



St. Vincent Hospital
Here for you, your family, your community.

ST. VINCENT GENERAL HOSPITAL DISTRICT

BY-LAWS

APPROVED BY BOARD OF DIRECTORS

February, 2011

ST. VINCENT GENERAL HOSPITAL DISTRICT

BY-LAWS

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St. Vincent Hospital

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BYLAWS

of

ST. VINCENT GENERAL HOSPITAL DISTRICT

ARTICLE I

Leadville/Lake County, Co

The name of the organization shall be the St. Vincent General Hospital District (the "District"), formed for the purpose of operating St. Vincent General Hospital (the "Hospital"), located in Leadville/Lake County, Colorado.

ARTICLE II

ORGANIZATION

The District shall have all powers under and operated pursuant to the provisions of the Special District Act, Section 32-1-101, et seq., C.R.S., as amended from time to time, and such other laws of the State of Colorado directed to local governmental entities as may pertain to special districts.

ARTICLE III

PURPOSE, ROLE and OBJECTIVES

SECTION 1 PURPOSE: The purpose of the District is to operate the hospital as a licensed general hospital, and to provide medical care to the sick, injured and infirm which meets generally accepted standards of care for the level of services offered. To

St. Vincent General Hospital District

Board of Directors By-Laws

Revised and Adopted: 9/2006, 2/2007, 2/2011

provide other health care and personal care services as determined by the Board of Directors of the District (the "Board") from time to time.

SECTION 2 ROLE: The role of the District is to ensure the provision of needed health care services through the efficient utilization of available resources.

SECTION 3 OBJECTIVES: The objectives of the District include:

- (a) To provide medical care to sick, injured and infirm which meets accepted standards of care for the level of services offered.
- (b) To provide a framework within which health care services may be delivered to those in its service area.
- (c) To provide a framework for the identification of community health care needs and the setting of appropriate institutional policy concerning those identified needs.

ARTICLE IV

BOARD OF DIRECTORS

SECTION 1 SIZE and ELECTION: The affairs of the District shall be conducted by a Board of Directors (the "Board") composed of five members who shall be elected by the qualified electors of the District in accordance with the act. The term of office shall be for a four-year period, except that such terms shall be staggered such that no more than three vacancies for a four-year term shall be filled in any one biennial election.

SECTION 2 QUALIFICATIONS: Any candidate for the office of director shall be an elector of the District, meeting the following qualifications:

- (a) Registered to vote pursuant to the Colorado Uniform Election Code of 1992, Section 1-1-101, et seq., C.R.S., as:
 - 1) A resident of the District for not less than thirty (30) days; or
 - 2) An owner or spouse of an owner of taxable real or personal property situated within the boundaries of the District, whether such person resides within the District or not; or

- 3) A person obligated to pay taxes under a contract to purchase taxable property situated within the boundaries of the District.
- (b) The candidate shall have been an eligible elector of the District on the date of the earliest signature on his or her nominating petition.

SECTION 3 OATH OF OFFICE: Within thirty (30) days after election, each Director shall take an oath, as provided in Section 32-1-901, C.R.S., that he will faithfully perform the duties of his office. At the time of filing the oath with the Clerk of the Court and the Division of Local Government, there shall also be filed, at the expense of the District, a surety bond in the amount of \$1,000 for each Director.

SECTION 4 ORIENTATION TO DUTIES: After each election, or appointment to fill a vacancy, the C.E.O. of the Hospital will arrange for orientation to responsibilities of the position of Director.

SECTION 5 COMPENSATION: Each member of the Board shall receive \$75.00 for each Board Meeting attended, not to exceed the total sum of \$1,200.00 per year. This compensation shall be automatic and shall not require further Board approval. Additionally, Board Members shall be authorized reimbursement for expenses incurred in their activities as a Board Member.

