

EXHIBIT A
Amended and Restated Bylaws

**Major Hospital
Shelbyville, IN**

**Board of Directors
Bylaws**

TABLE OF CONTENTS

	<u>Page</u>
Table of Contents	
Preamble.....	1
Article I <u>Organization and Name</u>	1
Article II <u>Aims and Purposes</u>	2
Article III <u>Board of Directors</u>	3
Article IV <u>Meetings of the Board of Directors</u>	5
Article V <u>Officers</u>	6
Article VI <u>President/CEO</u>	7
Article VII <u>Medical Staff</u>	7
Article VIII <u>Hospital Operations</u>	10
Article IX <u>Conflicts of Interest</u>	11
Article X <u>Indemnification for Officers, Trustees and Administrative Staff</u> ..	12
Article XI <u>Dissolution</u>	13
Article XII <u>Amendments</u>	13
Article XIII <u>Adoption</u>	13

PREAMBLE

The purpose of these Bylaws is to set forth, in accordance with Ind. Code §16-23-1 *et. seq.* and the Indiana County Hospital Law, Ind. Code §16-22-1 *et. seq.* the organization and duties of the Board of Directors of the Major Hospital, Shelbyville, Indiana. The history of the Major Hospital, management and other aspects of development of the Hospital are significant to the present status of the Hospital and can be reviewed in previous issues of Bylaws.

ARTICLE I

ORGANIZATION AND NAME

1.1 **NAME.** The official name of the Hospital is now Major Hospital. The former official name of William S. Major Hospital, and the commonly used name of W.S. Major Hospital are also used to identify the Hospital.

1.2 **Organization.** Major Hospital operates as a city/county hospital pursuant to and under the terms of Ind. Code §16-23-1 *et. seq.* and all acts supplemental to and amendatory thereof. Further, pursuant to Ind. Code §16-1-45 *et. seq.* the Board of Directors has the same rights and powers as the Hospital Board of a county hospital organized under Ind. Code §16-22-1 *et. seq.*, except where those rights and powers are in conflict with the rights and powers granted to a city hospital under Ind. Code §16-23-1 *et. seq.*

1.3 **Definitions.**

“Board” means the Board of Directors or the governing body of the Hospital which shall be the supreme authority in the Hospital, responsible for its management and control. When the governing body is considering appointments to and delineation of privileges for any practitioner within the Hospital it shall be acting as a professional review body as defined by the Health Care Quality Improvement Act of 1986 and as a Peer Review Committee as defined in Ind. Code § 34-6-2-99.

“President/CEO” means the person appointed by the Board as the Administrative Head of the Hospital, to be the Executive Agent of the Board in the administration of its policies, to act as the Liaison Officer between the Board and the Medical Staff, with the authority and responsibility to employ Hospital personnel, and with such other powers, authorities and responsibilities as are specifically delegated to him/her by the Board or specifically assigned to him/her pursuant to the Ind. Code §16-23-1 *et. seq.* and the Indiana County Hospital Law Ind. Code §16-22-1 *et. seq.*

“Hospital” means Major Hospital.

“President’s Council” means the people who hold the positions of President, Vice Presidents and Directors, as appointed by the President.

“Peer Review Committee” shall mean the governing body of the Hospital, the Executive Committee of the Medical Staff, any other committee of the Medical Staff or Board that recommends or takes actions based on the competence or confidence of professional conduct of an individual practitioner and which affects or may affect adversely the clinical privileges or membership on the Medical Staff of any practitioner including any recommendation or decision whether the practitioner may have clinical privileges with respect to or membership in the Medical Staff of the Hospital, the scope or condition of such privileges or membership, or any changes or modifications in such privileges or membership. It shall further include any committee of the governing body or the Medical Staff which has the

responsibility to evaluate the qualifications of professional health care providers including the performance of patient care and related duties in a manner that is not disruptive to the delivery of quality medical care in the Hospital.

“Personnel of a Peer Review Committee” means, not only the members of the Peer Review Committee, but also, all of the committee’s employees, representatives, agents, attorneys, investigators, assistants, clerks, staff, and any other person or organization who serves as a Peer Review Committee in any capacity, including any person acting as a member of staff to the Peer Review Committee and any other person who participates with or assists the Peer Review Committee with respect to the action.

