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EXECUTIVE ORDER NO. 17 - 1993

ESTABLISHMENT OF THE
AMERICAN SAMOA HOSPITAL AUTHORITY

Section 1: Authority

This Executive Order is issued under the authority granted to the Governor in Article IV, Section 6 of the American Samoa Revised Constitution and Title 4, Chapter 01, Section 0111(b) of the American Samoa Code.

Section 2: Dissolution and Recission

The American Samoa Hospital and the Hospital Advisory Board created by Executive Order No. 10-1993 are hereby dissolved, and Executive Order No. 10-1993 is hereby rescinded.

Section 3: Preamble

The American Samoa Government desires to provide access to quality and affordable medical services for the people of American Samoa by means of an efficient and effective medical services delivery system, which will:

- (a) provide medical services to the people of American Samoa in accordance with locally acceptable medical and ethical standards and in accordance with sound business and accounting practices;
- (b) ensure that the rates and charges for those services are just, reasonable and equitable to patients and that facilities and resources are efficiently used;
- (c) operate an institution or institutions with permanent facilities including inpatient beds, medical services to provide diagnosis and treatment and associated services including, but not limited to, outpatient care and home care;

- (d) continually seek innovative means to improve the delivery of medical services;
- (e) coordinate with the Department of Health in activities directed toward the promotion and maintenance of health and the prevention of illness;
- (f) establish and maintain a quality assurance program whereby all medical care activities are continually monitored to ensure that patient well-being takes precedence over all other concerns.

These objectives can best be fulfilled by the establishment of an American Samoa Hospital Authority to manage the hospital operations of the Lyndon Baines Johnson Tropical Medical Center in Faga'alu and any future hospital operations established by the government.

Section 4: American Samoa Hospital Authority - Establishment

Pursuant to Section 4.0302(a) ASCA, this order creates the American Samoa Hospital Authority (hereinafter "Hospital Authority") as an agency of the executive branch of the American Samoa Government.

Section 5: Purpose

The Hospital Authority is formed to establish and operate a general hospital, including laboratories and other facilities or departments thereof, for the medical and surgical care and treatment of the sick and injured.

Section 6: Powers of the Hospital Authority

The Hospital Authority:

- (a) shall operate, manage and supervise all hospital facilities as may from time to time be owned by the American Samoa Government;
- (b) may procure, purchase, lease or otherwise acquire personal property of every kind and character in accordance with the Procurement Rules;
- (c) may hold and enjoy personal property of every kind and character;

- (d) may sell, convey and dispose of personal property of every kind and character in accordance with the Procurement Rules;
- (e) may obtain grants for the uses, objects and benefit of the Hospital Authority as it considers necessary or convenient in the transaction of its business;
- (f) shall provide the highest quality medical services possible within the constraints of available resources;
- (g) shall develop and publish schedules of reasonable charges and fees for medical attention and for the use of its facilities, as provided in Chapter 6, Title 13 of the American Samoa Code.
- (h) may enter into agreements with other entities, public or private, for funding of the costs of medical services, recognizing all available sources of revenue;
- (i) shall receive and account for its inventory of materials, supplies and equipment;
- (j) may, in accordance with the laws of American Samoa, recruit and employ health care professionals, other staff, expert consultants and trained personnel as needed in order to accomplish the purpose of this Executive Order;
- (k) shall do other things needful and necessary to the full and convenient exercise of the foregoing powers.

Section 7: Hospital Authority - Board of Directors

(a) The Hospital Authority shall be governed by a board of five (5) directors appointed by the Governor. The Board of Directors (hereinafter "Board") shall be composed of one (1) member with a business/financial background; one (1) member who is a health professional not currently employed by the Hospital Authority; one (1) member who has extensive hospital administration experience or who has served for at least five (5) years on the board of trustees of a hospital or other non-profit organization; and two (2) members at large. At least one (1) and no more than two (2) of the members shall be from outside American Samoa. No employee of the Hospital Authority may, at the same time, serve as a member of the Board.

(b) The first five (5) directors shall be appointed to terms of office of one (1), two (2), three (3), four (4) and five (5) years as designated by the Governor in order to establish staggered terms. Subsequent appointments shall be for four (4) year terms or for the unexpired portion of any term. Incumbents may continue to serve after the expiration of their term until a successor is appointed. A Board member may only be removed for cause by the Governor. The Governor shall designate the first Chairperson; subsequent Chairpersons shall be elected by the Board.

(c) The Board shall meet at least four (4) times per year. Three (3) directors, at least one of whom must be from outside American Samoa and at least one of whom must have experience in the health field, shall constitute a quorum.

(d) Compensation is at the rate of five thousand dollars (\$5,000) per year for directors and six thousand dollars (\$6,000) per year for the chairperson. Travel, lodging, telecommunications and meal expenses will be provided for outside directors.

