Recusal does not resolve fiduciary conflicts

Public Contract

- Any transaction where MetroHealth acquires goods/services
- No minimum threshold
- Does not require a written contract

Official capacity board positions/fiduciary roles are not subject to the prohibition.

Basic principles

- Serves on behalf of MetroHealth, seat remains with MetroHealth
- Fiduciary Responsibilities
- Must meet Ohio Ethics official capacity appointment requirements
 - 4-part test
 - Previously required “governing body” formally approve official capacity positions
 - Recent updates permit the public agency to determine the appointment process



Process for approving official capacity board positions/fiduciary roles.



* CEO will consult with the Board of Trustees on any appointments involving a Trustee

Current list of MetroHealth official capacity non-fiduciary positions.

Appointments to a non-MetroHealth entity.

- Cleveland Neighborhood Progress
- Cuyahoga County Division of Senior and Adult Services Livable Cuyahoga initiative
- Cuyahoga County Women's Health Advisory Council
- Cuyahoga County Workforce Board
- Great Lakes Science Center
- Journey Center for Safety and Healing
- Lifebanc
- Metro West Community Development Corp.
- OneOhio Region 3
- Ronald McDonald House Charities of Northeast Ohio, Inc.
- The Center for Community Solutions
- The Diversity Center of Northeast Ohio
- Western Reserve Area Agency on Aging

**RECOMMENDATION FOR THE APPROVAL OF
AMENDMENTS TO DELEGATIONS OF AUTHORITY POLICY BOT-07
(Delegations of Authority)**

Recommendation

The Governance Committee of the Board of Trustees ("**Board**") for The MetroHealth System ("**System**") recommends that the Board approve amendments to policy BOT-07 (Delegations of Authority) as described herein.

Background

In accordance with Chapter 339 of the Ohio Revised Code and general governance principles, the Board can and has created a policy BOT-07 (Delegations of Authority) that delegates certain authorities to the President and Chief Executive Officer ("**CEO**"). The Governance Committee of the Board now recommends an update to policy BOT-07 (Delegations of Authority) to allow the CEO to appoint System employees to serve on any local, state, or national organization's board of directors, or equivalent body, in their official capacity as a System employee. This update is consistent with recent guidance changes from the Ohio Ethics Commission.

Additionally, the Governance Committee of the Board now recommends an update to policy BOT-07 (Delegations of Authority) to clarify that the Board may modify delegated authorities at any time.

**APPROVAL OF AMENDMENTS TO DELEGATIONS OF AUTHORITY POLICY BOT-07
(Delegations of Authority)**

RESOLUTION XXXXX

WHEREAS, the Board of Trustees ("**Board**") of The MetroHealth System ("**System**") has been presented a recommendation by the Governance Committee of the Board for the approval of amendments to policy BOT-07 (Delegations of Authority);

WHEREAS, the Governance Committee of the Board recommended an update to policy BOT-07 (Delegations of Authority) to allow the CEO to appoint System employees to serve on any local, state, or national organization's board of directors, or equivalent body, in their official capacity as a System employee;

WHEREAS, this update is consistent with recent guidance changes from the Ohio Ethics Commission; and

WHEREAS, the Governance Committee of the Board recommended an update to policy BOT-07 (Delegations of Authority) to clarify that the Board may modify delegated authorities at any time.

WHEREAS, the Governance Committee of the Board has reviewed this recommendation and now recommends its approval.

NOW, THEREFORE, BE IT RESOLVED, the Board hereby approves the amended policy attached hereto relative to delegations of authority, Board policy BOT-07 (Delegations of Authority).

AYES:

NAYS:

ABSENT:

ABSTAINED:

DATE:

April 2025

BOT-07 – Delegations of Authority

Key Points

- This policy applies to The MetroHealth System (MHS).
- This policy sets forth authority delegated by the Board of Trustees to the President and Chief Executive Officer (CEO), in accordance with Ohio law. The policy supersedes all previous standing delegations from the Board to the CEO on these issues, including those set forth in Resolutions 18724, 18947, 19284, and 19417.
- This Policy does not supersede project-specific delegations, including those set forth in Resolution 19396, which remain in effect through the life of the relevant project.