ARTICLE II

AIMS AND PURPOSES

- 2.1 Major Hospital is a general hospital which provides a full range of health care and human services to the people of Shelby County and surrounding communities. As a public entity, Major Hospital has a special responsibility to its citizenry.
- 2.2 Major Hospital shall provide or arrange for comprehensive high quality, safe inpatient, emergency, rehabilitation, outpatient and other health services within the limits of appropriate resources and provide sufficient resources to implement the programs of service.
- 2.3 Major Hospital shall attract and retain competent, dedicated staff members and create a professional environment conducive to quality performance, a “good employer” philosophy, continued learning and caring relationships, by establishment and maintaining proper and sufficient professional standards and personnel qualifications for all employees and other persons, who render any service to patients or other persons receiving services at Major Hospital.
- 2.4 Major Hospital is committed to providing a safe environment within the confines of the Hospital and all of its corporate premises for its employees, patients, visitors, volunteers, contractors and Medical Staff. Plans, polices and procedures will be established and maintained to provide a physical environment free of hazards and to manage staff activities to reduce the risk of human injury. The Hospital CEO will appoint a qualified individual to the position of Safety Officer. The Safety Officer, in cooperation and collaboration with the Safety Committee, is responsible for the general safety of the facility and its occupants.
- 2.5 Major Hospital is dedicated to adherence to the letter and the spirit of the law. The Hospital requires that all employees not tolerate fraud or abuse or other improper conduct in the Hospital’s operations. It is the duty of every employee to report to his or her supervisor or the Hospital’s Corporate Compliance Officer possible incidents of noncompliance with law and governmental requirements. The Hospital will make every effort to satisfy the requirements of government and other payers consistent with our mission to serve the health care need of Shelby County and surrounding communities.
 - 2.5.1 The Board of Directors is responsible for the approval of the Corporate Compliance Program’s objectives and the appointment of the Compliance Officer, with a recommendation being presented by the Hospital CEO.
 - 2.5.2 The Board of Directors will ensure the Compliance Program’s objectives are consistent with the culture, mission and vision of the Hospital.
- 2.6 Major Hospital shall make best use of Hospital resources and maintain a sound financial position, an effective fiscal accounting system, reasonable patient charges and the means to care for patients without

regard for ability to pay within the financial constraints and policies of the Hospital as established by the Board.

2.7 Major Hospital shall function as a leader in upgrading the level of health care and wellness in the community, cooperate with other health organizations and professionals and take an active part in community affairs.

2.8 To operate the Hospital exclusively for charitable, educational, and scientific purposes, the Hospital shall be operated in such a manner as to qualify for tax exemption under Section 501(c) (3) of the Internal Revenue Code of 1986 or the corresponding provisions of any future United States Internal Revenue Law.

2.8.1 No part of the net earnings of an IRC Section 501(c)(3) organization may inure to the benefit of any private shareholder or individual. A private shareholder or individual is a person having a personal and private interest in the activities of the organization. If the organization engages in an excess benefit transaction with a person having substantial influence over the organization, an excise tax may be imposed on the person and any managers agreeing to the transaction.

2.8.2 Political Campaign Activity. Under the Internal Revenue Code, all section 501 (c)(3) organizations are absolutely prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of or in opposition to any candidate for elective public office. Contributions to political campaign funds or public statements of position (verbal or written) made on behalf of the organization in favor of or in opposition to any candidate for public office clearly violate the prohibition against political campaign activity. Violation of this prohibition may result in denial or revocation of tax-exempt status and the imposition of certain excise tax.

Certain activities or expenditures may not be prohibited depending on the facts and circumstances. For example, certain voter education activities, including the presentation of public forums and the publication of voter education guides, conducted in a non-partisan manner do not constitute prohibited political campaign activity.

In addition, other activities intended to encourage people to participate in the electoral process, such as voter registration and get-out-the-vote drives, would not constitute prohibited political campaign activity if conducted in a non-partisan manner. On the other hand, voter education or registration activities with evidence of bias that (a) would favor one candidate over another; (b) oppose a candidate in some manner; or (c) have the effect of favoring a candidate or group of candidates, will constitute prohibited participation or intervention. (Adapted from IRS Publication 1828 – February 2004).

ARTICLE III

BOARD OF DIRECTORS

3.1 Authority of the Board. The Board of Directors shall be the supreme authority in the Hospital, responsible for the management and control of the Hospital, for all functions of the Hospital, for the appointment and delineation of privileges of the members of the Medical Staff, with the advice and recommendations of the Executive Committee of the Medical Staff and having the powers and responsibilities set forth in Ind. Code §16-23-1 *et. seq.* and Ind. Code §23-17-1 *et. seq.* to carry out the spirit and intent of the law and to provide hospital care in the Hospital. In contouring the powers of the Board of Directors, the existence of the authority or a power shall be determined in favor of the Board if generally authorized or existing under Ind. Code §23-17-1 *et. seq.* A resolution of the Board shall be

presumptive evidence of the existence of a power if there is any doubt as to the existence of the power under Ind. Code §23-17-1 *et. seq.* or Ind. Code §16-23-1 *et. seq.*

