

# Natividad Medical Center

## Bylaws

~~November, 2008~~ As Proposed to be  
Amended April May 125 \_\_\_\_\_, 2017

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## ARTICLE I – PURPOSE OF BYLAWS

The primary purposes of the Natividad Medical Center (“NMC”) ~~By-Laws~~Bylaws are to:  
1) establish the framework that allows the Board of Trustees (“BOT”) to fulfill its role as the NMC governing board to the fullest extent permitted by law and as authorized by the Monterey County Board of Supervisors, 2) ~~to~~ clearly define accountability and responsibility for the efficient and effective oversight of day-to-day operations of NMC, ~~to effectively permit~~  
3) comply with the requirements of The Joint Commission (“TJC”), compliance Medicare, and California Code of Regulations and Title XXII requirements 22, and ~~3) to~~ 4) allow NMC to function within policies and procedures prevalent in the health care industry and in compliance with applicable Federal, State, and Local statutes, and regulations, and policies. These Bylaws shall be retroactive to effective as of January 31, 2009May 5, 2017.

## ARTICLE II - DEFINITIONS

Within the context of this document, the following definitions apply:

**Appeal** means the specific procedure(s) set forth in ~~the Medical Staff By-Laws~~these Bylaws by which an applicant or Medical Staff member has the right to request a review of an adverse ~~decision recommendation or action~~ on his/her application for Medical sStaff membership and/or clinical privileges or a Medical Staff member’s membership and/or clinical privileges.

**Board of Supervisors** means the five duly elected representatives of the County of Monterey.

~~Board or~~ **Board of Trustees or BOT** means the appointed and ~~ex-officio~~Ex eOfficio members of the governing body of ~~Natividad Medical Center~~ NMC.

**Brown Act** means the Ralph M. Brown Act (Government Code § 54950, *et seq.*)

**Business Plan** means the document developed by the Community Relations and Planning Finance Committee ~~Chief Executive Officer or designee(s)~~ to define the directions and business objectives of ~~the organization~~ NMC for the future.

**Chief Executive Officer (“CEO”)** means the individual selected, employed and empowered by the Board of Supervisors ~~and in consultation with the Board of Trustees~~ to administer day to day ~~Hospital~~ NMC operations in consultation with, and by and under the supervision of, the BOT.

**Chief Medical Officer** means that individual appointed by the ~~Chief Executive Officer~~CEO who is responsible for working with and assisting the Chief of the Medical Staff and clinical departments, and is concerned with medico-administrative aspects of patient care at the Hospital.

**Compliance** means operation of ~~Hospital-affairs~~ NMC within limits established by such legal or regulatory ~~documents-requirements~~ as County ordinances and resolutions, the requirements of TJC, ~~as well as by and~~ relevant State and Federal statutes and regulations.

**Conflict of Interest** means direct or indirect economic interest, gained as the result of ~~Board~~ BOT action in which ~~the Board-a~~ BOT member participated; or any employment, activity, or

economic enterprise for compensation that is inconsistent, incompatible, in conflict with, or inimical to his/her duties as a Board-BOT member.

**County** means the Legal Entity known as Monterey County in the State of California.

~~**Efficiency** means those parameters that define value in health care services that are most important to budget makers and payers for Hospital NMC services.~~

~~**Efficient Practices** means accomplishment of institutional management objectives and patient care objectives in a cost effective manner.~~

~~**Ex-Officio**~~ **Ex Officio** means by virtue of an office held, with vote unless otherwise specified in this document.

**Gender** means words of masculine gender include correlative words of the feminine and neuter genders unless the context shall otherwise indicate.

~~**Hearing Procedure** means the detailed description contained in Medical Staff Bylaws of due process procedural rights afforded an aggrieved applicant or Medical Staff member following an adverse action or recommendation by the Medical Executive Committee (“MEC”).~~

**Hospital or NMC** means Natividad Medical Center and ~~intends to include~~s patient care services provided in the Hospital and/or in other enrolled locations, structures and facilities under the Hospital’s auspices~~control and licensure~~.

**Medical Staff** means the ~~staff of professional practitioners physicians, dentists, podiatrists, and clinical psychologists~~ appointed by the Board-BOT. The details of the Medical Staff organization are contained in Medical Staff Bylaws.

**Medical Staff Bylaws** means those documents, ~~and rules and regulations,~~ which define-organize and govern the ~~conditions under which members of the m~~Medical ~~s~~Staff ~~are credentialed and function of NMC~~.

~~**Mission Statement** means the Board of Trustees BOT approved statement of the purpose of Natividad Medical Center NMC.~~

~~**Due Process- Procedural Rights** means the procedure(s) referenced or established by these By-Laws Bylaws and the Medical Staff Bylaws, together with the careful implementation thereof, to accord and protect existing legal rights of praetitioner(s)/Medical Staff members and applicant(s) for Medical sStaff membership and/or clinical privileges.~~

~~**Quality** means those parameters of health care that are most important to Medical Staff, patients and family members.~~

**Regular Monthly Meeting** means the meeting of the Board of Trustees-BOT held on a pre-established, publishedduly noticed, monthly schedule as may be amended as necessary from time to time in accordance with the Ralph M. Brown Act (Government Code §54950, et seq.) and/or

other applicable statutes.