SECTION 6 CREATION OF VACANCY OF BOARD: A Director's office shall be deemed to be vacant upon the occurrence of any one of the following events prior to the expiration of the term of office:

- (a) If for any reason a properly qualified person is not elected to a Director's office by the electors as required at a regular election;
- (b) If a person who was duly elected or appointed fails, neglects, or refuses to subscribe an oath of office or to furnish the bond in accordance with the provisions of Section 32-1-901, C.R.S
- (c) If a person who was duly elected or appointed submits a written resignation to the Board;
- (d) If the person who was duly elected or appointed ceases to be qualified for the office to which he was elected;
- (e) If a person who was duly elected or appointed is convicted of a felony;
- (f) If a court of competent jurisdiction voids the election or appointment or removes the person duly elected or appointed for any cause whatsoever, but only after his right to appeal has been waived or otherwise exhausted;

- (g) If the person who was duly elected or appointed fails to attend three consecutive regular meetings of the Board without the Board having entered upon its minutes an approval for an additional absence or absences; except that such additional absences or absences shall be excused for temporary mental or physical disability or illness; or
- (h) If the person who was duly elected or appointed dies during his term of office.

SECTION 7 RESIGNATION: Any Director may resign his office at any time, such resignation to be made in writing and forwarded by hand delivery or certified mail, to the Chairperson of the Board.

SECTION 8 VACANCY FILLING OF VACANCIES ON THE BOARD: Any vacancy occurring on the Board shall be filled by appointment by the remaining Directors of the Board, with the appointee to serve in this capacity until the next regular district election at which time the vacancy shall be filled by election for the remaining un-expired portion of the term. If the Board shall fail, neglect or refuse to fill any vacancy within sixty (60) days after the same occurs, the Board of County Commissioners of Lake County shall fill such vacancy. All appointments shall be evidenced by an appropriate entry in the minutes of the meeting, and the Board shall cause notice of the appointment to be delivered to the person so appointed. The remaining Director or Directors shall not loose their authority to make an appointment to fill a vacancy on the Board unless and until the Board of county Commissioners has actually made an appointment to fill that vacancy. A duplicate of the notice, together with the mailing address of the person so appointed, shall be forwarded to the Division of Local Government.

SECTION 9 RECALL: Any Director elected to the Board who has actually held office for at least six months may be recalled from office in accordance with the provisions of Section 32-1-906 and 907, C.R.S.

SECTION 10 COMMITTEES:

There shall be such committees of the Board of Directors as the Board shall appoint on a standing or an ad hoc basis. The Chairperson of the Board shall designate the Members and elect a chairman of each such committee. The C.E.O. shall serve as an ex-officio member of each committee appointed by the Board. The Chief of Staff, or his designee, shall serve as an ex-officio member of all committees deliberating issues affecting the discharge of Medical Staff responsibilities.

SECTION 11 CONFLICT OF INTEREST POLICY:

The conflict of interest policy of St. Vincent General Hospital District shall comply with the Code of Ethics found in Article 18 of Title 24, C.R.S. (*Attached*). And an annual statement shall be signed by each Director.

SECTION 12 CONTINUING EDUCATION: Board Members are encouraged to participate in continuing education conferences annually. Subject matter should deal with governance and Board responsibilities.

ARTICLE V

POWERS OF THE BOARD

SECTION 1 BYLAWS, RULES AND REGULATIONS: The Board shall have the authority to make and adopt Bylaws, Rules and regulations for its own guidance and governance of the Hospital and auxiliary organizations established by the Hospital as it deems necessary for the economic and equitable conduct thereof. Such Bylaws, Rules and Regulations shall not, however, be inconsistent with Colorado State law and applicable accreditation standards. To the extent that any provision of these Bylaws conflict with applicable state law, the applicable state law shall control.

SECTION 2 GENERAL POWERS: The Board shall have all the general powers contained in Section 32-1-1001 and 1003, and 103.5 C.R.S., including but not limited to, the power to manage, control and supervise all of the business and affairs of the District and the construction, installation, operation and maintenance of District improvements.

SECTION 3 FINANCIAL POWERS:

The Board shall have the exclusive control of the use and expenditure of all monies collected to the credit of the District and Hospital. The Board has the power to invest or have invested, as provided in Section 32-1-1101 (5), C.R.S., District and Hospital monies and funds held by the Hospital, or in the office of the County Treasurer, and to receive the interest and income therefrom.

The Chief Financial Officer shall confer with the Chief Executive Officer and Chairperson in matters pertaining to investments or re-investments of monies of the District and the Board shall be informed of such transactions prior to their occurrence.

The Board shall have the power to borrow money, incur indebtedness and issue bonds and other evidence of such indebtedness in accordance with applicable Colorado law.

