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1. Purpose

The Governance and Accountability Guidelines provide direction and guidance relating to Family Care Clinic (FCC) governance and accountability structures. It includes: definitions of governance and accountability; identifies the potential legal structures for first and subsequent waves of FCCs; outlines key governance roles, responsibilities and accountabilities relating to FCCs; and outlines potential options for interested Primary Care Networks (PCN) to transition to the FCC model or for other stakeholders to participate in FCCs.

The authority to develop and operate FCCs is in accordance with Section 8 of the Government Organization Act, and Section 16 of the Regional Health Authorities Act.

There are mandatory requirements for each FCC; but there is also flexibility in how FCCs can be organized. This will allow the FCC to adapt to the specific requirements of the community, the service providers, or other factors that will impact the success of the individual FCC. FCC must describe in their business plan proposal (“Business Plan”) the ways in which they will meet these requirements, and how the individual needs and goals of their FCC will be met.

The Ministry of Health is responsible for overall strategic direction for primary health care in Alberta and stipulates the standards and requirements for FCCs. All FCC organizational options outlined in 3.1 will be approved by the Minister of Health, and all FCCs will be required to operate in accordance with established Alberta Health FCC program policies, guidelines, standards and regulations. The only exceptions to the requirements for FCC organizational options are outlined in Section 1.1 of this document.

Additionally, FCC entities will enter into grant agreements with the Department ("FCC Grant") and will be required to meet grant expectations around reporting, financial accountability, service level requirements, business outcomes as well as other requirements expected of FCCs as part of the FCC program ("Program"). An important part of the governance role is to ensure these grant expectations are being met.

1.1 Organizational Exceptions

As much as possible all FCCs should operate and be structured similarly to ensure consistency in approach and accountability. That being said, certain variations from the standard approach are considered in order to maximize the effectiveness of FCCs in Alberta. An example of this is with FCCs operated by Alberta Health Services (AHS) and FCCs operated by PCNs wherein the particular PCN wishes to mirror its current board membership in the subsidiary FCC non-profit corporation (NPC).
Notwithstanding these two governance adaptations, all FCCs must adhere to the same standards and requirements as set out in the *Family Care Clinic Reference Manual* including, but not limited to, requirements around accountability, Information technology, reporting, funding and privacy as established in Alberta Health FCC program policies, guidelines, standards and regulations and the associated FCC Grant.

2. Definitions

**Governance**: Governance in any organizations describes the process of decision-making and the process by which decisions are implemented or not implemented. Governance in publicly funded institutions describes how they conduct their affairs and manage resources entrusted to them in the best interest of Albertans.

**Accountability**: Accountability is an obligation to answer for the execution of one’s assigned responsibilities. The basic components of successful accountability relationships are as follows:

- Set measurable goals, and responsibilities;
- Plan what needs to be done to achieve goals;
- Do the work and monitor progress;
- Report on results; and
- Evaluate results and provide feedback.

3. Eligible Legal Structures: Wave 2

FCCs may be operated by several different types of organizations. Only two legal entities, NPCs and AHS-operated, are being considered for Wave 2. These two recommended options are the most straightforward models to implement within current reporting and funding systems; and they allow a broad range of health providers and organizations, including Primary Care Networks, physician clinics, co-operatives, universities and other service providers to establish FCCs within a reasonable timeframe.

3.1 Wave 2 FCC Implementation

The following organizational options are eligible for Wave 2 FCCs:

**Non-profit Corporation**: A NPC must be established to operate an FCC, or a previously established NPC may operate an FCC, provided the corporation adheres to Alberta Health FCC program policies and
operating requirements and subsequent requirements to be stipulated in their grant arrangement with the Department. Whether the NPC is formed by providers interested in participating in an FCC or by communities who wish to ensure FCC services for their area, NPC governance would have to align with the collaborative model inherent to the FCC initiative.

**Alberta Health Services-operated:** AHS may operate an FCC provided it adheres to the same Alberta Health FCC program policies and operating requirements set out for NPCs. Since AHS has a governance board in place that is accountable for the overall leadership of the organization and its programs and services, an AHS-operated FCC Community Advisory Committee would be required. This Committee would be comprised of similar representation and responsibilities as set out for NPCs, and provide a sub-level of direct accountability for each AHS-operated FCC under the umbrella of AHS. (Please note that the Community Advisory Committees for AHS are different in composition from the Community Advisory Committees associated with the sub FCC NPC within the parent PCN NPC).

Note: Under exceptional circumstances, Alberta Health may consider alternate governance models that align with the FCC model.