~~Standards of Health Care means reasonable goals of quality and efficiency in the delivery of health care services compared to industry benchmarks.~~

Vacancy means an unfilled ~~Board BOT~~ member seat or an unfilled office. Vacancies may occur because of resignation, death, ~~completion expiration~~ of term, ~~or~~ removal from the ~~Board BOT~~ or from an officer position, ~~or failure of a member to attend at least fifty percent (50%) of the scheduled BOT meetings in one year.~~

### ARTICLE III - MISSION, AUTHORITY, OBLIGATIONS

**Section 1. Mission.** The Mission of Natividad Medical Center is to continually improve the health status of the people of Monterey County through access to affordable, high quality healthcare services.

#### **Section 2. Authority**

- A. **Title to Property.** The title, direction and control of NMC property is ~~owned by in~~ the County of Monterey and is vested with the Board of Supervisors. ~~Disposition shall be based upon of property by the County of Monterey shall require the approval of the Board of Supervisors, which shall take into consideration of the recommendations from of the Board of Trustees BOT.~~ Purchases or sales of NMC property and investment, transfer or other expenditures of trust funds shall be made only upon the written approval of the Board of Supervisors or their designee(s).
- B. **Professional and Other Health Care Staff.** The Medical Staff and other health care professionals ~~who providing~~ patient care services in or under the auspices of ~~Natividad Medical Center NMC~~ are subject to the authority of the ~~Board of Trustees BOT.~~
- C. **Disposition of Surplus Funds.** In the event of a surplus of NMC revenue over expenses, use of surplus funds shall be determined by the Board of Supervisors.
- D. **Budget.** Approval of the Fiscal Year Budget for ~~the Hospital NMC~~ is vested by law in the ~~County's~~ Board of Supervisors and shall be based upon consideration of the recommendations of the ~~Board of Trustees BOT.~~ The Fiscal Year Budget shall be prepared according to generally accepted accounting principles, and must include all anticipated income and expenses for NMC.

**Section 3. Obligations & Responsibilities.** The purpose of these ~~By-laws~~ Bylaws is to clearly define the accountability and responsibility for the safety and quality of care, treatment, and services at NMC, and; the efficient operation of NMC, ~~to effectively permit regulatory and accrediting body compliance, to allow NMC to function with and compliance with federal and state statutes and regulations and TJC requirements, policies and procedures prevalent in the health care industry, and to~~ These Bylaws clarify the respective roles and responsibilities of the ~~Board of Trustees BOT~~ and the Board of Supervisors ~~pertaining to in~~ NMC operations.

~~A.~~ The CEO shall be responsible for overseeing all day to day operational activities of ~~the Hospital~~NMC.

B.A. The business of ~~the Hospital-NMC~~ shall be conducted by the CEO ~~with-under the~~ direction and supervision of the ~~Board of Trustees-BOT~~ and with ultimate approval by the Board of Supervisors, as outlined in these ~~b~~Bylaws with due attention to relevant community interests and concerns and designed to ensure ~~one-a uniform~~ level of patient care.

C.B. ~~Obligations-The powers and responsibilities of the Board of Trustees-BOT~~ include, but are not ~~necessarily limited to~~ the following:

1. ~~Assure Natividad Medical Center-Encourage NMC to~~ fulfill its mission by:
  - a. ~~—~~ Creating a clear statement of ~~the organization's-NMC's~~ mission, vision, values and strategic plan to achieve the mission and vision; ~~and~~
  - b. Monitoring the alignment of NMC management's strategies ~~to assure they are aligned-~~ with the key goals and ~~are~~ achieving the vision; ~~and~~
  - c. ~~—~~ Monitoring how the Hospital's programs are meeting the needs of the community within the resources available to do so.
2. ~~Ensure-Provide for~~ effective ~~Chief Executive-executive M~~management by:
  - a. ~~—~~ Providing input to the Board of Supervisors in the hiring and if necessary, terminating of the CEO;
  - b. Monitoring the CEO's performance; ~~and~~
  - ~~c.~~ ~~—~~ Delegating all management functions to the CEO subject to County and ~~Board of Trustees-BOT~~ policies and directives; ~~and~~
  - ~~A.d.~~ ~~—~~ Ensuring that leadership succession plans are in place of key management positions.
3. ~~Ensure the organization provides-Provide for NMC~~ high quality of care by:
  - ~~1.a.~~ ~~—~~ Assuring-Monitoring the effectiveness of the mMedical sStaff has-an effective process for recommending the appointment, reappointment, credentialing and privileging of mMedical sStaff members;
  - ~~b.~~ ~~Appointing, reappointing, and approving-the-granting clinical privileges of-to~~ mMedical sStaff members, including radiologic and outpatient service Medical Staff members;
  - ~~c.~~ ~~—~~ Adopting internal and external quality standards to be used to assess the care provided;