- 3.2 **Appointment.** The Board of Directors shall consist of seven (7) members who shall be appointed by an appointing board pursuant to the provisions of Ind. Code §23-17-1 *et. seq.*
- 3.3 **Certificates of Appointment.** The appointing board referred to in Section 3.2 of these Bylaws shall issue a Certificate of Appointment to each director of the Hospital. Such Certificate of Appointment shall be executed by a majority of the appointment board and shall be attested to by the Shelby County Auditor all pursuant to Ind. Code § 16-23-1-11.
- 3.4 **Oath and Bond.** Each director of the Hospital shall execute and file with the Recorder of Shelby County an Oath and Bond in the final sum of Two Thousand (\$2,000.00) Dollars for the honest and faithful performance of his or her duties. A copy of said Oath and Bond shall be filed in the Office of the Clerk-Treasurer of the City of Shelbyville. Such Bonds shall be subject to the approval of the Mayor of the City of Shelbyville. If a surety company Bond shall be given, the cost of any such Bond shall be paid by the Hospital. The cost of recording the Bond and Oath shall also be paid by the Hospital pursuant to Ind. Code § 16-23-1-11.
- 3.5 **Qualifications.** Pursuant to Ind. Code § 16-23-1-3 (a) (b), all members shall be qualified voters of Shelby County. One (1) or two (2) of the members may be a licensed and practicing physician and one (1) member may be a registered nurse.

In selecting members for the Board, consideration should be given to the candidate's willingness to accept responsibility for governance, including availability to participate actively in governing body activities, areas of interest and expertise, and experience in organizational and community activities.

- 3.6 **Term.** The term of each director shall begin on February 1st in the year of appointment and shall continue for four (4) years or until a successor is duly appointed and qualified. The terms of Board members shall be on a staggered basis so that at least one (1) but not more than two (2) of the terms of incumbent Board members shall expire at the end of each calendar year, all as more specifically set forth in Ind. Code § 16-23-1-9.
- 3.7 **Vacancies.** Any vacancy existing on the Board of Directors of the Hospital by reason of death, resignation, removal or otherwise shall be filled by the appointment board pursuant to Ind. Code § 16-23-1-5 and such appointment to fill a vacancy shall be for the unexpired term of the membership so vacated.
- 3.8 **Committees.** The Chairperson shall appoint such committees as the Board in its discretion may deem proper. Such committees shall have such powers and functions as the Board confers and specifies. The entire Board of Directors, or a quorum consisting of all members present, shall act as a Committee of the Whole upon all matters requiring committee action and not referred to a committee.
- 3.9 **Compensation.** Board members shall be reimbursed for expenditures, including mileage made by them in performing the duties of their offices and, in addition, Board members may receive compensation for their services pursuant to the provisions of Ind. Code § 16-23-1-18. The Board of Directors shall, by resolution, fix the compensation of its officers and Board members in a reasonable sum and may fix a higher amount for the officers who perform additional duties outside Board meetings. A certified copy of the resolution shall be submitted to the common council of the city. The council may either approve or reject the compensation proposed by the Board, but the council may not increase or decrease the amount fixed by the Board. If the Board's resolution is confirmed and the salaries are approved by the council, the compensation takes effect at the time fixed in the resolution. The compensation of Board

members may be fixed on an annual basis or on a specified amount per meeting, but it may not exceed the compensation of common council members in the city. This limitation does not apply to the officers of the Board who perform duties outside of the Board meetings.

ARTICLE IV

MEETINGS OF THE BOARD OF DIRECTORS

- 4.1 **Regular Meetings.** The Board of Directors shall hold one (1) regular meeting each month at the Hospital or at a convenient site in Shelbyville at such time and place to be fixed by the Board. The Board may change the regular meeting date or place in any month for good cause.
- 4.2 **Special Meetings.** Special meetings of the Board of Directors may be held on written notice by the Chairperson, or Secretary or any three (3) members of the Board to the remaining members, as set forth in Ind. Code § 16-23-1-12(a), or by the Chief Executive Officer pursuant to the authority of the Board of Directors to delegate such duties and powers under Ind. Code § 16-23-1-17.
- 4.3 **Executive Session.** The Board may meet in Executive Session as provided by the Indiana Open Door Law, Ind. Code § 5-14-1.5-1 *et. seq.* to discuss strategy and any other matters or information concerning a director, officer, employee or member of the Medical Staff, to discuss prior to any final action by the Board which may result in punitive action of any nature whatsoever, and to discuss any other material or information which the Board considers to be confidential or privileged, and specifically shall meet in Executive Session to hear an appeal and conduct a review on the record at the request of a member of the Medical Staff and conduct its deliberations thereon in accordance with the Medical Staff Bylaws, and as required by the Indiana Peer Review Act, Ind. Code § 34-4-12.6-1 *et. seq.*, provided however, that final action thereon shall be taken at a regular Board meeting.

