

MEMORANDUM

TO: The Executive Committee, NACHC
FROM: Jacqueline C. Leifer
DATE: April 7, 2023
RE: Proposed 2023 Bylaws Changes

Per the discussion in our recent meeting, this memorandum sets forth proposed bylaws changes for the Committee's consideration.

Proposed Bylaws Changes:

1. **House of Delegates - Voting:**

Board member Warren Brodine, CEO of Eisner Health submitted a proposed bylaws amendment that would require elections be conducted solely by electronic polling "sufficiently in advance of the Annual Meeting to allow for the winners of the election to be announced at the meeting." The proposal further states that "The House of Delegates shall ratify the electronic election at the annual meeting and may conduct a replacement election for any individual electronically elected who shall have died or otherwise no longer is eligible to assume office."

In the recent Bylaws Committee meeting, concerns were raised that this approach does not allow for the possibility of nominations from the floor of the House of Delegates. In addition, it would eliminate candidate speeches for contested seats. Some members were concerned that this might weaken active participation in NACHC, generally, and in the House of Delegates, specifically. That said, allowing for remote electronic voting while the House of Delegates is in session may afford greater participation of the membership in the election process.

The Bylaws Committee recommends adoption of amendments that would authorize elections to be handled in a "hybrid" manner. Specifically, remote electronic voting -- and paper ballot or electronic voting in the House of Delegates would occur simultaneously.

"Article IV. Section I. E. Voting Rights – Strike "*present at the House of Delegates.*"

- i. Organizational Membership -- Strike "*in the House of Delegates*" in the second sentence.

Strike clauses i and ii, renumber iii as clause i.

"Article IV. Section III – Officers...

B. Elections

Revise paragraph 5 to read:

"5. The Nominating Committee shall formally make its reports on candidate credentials during the Annual Meeting, both in person in the House of Delegates and in electronic form to the electronic mail address on file for those holding voting rights. After the Nominating Committee's final report, no nominations may be accepted from the floor of the House of Delegates."

Add a new paragraph 6:

"Voting shall take place after the final report from the Nominating Committee has been made and shall be conducted electronically. Organizational members in good standing may cast their four (4) votes in person at the House of Delegates or remotely in accordance with instructions provided to each organization's designee(s) at least one week prior to the Annual Meeting."

Article IX, Section IV – Voting

Strike the words "*present and*"

2. **Eligibility to Run for Elected Office:**

Last year, the bylaws were amended to allow HCCN employees to run for Regional Representative positions. The Bylaws Committee recommends that HCCN employees also be eligible to run for elected office.

Article IV, Section III.A.1.ii is amended by inserting before the semicolon at the end:

“or by a Health Center Controlled Network, as defined in Article IV, Section II.B.2.iii.”

3. Evaluation of the President and Chief Executive Officer:

NACHC Board member, Jennifer Kreidler-Moss, PharmD, CEO of Peninsula Community Health Services, has submitted proposed bylaws amendments that would move the responsibility for evaluating the President and CEO from the Executive Committee to the Board of Directors.

Article IV, Section II.C would be amended by adding a new subsection (7):

“(7) evaluate the performance of the President and CEO on an annual basis.”

Article IV, Section IV.E.1 would be amended by striking *“evaluate the performance of the President and CEO on an annual basis,”*.

4. Committees:

The Bylaws Committee recommends a new Audit and Compliance Oversight Committee be established as a standing committee. In addition, the Bylaws Committee recommends that the Education Committee (which does not appear to have met in recent memory) be retired.

Accordingly, Article IV, Section IV.E.10 would be amended to delete the existing text (thereby removing the Education Committee) and insert the following:

*“10. The **COMPLIANCE AND AUDIT COMMITTEE** shall be appointed and issued a charge each year by the Chairperson. At a minimum, its duties shall include: oversight of staff’s implementation of, and recommendation of policies pertinent to, the Association’s organization-wide compliance program; as well as reviewing the request for proposals for audit firms when the current audit firm’s engagement expires, recommending to the Board of Directors the selection of the lowest responsible bidder, oversight of the audit process, reviewing the audit report with the auditors, and making pertinent recommendations to the Board of Directors.”*

At its March meeting, the Board adopted the Bylaws Committee’s recommended Criteria to guide consideration of proposals to establish or retire Standing Committees and/or Subcommittees, including an overarching statement of purpose, as follows:

The purpose of Standing Committees is to support the work of the Board of Directors in response to specific charges from the Board. The Committees do the “heavy lifting” in their respective areas of policy-setting and oversight, analyzing and synthesizing information and making reasoned recommendations for action by the Board.

When presented with a proposal to establish a new Standing Committee, it is recommended that the Board consider whether a Committee is needed to fulfill the above-stated purpose. Consideration should be given to having the responsibilities handled on a transitional basis by a special task force, giving the Board time to assess the need for those responsibilities to be addressed longer term in a Standing Committee or Subcommittee. At that point, preference should be given to expanding the scope of responsibilities of an existing Standing Committee or Subcommittee.

Committee members observed that there should be a critical review of the current Standing Committees and Subcommittees, as the sheer amount of time spent by the Board simply receiving reports (whether or not action is needed) seems counterproductive. The Committee concluded that there are some Standing Committees that perhaps are no longer needed, e.g., the Education Committee, and others that might be combined, e.g., the Ethics and Grievance Committee might be folded into the Membership Committee or the Executive Committee.

NOTE: there was strong sentiment on the part of a few Committee members that the work of the Nominating, Rules, and Credentials committees NOT be consolidated.

At this point, the foregoing recommendations regarding consolidation of committees will be forwarded to the Board for deliberation in the context of a broader evaluation of committee structure. **The only bylaws amendment proposed in this regard is the establishment of a new Compliance and Audit Committee and retirement of the Education Committee as defunct.**

5. **Chartering State, Territorial and Regional Affiliates:**

The primary care associations have been working with NACHC to develop a chartering process which is more streamlined and collaborative. In addition, they recommend extending the Charter term to five years. This extension would allow the current charters to remain active for one more year, while the PCAs and NACHC work on the chartering process and Charter Agreement terms.

The proposed amendments are reflected in the attached redline of Article V of the Bylaws.

In the course of revising provisions regarding Chartering, it became apparent that certain provisions in the current bylaws regarding the conduct of elections by regional affiliates more appropriately belong in Article IV. Section II.B.4 regarding Election of Regional Representatives. See attached redline.