- d. Ensuring that patients are admitted to the Hospital on the recommendation of a licensed practitioner permitted to admit patients to the Hospital, in accordance with the Medical Staff Bylaws and State law;
  - e. Working with the Medical Staff to ensure that a doctor of medicine or osteopathy is on duty at the Hospital at all times, and a doctor of medicine or osteopathy is responsible for the care of each patient;
  - f. Ensuring-Providing that management and mMedical sStaff have quality and utilization monitoring systems in place and that they are functioning effectively to achieve the desired outcomes.;
  - 9.g. —Establishing and monitoring an effective performance improvement program;
  - 10.h. —Establishing and monitoring an effective ethics and compliance program; and
  - i. —Approving NMC’s written scope of services;
  - j. Specify the frequency and detail of quality indicator data collected and reviewed by the Ensuring that the hospital’s Quality Committee-, and reviewing collects and reviewsthe quality indicator data on a regular basis; and
  - k. Monitoring the contracted services provided by the hospital to ensure the services are provided in a safe and effective manner and in compliance with quality of care standards;
  - l. Overseeing the effective operation of the complaint resolution process; and
  - 11.m. Approving NMC’s policies and procedures, including the policies and procedures for all service lines of NMC.;
4. Ensure the organization’s-Provide for NMC’s financial strength by:
- 1.a. —Approving a financial plan, including annual operating and capital budgets, that will meet the strategic plan;
  - b. Monitoring and assessing financial performance;
  - c. —Holding management accountable for providing thorough and accurate financial reports.;
  - d. Ensuring that Requiring management to implements controls that provide an appropriate system of checks and balances.;
  - e. —Ensuring-Mandating that there is an effective internal audit function.; and

~~f.~~ \_\_\_\_\_ — Selecting the external auditor and receiving and reviewing the auditor's report.

5. Function effectively and efficiently as ~~a Board~~ the BOT by:

~~1.a.~~ \_\_\_\_\_ — Creating a statement of its roles and responsibilities and using this statement to direct its work.;

~~b.~~ Ensuring-Providing that the ~~Board~~ BOT structure and committee structure reflects and supports its roles and responsibilities to include diligence in attendance and encouragement of candid conversations.;

~~c.~~ \_\_\_\_\_ — Recruiting effective ~~Board~~ BOT members with the knowledge, time and skills needed to govern.;

~~d.~~ Ensuring-Providing that systems and procedures are in place to assist the ~~Board~~ BOT in doing its work, including an annual BOT self-evaluation.;

~~e.~~ \_\_\_\_\_ — Ensuring-Providing that the ~~Board~~ BOT, ~~m~~Medical ~~s~~Staff, and management operate in accord with ~~the~~ applicable standards and laws.;; and

~~f.~~ \_\_\_\_\_ — Respecting the confidentiality of NMC matters.

D. The Board of Supervisors reserves to itself the following power and authorityies, with consideration of input from the ~~Board of Trustees~~ BOT:

1. Borrowing approval(s);
2. Labor relations-/collective bargaining;
3. Audit approval;
4. Budget approval;
5. Contract approval;
6. Hiring and termination of the CEO; and
7. Termination of any Hospital programs or/ services that requiring a Beilenson Act hearing.;; and
8. Any other power and authority the Board of Supervisors determines to be appropriate.

## ARTICLE IV - MEMBERS

Section 1. Number, Qualifications, Section and Term. The ~~Board of Trustees~~ BOT shall



consist of ~~nine (9)~~ to eleven (11) members:

A. Four (4) of whom shall serve in an ~~ex-officio~~Ex eOfficio capacity, with vote, for their terms of office as:

1. County Administrative Officer;
2. Chief of the ~~Hospital's~~ Medical Staff;
3. One member of the Board of Supervisors, nominated and appointed by the Board of Supervisors; and
4. ~~Hospital~~NMC CEO.

B. ~~Five to seven (5-7)~~Seven (7) who shall be appointed because of their skills and backgrounds including but not limited to the following:

1. Finance experience at the CFO level;
2. Executive experience in a large and complex organization;
3. Executive experience in the health care or insurance industry;
4. Experience in health care governance;
5. Experience as a community leader;

6. Skills related to the strategic plan of ~~the hospital~~NMC;

~~6.7. Membership on the Medical Staff of NCMC; and/or~~

~~7.8. Clinical experience as a physician.~~

C. Authority for appointing individuals to the ~~Board of Trustees~~BOT shall be the responsibility of the Board of Supervisors. Individuals to be appointed shall be nominated by the ~~Board of Trustees~~BOT.