In addition to Ind. Code § 5-14-1.5-6.1 (b), the Board of Directors may hold Executive Sessions to:

- 4.3.1 Discuss and prepare bids, proposals or arrangements that will be competitively awarded among health care providers;
- 4.3.2 Discuss recruitment of health care providers;
- 4.3.3 Discuss and prepare competitive marketing strategies;
- 4.3.4 Engage in strategic planning; or
- 4.3.5 Participate in a motivation retreat with staff or personnel, if the hospital does not conduct any official action.
- 4.4 **Notice of Meetings.** Notice of regular and special meetings shall be published pursuant to the Indiana Open Door Law, Ind. Code § 5-14-1.5-1 *et. seq.*
- 4.5 **Quorum and Majority.** Four (4) members of the Board shall constitute a quorum for the transaction of business at any regular or special meeting, and a majority vote of all members of the Board shall be required on any and all questions or business pursuant to Ind. Code § 16-23-1-12.
- 4.6 **Participation.** A member of the Board may participate in a regular, special meeting, or an executive session of the Board by or through the use of any means of communication by which all members

participating may simultaneously hear each other during the meeting. A member of the Board participating by this means is considered to be present in person at the meeting.

- 4.7 **Action by Written Consent.** Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if the action is taken by a majority of the members. The action must be evidenced by at least one (1) written consent describing the action to be taken, signed by a majority of the Board, and included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this Section is effective when the last member signs the consent, unless the consent specifies a prior or subsequent effective date.
- 4.8 **Record.** A written record of all proceedings of the Board of Directors and actions taken shall be maintained by the Secretary of the Board. The records of the Board of Directors shall segregate and keep confidential all peer review material as provided by the Indiana Peer Review Act, Ind. Code § 34-4-12.6-1 *et. seq.* In addition, the Board may hold confidential until the information contained in the records is announced to the public, records of a proprietary nature that, if revealed, would place the Hospital at a competitive disadvantage, such as terms and conditions of preferred provider arrangements, health care provider recruitment plans, and competitive marketing strategies regarding new services and locations.

ARTICLE V

OFFICERS

- 5.1 **Officers.** The officers of the Board of Directors shall be a Chairperson, Vice Chairperson, Secretary and Treasurer and such other officers as may be elected by the Board, whenever it is deemed necessary or proper. All of such officers shall be Board members, except that the Treasurer may be another qualified person who is not a member of the Board, in the event that the Board determines and acts pursuant to the provisions of Ind. Code § 16-23-1-14.
- 5.2 **Terms of Office.** The officers are to be elected on a yearly basis. They shall serve until their successors are elected and take office, and may serve consecutive terms.
- 5.3 **Vacancies.** Any vacancy existing in any of such offices at a time other than the date for annual election of officers shall be filled by the Board of Directors for the unexpired portion of the term of such office in which the vacancy exists.
- 5.4 **Chairperson.** The Chairperson shall preside at the regular and special meetings of the Board of Directors and shall perform all other duties, if any, which are authorized or required by the Board. The Chairperson may relinquish his/her duties as presiding officer at any meeting when he/she shall desire to make or second a motion or participate actively in the proceedings at any meeting. The Chairperson shall execute any and all deeds and other written instruments on behalf of the Board and perform any other acts to carry out the acts and directions authorized by the actions of the Board.
- 5.5 **Vice-Chairperson.** The Vice Chairperson shall perform the duties and exercise the powers of the Chairperson in the event of the Chairperson's death, illness, disability or absence, or when for any reasons there is a vacancy in the office of Chairperson, or when the Chairperson relinquishes his/her duties as presiding officer at any meeting.
- 5.6 **Secretary.** The Secretary shall keep a written record of all proceedings of the Board of Directors, shall be the custodian of such record, shall attest the Chairperson's or Vice Chairperson's signature in due

course on all proper instruments, certificates and papers on which are necessary to carry out the Board's policies.

- 5.7 **Treasurer.** The Treasurer shall be in charge of the financial affairs of the Board of Directors and of the Hospital, shall receive, deposit and pay out all monies of the Board and Hospital, as ordered by it, and shall sign all checks or other evidences of indebtedness, when authorized by Board action. The Board may designate another person to act in the Treasurer's absence or disability. The City Clerk-Treasurer shall be *ex officio* Treasurer of the Board of Directors unless the Board of Directors shall appoint a separate Treasurer in the manner provided in Ind. Code § 16-23-1-14.