SECTION 4 SPECIFIC POWERS: Notwithstanding and in addition to the above stated powers, the Board shall:

- (a) Establish governing policies for the operation of the Hospital.
- (b) Hire the CEO and approve any employment agreement to be entered into by CEO for employees of the District.
- (c) Be responsible for the management of all funds of the Hospital.
- (d) Provide that all endowment and trust funds be deposited with any responsible bank, trust company or comparable agency for investment, receive prompt reports of such investments, and see that income deduction of legitimate expenses is paid into the proper fund of the Hospital, and that both principal and income are used in accordance with the terms of the trust.
- (e) Adopt an annual budget for the operation of the Hospital.
- (f) Regularly receive reports on the operation of the Hospital, including warrants
- (g) Examine the monthly financial reports and require any explanation for any material variation from the budget.
- (h) Secure the services of a Certified Public Accountant who shall make a detailed audit of the books and financial affairs of the Hospital at least once a year.
- (i) Supervise all activities designed to acquaint the community with the aims, needs and functions of its Hospital.
- (j) Approve Bylaws of the Medical Staff and all auxiliary organizations for which it makes provision.
- (k) Receive from the Medical Staff recommendations on all initial and reapplication for appointment to and assignments of responsibilities with the Medical Staff of the Hospital.
- (l) Act upon the types of professional work permitted to be done by each member of the Medical Staff; provided, however, that if the Board does

not concur with the Medical Staff recommendation relating to clinical privileges, such recommendation shall be reviewed by joint committee of the Medical Staff and the Board before a final decision is made by the Board.

- (m) Act upon recommendations of the Medical Staff on all rules and regulations for the governance of the Medical Staff, or amendments thereto, that it may consider necessary to assure the proper care of the patients.
- (n) Receive and act upon recommendations respecting any communications, requests or recommendations presented by the Medical Staff.
- (o) Receive and act upon all reports on the work of the Medical Staff as the Board considers to be in the best interests of the Hospital and its patients.
- (p) Regularly receive reports from the Medical Staff to assure the quality and efficiency of medical care in the Hospital.
- (q) Conduct periodic review and evaluation of the performance of the C.E.O. AND MEMBERS OF THE Board.
- (r) Meet all requirements for Board Members as set forth by the Colorado Revised Statutes as they may be amended from time to time.
- (s) Determine annually the amount of tax to be levied upon the taxable property of the District, for the purposes of the District.
- (t) Have and exercise all rights and powers granted or incidental to or implied from the specific powers granted by Colorado statutes. Such specific powers shall not be considered as a limitation upon any power necessary or appropriate to carry out the purpose and intent of these Bylaws.

ARTICLE VI

MEETINGS

SECTION 1 REGULAR MEETINGS: The Board shall have regular meetings at 6:00 p.m., on the fourth Thursday of each month at the Hospital, or at such other time or place as the Board shall, by Resolution, designate. Notice of such meetings shall be posted by general notice at least once each year. The location of the public places

of posting of such notices shall be designated annually by the Board at its first regular meeting each calendar year. The posted notice shall include specific agenda information where possible. If meetings are changed to other than the fourth Thursday, notice shall be posted in the designated three (3) public places within the District not later than three (3) days in advance of the meeting. Where notices of a regular or special Board Meeting is posted, one (1) additional notice shall be posted in the office of the Lake County Clerk and recorder as required by Law.

SECTION 2 SPECIAL MEETINGS: Special Meetings of the Board may be called by any Director by informing the other Directors of the date, time, place and purpose of such meeting. Notice shall be posted, as provided in Section 1, at least three (3) days prior to said meeting.

SECTION 3 QUORUM: MANNER OF ACTING:

- (a) Official business of the Board shall be conducted only during said regular or special Meetings at which a quorum is present. Three Members of the Board shall constitute a quorum.