The ~~C~~criteria to be considered in nominating individuals as Trustees shall include:

1. Background and skills needed on the ~~board~~BOT;
2. Resident of Monterey County;
3. Available and willing to attend a minimum of ten (10) monthly ~~Board~~BOT meetings and actively participate on at least one ~~Board~~BOT committee;
4. Willingness to acquire the knowledge and skills required to lead a complex health care organization;

5. History of community leadership; and/or

5. Membership on the Medical Staff of NCM and/or

6. Commitment to the improvement and development of the health care of the community.

D. ~~[March 31, 2009 Version] Trustees, other than eEx oOfficio Trustees, appointed before January 31, 2009, shall be permitted to serve until their current terms expire, and Trustees, other than eEx oOfficio Trustees, appointed between January 31, 2009, and July 31, 2009, may serve in excess of the two or three year term of their seats in order to assure that their respective terms expire on June 30, 2011 or June 30, 2012, respectively, regardless of the date of their initial appointment. Thereafter, four Trustees shall serve two year terms, and three Trustees shall serve three year terms. Each Trustee shall continue in office until his/her successor is appointed. Ex oOfficio Trustees shall serve by virtue of holding, and only so long as they hold, the identified offices or positions. Upon appointment or election of a successor to the office or position by virtue of which an individual sits on the Board of TrusteesBOT, the successor shall immediately and automatically replace the prior position or office holder as an eEx oOfficio Trustee. Trustees shall not serve more than three (3) consecutive terms, except that eEx oOfficio Trustees shall serve as long as they hold the position or office by virtue of which they sit on the Board of TrusteesBOT [November 8, 2008 Version]. Non ex-officio members of the Board of Trustees shall serve a three(3) year term, and shall continue in that office until his/her successor is appointed. Trustees shall not serve more than three(3) consecutive terms.~~

[April 12, 2017 Version] Terms of Office.

1. Effective as of May 5, 2017 and thereafter, any appointed BOT member who has served on the BOT for ten (10) or more consecutive years of service, shall resign as of the date of the annual meeting in the tenth (10th) year of such service, provided, at the discretion of the BOT, that the final term may be extended so that the BOT member can remain in office until the BOT member's successor has been appointed.
2. Effective as of May 5, 2017 and thereafter, the BOT shall limit the length of terms of BOT members appointed to the BOT in order to comply with the requirements of subsection 1 above.
3. Subject to the provisions of subsection 2 above, each of the appointed BOT members with the qualifications set forth in subsections 1 through 76 of Section 1 C above shall serve for an initial term of one year, as a trial period for the BOT member and the BOT. Thereafter, with the consent of the BOT member and with the recommendation of the BOT, such appointed BOT member may serve a term of three (3) years, and may serve up to two (2) additional consecutive three (3) year terms if re-appointed by the Board of Supervisors.

4. At least sixty (60) days prior to the expiration of each term, each Trustee described in subsection 2 B above shall notify the Chairs of the BOT and of the Board of Supervisors if such BOT member is willing to be re-appointed to a subsequent term.
5. Each of the Ex Officio ~~ex-officio~~-BOT members shall serve as a BOT member for so long as he or she remains in the designated office, or is the Supervisor selected by Board of Supervisors.
6. After serving three (3) consecutive three (3) year terms, any BOT member described in subsection 3 above may be re-appointed to the BOT following a one year absence from the BOT.

**Section 2. Duties:** Duties of individual ~~Board-BOT~~ members include, but are not necessarily limited to:

- A. Regularly attend ~~Board-BOT~~ meetings, including a minimum of ten (10) meetings per year;
- B. Actively participate on and attend meetings of ~~BOT~~ committee(s) to which the member is assigned;
- C. Promptly relate community input to the Board;
- D. Represent ~~the Hospital-NMC~~ in a positive and effective manner in public forums;
- E. ~~Learn enough details-Be sufficiently informed~~ about Hospital management and patient care services that the ~~Board-BOT~~ member can effectively evaluate proposed actions and reports;
- F. Accept and fulfill reasonable assignments from the Chair of the ~~Board~~~~BOT~~; and
- G. Participate in the orientation and educational programs for new ~~Board-BOT~~ members.

**Section 3. Vacancies and Removal of Trustees or Officers**

**A. Trustees**

1. If a ~~Board-of-Trustees-BOT~~ member has not satisfied the above-listed attendance requirements, the ~~Board-of-Trustees-BOT~~ shall recommend that the Board of Supervisors declare that a ~~vacaney-Vacancy~~ on the ~~Board-BOT~~ exists or present to the Board of Supervisors that good reason ~~is present not exists~~ to not declare that a ~~vacaney-Vacancy~~ exists.
2. ~~Board-of-Trustees-BOT~~ member ~~vacaneies-Vacancies~~ may also be created by other means, ~~such as, including~~ but not limited to, ~~completion-expiration~~ of term, resignation, death, removal, or moving outside the boundaries of ~~Monterey-the~~ County.

3. In the event of a ~~vaeaney~~Vacancy, a replacement shall be nominated by the remainder of the ~~Board of Trustees~~BOT, based on the criteria set forth above in Article IV, Section 1-~~A~~, B and C, and recommended to the Board of Supervisors for timely ~~confirmation~~appointment. ~~For purposes of this Section 3, a "vacancy" shall be defined as a member's failure to attend at least fifty percent (50%) of the scheduled BOT meetings in one year.~~

#### B. Officers

1. Officers may be removed by vote of a majority of those ~~current BOT members~~Trustees currently appointed for failure to perform the duties of the ~~Office~~, or for malfeasance in office.
2. Vacancy in any ~~Office~~ shall be filled by nomination and election by the ~~Board of Trustees~~BOT as soon as is reasonably possible

**Section 4. Compensation.** The members of the ~~Board of Trustees~~BOT shall receive no compensation, but shall be reimbursed for actual and necessary expenses incurred in the performance of official business of ~~the Hospital~~NMC as assigned by the ~~Board~~BOT, in accordance with established County policies.