### 4. NPC Requirements

In considering the NPC model for FCCs, certain corporate requirements would need to be met to ensure consistency among FCCs, promote governance and alignment with fundamental policy and operational guidelines and to meet the Government’s accountability mandate to Albertans. In addition to the following overarching principles that would be expected of FCCs, all FCCs must register and have the status of a Community Ambulatory Care Centre Family Care Clinic (CACC-FCC) in accordance with Alberta Health policy.

#### 4.1 NPC Structure and Formation

Unless a pre-existing NPC can meet the governance and accountability requirements set out by Alberta Health with respect to FCCs, it is expected that FCC NPC’s would be created under the *Companies Act* of Alberta and that corresponding corporate documents would be put in place to create and establish the legal entity. This would include the development of a Memorandum of Association for the FCC along with Articles of Association. Additionally, the concept of ancillary bylaws which stipulate provisions that may require amendments in the future is also suggested in order to foster flexibility in the FCC without having to seek formal amendment of the FCC’s Articles of Association. The Memorandum of Association would set out the objects of the FCC; the Articles of Association would set out the general governance
provisions for the FCC; and ancillary bylaws would set out further governance and accountability provisions for the FCC (collectively the ‘Governance Documentation’).

Alberta Health will work with stakeholders to frame the minimum standards that are required of all FCCs while still allowing flexibility for any given FCC to tailor their governance to their purposes and goals. Alberta Health will work with stakeholders and FCC proponents in developing FCCs that best meet the community needs for the patient population being addressed. Each FCC will be required to address key corporate structure and accountability issues in their Governance Documentation. FCCs can build upon these minimum requirements to shape their own FCC NPC to best align with their goals and purposes.

For pre-existing NPC’s, existing constating documents would likely have to be amended to align with the requirements set out for FCCs both from a corporate structures standpoint (i.e., board composition) and from a corporate governance standpoint (i.e., amendment of corporate bylaws). If a pre-existing NPC can meet the minimum requirements set out in this document, Alberta Health’s FCC program policies and ultimately the FCC grant, a new NPC would not have to be created.

4.1.1 Memorandum of Association

The objects of the FCC should be reflected in a NPC’s Memorandum of Association. Alberta Health will provide core objects expected of all FCCs which can then be supplemented with additional objects that align with the individual particularity of the FCC in question. It is expected that the income and property of an FCC would be applied solely towards the promotion of its objects and not towards a profit for its members.

One of the important considerations for an FCC is who will be its member complement. For example, some FCCs may consider having health care providers, and affiliated community stakeholders as members. The members of the FCC will ultimately select the Directors for the FCC, and may have a role in appointing auditors, receiving financial statements and approving certain fundamental changes to the FCC including amendments to its Articles of Association and possibly even its Bylaws. The Articles of Association or FCC Bylaws should stipulate how individuals can become Members, whether there is a
maximum number of members, how membership is terminated and the process and procedures around Member meetings.

A sample Memorandum of Association is provided in Appendix A.

### 4.1.2 Articles of Association

The Articles of Association set out the governance and accountability provisions that meet the specific needs of the FCC. In a corporate analogy these are your formal corporate bylaws for the NPC. In addition to these formal bylaws the option of creating a more informal placeholder for ancillary governance and accountability provisions is also being proposed. This is what is being termed the FCC Bylaws. The latter instrument is being proposed as an augment to accommodate the transition towards the FCC strategy and the potential need for flexibility in certain corporate elements as the FCC model develops.

As an illustration of the potential differentiation, an FCC’s Articles of Association may capture:

- FCC program purposes, objectives and operating requirements;
- Powers, duties and accountabilities of the Board of Directors;
- Powers, duties and accountabilities of the Business Manager;
- Board and Business Manager accountabilities to Alberta Health and the Minister;
- Business plan and budget approval requirements;
- Financial reporting, audit and accounting requirements;
- FCC performance monitoring and reporting requirements; and/or
- The compositional structure of the Board as set out in Section 4.3.

### 4.1.3 Bylaws

As an adjunct to the Articles of Association, an FCC’s bylaws may capture:

- Board of Directors membership, appointment processes, terms, Board remuneration, etc.;
- Board of Directors meetings, notice of meetings and quorum;
- Accountability and reporting responsibility of the Business Manager and clinician lead;
- Conflict of interest provisions; and
- Relationship and reporting responsibilities of management, particularly those relating to the Business Manager and FCC service providers.
As noted, during the rollout of the first wave of FCCs, Alberta Health looks forward to working with proponents in developing appropriate governance documentation for their FCCs. Each NPC FCC will be required to submit a copy of their Articles of Association and FCC Bylaws to the Minister including any amendments to these documents from time to time. As the FCC Program continues to evolve bylaws, and to a lesser extent Articles of Association, may require refinement to promote consistency and alignment with the Program. Amendments to these documents may also be initiated by the FCC itself to better align with its growing and expanding needs for its patient population. Navigating through these changes will require consultation between the Department and the FCC NPC.