SECTION 4 OPEN MEETINGS: EXECUTIVE SESSIONS: All meetings of the Board shall be open to the public except that, upon affirmative vote of 2/3 of the quorum present, the Board may go into executive session for the sole purpose of considering any of the following matters:

- a) The purchase, acquisition, lease, transfer, or sale of any real, personal or other property interest; except that no executive session shall be held for the purpose of concealing the fact that a Board Member has a personal interest in such purchase, acquisition, lease, transfer, or sale.
- b) Conferences with the District's attorneys for the purpose of receiving legal advice on specific legal questions. Mere presence or participation of an attorney at any executive session is not sufficient to satisfy this requirement.
- c) Specialized details of security arrangements or investigations; including quality assurance issues.
- d) Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators.
- e) Personnel matters, unless, if the employee who is the subject of the session has requested an open Meeting, or if the personnel matter

involves more than one employee, and all of the employees have requested an open Meeting.

- f) Consideration of any documents protected by the mandatory non-disclosure provisions of the Colorado Open Records Act.
- g) Matters required to be kept confidential by federal or state law or rules or regulation, including peer review and certain quality assurance issues. The Chairperson of the Board or his/her designee will announce the specific citation of the statutes or rules that are the basis for such confidentiality before holding the Executive Session. The executive session shall be recorded and the tapes of such session kept on file for 90 days, after which they shall be destroyed per Colorado State Law.

Prior to the time the Board votes on the question of whether to conduct an Executive Session, the Chairperson of the Board shall announce the specific topic or topics which are intended to be discussed during the Executive Session and the specific statutory citation under the Meetings Law which permits the Board to conduct that particular discussion in Executive Session. The announcement of the topic or topics of the Executive Session will identify the matters to be discussed in as much detail as possible without compromising the purpose for which the Executive Session is to be held. In this and in all other respects in connection with the meetings of the Board, the District will comply with all requirements of the Meetings Law.

SECTION 5 MINUTES: Minutes of each Meeting of the Board and each committee thereof shall include a record of the proceedings, actions taken, recommendations made and attendance. The minutes shall be prepared by the Secretary or other individual designated by the Board and shall be signed by the Secretary. The original shall be retained by the C.E.O. who shall keep said minutes on permanent file. The minutes shall be open to public inspection. The minutes of the Meeting during which an Executive Session is held shall reflect the general topic of the discussion at the Executive Session.

ARTICLE VII

OFFICERS

SECTION 1 ELECTION: At the regular Meeting of the Board following each regular election the Board shall elect officers. A nominee shall be elected upon receiving the majority vote of all Members of the Board. If no nominee receives the majority of votes cast on the first ballot, a runoff election between the two candidates receiving the highest number of votes shall be held immediately.

SECTION 2 IDENTIFICATION: The general officers of the Board shall include a Chairperson, a Vice Chairperson, and a Secretary/Treasurer, who shall be elected from the Members of the Board.

SECTION 3 TERM: Each officer shall serve until the next general election of Board Members, commencing upon the officer's election by the Board. Each officer shall serve until the end of his term and until his successor is elected and qualified, unless such officer shall sooner resign or be removed from office.

SECTION 4 REMOVAL OF OFFICERS: Any officer of the Board may be removed for cause by a majority vote of all Members of the Board.

SECTION 5 VACANCIES: Vacancies in any office shall be filled at the next regular Meeting of the Board by majority vote of all Members of the Board for the remainder of the un-expired term.

SECTION 6 BOND: The Secretary/Treasurer shall be required to file with the clerk of the court, at the expense of the District, a corporate fidelity bond in an amount determined by the Board of not less than \$5,000. The fidelity bond shall be conditioned upon the faithful performance of the duties of this office. (Need to find out)

SECTION 7 DUTIES OF THE OFFICERS: The following shall be the duties of the Board:

- (a) **CHAIRPERSON:** The Chairperson shall preside at all Meeting of the Board. In addition, he/she shall:
 - 1) Serve as an ex-officio member of all committees of the Board.
 - 2) Assure that all duties of the Board are performed effectively and efficiently.
 - 3) Appoint membership on the Board committees.
 - 4) Perform all duties commonly incident to his office and such other duties as the Board may designate.
- (b) **SECRETARY/TREASURER:** The Secretary/Treasurer shall be responsible for the minutes of all Meetings and assure that all certificates, contracts, bonds given by employees and all corporate acts are maintained in appropriate files. Such records shall be open for inspection by any elector as well as any other interested parties. He

shall also ensure that appropriate surety bonds and oaths of office are filed on behalf of all Directors (he/she). He shall give or cause to be given notice of Meetings in accordance with these Bylaws or as required by law. He shall conduct a biennial review of the Board's compliance with the Bylaws, Rules and regulations of the District and Hospital and report his findings to the Board at the Regular Meeting in December of each year. He shall additionally perform such other duties as the Board may from time to time require.