**Section 5. Standard of Conduct.** To the extent not inconsistent with other requirements imposed by state, federal, or local laws, procedures or policies regarding the duties of BOT members in their roles as public officials, Each BOT member shall perform his or her duties in good faith, in a manner the member believes to be in the best interest of NMCthe County of Monterey, on behalf of NMC, and including such reasonable inquiry as an ordinarily prudent person in a like position would use under similar circumstances.

#### **Section- 56. Conflict of Interest**

- A. No ~~Board of Trustees~~BOT member shall participate in any matter which comes before the ~~Board~~BOT, or in any matter in which he/she is required to act in his/her capacity as a ~~Board~~BOT member, when the ~~Board~~BOT member has or may have a direct or indirect economic interest which may be affected as a result of such action, ~~unless by necessity~~. Additionally, no ~~Board~~BOT member shall undertake any employment, activity, or economic enterprise for compensation that is inconsistent, incompatible, in conflict with, or inimical to his/her duties as a ~~Board~~BOT member.
- B. ~~Board~~BOT members shall be required to follow the NMC Conflict of Interest Code adopted by the Board of Supervisors, which shall be attached hereto.

### ARTICLE V - OFFICERS

**Section 1. List of Officers.** The Officers of the ~~Board~~BOT shall be the:

- A. Chair;

B. Vice Chair; and

C. Secretary/Treasurer.

## Section 2. Qualifications, Selection and Term

A. Officers are elected by the ~~Board of Trustees~~BOT at its Annual Meeting from among its own members. All members of the ~~Board of Trustees~~BOT are eligible. Election must be by no less than a majority of those Trustees currently appointed.

B. Officers are elected for a one (1) year period and shall serve until a successor has been duly elected. Officers shall be eligible for no more than two (2) consecutive one (1) year terms in the particular office.

C. A ~~Board~~BOT member shall not simultaneously hold more than one office.

## Section 3. Duties

A. The Chair shall:

1. Preside at all meetings of the ~~Board~~BOT;
2. Be an ~~ex-officio~~Ex officio member of all BOT committees;
3. Execute, correspondence, and other written instruments as authorized by the ~~Board~~BOT; and
4. Appoint chairpersons and members of ~~Board~~BOT committees.

B. The Vice Chair shall:

1. In the absence of the Chair, assume the duties of the Chair, and
2. Perform such reasonable duties as may be required by the ~~Board~~BOT or by the Chair of the ~~Board~~BOT.

C. The Secretary/Treasurer shall:

1. Serve as chair of the BOT Finance/Audit eCommittee; ~~(A better practice is that the members of the Finance Committee should not sit on the Audit Committee and vice versa, so there should be a separate Chair of the Audit Committee; the Treasurer should be Chair of the Finance Committee);~~
2. Be responsible for overseeing the creation and/or maintenance of other financial documentation as may from time to time be required by the ~~Board's~~BOT's activities; and

3. Perform such reasonable duties as may be required by the ~~Board~~BOT or by the Chair of the ~~Board~~BOT.

## ARTICLE VI - COMMITTEES

**Section 1. Appointment and Terms of Members of ~~Board~~BOT Committees.** The Chair of the ~~Board of Trustees~~BOT shall appoint members of the ~~Board~~BOT committees. Appointments are for one (1) year.

- A. The ~~Chief Executive Officer~~CEO shall be an ~~ex-Ex officio~~Officio member of all ~~Board of Trustees~~BOT committees.

### **Section 2. Standing Committees**

#### **A. Executive Committee**

1. **Composition:** The ~~BOT~~BOT Executive Committee consists of the Chair, Vice Chair, Secretary/Treasurer of the ~~Board of Trustees~~BOT and ~~Chief Executive Officer~~the CEO ~~(deadlock possible, but tends to force consensus decisions, so probably OK)~~.
2. **Duties:** Acts for the full ~~Board~~BOT as specifically authorized by the ~~By-laws~~Bylaws or when specifically empowered by a vote of the full ~~Board of Trustees~~BOT constituting a quorum at a regular or special meeting, or when time is of the essence and convening the entire ~~board~~BOT is not possible or practical. All actions of the Executive Committee shall be reported to the ~~Board of Trustees~~BOT at its next regular meeting.
3. **County Meetings:** The ~~BOT~~BOT Executive Committee, or a subcommittee thereof, is authorized to attend closed sessions of the Board of Supervisors as may be requested by the Board of Supervisors.