### 4.2 FCC Board & Accountability

The FCC is governed through its Board of Directors. Operating in accordance with the objects set out in its Memorandum of Association and in alignment with the requirements and provisions set out in its Articles of Association and FCC Bylaws, FCCs are expected to govern themselves so that their Boards carry out their fiduciary duties in ensuring that the FCC is successfully meeting its goal of providing primary health care services to its target population in accordance with their Business Plan and their FCC Grant.

With respect to governance, the Board is responsible for the overall governance of the affairs of the FCC. Each Director is responsible to act honestly, in good faith and in the best interests of the FCC and, in so doing, to support the FCC in providing primary health care services to its target population.

With respect to accountability, the Board is to ensure that the FCC operates consistent with the requirements of the FCC Grant and is also consistent with the FCC’s Governance Documentation and independent objectives and goals. This includes ensuring that the Board remains accountable for the operations of the FCC and the services the FCC staff and contractors provide. Additionally, the Board is to ensure that the FCC meets the reporting and accountability standards set out by the Ministry in the FCC Grant.

Further accountability responsibilities of the Board include:

- Business Plan: Reviewing and recommending to Alberta Health the FCC annual business plan;
- Grant Agreement: Ensuring the Corporation adheres to the grant agreement requirements;
- Articles of Association & FCC By-law Development: Developing and approving bylaws for the FCC and monitoring the effectiveness of their implementation;
- Appointment of the Business Manager: Hiring, supporting and evaluating the performance of the Business Manager;
Fiscal Stewardship: Providing strong fiscal stewardship for the organization, including the approval of the budget, monitoring expenditures and ensuring financial reporting requirements are met;

Performance Monitoring, Evaluation and Results Reporting: Monitoring and evaluating the results achieved by the organization against required performance metrics and measures;

Strategic Relationships and Networks: Maintaining strategic relationships, networks and effective communications with relevant community and provincial stakeholders;

Risk Mitigation: Ensuring appropriate risk identification and mitigation policies and practices are in place; and

Board Evaluation and Development: Evaluating performance of the Board; and seeking opportunities to continuously improve Board effectiveness.

The FCC Board is also the governing voice and accountable for: the electing or appointing of its officers; reporting to its members through meetings; and passing Articles of Association or FCC Bylaws subject to approval by its membership.

As noted above, the FCC, through the direction of its Board, must appropriately communicate with stakeholders in a manner consistent with accountability to the community the FCC serves.

FCCs will be accountable based on its Memorandum of Association, Articles of Association and its FCC Bylaws, and also through its FCC grant that it holds with the Ministry. In addition to any performance measures put in place by the Ministry on the FCC through the FCC Grant, the Board of an FCC should consider having its own performance measurements for the FCC and the Board. The FCC Grant will further extrapolate on the requirements expected of FCCs with respect to accountability. Within the parameters of the FCC Grant and its corporate governance structure, the Board will have ultimate authority over and accountability to the FCC Corporation. Each Board will need to decide how to exercise its authority and accountability and what scope of authority it will retain.

### 4.2.1 Accountability Under FCC Grant

As noted above, accountability structures have been built into the FCC Grant; FCCs are required to report to Alberta Health through the following mechanisms:

**Business and Financial Plans:** FCC NPC will be required to prepare a business and financial plan, including an annual budget. Business and financial plans are to be updated annually. These plans must be approved by the NPC Board.

Details about FCC business plan development and approval processes can be found in Section 5 of the Reference Manual (Business Plan Development).
**Financial Reporting:** FCC NPC will be required to prepare financial statements in accordance with Canadian generally accepted accounting principles.

Further details of financial reporting can be found in Section 6 of the Reference Manual (Financial Plan and Budget).

**Performance Measurement Reporting:** FCC NPC will be required to report on FCC objectives through measurement of clearly defined indicators.

Initial performance measures have been developed for the three pilot sites in consultation with AHS. Descriptions of these FCC pilot performance measures are provided in Attachment #3 of the Reference Manual. In addition an evaluation framework with accompanying performance measures is under development and will involve broad consultation with experts and stakeholders.

**Service Event Reporting:** FCC NPC will be required to provide reports of service events using service event reporting.

