

Natividad Medical Center

Bylaws

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ARTICLE I – PURPOSE AND EFFECTIVENESS OF BYLAWS

The primary purposes of the Natividad Medical Center (“NMC”) 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) clearly define accountability and responsibility for the efficient and effective oversight of day-to-day operations of NMC, 3) clearly define the accountability and responsibility for the safety and quality of care, treatment, and services at NMC, and the efficient operation of NMC and compliance with federal and state statutes and regulations and TJC requirements, 4) clarify the respective roles and responsibilities of the BOT and the Board of Supervisors in NMC operations, 5) comply with the requirements of The Joint Commission (“TJC”), Medicare, and California Code of Regulations Title 22, and 6) 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. ~~These Bylaws shall be effective as of May 5, 2017.~~

These Bylaws shall be effective as of May 5, 2017, including such amendments as may thereafter be duly approved in accordance with the procedures for such amendments, effective upon the date of their adoption or at such later time as may be stated in such amendments.

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ARTICLE II - DEFINITIONS

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

Appeal means the specific procedure(s) set forth in these Bylaws by which an applicant or Medical Staff member has the right to request a review of an adverse recommendation or action on his/her application for Medical Staff 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 of Trustees or BOT means the appointed and Ex Officio members of the governing body of NMC.

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

Business Plan means the document developed by the Finance Committee to define the directions and business objectives of NMC for the future.

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

Chief Medical Officer means that ~~individual~~ duly appointed ~~by the CEO~~ individual 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.

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

Conflict of Interest means direct or indirect economic interest, gained as the result of BOT action in which 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 BOT member.

County means the ~~Legal Entity~~legal entity known as the County of Monterey~~County~~ in the State of California.

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.~~

Hospital or NMC means Natividad Medical Center and includes patient care services provided in the Hospital and/or in other enrolled locations, structures and facilities under the Hospital's license.

Medical Staff means the physicians, dentists, podiatrists, and clinical psychologists appointed by the BOT. The details of the Medical Staff organization are contained in Medical Staff Bylaws.

Medical Staff Bylaws means those documents which organize and govern the Medical Staff of NMC.

Monterey County means the geographical territory of the County of Monterey, a county of the 17th class under section 28038 of the California Government Code.

Procedural Rights means the procedure(s) referenced or established by these Bylaws and the Medical Staff Bylaws, together with the careful implementation thereof, to accord and protect existing legal rights of Medical Staff members and applicants for Medical Staff membership and/or clinical privileges.

Regular Monthly Meeting means the meeting of the BOT held on a pre-established, duly noticed, monthly schedule as may be amended as necessary from time to time in accordance with the Brown Act and/or other applicable statutes.

Vacancy means an unfilled BOT member seat or an unfilled office. Vacancies may occur because of resignation, death, expiration of term, -removal from the 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

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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 in the County of Monterey and is vested with under the control of the Board of Supervisors. Disposition of property by the County of Monterey shall require the approval of the Board of Supervisors, which shall take into consideration the recommendations of the 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 provide patient care services in or under the auspices of NMC are subject to the authority of the 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 NMC is vested by law in the Board of Supervisors and shall be based upon consideration of the recommendations of the 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 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 and compliance with federal and state statutes and regulations and TJC requirements. These Bylaws clarify the respective roles and responsibilities of the BOT and the Board of Supervisors in NMC operations.~~

- A. The CEO shall be responsible for overseeing all day to day operational activities of NMC. The business of NMC shall be conducted by the CEO under the direction and supervision of the BOT and with ultimate approval by the Board of Supervisors, as outlined in these Bylaws with due attention to relevant community interests and concerns and designed to ensure a uniform level of patient care.
- B. The powers and responsibilities of the BOT include, but are not limited to, the following:
 - 1. Encourage NMC to fulfill its mission by:
 - a. Creating a clear statement of NMC’s mission, vision, values and strategic plan to achieve the mission and vision;
 - b. Monitoring the alignment of NMC management’s strategies with the key goals and achieving the vision; and