#### **B. Finance Committee**

1. **Composition.** The ~~BOT~~BOT Finance Committee consists of ~~the following three-four (34)~~the following three-four (34) ~~Board-BOT members, as approved by: the Secretary/Treasurer of the BOT, the Chief of the Medical Staff, and the CEO, and one (1) additional BOT member appointed by the Chair of the Board of Trustees appointed by the Chair of the Board of Trustees~~BOT, The County's Treasurer or Auditor-Controller shall serve as ~~eEx~~eEx ~~oOfficio member. including the Secretary/Treasurer of the Board of Trustees~~oOfficio member. including the Secretary/Treasurer of the Board of Trustees ~~BOT, plus the Chief Executive Officer~~BOT, plus the Chief Executive Officer ~~CEO and the County's Treasurer or Auditor-Controller as ex-officio~~ex-officio member. ~~The Finance Committee~~It shall be chaired by the Secretary/Treasurer ~~of the BOT.~~ The Chief Financial Officer ("CFO") shall attend all meetings ~~of the Finance Committee~~ and provide professional support.
2. **Duties:** The duties shall include but not be limited to the following:

- a. Assists in establishing and enhancing valid business and financial management systems;
- b. Annually reviews and recommends budget, as well as monthly reviews of financial performance;
- c. Develop and recommend fiscal policy and standards to the BOT;
- d. Develop and monitor and evaluate a capital development plan for NMC, and make recommendations to the BOT thereon;
- e. Develop a combined budget for NMC to present to the BOT for approval;
- f. Review the operating and capital budgets and monthly financial reports of NMC and make appropriate recommendations to the BOT;
- g. Ensure the integrity of NMC's financial statements, the financial reporting process, and the systems of internal accounting and financial controls; and

~~— Business Plan. The Community Relations and Planning Committee will Business Plan. The Community Relations and Planning Committee will pPrepare the Business Plan for NMC. The Business Plan will provide for capital expenditures for at least a three year period. The Business Plan will identify the objective of, anticipated sources of financing for, and each anticipated capital expenditure in excess of \$600,000 that relates to: the acquisition of land; improvement of land, buildings, and equipment; or replacement, modernization, and expansion of buildings and equipment. The Business Plan will be reviewed and updated annually.~~

b.—

h.—

~~— [Acts as audit committee for the Board of Trustees BOT and (as stated above, better practice is to have a separate Audit Committee with no BOT member overlap) makes recommendations on capital expenditures.]~~

### C. Quality Committee

1. Composition: ~~†~~The BOT Quality Committee consists of three ~~board-BOT~~ members, appointed by the ~~Board-BOT~~ Chair, including one of whom shall be the Chief of the Medical Staff. The Chief Medical Officer and the chair of the Medical Staff Patient Safety/Quality Council (the "PSQC") provide professional support for the ~~e~~Committee.
2. Duties: The duties of the BOT Quality Committee shall include, but not be limited to:
  - a. ~~annually~~ Annually approve the annual Quality Improvement Plan for ~~the~~

~~hospital~~NMC;

- ~~a.b.~~e Ensuring that the Quality Improvement Plan reflects the complexity of NMC's organization and services, and involves all departments and services;
- ~~c.~~ making~~m~~Make recommendations to the full ~~Board of Trustees~~BOT regarding the development and adoption of Medical Staff and ~~Hospital~~NMC policy, practice, and planning;
- ~~d.~~ eEnsuring that NMC establishes clear expectations for safety;
- ~~b.e.m~~Making recommendations to the full BOT regarding the allocation of resources for measuring, assessing, improving, and sustaining NMC's performance and reducing risk to patients;
- ~~e.f. r~~Reviewing ~~the Medical Executive Committee~~ the Medical Executive Committee ("MEC") recommendations regarding the qualifications, credentials, performance, professional competence, and character of applicants and Medical sStaff members, and ~~making~~make recommendations to the full ~~Board of Trustees~~BOT regarding Medical sStaff appointments and reappointments, ~~assignments to grants~~ of clinical privileges, and ~~responsive corrective~~ action;
- ~~d.g. understanding~~rReview reasonable steps taken by the ~~Medical Executive Committee~~MEC to promote ethical conduct and competent clinical performance on the part of Medical Staff ~~M~~membership including any Medical Staff corrective action and reporting to the full ~~Board of Trustees~~BOT when appropriate; and
- ~~e.h. r~~Reviewing reports of the ~~Patient Safety/Quality Council~~PSQC and ~~Medical Executive Committee~~MEC, including any identified actual or potential areas of patient risk and recommending appropriate action to the full ~~Board of Trustees~~appropriate actionBOT.

- 3. ~~When Meetings of the BOT~~ Quality Committee ~~deals with peer review information~~:
  - ~~a.~~ The peer review information is protected in accordance with California Evidence Code Section 1157;
  - ~~b.a.~~ The peer review deliberations occur in closed session; and
  - ~~e.b.~~ Quality discussion and hearings are held in closed session.

#### **D. Community Relations and Planning Committee**

- 1. Composition: The ~~Board~~BOT Chair shall appoint all members of the BOT Community Relations and Planning Committee. The Committee shall consist of the following two-four (24) members of the Board~~BOT~~; ~~with one (1) representative from the Medical Staff, and the Chief Executive Officer~~CEO, a and/or his designee of the CEO, and one (1) additional BOT member appointed by the Chair of the Board of



~~Trustees(possible deadlock), including others as necessary.~~

2. ~~Duties:~~ Responsible, with ~~Hospital-NMC~~ administration, for developing a multi-year Strategic Plan for NMC that is consistent with Article III Section 1, as well as ~~preparing reviewing~~ the annual ~~business-Business planPlan~~. The Committee will also review recommendations from the CEO for changes in services provided and make recommendations to the ~~Board of TrusteesBOT~~. The ~~e~~Committee shall include in its review community relations and marketing programs.

