



Forming a RHIO?

Moving from a collaborative to a formal organizational structure with authority and accountability!

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Table of Contents

<u>An Introduction to RHIOs</u>	3
<u>An Opportunity for Improvement</u>	4
<u>Identifying Stakeholders</u>	5
<u>Planning for Governance</u>	8
<u>The Incorporation Process: An Overview</u>	11
<u>Closing</u>	22
<u>Resources</u>	24
<u>Sample Documents</u>	26
<u>Letter of-Support-and-Commitment</u>	26
<u>Sample Conflict of Interest Policy</u>	28
<u>Sample Conflict of Interest Disclosure Statement</u>	30
<u>Sample Financial Policies and Procedures</u>	32
<u>Sample Gift Acceptance Policy</u>	35
<u>Sample Board Member Description</u>	36
<u>Sample Executive Director Job Description</u>	41
<u>Tasks and Accomplishments</u>	45
<u>Sample Budget Format</u>	46

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A. An Introduction to RHIOs

This guide is written for the individual or small group, charged with the responsibility of facilitating the process of moving a health information exchange project to a more formal structure and exploring the incorporation and tax exemption processes. Whether you already have a regional health information technology network or collaborative, or have plans to get one started, this guide can help you navigate the wide array of steps and options toward establishing a governance and administrative structure to ensure accountability and sustainability. Incorporation as a tax exempt (nonprofit) organization is at the center of this guide, but it is only one option!

A regional health information organization (RHIO) can be described as a network of stakeholders within a defined region who are committed to improving the quality, safety, access and efficiency of healthcare through the use of health information technology. No two RHIOs look alike and each reflects the unique nature and interests of its region and resources. These organizations usually, but not always, form first as a collaboration of community visionaries bringing established organizations together to try something new, and this creates the need to build trusting relationships and manage risk within a loose organizational structure.

Effective organizations and governing bodies take commitment and work, especially in light of the Sarbanes-Oxley Act, Stark Laws and increasing Internal Revenue Service (IRS) and public scrutiny. It is often said that the administrative and governance issues pose the greatest risk and challenges to the ultimate success of these projects. As a result, it is recommended that careful consideration of governance issues be given early in the formation process and continually as development of the organization progresses toward more formal models.

Proceeding at just the right time is important, but how do you know when you are ready to proceed with the process and file articles of incorporation and applications for tax exempt status? This guide will help you identify possible indicators that a more formal structure is appropriate and will also address important preplanning needs and other considerations. In many respects, a RHIO is really just a community-wide performance improvement initiative. So treating it as such is one way to get started and stay focused!