ARTICLE VI

PRESIDENT/CEO

- 6.1 **Appointment.** The Board may appoint and contract with a President who shall serve as the Chief Executive Officer of the entire Hospital and who shall be its executive representative in the management of the Hospital. The Board shall approve and periodically review the President's job description which shall be in full compliance with all applicable statutes and regulations.
- 6.2 **Duties of the President/CEO.** The President/CEO shall be the direct representative of the Board in the management of the Hospital and the liaison between the Board and the Medical Staff, the Hospital organization and the community. The President/CEO shall be given the necessary authority and be held responsible for the day-to-day operations of the entire Hospital providing an organizational structure, with appropriate resources including support staff, to effectively implement plans to provide ethical, efficient, effective services. The President/CEO shall be responsible for insuring that all services provided including those by arrangement, agreement or contract complies with all standard requirements. The President/CEO shall provide oversight and approval for the management of all outpatient services.
- 6.3 **Terms of Employment.** All terms of employment, including length of employment and compensation, shall be determined by the Board and agreed upon with the President/CEO. The Board may execute and enter into a written contract with the President/CEO or may retain and employ a President/CEO under a verbal agreement, as may be deemed necessary and proper by the Board and subject to the agreement of the President/CEO.
- 6.4 **Vice Presidents.** The Board may designate certain staff positions with the title Vice-President.

ARTICLE VII

MEDICAL STAFF

- 7.1 **Statement of Relationship between the Board of Directors and the Medical Staff.** As provided for in Indiana law, the Board of Directors is the supreme authority in the Hospital, responsible for the appointment of members to the Medical Staff, the assignment of privileges and the conduct of the Medical Staff.
- 7.1.1 The Board of Directors will ensure that the Medical Staff has approved Bylaws and that the Bylaws are reviewed and approved at least tri-annually. The Board of Director's approval of Medical Staff Bylaws shall not be unreasonably withheld.
- 7.1.2 The Bylaws by which the Medical Staff organizes and administers itself shall not be deemed a contract between the Board of Directors and the Medical Staff or any member thereof.

- 7.1.3 The Board of Directors, as the supreme authority within the Hospital, reserves the right to amend unilaterally the Bylaws of the Medical Staff if, after the Board of Directors has requested an amendment and the Medical Staff, in the judgment of the Board of Directors, unreasonably fails to act.
- 7.1.4 The Board of Directors will ensure that the Medical Staff is accountable and responsible to the Board for the quality of care provided to patients. The Board of Directors consults directly with the Chief of Staff or his/ her designee at least twice in the calendar year to discuss matters related to the quality of medical care in the hospital. Direct consultation means that the governing body or a subcommittee meets with the Chief of Staff or his/her designee face-to-face or via a telecommunications system permitting immediate, synchronous communication.
- 7.1.5 The Medical Staff is responsible to the Board of Directors for the clinical care and scientific work of the Hospital, advice regarding professional matters and policies, and has the responsibility of reviewing the professional practices in the Hospital.
- 7.1.6 In delegating to the Medical Staff the task of reviewing all medical care and scientific affairs of the Hospital, and of advising the Board of Directors on all such matters, the Board constitutes the members of the Medical Staff, the President of the Hospital, and their assistants and employees as the agents of the Board of Directors and as personnel of a Peer Review Committee for the purpose of conducting peer review pursuant to the Indiana Peer Review Act, Ind. Code § 34-4-12.6-1 *et. seq.* and the Health Care Quality Improvement Act of 1986.

7.2 **Appointments to the Medical Staff and Terms.** Appointments to the Medical Staff shall be made by the Board of Directors. The procedure for processing and evaluating applications for Medical Staff membership and for the granting of clinical privileges shall be those provided for in the Medical Staff Bylaws and applicable Medical Staff policies and procedures. All qualified applications shall be considered by the Executive Committee of the Medical Staff pursuant to Medical Staff Bylaws, subject to the final approval of the Board of Directors. The Board of Directors will ensure that all practitioners who provide a medical level of care and/or conduct surgical procedures in the Hospital are individually evaluated by the Executive Committee of the Medical Staff and that those practitioners possess current qualifications and demonstrated competencies for the privileges granted.

- 7.2.1 The Board of Directors has determined that licensed physicians including doctors of medicine, doctors of osteopathic medicine, doctors of dental surgery or dental medicine, doctors of podiatry and doctors of optometry who are legally authorized to practice in Indiana are eligible candidates for appointment to the Medical Staff.
- 7.2.2 The Board of Directors will ensure that the requests of practitioners, for appointment or reappointment to practice in the Hospital, are acted upon, with the advice and recommendation of the Executive Committee of the Medical Staff.
- 7.2.3 The Board of Directors will ensure that reappointments are acted upon at least biennially.
- 7.2.4 The Board of Directors will ensure that practitioners are granted Medical Staff membership and/or clinical privileges consistent with their individual training, character, education, competence, judgment and experience.
- 7.2.5 The Board of Directors will ensure that the granting of Medical Staff membership or professional privileges in the Hospital is not solely dependent upon certification, fellowship or membership in a specialty body or society.

