

POLICIES AND PROCEDURE MANUAL

Chapter:	Human Resources		
Title:	Succession Planning Policy		
Policy: <input checked="" type="checkbox"/> Procedure: <input type="checkbox"/> Page: 1 of 3	Review Cycle: Biennial Author: Chief Executive Officer	Adopted Date: 05.05.15 Review Date: 07.11.2023	Related Policies:

Purpose

Organizations that plan well for the future anticipate and plan for changes in key leadership staff. Mid-State Health Network (MSHN) seeks to be prepared for future changes in key staff positions by requiring development of a Succession Plan.

Policy

Recognizing that the Chief Executive Officer (CEO) is the only employee of the Board of Directors, and that all other leadership and staff positions are employed by the CEO, it is the policy of the MSHN Board to periodically assess the temporary/emergency and permanent chief executive officer leadership needs of the organization to help ensure the selection of a qualified and capable leader (temporary or permanent) who can carry out the organization’s mission, vision, values, goals, and objectives, and who has the necessary skills for the organization. The Chief Executive Officer (CEO) shall not put the organization at risk by failing to appropriately plan and prepare for extended periods of scheduled or unexpected absence. In addition, the Chief Executive Officer shall ensure that each person appointed to a chief-level and director-level role has a written succession or successor development plan that the CEO endorses and approves.

The Board requires that the CEO maintain a written plan for temporary/emergency and permanent succession of the CEO.

The written plan shall be submitted to the Board of Directors annually at the time of the current CEO’s annual performance review, which is normally conducted in a closed executive session of the board.

The CEO Written Succession Plan shall include relevant information and at a minimum address the following provisions:

- Name, current position, and qualifications, of internal or external successor.
 - If a successor is identified by name, a summary of development (cross training) activities that have taken place and identification of areas for further development in the coming period.
 - If an individual is not identified, a narrative of the steps taken (and/or to be taken) to identify and develop a successor.
- Specific steps that the Executive Committee of the Board of Directors would need to consider and/or take to implement a temporary/acting/interim or other short-duration appointment.
- Current position description, along with any recommendations for updates.
- Recommendations relating to level of compensation, benefits, or other remuneration considerations.
- Key priorities that the board should consider and/or focus on in the event of the absence or departure of the current CEO.

Interim/Acting CEO Appointment:

In the event of a planned short-term or long-term absence of the current CEO, the Board of Directors may appoint an Interim/Acting Chief Executive Officer. While not obliged to implement the current CEO’s

succession plan, the Board of Directors shall give appropriate consideration and weight to the most current written succession plan.

Replacement of the Current CEO:

If the Board is preparing for permanent replacement of the current CEO because they have resigned, passed away, are incapacitated and unlikely to be able to carry out the functions of the position, or is not planning to return from a short- or long-term absence to the position, the Chairperson shall call the board to meet and consider the following and any other factors it deems appropriate.

- Consideration of the current CEO's written succession plan and the appointment of an Interim/Acting CEO (or other available decisions)
- Consideration of strategies to appoint a permanent replacement, including development of a plan for recruitment (if needed) and selection, and appointment.

If at any time the Board of Directors appoints an Interim/Acting Chief Executive Officer, and the current CEO is able to communicate, they shall inform MSHN staff and key stakeholders, including providing appropriate notice to the Michigan Department of Health and Human Services, other funders, the provider network, key constituents and community stakeholders. In the event the current CEO is unable to perform this function, the board appointed interim/acting CEO shall provide these notices.

Applies to

- All MSHN Staff
- Selected MSHN Staff, as follows: CEO, DD, CFO, CIO, CBHO, CQCO and CCO
- MSHN Board of Directors
- MSHN's CMHSP Participants: Policy Only Policy and Procedure
- Other: Sub-contract Providers

Definitions

CEO: Chief Executive Officer

DD: Deputy Director

CFO: Chief Financial Officer

CIO: Chief Information Officer

CBHO: Chief Behavioral Health Officer

CQCO: Chief Quality and Compliance Officer

CCO: Chief Clinical Officer

Long Term: In the context of this policy, long term is an absence that is expected to be more than six months in duration and up to one year, but where the current CEO is expected to return to their duties.

MSHN: Mid-State Health Network

PIHP: Pre-paid Inpatient Health Plan

Short Term: In the context of this policy, short-term is an absence that is expected to be six months or less in duration, and where the current CEO is expected to return to their duties.

Succession Planning: Identification and development of potential successors for key positions in an organization, through a systematic evaluation process and training. Unlike replacement planning (which grades an individual solely on the basis of his or her past performance) succession planning is largely predictive in judging an individual for a position he or she might never have been in.

Other Related Materials

Succession Planning Procedure

References/Legal Authority

MDHHS-PIHP Contract

Change Log:

Date of Change	Description of Change	Responsible Party
05.15.2015	New Policy	Chief Executive Officer
05.03.2016	Annual Review	Chief Executive Officer
06.12.2017	Annual Review	Deputy Director
05.17.2018	Annual Review	Deputy Director
05.01.2019	Annual Review	Deputy Director
02.2021	Biennial Review	Deputy Director
02.2023	Biennial Review	Chief Executive Officer