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- c. Monitoring how the Hospital's programs are meeting the needs of the community within the resources available to do so.
2. Provide for effective executive 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;
 - c. Delegating all management functions to the CEO subject to County and BOT policies and directives; and
 - d. Ensuring that leadership succession plans are in place of key management positions.
3. Provide for NMC high quality of care by:
- a. Monitoring the effectiveness of the Medical Staff process for recommending the appointment, reappointment, credentialing and privileging of Medical Staff members;
 - b. Appointing, reappointing, and granting clinical privileges to Medical Staff 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. Providing that management and Medical Staff have quality and utilization monitoring systems in place and that they are functioning effectively to achieve the desired outcomes;
 - g. Establishing and monitoring an effective performance improvement program;
 - h. Establishing and monitoring an effective ethics and compliance program;
 - i. Approving NMC's written scope of services;
 - j. Specify the frequency and detail of quality indicator data collected and reviewed by the hospital's Quality Committee, and reviewing the quality indicator data on a regular basis;

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- 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
 - m. Approving NMC's policies and procedures, including the policies and procedures for all service lines of NMC.
4. Provide for NMC's financial strength by:
- 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. Requiring management to implement controls that provide an appropriate system of checks and balances;
 - e. Mandating that there is an effective internal audit function; and
 - f. ~~Selecting the external auditor and receiving~~Receiving and reviewing the auditor's report.
5. Function effectively and efficiently as the BOT by:
- a. Creating a statement of its roles and responsibilities and using this statement to direct its work;
 - b. Providing that the 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 BOT members with the knowledge, time and skills needed to govern;
 - d. Providing that systems and procedures are in place to assist the BOT in doing its work, including an annual BOT self-evaluation;
 - e. Providing that the BOT, Medical Staff, and management operate in accord with applicable standards and laws; and
 - f. Respecting the confidentiality of NMC matters.

D. The Board of Supervisors reserves to itself the power and authority to oversee and manage labor relations and collective bargaining. In addition, the Board of Supervisors reserves to itself the following power and authority, with consideration of such input ~~from~~ the BOT may choose to provide or the Board of Supervisors may request:

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1. Borrowing approval(s);

~~2. Labor relations/collective bargaining;~~

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~~3. Audit approval;~~

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~~3. 4. Budget approval;~~

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~~4. 5. Contract approval;~~

~~6. 5. Hiring and termination of the CEO;~~

~~7. Termination of any Hospital programs or services that require a Beilenson Act hearing; and~~

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~~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 BOT shall consist of eleven (11) members:

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A. Four (4) of whom shall serve in an Ex Officio capacity, with vote, for their terms of office as:

1. County Administrative Officer;

2. Chief of the Medical Staff;

3. One member of the Board of Supervisors, nominated and appointed by the Board of Supervisors; and

4. NMC CEO.

B. 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~~ chief financial officer level;

2. Executive experience in a large and complex organization;

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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 NMC;
7. Membership on the Medical Staff of NMC; ~~and/or~~
8. Nursing experience at the chief nursing officer or similarly senior level; and/or
- ~~8-9.~~ Clinical experience as a physician.

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

Appointed members of the BOT shall be residents of Monterey County. The criteria to be considered in nominating individuals as Trustees shall include:

1. Background and skills needed on the BOT;

~~2. Resident of Monterey County;~~

Available

~~3-2.~~ Availability and willingwillingness to attend a minimum of ten (10) monthly BOT meetings per year and actively participate on at least one BOT committee;

~~4-3.~~ Willingness to acquire the knowledge and skills required to lead a complex health care organization;

~~5-4.~~ History of community leadership; and/or

~~6-5.~~ Commitment to the improvement and development of the health care of the community.

D. 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 that unless otherwise specified in the member's notice of resignation, if no successor is appointed on or before the date of the annual meeting to which this section refers, then the member shall remain in office until the earlier of the date that~~

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the member's successor takes office or the date that is twelve (12) months following such annual meeting.