- 7.2.6 The Board of Directors will ensure that when telemedicine services are furnished to the Hospital's patients through a written agreement with a distant-site hospital, the written agreement specifies that it is the responsibility of the governing body of the distant-site hospital to meet the requirements in accordance with the requirements at §482.12(a)(1) through §482.12(a)(7) of the 42 Code of Federal Regulations with the regard to the distant-site hospital's physicians and practitioners providing telemedicine services. The Board of Directors of Major Hospital, in accordance with §482.22(a)(3) of the 42 Code of Federal Regulations, may grant privileges to physicians and practitioners based on the Medical Executive Staff's recommendation(s) that is based upon the credentialing and privileging decisions of the distant site hospital. §482.12(a)(8)
- 7.2.7 The Board of Directors will ensure that when telemedicine services are furnished to the Hospital's patients through a written agreement with a distant-site telemedicine entity, the written agreement specifies that the distant-site telemedicine entity is a contractor of services to the Hospital and as such, in accordance with §482.12(e) of the 42 Code of Federal Regulations, furnishes the contracted services in a manner that permits the Hospital to comply with all applicable conditions of participation for the contracted services, including, but not limited to, the requirements in §482.12(a)(1) through §482.12(a)(7) of the 42 Code of Federal Regulations, with regard to the distant-site telemedicine entity's physicians and practitioners providing telemedicine services. The Board of Directors of Major Hospital, in accordance with §482.22(a)(4) of the 42 Code of Federal Regulations, may grant privileges to physicians and practitioners employed by the distant-site telemedicine entity based upon the Medical Executive Staff's recommendation(s) that is based upon the credentialing and privileging decisions of the distant-site telemedicine entity. (482.12(a)(9)
- 7.2.8 The Board of Directors will ensure the appointment process occurs within a reasonable period of time, as specified by the Medical Staff Bylaws.
- 7.2.9 If the Board has need of further information and/or clarification with respect to a recommendation of the Executive Committee of the Medical Staff relating to staff appointment or the assignment of privileges, the Board of Directors shall refer the matter back to the Executive Committee to investigate fully the concerns/questions raised. Based upon the reported findings of the Executive Committee, the Board of Directors thereupon shall make a final decision on the appointment and assignment of privileges.
- 7.2.10 Every member of the Medical and non-physician practitioner staff must become and remain a qualified health care provider under the Indiana Medical Malpractice Act, (Ind. Code § 34-18 *et seq.*). Cancellation of any such insurance or failure to pay the surcharge will automatically suspend all privileges and membership at the Hospital until such insurance coverage is reinstated.

Exceptions:

Participation in the Indiana Patient Compensation Fund for telemedicine practitioners is based on the credentialing and privileging agreement between Major Hospital and the telemedicine hospital or the telemedicine entity.

A locum tenens practitioner's participation in the Indiana Patient Compensation Fund is only required for the specific dates of medical care coverage.