Policy

1. Pursuant to Ohio law, the Board has broad authority for the governance, management, and control over MHS operations. Ohio law authorizes the Board to delegate certain of its authorities, including management and control, to the CEO. The Board may modify such delegated authorities anytime.
2. Consistent with its fiduciary and statutory duties, the Board has determined that the following delegations of authority are in the best interests of MHS. Such delegations of authority are in addition to the authorities granted a county hospital administrator under ORC Chapter 339.
3. The Board expressly retains the authority to approve an operating and capital budget for MHS (collectively, the Budget).
 - 3.1. The CEO shall be responsible for presenting a proposed budget to the Board on an annual basis and no later than the October prior to the start of the fiscal year.
4. Under all of the following delegations, all actions taken must be:
 - 4.1. In accordance with any other relevant policies approved by the Board, including conflicts of interest;
 - 4.2. Consistent with MHS' mission, vision, and values; and,
 - 4.3. As applicable, consistent with and in accordance with the Budget as approved at any time by the Board.
5. The CEO will report all material¹ changes and impacts resulting from actions taken under these delegations to the Board on a regular basis.

Operations

6. Services and Programs Offered by MHS
 - 6.1. The CEO has the authority to determine the composition of services and programs offered by MHS to its patients and the community, including the addition, closure, and termination of MHS services and programs, subject to the other limits of authority established in this policy (leasing, budget approval, etc.).

- 6.2. Notwithstanding the foregoing, the Board must approve of the termination of an MHS service and program, if:
 - 6.2.1. MHS is the sole provider of the service in Cuyahoga County;
 - 6.2.2. The service or program represents (or is expected to represent) more than 5% of MHS' net patient revenue;
 - 6.2.3. The termination directly impacts more than 10,000 patients in any given year; or
 - 6.2.4. The termination adversely affects more than 200 FTEs.
- 6.3. The CEO will regularly report all material changes in MHS programs and services to the Board.
7. Control of Property and Real Estate Leases
 - 7.1. The CEO has the authority to control all MHS property, including the management and disposal of surplus property other than real estate or an interest in real estate.
 - 7.2. Notwithstanding the foregoing, the CEO has the authority to lease space for a Hospital Facility² that is reasonably related to MHS operations and is at fair market value rates, except that the Board must approve a lease of space for a Hospital Facility if the cost of the lease exceeds \$1 million per year or the total obligation under the lease exceeds \$10 million.
8. Membership in Associations and Official Capacity Appointments
 - 8.1. The CEO has the authority to authorize MHS and any MHS employees, including medical staff members, to be a member of and maintain membership in any local, state, or national group or association organized and operated for the promotion of the public health and welfare or advancement of the efficiency of hospital administration, and to pay for the dues, fees, and related expenses associated with such membership.
 - 8.2. The CEO has the authority to authorize MHS and any MHS employees, including medical staff members, to serve on any local, state, or national organization's board of directors, or equivalent body, in their official capacity as a MHS employee. It is expected that the official capacity appointments support the interests of MHS and comply with applicable conflict of interest policies and Ohio Ethics rules. The CEO will regularly report official capacity appointments to the Board as they occur, and a full list of active official capacity appointments will be reported to the Board on an annual basis. Any Board of Trustee Member interested in serving in an official capacity role shall be reviewed and approved by the Board's Governance Committee.

Finance and Spending

9. Control of Operating Funds, including Capital Improvements and Furniture, Fixtures, and Equipment
 - 9.1. The CEO has the authority to control all funds used in MHS operations, subject to and consistent with the Budget, including but not limited to:
 - 9.1.1. The selection and installation of all necessary and proper furniture, fixtures and equipment; and
 - 9.1.2. Making capital improvements, including the purchase of equipment and vehicles.
 - 9.2. Notwithstanding the foregoing, the Board must approve of a MHS expenditure, reallocation of funds, or capital improvement if:
 - 9.2.1. The expenditure, reallocation, or capital improvement was not previously approved in the Budget and the expected expenditure, reallocation, or capital improvement is in excess of \$5 million; or
 - 9.2.2. The reallocation would result in the 'defunding' of a Board-approved project.