The Secretary/Treasurer shall assure that a permanent strict and accurate account of all money received by and disbursed for and on behalf of the District and the Hospital is maintained.

SECTION 8 CHECKS: All checks over \$10,000 must be signed by two (2) personnel, to include one Board Member so authorized by the Board. The Board shall specify which Hospital staff and Board Members are authorized to sign Hospital checks. (If Board Member must authorize a larger amount they will advise Board members at regular meeting.)

ARTICLE VIII

ADMINISTRATION

SECTION 1 ADMINISTRATION: The Board shall be responsible for appointing a C.E.O. in accordance with the following:

- (a) **APPOINTMENT:** The Board shall select and appoint a qualified and competent individual to serve as the Board's representative in the day-to-day management and operation of the District and its facilities.
- (b) **QUALIFICATIONS:** The C.E.O. shall possess the appropriate education and experience to perform his/her duties.
- (c) **DULY AUTHORIZED REPRESENTATIVE:** The C.E.O. shall act as the duly authorized representative of the Board in all matters in which the Board has not formally designated some other person to act. As such, he shall have the authority to sign appropriate contracts, including Medicare and Medicaid contracts, on behalf of the Board, subject to any guidelines set forth by the Board. The C.E.O. will provide the Hospital with administrative directions at all time.
- (d) **PERFORMANCE:** The C.E.O.'s performance shall be monitored by the Board through a periodic assessment of the C.E.O.'s performance

of duties and responsibilities, taking into consideration the current operating environment of the Hospital.

- (e) **DELEGATION OF AUTHORITY:** The Board shall delegate authority to the C.E.O. to enable him to perform the following duties and responsibilities:
- 1) **OVERALL MANAGEMENT:** The C.E.O. shall manage the day-to-day operations and financial affairs of the Hospital, subject only to applicable State and Federal laws and regulations and to such policies as may be issued by the Board or any of its committees to which the Board has delegated power for such actions.
 - 2) **IMPLEMENTATION OF POLICIES:** The C.E.O. shall develop mechanisms to implement policies established or approved by the Board.
 - 3) **EXPENDITURES:** The C.E.O. shall supervise the business affairs of the District to assure that funds are expended to the best possible advantage. The C.E.O. shall make expenditures, as approved by the Board, in furtherance of the goals and objectives of the Hospital, except that expenditures of less than \$5,000 need not have the prior approval of the Board. Accurate records and vouchers for all expenditures shall be maintained.
 - 4) **REGULATORY AND ACCREDITATION COMPLIANCE:** The C.E.O. shall take all reasonable steps to ensure that the Hospital is in compliance with all applicable laws, regulations and accreditation standards.
 - 5) **ORGANIZED MANAGEMENT AND ADMINISTRATIVE FUNCTIONS:** The C.E.O. shall implement organized management and administrative functions throughout the Hospital, including the establishment of clear lines of responsibility and accountability within departments and between department heads and administrative staff. In addition, the C.E.O. shall ensure that all departments are accountable for proper maintenance of all equipment and physical property.
 - 6) **LIAISON:** The C.E.O. shall serve as the liaison between Hospital departments, the Medical Staff, the Administration and the Board to ensure effective communication between and among such persons.