**Annual Reporting:** FCC NPC will be required to submit an annual report. An FCC Annual Report Template will be provided and will be posted on Alberta Health’s website.

**Other Reports:** FCC NPC may be required to submit ad hoc reports at the request of Alberta Health.

### 4.3 Board Composition

To ensure FCCs reflect the collaborative model intended for the Program, FCCs must have a Board of Directors that reflects a minimum complement of the three representative groups; provider, client, and external community leaders/representatives. The minimum number of Directors would be no less than five members, and as such would be comprised of:

- A minimum of two (2) different types of health care providers.
- A minimum of one (1) client representative.
- A minimum of two (2) external community leaders/representatives. These representatives are non-FCC staff.

Where appropriate, FCCs would also be encouraged to add other expertise to their Board of Directors to include:

- Other(s) with specific expertise (e.g. legal, governance, finance, etc.); or
- Greater community representation.
In the event an FCC wishes to augment its Board beyond the five Director minimum, it would be expected that any one representative group does not exceed 49% of the members of the Board. For example, if the Board was comprised of six (6) members, the additional Board member would be a client representative to ensure no group has a controlling vote. Given the nature of FCCs and the need for an efficient governance model the maximum size of any FCC Board would be ten members.

In some instances the health care provider complement of the Board will be met by FCC service providers within the FCC. This may be experienced in FCCs representing a small population base or a rural geographical area. Conflict of Interest provisions (Section 4.6) will have to be developed within the Articles of Association or the FCC Bylaws, to specifically deal with situations which the FCC service providers are also members of the Board. In these instances safeguards must be in place to ensure the interests of the service providers do not unduly bias the decisions of the Board. Consider the contrasting example below:

For example:

The Articles of Association and the FCC Bylaws need to be explicit around the Board’s role as the governing body for the FCC. Additionally, individual Directors must be versed in the Board’s role and
understand their duties as Directors. The Board’s roles must be distinguished from the role of the operational arm of the FCC which would fall under the helm of the Business Manager and staff.

In order to promote collaborative governance within the FCC, it would be expected that all Directors on the Board should have an opportunity for meaningful input.

The composition of the Board along with procedures relating to their appointment must be included in the Articles of Association or the FCC Bylaws of the NPC.

As noted in the Organizational exceptions, the requirements and proportions set out above for the Board would not apply to PCNs that choose to mirror their existing board composition into their subsidiary NPC. As further outlined in Section 7.3, PCNs may mirror their PCN board membership in their FCC NPC provided the other community related elements and board components are incorporated.

### 4.4 Board Chair

To ensure representative decision making, the Board Chair would be selected from the complement of Directors. FCC Boards will have to consider the position description for the role of the Board Chair and should set out a well-defined process for the selection of the Chair in its Articles of Association or FCC Bylaws. In shaping this role, and ultimately in shaping the role of the Board within the FCC, care must be given to ensure that the line between management and the Board doesn’t get blurred. There should be a separation between the Chair and the Business Manager. The Chair ultimately oversees the quality of the Board’s governance processes.

In cases where FCC service providers occupy the position of health care providers on the Board, special attention needs to be given to amending governance structures and incorporating Conflict of Interest provisions into the FCC’s Articles of Association and FCC Bylaws. The Board’s job is to supervise the operational arm of the FCC. This task should not be unduly complicated by having the operational arm dictate the terms of the supervision. In the above example, direct reporting is between the Business Manager and the Chair of the Board for Conflict of Interest reasons, but the Board through the chair has a role in ensuring the operations of an FCC align with the overarching goals, objectives and obligations of the FCC. Additionally, the Board Chair in these instances would not be the FCC service provider serving as the health care provider to the Board.

As part of the Board’s supervisory portfolio, the Board will also ensure that management or operations have identified appropriate measures of performance as stipulated in the FCC Grant and as may be supplemented by the Board.
4.5 NPC Operations and Accountability

Apart from the high level governance and direction for the FCC set by the Board, operational matters relating to the FCC go to the Business Manager. Where the Board does not include any FCC Service Providers, other employees, or contractors to the FCC, the Business Manager would report to the Board. In instances where the Board does include FCC Service Providers, other employees or contractors to the FCC, the Business Manager would be accountable to the Board Chair directly and not to the Board as a whole so as to avoid any apparent conflict with FCC service providers holding positions as Directors. Reporting to either the Board or the Board Chair, as the instance requires, would serve to align with the Board’s operational accountability for the services provided through the FCC; however, the Business Manager should be given freedom to act at a practical day-to-day level.

