MSHN
Mid-State Health Network

POLICIES AND PROCEDURE MANUAL

Chapter:	General Management		
Title:	Delegation to the Chief Executive Officer and Executive Limitations		
Policy: ☒ **Procedure:** ☐ **Page:** 1 of 2	**Review Cycle: Biennial** **Author:** Chief Executive Officer	**Adopted Date:** 07.02.2014 **Review Date:** 09.12.2023	**Related Policies:** General Management Board Governance

Purpose

All Mid-State Health Network (MSHN) Board authority delegated to staff is delegated to the Chief Executive Officer (CEO). The CEO shall execute the delegated authority of the Board within defined executive limitations.

Policy

1) Delegation of Authority: The Board shall direct the CEO to achieve certain results through the establishment of Board policies and strategic priorities. The Board will limit the latitude the CEO may exercise in practices, methods, conduct and other "means" through establishment of executive limitations.

   As long as the CEO uses reasonable interpretation of the Board's policies and executive limitations, the CEO is authorized to establish necessary procedures, make decisions, and take actions deemed necessary to achieve MSHN goals and compliance.

   Only decisions of the Board, acting as a body are binding upon the CEO. Decisions or instructions of individual Board members, officers or committees are not binding on the CEO except in instances when the Board has specifically authorized such exercise of authority.

2) Contracts:
   A. The Board of Directors specifically authorizes and delegates to the MSHN Chief Executive Officer the authority and responsibility to execute revenue contracts with the State of Michigan where the due date for the contract to be returned occurs before the next regularly scheduled board meeting provided that the revenue contract is consistent with the board approved strategic plan and the mission, vision and values of the Mid-State Health Network Pre-Paid Inpatient Health Plan. The Chief Executive Officer must report all instances where this action occurs at the next regularly scheduled board meeting.
   B. The Board of Directors specifically authorizes and delegates to the MSHN Chief Executive Officer the authority and responsibility to execute expenditure contracts that are directly related to special funding proposals submitted to and approved by the State of Michigan in order to implement the special project or funding on a timely basis. The Chief Executive officer must report all instances where this action occurs at the next regularly scheduled board meeting.

3) Executive Limitations: The CEO shall not cause or allow any practice, activity, decision or circumstance that is illegal, imprudent, or inconsistent with Board approved policy or is in violation of commonly accepted business and professional ethics. Accordingly, the CEO may not:
   A. Deal with consumers, families, employees, contractors, Board members or persons from the community in an unprofessional or unethical manner.
   B. Permit financial conditions that risk fiscal jeopardy or compromise Board policy and/or strategic priorities.
   C. Knowingly provide information and advice to the Board that is untimely, incomplete or inaccurate.
   D. Permit conflict of interest in making purchases, awarding contracts, or hiring of employees.

E. Approve and/or initiate expenditure of MSHN funds that differs from Board approved procurement policies; the CEO shall not exceed a spending limit of $24,999 without prior Board approval. Unless prohibited by other MSHN executed contracts, MSHN board approved policies, or pertinent regulations, the MSHN CEO is authorized to:
   - Approve and execute any expenditure of funds (including but not limited to funds associated with memoranda of understanding, contracts, purchase orders, special procurement initiatives, or similar instruments) for a single item/service/support or group of similar items/services/supports, provided that the total amount involved in the request is less than the policy-established maximum of $24,999.
   - Present to the board of directors for its consideration any item or group of items that would, as a single request, exceed the established $24,999 maximum signature authority of the Chief Executive Officer.

F. Manage MSHN without adequate administrative procedures for matters involving finances, internal controls, employees, contractors, facilities, and other required operations of the organization.

Applies To:

☐All Mid-State Health Network Staff
☒Mid-State Health Network Board
☒Selected MSHN Staff, as follows: Chief Executive Officer
☐MSHN CMHSP Participants: ☐ Policy Only ☐ Policy and Procedure
☐Other: Sub-contract Providers

Definitions:

MSHN: Mid-State Health Network
MSHN CEO: Mid State Health Network Chief Executive Officer

Other Related Materials

MSHN Board By-Laws
MSHN Operating Agreement

References/Legal Authority

NA

Change Log:

Date of Change	Description of Change	Responsible Party
04.11.2014	New Policy	Chief Executive Officer
05.05.2015	Annual Review No Changes	Board of Directors
05.03.2016	Annual Review	Board of Directors
03.2017	Annual Review	Board of Directors
09.2018	Annual Review	Chief Executive Officer
01.2019	Annual Review	Chief Executive Officer
07.2020	Biennial Review	Chief Executive Officer
07.2022	Biennial Review	Chief Executive Officer
07.2023	Review for clarification language E.	Chief Executive Officer