- 7) **OPERATING BUDGET:** The C.E.O. shall be responsible for the preparation of an annual operating budget, which shows expected income and expenses for each department of the Hospital, as well as a long-term capital expenditure plan. Such budget and long-term plan shall reflect the objectives of the District and its facilities.
- 8) **PERSONNEL POLICIES AND PROCEDURES:** The C.E.O. shall be responsible for the development, maintenance, implementation and enforcement of personnel policies and procedures, which permit the employment of personnel without regard to sex, race, creed, disability or national origin, whose qualifications are commensurate with anticipated job responsibilities.
- 9) **POLICY REVIEW:** The C.E.O. shall be responsible for reviewing the Bylaws, Rules and Regulations, policies and contracts, and the Medical Staff Bylaws, Rules and Regulations to ensure that the foregoing comply with all applicable laws and regulations and that the objectives and purposes of the Hospital are being serviced by the requirements of such documents and policies.
- 10) **LICENSURE AND CERTIFICATION:** The C.E.O. shall be responsible for ensuring that there is an effective mechanism for verification of all applicable licensure or certifications.
- 11) **DEPARTMENTAL REVIEW:** The C.E.O. shall review the operations and functions of the District and each department of the Hospital and shall develop and implement policies in conjunction with the Medical Staff, department heads and other appropriate advisers in order to further the goals of the District and its facilities.
- 12) **MEETINGS:** The C.E.O. shall submit to the Board on a monthly basis reports reflecting the professional service and financial activities of the Hospital and shall submit special reports as requested by the Board. Such reports may include, but are not limited to, an income statement, balance sheet and statistical reports.
- 13) **OTHER FUNCTIONS:** The C.E.O. shall perform any other functions within the scope of his authority which he deems to be

in the best interest of the Hospital and which furthers the goals of the District and its facilities.

ARTICLE IX

MEDICAL STAFF

SECTION 1 ORGANIZATION: The Hospital shall have an organized Medical Staff composed of licensed physicians, dentists, and such other health care practitioners as set forth in the Medical Staff Bylaws. The Medical Staff shall be governed by the Medical Staff Bylaws, which shall set forth its organization and governance, qualifications and standards for Medical Staff membership and clinical privileges, a system of peer review, a mechanism for recommending to the Board candidates for Medical Staff membership and clinic privileges for which such candidates are qualified, and a fair hearing process. Proposed Medical Staff Bylaws and amendments thereto shall not become effective until approved by the Board. The power of the Board to adopt or to amend Medical Staff Bylaws shall not be dependent upon ratification by the Medical Staff.

SECTION 2 RECOMMENDATIONS: The Medical Staff shall recommend to the Board at least the following:

- (a) Structure of the Medical Staff.
- (b) Medical Staff Bylaws, Rules and Regulations and amendments thereto.
- (c) Mechanisms to be used to review credentials to assure that all individuals who provide patient care services are competent to provide such services and to delineate individual clinical privileges.
- (d) Individual Medical Staff membership
- (e) Specific clinical privileges for each eligible individual.
- (f) Organization of quality assurance activities of the Medical Staff as well as the mechanisms to be used to conduct, evaluate and revise such activities.
- (g) Mechanisms by which membership on the Medical Staff or clinical privileges may be acquired or terminated.
- (h) Mechanisms for fair hearing procedures.

- (i) Organization of utilization review activities of the Medical Staff as well as the mechanisms to be used to conduct, evaluate and review such activities.

ACTION OF RECOMMENDATIONS: The Board shall act on recommendations formally made by the Medical Staff at the next regular meeting of the Board held after such recommendations are made, or at such other time as is specified in the Medical Staff Bylaws, attached hereto and incorporated herein by reference, and shall inform the Medical Staff of its decisions on the recommendations.

SECTION 3 BYLAWS, RULES AND REGULATIONS: The Medical Staff shall adopt and periodically review Medical Staff Bylaws, Rules and Regulations that are consistent with Hospital policy and with any applicable legal or accreditation requirements. Such Bylaws, Rules and Regulations shall be effective upon approval by the Board. The power of the Board of Directors to adopt or to amend Medical Staff Bylaws, Rules and Regulations shall not be dependent upon ratification by the Medical Staff. *(Attached)*.

SECTION 4 AUTHORITY AND RESPONSIBILITY: Each Member of the Medical Staff shall have full authority and responsibility for the care of his patients, subject only to such limitations imposed by the Board and as are contained in these Bylaws and the Bylaws, Rules and Regulations of the Medical staff, and subject further to any limitations or conditions attached to his appointment

SECTION 5 ADMITTING PRIVILEGES: The Board shall grant admitting privileges to only those practitioners granted such privileges in accordance with the Medical Staff Bylaws, Rules and Regulations.

SECTION 6 MEDICAL CARE AND ITS EVALUATION: The Board is responsible for ensuring that the Medical Staff accepts and assumes its responsibility to provide medical and dental care in the Hospital in accordance with the applicable standard of practice.