In terms of accountability, FCC service providers would report to a Business Manager responsible for the operational service delivery of the FCC; however the clinical component of their practice may be parsed from this accountability structure. The Business Manager will not have accountability for decisions related to clinical practice. Instead it is expected that the FCC outline how clinical practice among the team will be dealt with in their Business Plan. Each FCC can then tailor its clinical accountability and business operations to best suit the provision of FCC services for their patient population and to best meet the desired goals and end states of their FCC and their Business Plan.

In considering the relationship between the Board and the Business Manager, FCCs may consider Board supervision to include: (1) developing and approving the Business Manager’s job description; (2) undertaking a Business Manager recruitment process and selecting the Business Manager; (3) reviewing the Business Manager’s performance and determining the Business Manager’s compensation; and (4) ensuring succession planning is in place for the Business Manager.

In some instances the FCC may also consider having the Business Manager as a non-voting Director of the Board.
4.6 Conflict of Interest

FCCs will be required to have in place a Conflict of Interest Policy. The policy should set out a procedure to deal with at minimum:

- when a conflict must be declared by a Director;
- to whom the Director must declare the conflict;
- how Director’s voting rights would be impacted by any real or apparent conflict;
- any impact on quorum in the event of a real or apparent conflict of interest;
- any impact on the Director’s ability to attend meetings or participate in the event of a real or apparent conflict;
- obligations on the Director to avoid influencing the outcome of the vote;
- the process for others on the Board to raise a perceived conflict of interest involving another director; and
- the consequences of failing to comply with the FCC’s Conflict of Interest provisions.

In instances where the geographical area of a FCC is small or the FCC wishes to incorporate FCC Service Providers from the FCC into the governance, then a more robust Conflict of Interest policy would be required to avoid any apparent or real Conflict of Interest. For example, an FCC Service Provider on the Board should not be the Chair of the Board since the Business Manager reports directly to the Chair.

4.7 Board Recruitment

In considering recruitment of Directors to the Board two important points need to be considered:

- Members select Directors
- the Board is responsible for the quality of its own governance which includes board succession.

While accepting nominations from the floor for Directors is one option, FCCs may want to make it an objective that only those candidates identified through a Board approved selection process are appointed/elected as members in order to ensure candidates with the required assets are selected. FCCs should have in place a transparent and objective process for recruiting Directors considering the skill, experience, knowledge and other qualities the Board would like to see in potential candidates.
4.8 Director Responsibilities Termination & Withdrawal

Directors of a Board for an FCC are expected to: act in the best interests of the FCC; act in good faith; exercising power honestly; avoid conflict; and ensure the FCC is meeting the requirements and obligations put on the corporation by the Government of Alberta either by policy or through the FCC Grant.

Provided a decision of the Board has been made on an informed basis, honestly, in good faith and in the best interests of the FCC, the directors are not accountable for an error in judgement, provided they have followed a reasoned and informed process and discharged their fiduciary duties. Corporations are considered to be separate legal entities from their members and directors.

4.8.1 Selection and Removal of Directors

The FCC must determine who its constituting members will be. A Director must be a member of the FCC and the overall composition of the Board must match the minimum requirements set out in Section 4.3. Beyond the minimum compositional requirements set out by Alberta Health, FCCs are provided flexibility in determining what corporate provisions best match their FCC.

A Director may be appointed or elected and may have set terms as decided by the FCC. The FCC must also decide whether it would want to set a maximum number of years of service for Directors or whether such a maximum would remove essential expertise from the Board.

Apart from the expiry of a Director’s term and an inability to be reappointed, there are other options available for the removal or withdrawal of a Director. For example:

A Director ceases to hold office when:

- the Director delivers a notice of resignation to the Company;
- the Director ceases to be qualified as a Director based on minimal Board composition requirements;
- the Director dies; or
- the Members by resolution vote to remove the Director.

FCC Articles of Association or FCC Bylaws should also stipulate the explicit powers of Directors, any remuneration for Directors, interim appointment of Directors and, as previously noted, what conflict of interest provisions a Director must adhere to.
4.8.2 Evaluation of Directors

To ensure the accountability of Directors to the FCC a process of Director evaluation may also be considered by the Board. Potential areas of Board evaluation include: an individual Director’s performance; collective board performance; Board chair performance; and Board meeting evaluations. The purpose, frequency and process of any such evaluation should be set out in the FCC Bylaws including how the results of any evaluation would be acted upon by the FCC.

4.9 Meetings and Quorum

An FCC’s Articles of Association or FCC Bylaws should set out the frequency and process for meetings. This includes both member meetings and Director meetings. For example, a quorum of the Board may be a majority and a quorum of the Members may be 50%. Alternatively 2/3 of the Directors present for any Board meeting may be the quorum for any Board decisions. Measures should be put in place to avoid a minority of the Board making a decision that might not reflect the will of the majority of the voting members.

