

# LEE MEMORIAL HEALTH SYSTEM BOARD OF DIRECTORS

## POLICY MANUAL

no. 40.09

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category: Employee Relations

title: President and Chief Executive Officer (CEO) Unplanned Succession Process and Selection and Replacement Process

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### **PURPOSE:**

To provide the Board of Directors of Lee Memorial Health System guidance for an unplanned departure, death, unexpected retirement, or emergency absence of the President and CEO, separation of employment, and a selection process for replacement of the position

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### **POLICY:**

- 1) In the short-term absence of the President and CEO, the current Chairperson of the Senior Leadership Council shall be in charge of the health system's operations and report to the Board of Directors, as needed. If the Chairperson of the Senior Leadership Council is not available, the Chief Financial Officer will assume system wide operational responsibilities.
- 2) In the event the President and CEO resigns, retires, dies, becomes incapacitated and can not return to work, or separates employment for any reason, the current Chairperson of the Senior Leadership Council shall be in charge of the health system's operations and report to the Board of Directors, until the Board of Directors temporarily appoints an interim President and CEO and until a full selection process can be initiated and completed. If the Chairperson of the Senior Leadership Council is not available, the Chief Financial Officer will assume system wide operational responsibilities.

- 3) For replacement of the President and CEO, the Chairperson of the Board of Directors shall appoint a Search Committee. The final selection of the President and CEO shall be by a simple majority vote of the Board of Directors.

## **PROCEDURE:**

- 1) If the President and CEO is unavailable for more than 72 hours, or if an emergency arises and the President is not accessible, the current Chairperson of the Senior Leadership Council will be responsible for health system operations until the return of the President. Weekly, the Administrator-on-Call shall have responsibility for responding to emergency, or after hours operational and administrative needs. The President will notify the Chairman of the Board Directors for absences of more than 72 hours.
- 2) Should the President and CEO resign, retire, become incapacitated and cannot return to work, or separates employment, the Chairperson of the Board of Directors shall call a Special meeting of the Board to begin the selection and replacement process. The Chairperson of the Senior Leadership Council shall serve as temporary President and CEO, until the Special Board meeting is convened to formally appoint an interim President and appoint a Search Committee.
- 3) The Search Committee consists of three Board members, the Board Attorney, the Chief Human Resources Officer, and other community representatives. The community representatives should include members of the Lee Memorial Health System Medical Staff, as well as business leaders and other key community leaders. The Board shall approve the final participants on the Search committee.
- 4) The Chief Human Resources Officer is responsible for organizing the search process and providing and sending out Request-for-Proposals to search consultant firms. The Chief Human Resources Officer will present a minimum of three search consultant firms to the Search Committee. The Search Committee will interview and select one firm and recommend to the Board of Directors for approval.
- 5) The Chief Human Resources Officer, working with the Search Consultant, will be responsible for communicating, posting, and advertising as needed for the President and CEO position to assure qualified internal and external candidates are sourced and notified.
- 6) The Chief Human Resources Officer is responsible for keeping the Board of Directors and the Search Committee informed of the process and timetable of the search, as well as providing any background or market information necessary to assist the Search Committee. The Board Attorney and the Chief Human Resources Officer shall draft an employment agreement and present to the Search Committee. The agreement will include total compensation, benefits, and relocation payment.

- 7) The Search Committee will recommend the employment agreement to the Board of Directors at a Called or Special Board meeting for their approval.
- 8) The Chief Human Resources Officer and the Search Consultant are responsible for meeting with the Search Committee, as needed, for informing the committee of the progress of the search process, and presenting to the Search Committee a minimum of three qualified candidates. The Chief Human Resources Officer and Search Consultant are responsible to share total compensation, benefits, and relocation agreements with qualified candidates. All references and information pertinent to the qualifications of the candidates for the President and CEO position will be presented to the Search Committee.
- 9) The Search Committee, after interviewing qualified candidates, shall recommend to the full Board of Directors two or more candidates to interview with the full Board. The Chief Human Resources Officer, working with the Board Office, shall be responsible for scheduling individual board member interviews with President and CEO candidates, as requested.
- 10) Upon completion of individual interviews, the Board Chairman shall notice a Special Board Meeting(s) for selection of a candidate. Final candidates shall be present for an interview with the Board of Directors at this meeting.
- 11) The Board of Directors, at a called or Special Board meeting, shall select a candidate for the President and CEO position.
- 12) The candidate will either accept the terms of the employment agreement, or request additional terms for consideration. These requests will be considered by the Board of Directors at a Called or Special Meeting and modified and/or approved. The Board Attorney and Chief Human Resources Officer will modify the terms of the agreement as appropriate. The Chairman of the Board Directors shall be authorized to execute the employment agreement and notify the candidate of the approval of the employment agreement.