BOT-07 – Delegations of Authority

Owner: Board of Trustees

Effective Date: 8/24/2022

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Paper copy may not be current; refer to electronic version for official policy

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- 9.3. The CEO has the authority to enter into a contract for an unsecured line of credit with a bank.
 - 9.4. The CEO shall adopt policies to govern the disbursement and expenditure of MHS funds.

10. Charges for Services and Treatment

- 10.1. The CEO has the authority to:
 - 10.1.1. Establish a schedule of charges for all services and treatment rendered by MHS; and
 - 10.1.2. Establish policies that provide for free/uncompensated and discounted services and treatment by MHS.

11. Donation of Money, Property or Services

- 11.1. The CEO has the authority to donate MHS money, assets, property (other than real estate or an interest in real estate) or services to a nonprofit entity.
- 11.2. The CEO will report any such donations to the Board on an annual basis.
- 11.3. Notwithstanding the foregoing, the Board must approve any donation by MHS to a nonprofit entity with which the CEO has a potential conflict of interest.

12. Receipt of Gifts and Bequests

- 12.1. The CEO has the authority to approve the receipt, on behalf of MHS, any gift, bequest, or devise of real or personal property, so long as such donation is not stipulated to be held in trust.

13. Settlement of Claims

- 13.1. The CEO has the authority to resolve and settle any claims, including liability claims, on behalf of MHS.
- 13.2. Notwithstanding the foregoing, the Board must approve any settlement of a liability claim in excess of \$500,000.

Procurement and Contracted Services

14. Professional Services

- 14.1. The CEO has the authority to hire or contract with management consultants, accountants, attorneys, engineers, architects, construction managers, and other professional advisors (collectively, Professionals) as the CEO determines are necessary and desirable to assist in the management and operation of MHS, subject to the requirements in this Section.
- 14.2. The CEO must establish a policy setting forth procedures that ensure the appropriate and competitive engagement of Professionals.
- 14.3. The Board must approve the hiring or engagement of a Professional if the expected cost of the engagement(s) of that Professional is at or above \$500,000 annually.
- 14.4. The CEO will report all engagements of Professionals in the previous year to the Board on an annual basis.

15. Insurance Products

- 15.1. The CEO has the authority to contract for, purchase, or otherwise procure insurance contracts that provide for the protection of MHS, including the Board and MHS employees, against liability.
- 15.2. The CEO will report to the Board on the scope of insurance coverages purchased for MHS on an annual basis and any material changes as they may arise.
- 15.3. The CEO will not reduce the scope or limits of coverage without the prior approval of the Board.

Compensation and Benefits

16. Wages and Salaries

- 16.1. The CEO has the authority to employ individuals and set the wages and salaries for MHS employees, subject to the requirements of Policy BOT-06, including the authority to enter into collective bargaining agreements on behalf of MHS.
- 16.2. The CEO will report all material changes in wages and salaries, including those with a budgetary impact in excess of \$5 million, to the Board.

17. Benefits

- 17.1. The CEO has the authority to:
 - 17.1.1. Establish insurance benefits for MHS employees in accordance with R.C. 339.16;
 - 17.1.2. Grant MHS employees any fringe benefits that are customary and usual in the nonprofit hospital field in MHS's community;
 - 17.1.3. Provide scholarships for education in the health care professions, tuition reimbursement, and other staff development programs to enhance the skills of health care professionals for the purpose of recruiting or retaining qualified employees;
 - 17.1.4. Provide employee recognition awards and hold employee recognition dinners; and,
 - 17.1.5. Grant employees recruitment and retention benefits.
- 17.2. The CEO will report all material changes in employee benefits, including those with a budgetary impact in excess of \$5 million, to the Board.

18. Holidays

- 18.1. The CEO has the authority to establish floating holidays in accordance with the requirements of R.C. 339.06(J)(6) and R.C. 1.14.
- 18.2. The CEO has the authority to grant MHS employees such personal holidays as are customary and usual in the hospital field in MHS's community.
- 18.3. The CEO will report all material changes in granted holidays, including those with a budgetary impact in excess of \$5 million, to the Board.

References

[ORC 339.01 et seq.](#)

Endnotes

¹ A material change and impact includes, but is not limited to, an issue or an action that can have a major impact on the financial, reputational, and/or legal aspects of MHS or its stakeholders.

² A Hospital Facility means a hospital facility as defined in R.C. 140.01.