- 7.2.11 All health care providers must perform patient care and related activities in a manner that is not disruptive to the delivery of quality care in the Hospital setting. All practitioners must comply with the standards of quality medical care which recognize the efficient and effective utilization of Hospital resources as developed by the Medical Staff.
- 7.3 **Medical Staff Organization.** Due to its size and functions, the Medical Staff is organized on a non-departmental basis. The officers of the Medical Staff shall be the President, Vice President and Secretary. Officers must be elected by the Active and Medical Administrative Staffs and be members of the Active or Medical Administrative Staffs at the time of election and must remain members during their term of office. Failure of any officer, service chief or member-at-large to maintain such a status shall be immediate cause for that person to vacate his or her office. The Medicine, Surgery, Obstetric, Pediatric, Anesthesia, Emergency, Family Practice and Outpatient Medical Services shall be headed by a Chief of Service elected by the Medical Staff. The Pathology, Cardiopulmonary/Sleep Center, Physical Therapy, Hospitalist, and Radiology Services shall be headed by a Director appointed annually by the President/CEO in collaboration with the Chief of Staff.
- 7.4 **Hearing and Appeal Rights.** The Medical Staff Bylaws shall provide a mechanism whereby a practitioner who is adversely affected by the recommendation of the Medical Staff or one of its committees, may have a hearing on the proposed action, with a right to an appellate review on the record by the Board of Directors. Such a review on the record and argument shall be conducted by the Board in Executive Session. The hearing and appeals procedure governing a professional review action taken by the Medical Staff and/or Board of Directors shall afford the rights granted to the effected practitioners by the Indiana Peer Review Act, Ind. Code § 34-30-15.1 *et. seq.*, and shall substantially comply with the procedural guidelines in the Federal Health Care Improvement Act of 1986 in order that the Medical Staff and Board and personnel of their respective peer review committees qualify for the full privileges and immunities of these statutes.
- 7.5 **Medico/Administrative Positions.** Physicians employed by the Hospital whose duties are medico/administrative in nature and include Medical Staff clinical responsibilities must be members of the Medical Staff in accordance with the Medical Staff Bylaws applicable to all applicants for Medical Staff membership. The Board may, in the contracts of employment, make continued Medical Staff membership contingent on continued employment. Unless such provision is made in the contract of employment, Medical Staff privileges of the physician may be terminated only in accordance with the provisions of the Medical Staff Bylaws applicable to all other members of the Medical Staff.
- 7.6 **Non-Physician Practitioners**
The Board of Directors will ensure that non-physician practitioners may be eligible to be granted privileges in the Hospital upon an application submitted by the non-physician practitioner and if indicated a supervisory or collaborative agreement with a physician. All applications shall be acted upon by the Medical Staff. All such applications are subject to the final approval of the Board.
- 7.7 **Hospital Based Physicians.** The Board of Directors may enter into contracts with physicians whose practices are primarily carried out within the confines of the Hospital, including but not limited to radiologist, pathologists, anesthesiologists, and practitioners of emergency medicine. The President/CEO of the Hospital is empowered to negotiate such contracts with the approval of the Board of Directors, and such contracts may include terms which make them exclusive and which require that the physician contractors' Hospital privileges and Hospital staff membership terminate with the termination of the contract.

ARTICLE VIII

HOSPITAL OPERATIONS

- 8.1 **Hospital Finance.** The Board shall adopt policies pertaining to fiscal matters, including investments, collections, donations and expenditures. The Board shall adopt and approve an annual budget, a capital expenditure plan, a request for tax rate if necessary, additional appropriations from time to time when necessary, transfers of funds, and other proper acts and proceedings relating to the financial operations of the Hospital.
- 8.2 **Auxiliary Entities.** The Board may authorize, direct or initiate the formation of entities helpful to Hospital purposes. Such organizations may take any legal form and be for-profit or not-for-profit entities. Such entities shall submit documentation as requested to the Board for its review and approval.
- 8.3 **Quality Assessment / Performance Improvement.** The Board shall establish, maintain, support and exercise oversight of an ongoing Hospital wide quality assessment / performance improvement (QAPI) program that includes specific and effective review, evaluation and monitoring mechanisms to assess, preserve and improve the overall quality and efficiency of patient care in the Hospital. The Board shall delegate to Administration and hold it accountable for providing the administrative assistance reasonably necessary to support and facilitate the implementation and ongoing operation of a quality assessment / performance improvement program. The Board shall delegate to the Medical Staff and hold it accountable for conducting specific activities that contribute to the preservation and improvement of the quality and efficiency of patient care provided in the Hospital. The Board will ensure that the program reflects the complexity of the Hospital's organization and services, involves all Hospital departments and services (including those services furnished under contract or arrangement) and focuses on indicators related to improved health outcomes and the prevention and reduction of medical errors.
- 8.4 **Patient Safety, Medical Errors and Adverse Events.** Performance improvement activities must: track medical errors and adverse patient events, analyze error causes, and implement preventive actions and mechanisms implemented must include feedback and learning throughout the hospital. The Board of Directors, medical staff, and administrative officials are responsible and accountable for ensuring that clear expectations for safety are established.
- 8.5 **Grievance Process.** The Board delegates the responsibility for the effective operation of the grievance process to the Grievance Committee which also functions as the Hospital's Quality Council Committee.
- 8.6 **Utilization Review.** In the interest of patient safety and the financial integrity of the institution, the Board shall conduct an ongoing program of utilization review to determine the propriety of admissions to the Hospital, utilization of Hospital resources, appropriate length of time in the Hospital and timely discharge of patients from the Hospital. Such utilization review program is a form of peer review, and it shall be conducted under the authority of the Board of Directors of the Hospital pursuant to the Indiana Peer Review Act, I.C. 34-4-12.6-1 *et. Seq.* The Board of Directors will adopt a program to carry out the objectives of this section with goals that will promote better patient care through reduction of inappropriate admissions, testing, procedures, and extended stays in the Hospital and which shall promote economic integrity of the institution through efficient utilization of resources.
- 8.7 **Board Self Assessment and Orientation.** The Board of Directors will follow an orientation process for new members of the governing board to familiarize themselves with the governing body, Medical Staff Bylaws, organization rules and regulations, personnel policy manual, and other documents of significance in the operation of the Hospital. The Board of Directors shall also maintain a process for the assessment of its own performance on an annual basis.