(a) MEDICAL STAFF SELF-MONITORING RESPONSIBILITY: Medical Staff shall implement and report on the activities and mechanisms for monitoring the quality of patient care and service utilization, for identifying and resolving problems, and for identifying opportunities to improve patient care.

(b) MEDICAL STAFF RESPONSIBILITIES: The Board shall require that the Medical Staff perform all of its responsibilities as set forth in the Medical Staff Bylaws, Rules and Regulations, these Bylaws, Hospital policy, rules and regulations and such other duties as the Board assigns to it.

(c) PRIVILEGES:

1) Determination of initial privileges shall be based upon an applicant's training, experience, and demonstrated competence and such other qualifications specified in the Medical Staff Bylaws, Rules and Regulations.

2) Determination and extension of further privileges shall be based upon an applicant's training, experience, and demonstrated competence, which shall be evaluated by review of the applicant's credentials and direct observation by the active Medical Staff, as provided in Medical Staff Bylaws.

All initial appointments and modifications of appointments (i.e., "provisional" appointments) shall be for a period extending to the end of the current Medical Staff year or less. Renewals of such provisional appointments shall be for a period of six months.

Re-appointments shall be for a period of two years, provided that the findings of the reapplication process satisfy the requirements of the Medical Staff Bylaws, Rules and Regulations for appointment to the Medical Staff. Each Medical Staff appointee who desires reappointment shall submit to the Board of Directors on a form prescribed by the Board, information regarding, but not, limited to, continuing training, education, experience, current physical and mental status, awards and other recognition, sanctions of any kind imposed or pending by any institution, licensing authority, professional organization, or governmental entity, current malpractice coverage, and utilization and quality assurance activity.

SECTION 7 HEARING AND APPELATE REVIEW: Any Board action which adversely affects a Medical Staff member's appointment or clinical privileges shall entitle the Medical Staff member, upon timely request, to the procedural rights set forth in the Medical Staff Bylaws.

SECTION 8 RECORDS: All actions taken by the Board on Medical Staff applications shall be placed in the minutes of the Board.

ARTICLE X

AUXILIARY ORGANIZATIONS

SECTION 1 ESTABLISHMENT: The Board shall have the authority to make provisions for the establishment of auxiliary organizations and mechanisms for services provided by individual volunteers to assist the District and its facilities in fulfilling their objectives and purposes.

SECTION 2 BYLAWS: Each auxiliary organization shall develop Bylaws if requested by the Board or are otherwise required by law. The Bylaws of each auxiliary organization shall delineate the purpose and function of such organization. The Board of the Hospital shall approve the Bylaws, and all amendments and additions thereto, before such Bylaws and any amendment or addition thereto becomes effective.

SECTION 3 SCOPE: The scope of the St. Vincent General Hospital District Auxiliary includes fund raising activities for the benefit of the Hospital and provision for volunteer work by both junior and senior volunteers under the direction of Administration. The St. Vincent General Hospital District Auxiliary also officially serves as the liaison between the Hospital and the community. Other activities are outlined in the Auxiliary Bylaws, which are approved, as amended, to recognize the requirements of Hospital Board approval.

ARTICLE XI

INSTITUTIONALLY-BASED HEALTH CARE PROGRAMS

Hospital-based health care programs shall be descriptively named and shall be subject to the Bylaws, Rules and Regulations and policies of the Hospital District.

Home Health Bylaws. (Information Attached)

ARTICLE XII

INDEMNIFICATION

Opinions

To the extent permitted by law, the Hospital District shall indemnify any person who is serving or has served as a Director or Officer on the Board of the Hospital District against all reasonable expenses, including, but not limited to legal fees actually and necessarily incurred by him in connection with the defense of any litigation, action suit or proceeding, civil or administrative, to which he may have been a party by reason of being or having been a Director and/or Officer of the Board, only if he acted in good faith within the scope of his authority and for a purpose he reasonably believed to be in the best interest of the Hospital. A Director and/or Officer or former Director and/or Officer shall have no right to reimbursement for matters in which he has been adjudged liable to the Hospital for wanton and willful misconduct in the performance of his duties. The District shall defend and indemnify any Officer or Director of the District in accordance with the requirements and limitations of the