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 6 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 ~~2-1~~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 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 ~~D~~.3 above may be re-appointed to the BOT following a one-year absence from the BOT.

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

- A. Regularly attend 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 NMC in a positive and effective manner in public forums;
- E. Be sufficiently informed about Hospital management and patient care services that the BOT member can effectively evaluate proposed actions and reports;
- F. Accept and fulfill reasonable assignments from the Chair of the BOT; and
- G. Participate in the orientation and educational programs for new BOT members.

Section 3. Vacancies and Removal of Trustees or Officers

A. Trustees

1. If a BOT member has not satisfied the above-listed attendance requirements, the BOT shall recommend that the Board of Supervisors declare that a Vacancy on the BOT exists or present to the Board of Supervisors that good reason exists to not declare that a Vacancy exists.
2. BOT member Vacancies may also be created by other means, including but not limited to, expiration of term, resignation, death, removal, or moving outside the boundaries of ~~the~~Monterey County.
3. In the event of a Vacancy, a replacement shall be nominated by the remainder of the BOT, based on the criteria set forth above in Article IV, Section 1A, B and C, and recommended to the Board of Supervisors for timely appointment.

B. Officers

1. Officers may be removed by vote of a majority of those current BOT members 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 BOT as soon as is reasonably possible

Section 4. Compensation— The members of the BOT shall receive no compensation, but shall be reimbursed for actual and necessary expenses incurred in the performance of official business of NMC as assigned by the 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 6. Conflict of Interest

- A. No BOT member shall participate in any matter which comes before the BOT, or in any matter in which he/she is required to act in his/her capacity as a BOT member, when the BOT member has or may have a direct or indirect economic interest which may be affected as a result of such action. Additionally, no 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 BOT member.
- B. BOT members shall be required to follow the NMC Conflict of Interest Code adopted by

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the Board of Supervisors, which shall be attached hereto.

C. This Section 6 is intended to incorporate any applicable federal, state, or local law regarding such matters (including but not limited to applicable provisions of the California Government Code and regulations thereunder), and is not intended to supplement or alter such requirements. To the extent such laws are amended in the future, such amendments shall be deemed incorporated herein.

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ARTICLE V - OFFICERS

Section 1. Officers. The Officers of the 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 BOT at its Annual Meeting from among its own members. All members of the 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 BOT member shall not simultaneously hold more than one office.

Section 3. Duties

- A. The Chair shall:
 - 1. Preside at all meetings of the BOT;
 - 2. Be an Ex Officio member of all BOT standing committees;
 - 3. Execute, or delegate the authority to execute, correspondence, ~~and other on behalf of the BOT.~~
 - 4. Execute, or delegate the authority to execute, written instruments as authorized by the BOT; and
- 45. Appoint chairpersons and members of BOT committees, consistent with these Bylaws, except in cases where these Bylaws explicitly provide for such appointments, in which case no further action shall be required to place such members on such

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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 BOT or by the Chair of the BOT.

C. The Secretary/Treasurer shall:

1. Serve as chair of the BOT 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 BOT's activities; and
3. Perform such reasonable duties as may be required by the BOT or by the Chair of the BOT.

ARTICLE VI - COMMITTEES

Section 1. Appointment and Terms of Members of BOT Committees.

A. The Chair of the BOT shall appoint members of the BOT committees, except as otherwise provided herein. Appointments ~~are~~ shall be for one (1) year.

B. ~~A.~~ The CEO shall be an Ex Officio member, with vote, of all BOT standing committees.

Section 2. Standing Committees

A. Executive Committee

1. Composition: The BOT Executive Committee ~~consists~~ shall consist of the following four (4) BOT members: Chair of the BOT, Vice Chair, Secretary/Treasurer of the BOT, and the CEO.