It is also incumbent on Directors to attend all Board meetings. The Articles of Association or the FCC Bylaws should specify the manner by which Directors and Members are given notice of a Board or Member meeting and the required amount of notice for calling such meetings.

The Articles of Association or the FCC Bylaws for any FCC must also outline the manner and process for voting for both Member and Board meetings

4.10 Borrowing

As a matter of Alberta Health policy, FCCs are not permitted to borrow funds or to incur a bank overdraft, or invest in stocks and other high risk securities. Any investment policies developed by an FCC must be approved by the Board. Prohibition of such actions should be specifically provided for in an FCCs Articles of Association.

4.11 Liability

An FCCs Articles of Association or Bylaws should also address issues of liability. FCCS are responsible for creating and implementing their own structure for professional liability and indemnification in their Articles of Association. For example, professionals contracted under a FCC can be indemnified by the corporate entity for professionals acting in good faith. The following provisions provide a detailed example:
Limitation of Liability - No Director or officer shall be liable for the acts, neglects or defaults of any other Director, officer or employee, or for any loss, damage or expense happening to the Company occasioned by any error of judgment or oversight on his or her part or for any other loss or damage that happens in the execution of the duties of his or her office or in relation thereto, unless occasioned by his or her own wilful neglect or default; but nothing herein shall relieve any Director or officer from the duty to act in accordance with the Companies Act and the regulations there under or from liability for any breach thereof.


An FCC’s Articles of Association or Bylaws should also address the issue of winding up. Circumstances that result in winding up, the process of winding up and the distribution of any assets at the time of winding up should be considered in accounting for this possibility. These provisions would also have to align with any provisions in the FCC Grant around surplus or return of funds on the termination or expiration of the FCC Grant.

4.13 FCC Business Plans

The Business Plan for an FCC is a natural extension of the governance and accountability the FCC operates under. An FCC is accountable for the manner and method of delivery of FCC Program Services as stipulated in that document. As such, Business Plans should consider partnership opportunities which would also benefit the FCC. This would include elements of how the FCC plans to collaborate and work together with existing AHS Zone resources or neighbouring PCNs or other health care providers. This not only matches the spirit behind the Program but collaborative efforts with community or AHS efforts are encouraged in Business Plans.

The Board will also need to ensure in its Business Plan that confidentiality and privacy, particularly as it relates to individually identifiable health information is addressed (See Section 9 of the Reference Manual – Privacy and Security).

Additionally, as part of the governance decisions to be made by the Board and enunciated in its Business Plan, the work complement that will most effectively and efficiently meet the FCC’s goals should be proposed. For example, the Ministry will provide functional descriptions and wage ranges for personnel that the FCC would in turn engage in order to fulfill its purposes. The FCC will make a business case for the complement they wish to go forward with as part of their Business Plan. The Ministry in turn will then evaluate the plan including an evaluation of the staff complement proposed and associated costs to ensure the best value for money option is chosen while maximizing patient care.
5. AHS-operated FCCs

Regardless of corporate origin, FCCs whether an independent NPC or an AHS-operated FCC must align to the requirements and standards set out by government. As noted in Section 3.1 AHS FCCs must adhere to the Alberta Health FCC program policies and operating requirements. Additionally AHS-operated FCCs will be bound to accountability and governance provisions as set out in an FCC Grant similar to that for NPC FCCs.

In relation to AHS operated FCCs, each FCC is expected to have its own Community Advisory Committee which matches the composition stated for NPC Boards. Additionally, the terms of reference for the Community Advisory Committee are expected to contain similar minimum requirements as stipulated for an NPC’s Articles of Association or FCC Bylaws. Although the Community Advisory Committees for AHS operated FCCs would not represent the governing authority for the FCC, the AHS Board is expected to consider these committees as representative advisors for the FCCs they represent.

The Community Advisory Committees should represent and bring to the Board’s attention concerns from the FCC patient cohort or local geographical area of the FCC to help inform the Board’s decision making based on local needs.

6. PCN – FCC Relationship

PCNs and FCCs are complementary and mutually supportive models in an integrated Primary Health Care (“PHC”) Service Delivery System. This is diagrammatically represented in Figure 1 following which is a description of the current state.
7. Transition/Creation Options for PCNs

PCNs interested in establishing an FCC or transitioning their PCN to the FCC model will be required to operate in accordance with established Alberta Health FCC program policies and guidelines and receive required Alberta Health approvals. In addition, policies and guidelines will be established to rationalize funding for FCCs and PCNs in order to avoid funding overlap and ensure accountability between these separate streams of PHC service delivery.