~~2.~~

~~2.~~

#### **E. Governance and Nominating Committee**

1. ~~Composition:~~ ~~†~~The ~~BOT~~ Governance and Nominating Committee shall consist of three ~~board-BOT~~ members appointed by the Chair of the ~~BoardBOT~~.

~~a.2.-Duties:~~ ~~†~~The ~~e~~Committee shall develop and implement a process for recruiting and nominating new members for the ~~Board of TrusteesBOT~~. Nominations will be submitted to the Board of Supervisors for appointment to the ~~Board of TrusteesBOT~~. In addition, the ~~e~~Committee will be responsible for monitoring the ~~Board's-BOT's~~ work in accordance with the ~~b~~Bylaws and policies and procedures adopted by the ~~boardBOT, and;~~ overseeing the education and development of ~~board-BOT~~ members ~~and conducting the annual Board BOT self-evaluation.~~

#### **Section 3. Medical Staff Authority and Responsibility**

It is acknowledged that the Medical Staff of NMC is an ~~independent~~ entity governed by the Medical Staff Bylaws, ~~and~~ rules and regulations, ~~and applicable policies and procedures~~. The NMC Board delegates to the NMC Medical Staff the responsibility for the oversight of clinical quality.

#### **Section 4. Additional Committees and Assignments**

Additional committees, ~~standing or ad hoc~~~~permanent or temporary~~, may be established at any time and from time to time by the Board.

### **ARTICLE VII - MEETINGS**

~~Place of Meetings. All meetings of the BOT are held at the principal office of NMC or at such other place within the County of Monterey as the BOT provides by resolution.~~

#### **Section 1. Frequency and Place of Meetings**

- A. ~~The Board of Trustees will meet regularly, as designated from time to time, with the June meeting designated as the Annual meeting. Meetings are open to all members of the Hospital staff and the general public, except for closed sessions. The annual meeting shall be held at a time and place to be designated by the BOT on the \_\_\_\_\_ day of June, and~~

shall be held for the purpose of organization, election of Officers, and the transaction of such other business as may appropriately come before the BOT.

**B.** Regular meetings shall be held with notice on the \_\_\_\_\_first Friday of each month at a time and place to be designated by the BOT. Each such meeting shall be duly noticed in accordance with the requirements of the Brown Act.

**BC.** Standing committees of the ~~Board~~-BOT meet in accordance with the annual schedule of committee meetings adopted by the ~~Board of Trustees~~BOT, or as frequently as is necessary to fulfill the committee's duties, but not less than quarterly.

**D.** All meetings of the BOT are held at the principal office of NMC or at such other place within the County of Monterey as the BOT provides by resolution.

~~C. Board and Standing Committee meetings are conducted in accordance with the Ralph M. Brown Act (Government Code §54950, et seq.) and/or other applicable statutes.~~

## **Section 2. Special Meetings**

**A.** Special BOT meetings may be called at any time for a specific, announced purpose by the ~~Board~~-BOT Chair, or on request of the majority of the then-sitting ~~Board~~-BOT members.

**B.** Notice of a special meeting shall be delivered, in writing, to all ~~Board~~-BOT members at least twenty-four (24) hours in advance of the meeting and such notice shall be posted and delivered in accordance with Government Code §54956.

## **Section 3. Quorum**

**A.** For regular and special meetings of the ~~Board~~BOT, a quorum shall be a majority of those Trustees currently appointed. Every act or decision done or made by a majority of the BOT members present at a meeting duly held at which a quorum is present shall be regarded as the act of the BOT.

**B.** For committees, a quorum shall be a majority of the members of that committee, and shall include at least one ~~Board~~-BOT member.

## **Section 4. Majority**

Actions of the ~~Board of Trustees~~-BOT shall be by a majority of those Trustees physically and electronically in attendance.

## **Section 5. Minutes**

A record of proceedings of all meetings of the ~~Board of Trustees~~-BOT and its standing committees shall be kept on file at the offices of NMC.

## Section 6. Public Meetings

All meetings of the ~~Board of Trustees-BOT and its standing committees~~ shall be open to the public, unless otherwise provided by law, except for closed sessions. Meetings are conducted in accordance with the ~~Ralph M. Brown Act (Government Code §54950, et seq.)~~ or other applicable statutes.

