



**KYHC Board Member Duties and Responsibilities
Kentucky Health Cooperative, Inc. (KYHC)**

Mission Statement

The Mission of Kentucky Health Cooperative, Inc. (“KYHC”) is to exist to promote community health and well-being by engaging the members and providers it serves in the valued delivery of quality coverage and integrated health care services in the KYHC Community.

For more information, please visit KYHC’s website at www.mykyhc.org

Position

The Board of Directors will support the work of KYHC and provide mission-based leadership and strategic governance. While day-to-day operations are led by KYHC’s Chief Executive officer (CEO), the Board-CEO relationship is a partnership, and the appropriate involvement of the Board is both critical and expected. Specific Board Member responsibilities include:

Leadership, Governance and Oversight

The Board of Directors:

- Shall direct the business and affairs of the Cooperative.
- Serves as a trusted advisor to the CEO as he/she develops and implements KYHC’s strategic plan.
- Reviews outcomes and metrics created by KYHC for evaluating its impact, and regularly measuring its performance and effectiveness using those metrics; reviewing agenda and supporting materials prior to board and committee meetings.
- Approves KYHC’s annual budget, audit reports, monthly and quarterly financials and material business decisions; being informed of, and meeting all, legal and fiduciary responsibilities.
- Contributes to an annual performance evaluation of the CEO.
- Assist’s the CEO and Board Chair in identifying and recruiting other Board Members.
- Partners with the CEO and other Board members to ensure that board resolutions are carried out.
- Serves on committees or task forces and takes on special assignments as necessary.

- Represents KYHC to stakeholders; and acts as an ambassador for the organization.
- Ensures KYHC's commitment to a diverse board and staff that reflects the communities KYHC serves.

Formation Board Term

Federal statute requires that KYHC transition its current Formation Board to an Operational Board within two years after the Operational date (for this purpose January 1, 2016). The transition will take place with a two-step process with at least two (2) Board of Directors being elected starting January 2015 and the remaining Board positions transitioning to elected Board members by January 2016. To accomplish this, KYHC must implement a Board member election process during 2014 that meets all of the federal requirements for transparency, contested seats, nomination and election process, et al. By January 1, 2016, all Board members, with the exception of the CEO (who serves as an ex officio, nonvoting Director) will be elected by health plan members of the KYHC. On January 1, 2016, at least a majority of the Board of Directors must be KYHC health plan members.

Formation Board members may become elected Board members and serve on the Operational Board.

With the exception of the initial formation Board and any elections to replace resigning Directors, the terms of all Directors shall be for three (3) years, with one third of Director's terms ending each year. Once the election process is finalized during 2014, a portion of the directors will be elected annually, and those elected shall take office on January 1 following their election. Directors who have served two consecutive three-year terms shall be ineligible for re-election. For the election in 2014, one of the two Directors elected will have a three-year term and one will be a two-year term.

Qualifications

This is an extraordinary opportunity for an individual who is passionate about KYHC's mission and who has a track record of board leadership. Ideally, Board members will have achieved leadership stature in business, government, health care, philanthropy, or the nonprofit sector. His/her accomplishments will allow him/her to attract other well-qualified, high-performing Board Members.

Ideal candidates will have the following qualifications:

- Extensive professional experience with significant executive leadership accomplishments in business, government, philanthropy, or the nonprofit sector.
- A commitment to and understanding of KYHC's health plan beneficiaries, preferably based on experience.
- Savvy diplomatic skills and a natural affinity for cultivating relationships and persuading, convening, facilitating, and building consensus among diverse individuals.
- Personal qualities of integrity, credibility, and a passion for improving the lives of KYHC members and our communities that we serve.

Restrictions on Eligibility for Directors

No Director may be an employee or representative of any federal, state, or municipal government or any subdivision or instrumentality of such, or be an employee or representative on any health insurance issuer, or a trade association whose members consist of health insurance issuers or a related entity of either. Likewise, no person providing professional (non-clinical) services on behalf of the Cooperative, or person providing professional services to the Cooperative, may occupy a position as a Member Director. Directors must not be barred from participation in any federal programs.

Officers

KYHC Bylaws allow for the election of the following officers: Chair, Vice Chair, Secretary, and Treasurer. If elected by the Board, there may also be an Assistant Secretary and Assistant Treasurer. Other officers may be established and elected by the Board at any time.

Conflict of Interest

The Directors and Officers shall:

- Act in the sole interest of the Cooperative and its Members.
- Prepare for and actively participate in matters before the Board.
- Avoid self-dealing, including disclosing all potential conflicts of interest.
- Exercise good faith in all transactions touching upon their duties to the Cooperative and its property.
- Act prudently and consistently with the terms of these Bylaws and such other governance policies and procedures as adopted by the Board from time to time and with applicable requirements of state and federal law.

Compensation and Indemnification

The Directors shall not receive compensation for their time and participation as Board Members; however, they may be compensated for expenses incurred, and for their participation in other Cooperative affairs.

The Cooperative shall indemnify each director against all reasonable expenses actually and necessarily incurred in connection with defending against any claim arising from their involvement with the Cooperative as a director so long as they acted in good faith and in the best interests of the cooperative. See bylaws for full details.