
 <p>HAWAII HEALTH SYSTEMS CORPORATION "Touching Lives Everyday"</p> <p>Policies and Procedures</p>	Department: Office of the President	Policy No.: ADM 0020
	Issued by: President & CEO	Revision No.: N/A
Subject: TRANSFER OF CUSTODIAL CONTROL TO REGIONAL BOARDS	Effective Date: November 13, 2008	Supersedes Policy: N/A
	Approved by:  HHSC Board of Directors By: Raymond Ono Its: Secretary/Treasurer	Page: 1 of 2

- I. **PURPOSE:** To establish and define a process for transfer of custodial control of operations, personnel, assets and liabilities to the regional boards as mandated by Act 290, Hawaii Session Laws (2007) (the "Act").

- II. **POLICY:** An orderly transfer of custodial control of the operations and assets of each region to the respective regional boards requires establishment of policies defining the roles and relationships of the boards, a process for the transfer, definition of what is being transferred, and a documented formal act indicating agreement on the transfer. Consistent with the guidance outlined in the Act, it is the policy of HHSC to seek collaboration and cooperation between the Corporate Board and the Regional System Boards in implementing the transfer of custodial control to the community-based Regional System Boards.

Minimum criteria for transfer of custodial control of operations, personnel, assets and liabilities to the regional boards shall be defined in a "Transfer Matrix" developed cooperatively among the corporation and five regions. The Transfer Matrix will identify existing or new corporate-wide policies to be developed by corporate staff with input from the Regional CEOs and their senior staff before each area of responsibility is transferred to the regional boards. New policies shall be reviewed by the Policy Committee before submission to the corporate board for approval.

After the essential policies have been adopted and the minimum criteria defined in the Transfer Matrix have been approved, each Regional System Board shall determine when it is ready to request custody and control. In making that consideration, Regional System Boards shall consider:

 - whether regional policies and procedures are needed and whether or not they have been developed;
 - whether the region has the expertise and resources to assume the control; and
 - whether other foundational requirements have been established, (e.g., amended medical staff bylaws, training of the board in credentialing, for medical staff issues).

Custody and control may be accomplished in stages as each board determines that it is ready to assume authority and responsibility. All transfers should occur within one year of establishment of the Regional System Board upon mutual agreement of the Regional System Board and Corporate Board, unless a longer period is mutually agreed to by the Corporate Board and Regional System Board. Regional System Boards shall submit requests for transfer of custodial control to the Policy Committee. The policy committee shall validate that the request has been reviewed by the regional representative on the Policy Committee who has determined that the Request meets the Transfer Matrix criteria. The Policy Committee shall then process the Request to the Corporate Board for its consideration. If the Policy Committee determines that the Request does not meet the Transfer Matrix criteria or is unable to reach consensus, the Policy Committee shall notify the subject Region, stating its reasons therefore, but shall nevertheless, send the Request to the Corporate Board with its relevant comments. A Region may choose to withdraw its Request after consultation with the Policy Committee. Requests for transfer may include an attestation that the minimum criteria defined in the Transfer Matrix for the particular function being requested have been met.

The Corporate Board shall consider the request for transfer of custodial control at the next regular board meeting. The HHSC Board shall take into consideration whether the minimum criteria listed in the Transfer Matrix have been met and whether the region has the processes and resources in place to assume control. If the HHSC Board determines that transfer of custodial control is appropriate, it shall pass a motion approving the transfer as of a specified date. If the HHSC Board after due consideration, determines that transfer is not appropriate at this time, the HHSC Board shall issue a Notice of Concern, stating the reasons therefore, as they relate to the Transfer Matrix. The Notice of Concern shall be sent to the Policy Committee Chair with a copy to the Regional System Board Chair, the Regional CEO, and the Subject Matter Expert Committee Chair. As soon as the Concern has been addressed, the Regional System Board Chair shall notify the Policy Committee Chair who shall in turn notify the HHSC Board Chair through the President and CEO. The HHSC Board may delegate authority in the Notice of Concern to the HHSC Board Chair or Board Committee Chair to approve the transfer.

Approval of transfer requests for authority will not preclude the regions from retaining the services of the corporate office or another third party in connection with the transferred function. Upon transfer of custodial control of a certain function, the Corporate Board may conduct an audit of that function within the region to ensure the minimum criteria for transfer continues to be met.

III. APPLICABILITY:

This policy is applicable to all facilities, regions, boards, and offices in the HHSC system.

IV. REFERENCES:

HRS §323F-7(a), (b), and (c).