## ARTICLE VIII - CHIEF EXECUTIVE OFFICER

### Section 1. Qualifications and Position

- A. A qualified and competent ~~Chief Executive Officer~~CEO shall be retained by the Board of Supervisors, through a search and interview process, with input from the ~~Board of Trustees~~BOT, and shall be given responsibility for the day-to-day management of ~~the Hospital~~NMC, subject to ~~Board of Trustees-BOT~~ and Board of Supervisors oversight. The ~~Chief Executive Officer~~CEO shall possess the requisite knowledge, skills and experience to sufficiently evaluate, support and monitor the quality of patient care at NMC.
- B. The ~~Chief Executive Officer~~CEO is an ~~ex-officio~~Ex eOfficio member of all ~~Board of Trustees-BOT~~ committees.
- C. The ~~State-California~~ Department of Public Health Services- (Licensing and Certification), the California Department of Health Care Services (Medi-Cal), and the federal Centers for Medicare and Medicaid Services (Medicare) shall be notified in writing whenever the services of a new ~~Chief Executive Officer~~CEO are retained.

### Section 2. Annual Performance Evaluation; :

- A. The ~~Chief Executive Officer~~CEO is evaluated at least annually by the ~~Board of Supervisors with u input from the Board of Trustees~~BOT. The result of the annual performance evaluation will be presented to the Board of Supervisors for review, modification, and final decision. The BOT and the Board of Supervisors may evaluate the CEO as often as deemed appropriate.
- AB. The Ffinal decision on CEO hiring and termination will be retained by the Board of Supervisors, who will consider the recommendation of the ~~Board of Trustees~~BOT.

## ARTICLE IX - MEDICAL STAFF

### Section 1. Appointment; : The ~~Board of Trustees-BOT~~ shall:

- A. Determine in accordance with State and federal law, which categories of practitioners are eligible candidates to apply for appointment to the ~~m~~Medical ~~s~~Staff.
- B. Appoint members of the ~~m~~Medical ~~s~~Staff and approve-grant the clinical privileges of

each practitioner, ~~including approve allied health professional (“AHP”) status and practice prerogatives of allied health professionals,~~ after considering the recommendations of the ~~Medical Executive Committee~~ MEC, at the time of initial application and reappointment in accordance with the ~~Medical Staff Bylaws, and Rules and Regulations, of the Medical Staff~~ AHP Rules and Regulations, ~~and other applicable policies and procedures.~~ The ~~Board~~ BOT shall ensure that the criteria for selection ~~are based on~~ include evidence of current licensure, relevant training and/or experience, current competence, clinical judgment, interpersonal and communication skills, and physical and mental health status ~~commensurate with their practice.~~

- C. Assure that the ~~m~~Medical ~~s~~Staff has bylaws and approve the ~~m~~Medical ~~s~~Staff ~~b~~Bylaws, ~~and other medical staff~~ rules and regulations, ~~and other applicable policies and procedures.~~
- D. Provide for self-government by the Medical Staff with respect to the professional work performed at NMC.
- D.E. Require that patient care services at ~~the Hospital~~ NMC or under ~~Hospital~~ NMC auspices be provided only by a member of the ~~m~~Medical ~~s~~Staff or under supervision ~~or director order of a member~~ of the ~~m~~Medical ~~s~~Staff, and within the ~~scope of clinical privileges or practice prerogatives~~ granted by the ~~Board of Trustees~~ BOT.
- E.F. Direct that adequate support personnel be available to assist the ~~m~~Medical ~~s~~Staff with organizational functions, including ~~m~~Medical ~~s~~Staff membership and clinical privileges (credentialing), physician performance evaluation (peer review), and collection and analysis of clinical data (quality assurance, utilization review, ~~and~~ risk management).
- G. Assure that a complete and accurate medical record is prepared and maintained for each patient.

## Section 2. Termination and Due Process

Membership on the Medical Staff and specific practice privileges are subject to denial, suspension, termination, or curtailment for cause by the ~~Board of Trustees~~ BOT. In such an event, due process shall be provided as described in Medical Staff Bylaws.

## ARTICLE X - INDEMNIFICATION

~~Section 1. Indemnification of Trustees and Officers;~~ Members of the ~~Board of Trustees~~ BOT and officers shall be indemnified, defended, and held harmless to the full extent permitted by California law against all claims, liabilities and expenses incurred as a result of an action by the ~~Board of Trustees~~ BOT, except in the instance of willful misconduct in the performance of duties as a Trustee or officer, or actions taken as a Trustee or Officer that are beyond the course and scope of his/her duties as a Trustee or officer.

## ARTICLE XI - RULES AND PROCEDURES

Agreed upon rules and detailed procedures for implementation of these Bylaws may be contained in a companion document entitled, "Board Policy and Procedures," if adopted by the ~~Board of Trustees~~BOT.

## ARTICLE XII - ADOPTION

The Board of Supervisors shall adopt ~~b~~Bylaws with input from the ~~Board of Trustees~~BOT. Such Bylaws shall then be submitted to the ~~Board of Trustees~~BOT for ~~enactment~~implementation.

## ARTICLE XII - AMENDMENT

These Bylaws may be amended by the Board of Supervisors at any time. The ~~Board of Trustees~~BOT may recommend amendments to these ~~b~~Bylaws to the Board of Supervisors. Such amended Bylaws shall then be submitted to the ~~Board of Trustees~~BOT for ~~enactment~~implementation.

## ARTICLE XIV - REVIEW

~~Hospital~~BOT Bylaws shall be reviewed at least every two years for revision or more frequently if necessary.

Attachment: Board of Supervisors adopted Conflict of Interest Code