Options to facilitate the formation of FCCs by PCNs or the transition of PCNs to the FCC model have been identified as follows:

- An individual physician clinic(s) within a PCN could transition to an FCC (Figure 2);

- An existing PCN could establish a non-profit subsidiary for the purpose of operating an FCC (Figures 3, 4 and 5); and

- An existing multi clinic PCN could establish a non-profit organization and transition the entire PCN envelope to an FCC Collaborative (Figure 6). An FCC Collaborative would be required to operate in accordance with FCC program policies and regulations; but would group several FCCs under a common governance and operational structure.
7.1 Individual PCN Clinic Transitions to FCC Model (Figure 2)

In this option, an individual clinic within a PCN has decided to move to an FCC delivery scheme. To accomplish this transition, the migrating clinic would create a new NPC for its FCC role. The new FCC NPC would enter into an FCC Grant with the Ministry and the FCC NPC would have to meet the governance and accountability requirements set out above in this Governance and Accountability chapter. The new FCC NPC would then operate under FCC rules and standards for the provision of PHC services to its target population. The remaining two clinics in the PCN would continue to operate under PCN rules and standards.

![Figure 2: PCN – FCC Transition Options](image)

7.2 PCN Establishes a Subsidiary NPC to Operate an FCC – FCC aligns with NPC board composition requirements (Figure 3)

In this option, the PCN Parent Co. has decided to expand its delivery of PHC services to include both a PCN delivery scheme and a FCC delivery scheme. To accomplish this, the PCN Parent Co. would create a new FCC NPC which would be a subsidiary of the Parent Co., but be governed in line with the requirements for FCC NPCs. The new FCC NPC would enter into an FCC Grant with the Ministry and the FCC NPC would have to meet the governance and accountability requirements set out above in this Governance and Accountability chapter. The new FCC NPC would then operate under FCC rules and standards for the provision of PHC services to its target population.
In this particular instance the FCC Grant would encapsulate two separate clinics operated by the FCC NPC. Each clinic would likely be treated as a separate schedule to the FCC Grant in order to ensure that the local demands of each FCC are met within the Business Plans for each clinic. As such the FCC NPC in this iteration is effectively operating two FCCs. Additionally, it would be expected that the newly created FCCs under the newly created FCC Corporation would create linkages in service with the existing PCN clinics operated by the Parent Co. These linkages would be made manifest in the Business Plans for the two FCCs and in potential amendments to the Business Plans of the PCN clinics.

Figure 3: PCN – FCC Transition Options

Option 3. A PCN establishes a Subsidiary NPO to operate an FCC

Option 3: Description

- A PCN establishes a subsidiary NPC and applies to establish and operate one or more FCCs, in accordance with established AH FCC program policies and regulations and Alberta Health required approvals
- PCN continues to operate in accordance with PCN program policies and regulations
- Other PHC service delivery entities identified in Option 1 continue to operate
- AHS also provides a wide range of primary health care services across the province.

7.3 PCN Establishes a Subsidiary NPC to Operate an FCC – Mirrored PCN Board Composition (Figures 4 & 5)

In this option, similar to the previous example, the PCN Parent Company has decided to expand its delivery of PHC services to include both a PCN service delivery model and a FCC service delivery model. To accomplish this, the PCN Parent Co., would create a new FCC NPC which would be a subsidiary of the Parent Co. as described above.

In contrast to Figure 3, and as noted in Section 1.1, here the FCC NPC will have a mirrored governance composition as that of its PCN. For example, for PCN Legal Model 1, the board composition will mirror joint venture governance. For PCN Legal Model 2, the board composition will mirror the PCN NPC board. In both instances a separate subsidiary FCC NPC is required. Additionally, the FCC NPC would have an additional board member that represents the community mix required of FCCs. This additional board
member would be the chair of a Community Advisory Committee the FCC would be required to create in this iteration and is further described below.

In this option, an existing PCN creates a sub-NPC to operate the FCC Clinic on behalf of the PCN.

**Figure 4a (Option 4) – PCN Legal Model 1**
FCC NPCs created under this construct will be required to form a Community Advisory Committee (CAC). These CACs should be comprised of members of the community and other non-physician health care providers. The CACs should represent and bring to the Board’s attention concerns from the FCC patient cohort or local geographical area of the FCC to help inform the NPC Board’s decision making based on local needs. In addition, the Chair of the CAC shall be a member of the FCC NPC board.