Section 8: Board - Powers and Duties

All powers and duties vested in the Hospital Authority shall be exercised by the Board. In carrying out its functions, the Board shall also:

- (a) elect at its first meeting a Vice-Chairperson and other officers, as it may deem advisable, from among its members; thereafter, all officers shall be elected annually at the first meeting in each fiscal year;
- (b) appoint and prescribe the duties and compensation for:
 - (1) the Hospital Authority Chief Executive Officer, who shall report directly to the Board and who shall be responsible for the overall day-to-day management of the Hospital Authority; and
 - (2) the Chief Financial Officer, who will perform duties assigned by the Chief Executive Officer, subject to applicable laws and rules, the bylaws of the Hospital Authority and the directors of the Board.
- (c) appoint and prescribe the compensation for the Chief of Staff, who shall report directly to the Chief Executive Officer and shall be a physician directly responsible for the quality of medical care rendered within the Hospital;
- (d) ensure that the Hospital Authority is staffed with well-qualified, competent medical and other professional, ancillary and clerical staff;

- (e) develop policies and programs for the administration, management and operation of the Hospital and the Hospital Authority;
- (f) ensure that the Hospital facilities and equipment are kept up-to-date and in good condition;
- (g) adopt criteria and implement a process which ensures that decisions to make off-island medical referrals are based upon rational, consistent, informed, fair and equitable determinations of both medical necessity and medical appropriateness in light of the existing diagnostic and treatment capabilities of the Hospital;
- (h) provide for an accurate accounting and financial management system;
- (i) establish and promulgate policies, rules, regulations and programs, in collaboration with the Hospital medical and nursing staff, as necessary to assure that quality medical care is provided;
- (j) approve the annual budget of the Hospital Authority;
- (k) review the monthly financial and operating statements of the Hospital Authority and other such reports as it deems necessary;
- (l) submit monthly financial and operating statements of the Hospital Authority to the Governor not later than the twentieth working day after the end of the previous month, provide quarterly financial reports to the Governor within thirty (30) days after the end of each quarter, provide an annual report for ASG's fiscal year to the Governor no later than December 31st of each year and provide such other financial reports as he shall direct from time to time;
- (m) exercise all other powers not inconsistent with the laws and rules of American Samoa which are reasonably necessary to the administration, management and operation of the Hospital Authority, the Board and the Hospital.

Section 9: Hospital Authority Chief Executive Officer

The Chief Executive Officer of the Hospital Authority has overall management responsibility for the day-to-day operations of the Hospital, including the provision of medical care. He/she

shall keep all necessary records, hire personnel and ensure that all policies, rules and regulations of the Hospital Authority are followed.

Section 10: Personnel

All employees of the Hospital Authority, other than the Chief Executive Officer, Chief of Staff and Chief Financial Officer, are hired and compensated in accordance with the requirements of the American Samoa Government personnel rules, ASCA 7.0101 et seq., except that the Board may adopt administrative rules, pursuant to 4.1001 et seq., to supplant ASG personnel rules in the specific categories of recruitment, employment, termination of services and disciplinary actions. In order to assure quality medical care, employee compensation levels may, when necessary, be adjusted to levels comparable to other hospitals in order to attract and retain well-qualified personnel.

Section 11: Accounting and Budget

The Hospital Authority is responsible for the accounting and financial management of the Hospital. It shall administer all accounting systems, including, but not limited to, general ledger, fixed assets, accounts receivable, accounts payable, payroll and cash. It shall establish proper internal accounting controls and procedures, and it shall prepare an annual budget on the same schedule as the Governor's budget process.

Section 12: Legal Representation

The Attorney General of American Samoa shall represent the Hospital Authority in all matters where the liability of the American Samoa Government is at issue.

Section 13: Transfers of Existing Systems

At a date to be fixed by the Board, the Government shall transfer to the Hospital Authority the right to operate all items of property, including construction in progress, equipment and machinery used in connection with the then existing operation of the Hospital. Property jointly used for Hospital and other functions must be equitably allocated between the Government and the Hospital Authority provided that the allocation assures the continuing efficient functioning of the Hospital. In the event of dispute, the allocation shall be determined by the Governor. The

property accounts of the Hospital Authority are valued for rate-making purposes at the depreciated acquisition cost of the property as of the date of transfer, and are included in the rate base of the Hospital Authority. Any future operations and capital contributions to the Hospital Authority from the Government must be made by separate authorization and appropriation of the Legislature.

Section 14: Transition Period

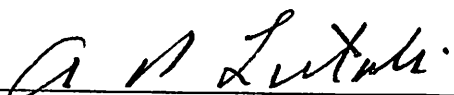
All rates, charges and classifications in effect during the transfer of property and facilities, and management thereof, to the control of the Hospital Authority are considered properly adopted and shall continue in effect until duly changed.

The Board of Directors of the Hospital Authority shall prepare a schedule for the transition period and shall submit it for the Governor's approval within thirty (30) days of their appointment.

Section 15: Effective Date

This Executive Order shall be effective immediately upon signing. It shall remain in effect until it is altered or amended by another Executive Order or by statute.

DATED: December 15, 1993



A.P. LUTALI
Governor of American Samoa