ARTICLE IX

CONFLICTS OF INTEREST

- 9.1 Any duality of interest or possible conflict of interest on the part of any member of the Board of Directors shall be fully disclosed to the other members of the Board and made a matter of record, either through an annual procedure or when the interest becomes a matter of Board action.

Any member of the Board of Directors having a duality of interest or possible conflict of interest on any matter shall not vote or use personal influence on the matter and shall not be counted in determining the quorum for the meeting, even where permitted by law.

The minutes of the meeting shall reflect that a disclosure was made, the abstention from voting, and the quorum situation.

- 9.2 The foregoing requirements shall not be construed as preventing the Board member from briefly stating his/her position in the matter, nor from answering pertinent questions of other Board members since his/her knowledge may be of great assistance.
- 9.3 Any new member of the Board will be advised of this policy upon entering on the duties of his/her office.
- 9.4 Each member of the Board of Directors may be required to provide information to the other Board members as to his outside interests, investments, outside activities and any other matters that might be considered as a possible conflict of interest.
- 9.5 Consistent with Ind. Code § 16-23-1-6, an individual is not prohibited from serving as a member of the Board of Directors if the member has pecuniary interest in or derives a profit from a contract or purchase connected with the Hospital. However, the member shall disclose that interest or profit in writing to the Board and provide a copy to the State Board of Accounts. The member shall abstain from voting on any matter that affects that interest or profit.

ARTICLE X

INDEMNIFICATION FOR OFFICERS,

DIRECTORS AND ADMINISTRATIVE STAFF

- 10.1 Any person who is or was a director, officer or member of the President's Council of the Hospital or is serving at the request of the Hospital as a director, officer or member of the President's Council of another related corporation shall be indemnified, saved harmless and defended by the Hospital against expense, including attorneys' fees, reasonably incurred by him/her (and not covered by Hospital insurance) in connection with the defense of any action, suit or proceeding, civil or criminal, in which he/she is made or threatened to be made a party by reason of being or having been in any such capacity or arising out of his/her status as such, except in relation to matters as to which he/she is adjudicated in such action, suit or proceeding, civil or criminal, to be liable for negligence or misconduct in the performance of his/her duties to the Hospital.

The Hospital may also reimburse any such director, officer or member of the President's Council, past or present, for the reasonable cost of settlement of any such action, suit or proceeding if it shall be found by a majority of the directors not involved in the matter in controversy (whether or not a quorum)

that it is or was to be the best interest of the Hospital that such settlement be made and that such director, officer or employee was not guilty of negligence or misconduct. Provided, however, that such indemnification and reimbursement shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision of these Bylaws, resolution or other authorization heretofore or hereafter adopted after notice, by a majority vote of all the members entitled to vote. The Hospital shall have the power to purchase and maintain insurance on behalf of any person who is or was serving at the request of the Hospital as a director, officer, employee or agent of any related corporation, against any liability asserted against him/her and incurred by him/her in any such capacity or arising out of his/her status as such, whether or not the Hospital would have the power to indemnify him/her against liability under the provisions herein.

ARTICLE XI

DISSOLUTION

- 11.1 In the event that it should be determined that the Hospital should cease operations, be terminated and dissolved, or that the entire Hospital building or buildings should be sold or leased to a for-profit or a not-for-profit corporation, partnership, or entity, the provisions of Ind. Code § 16-23-1-45 (and where not in conflict Ind. Code § 16-22-3-17) shall be followed for this purpose.

ARTICLE XII


AMENDMENTS

- 12.1 These Bylaws, as well as the Bylaws of the Major Hospital Medical Staff are subject to amendment by a majority vote of the Board of Directors. These Bylaws shall be reviewed at least triennially and shall take into consideration Indiana State Board of Health Regulations, the Healthcare Facilities Accreditation Program (HFAP) requirements, and Indiana laws with respect to the operation of a city/county hospital.
- 12.2 In any respect or particular where these Bylaws may be in conflict with the Indiana Statutes governing this Hospital or any subsequent legislative act, the Statutes then in force shall be controlling and shall supersede such conflicting Bylaws and these Bylaws shall be deemed immediately amended to comply therewith but only to the extent of such conflict.

ARTICLE XIII

ADOPTION

- 13.1 These Bylaws were adopted and approved by the Board of Directors at a regular meeting held this _____ 30th _____ day of _____ July 2018 _____.



Chairperson

ATTEST: 

Secretary