With the exception of board composition, all other requirements for PCN FCC NPCs apply to this option including but not limited to accountability, privacy and information technology requirements.

The new FCC NPC would enter into an FCC Grant Agreement with the Ministry and the FCC NPC would have to meet the established governance and accountability requirements for FCCs. The new FCC NPC would then operate under FCC rules and standards for the provision of PHC services to its target population.
7.4 PCN Transitions to FCC Collaborative Model (Figure 6)

In this alternative the PCN whole has transitioned from a PCN delivery scheme to a FCC delivery scheme. PCN clinics are replaced with FCC clinics and PCN rules and standards are replaced with FCC rules and standards. To accomplish this transition the PCN Parent Co., can either amend its corporate governance including corporate structure and bylaws to align with the requirements for FCCs stipulated in Sections 3.1 and 4 or the Parent Co., could create a new FCC NPC to operate the new FCC Collaborate in accord with Sections 3.1 and 4. In either scenario the existing PCN governance would have to match the required corporate governance required for FCCs in order to ensure consistency in the model and to preserve the foundational spirit of FCCs that they are collaborative and team based at its epicentre.

Akin to the example provided in Figure 3, the new FCC NPC or transfigured PCN Parent Co., would be operating more than one clinic. The FCC Grant would encapsulate three separate clinics operated by the FCC NPC or transfigured PCN Parent Co. Each clinic would likely be treated as a separate schedule to the FCC Grant in order to ensure that the local demands of each FCC are met within the Business Plans for each clinic. Within the FCC Collaborative newly formed the FCC NPC or transfigured PCN Parent Co., can create linkages between the clinics to maximize PHC service delivery to the target populations and this linked service model would be captured in the Business Plans for each Clinic.
Figure 6: PCN – FCC Transition Options

**Option 5: A PCN Transitions to FCC Collaborative Status**

- PCN Clinic
- PCN Clinic
- PCN Clinic
- FCC Clinic
- FCC Clinic
- FCC Clinic
- Independent Physician Clinic
- Independent Physician Clinic
- FCCs

**Option 5: Description**

- A PCN transitions to an FCC Collaborative under one governance board
- All physician clinics within a PCN transition to FCC status
- This will require establishing a distinct FCC NPC operating the NPC in accordance with established Alberta Health FCC program policies and regulations and receiving required Alberta Health approvals
- Other PHC service delivery entities identified in Option 1 continue to operate
- AHS also provides a wide range of primary health care services across the province.
(Note: FCCs can supplement minimum requirements of Memorandum of Association with objects that are particular to its FCC, provided that those objects do not contradict the minimum fundamental objects.)

The Companies Act (Alberta)
Part 9

MEMORANDUM OF ASSOCIATION

OF

<Name of Company>

1. The name of the company is <name of company> (the “Company”).

2. The objects for which the Company is established are:
   a. Provide individual and family-focused comprehensive quality primary health care services across the lifespan based on population health needs.
   b. Manage timely access to primary health care, including same day access.
   c. Increase emphasis on health promotion, disease and injury prevention, screening, self-management, and care of chronic disease and complex needs.
   d. Use of collaborative interdisciplinary team approach to service planning and delivery.
   e. Improve co-ordination, continuity and integration of primary health care services, including effective linkages with other Government of Alberta Ministries and community service providers and agencies.
   f. Maintain accessible and efficient information systems.
   g. Monitor quality and achieve positive outcomes, guided by evidence-informed practice.

3. The income and property of the Company shall be applied solely towards the promotion of its objects as set forth in this Memorandum of Association, and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus, or otherwise howsoever by way of profit, to its members; but nothing herein shall prevent payment, in good faith, of reasonable and proper remuneration to any member of the Company in return for any services actually rendered to the Company.

4. The liability of the members of the Company is limited.

5. Each member of the Company undertakes to contribute to the assets of the Company in the event that it shall be wound up while such person is a member of the Company, or within one year after such member ceases to be a member, for the debts and liabilities of the Company contracted before such member ceased to be a member, and the costs, charges and expenses of winding-up, and for adjustment of the rights and contributories among themselves, such amount, as may be required, not exceeding the sum of $1.
WE, the several persons whose names and addresses are subscribed, wish to be formed into a company in accordance with this Memorandum of Association.

DATED at ____________________________, Alberta, _______________________
City/Town (date)

___________________________________
Name of Entity

By:

___________________________________
Witness
(print name)

___________________________________
Subscriber
(print name)

___________________________________
Address, City, Province, Postal Code

___________________________________
Address, City, Province, Postal Code

___________________________________
Occupation

___________________________________
Occupation