2. Duties: ~~Aets for~~

a. The Executive Committee may exercise the powers of the full BOT as specifically authorized by the Bylaws or when specifically empowered by a vote of the full BOT constituting a quorum at a regular or special meeting, or when time is of the essence and convening the entire BOT is not possible or practical. ~~All actions of the Executive Committee shall be reported to the BOT at its next regular meeting.~~

b. The Executive Committee shall be responsible, with NMC administration, for

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developing a multi-year Strategic Plan for NMC that is consistent with Article III Section 1, as well as preparing the annual Business Plan.

All actions of the Executive Committee shall be reported to the BOT at its next regular meeting, and shall be agendized in such a manner as to allow the BOT, to the extent lawful and practicable, to reverse or modify such action if it so chooses.

3. County Meetings: The 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 and consistent with applicable law.

B. Finance Committee

1. Composition. The BOT Finance Committee ~~consists~~shall consist of the following ~~three (3)~~five (5) BOT members: the Chair of the BOT, the Secretary/Treasurer of the BOT, the Chief of the Medical Staff, and the CEO, and such other members as the Chair of the BOT shall appoint to bring the total number of voting members to five (5). The County's Treasurer or Auditor-Controller ~~shall~~may serve as an Ex Officio member. The Finance Committee shall be chaired by the Secretary/Treasurer of the BOT. The Chief Financial Officer (~~"CEO"~~)or their designee, or if none, then the CEO's designee, 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. Assist in establishing and enhancing valid business and financial management systems;

- ~~b.~~ Annual reviewReview and recommend a budget,~~as well as monthly reviews of~~ for BOT approval each year;

- ~~b.c.~~ Review financial ~~performance~~reports of NMC each month and make appropriate recommendations to the BOT;

- ~~e.d.~~ Develop and recommend fiscal policy and standards to the BOT;

- ~~d.~~ Develop and monitor and evaluate a three-year capital development plan for NMC, and make recommendations to the BOT thereon;

- ~~e.~~ Develop a combined budget for NMC to present (but this requirement shall be deemed modified if and to the BOT for approval;

- ~~f.e.~~ Review~~extent~~ the operating and capital budgetsCounty imposes requirements inconsistent herewith); and ~~monthly financial reports of NMC and make~~ appropriate recommendations to the BOT;

- ~~g.f.~~ Ensure the integrity of NMC's financial statements, the financial reporting process, and the systems of internal accounting and financial controls;~~and.~~

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~~h. Prepare 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.~~

C. Quality Committee

1. Composition: The BOT Quality Committee ~~consists~~ shall consist of ~~three~~ five (5) BOT members, appointed by: the BOT Chair, one of whom shall be the BOT, the Chief of the Medical Staff, ~~The Chief Medical Officer and, the CEO, and two (2) additional BOT member appointed by the Chair of the chair of the Medical Staff Patient Safety/Quality Council (the "PSQC")~~ BOT. The CEO shall designate appropriate staff to provide professional support for the Committee.
2. Duties: The duties of the BOT Quality Committee shall include, but not be limited to:
 - a. Annually approve the annual Quality Improvement Plan for NMC;
 - b. Ensuring that the Quality Improvement Plan reflects the complexity of NMC's organization and services, and involves all departments and services;
 - c. Make recommendations to the full BOT regarding the development and adoption of Medical Staff and NMC policy, practice, and planning;
 - d. Ensuring that NMC establishes clear expectations for safety;
 - e. 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;
 - f. Review the Medical Executive Committee ("MEC") recommendations regarding the qualifications, credentials, performance, professional competence, and character of applicants and Medical Staff members, and make recommendations to the full BOT regarding Medical Staff appointments and reappointments, grants of clinical privileges, and corrective action;
 - g. Review reasonable steps taken by the MEC to promote ethical conduct and competent clinical performance on the part of Medical Staff membership including any Medical Staff corrective action and reporting to the full BOT when appropriate; and

~~h. Review reports of the PSQC and MEC, including any identified actual or~~

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~~potential areas of patient risk and recommending appropriate action to the full BOT.~~

~~h. Review reports of the Patient Safety Quality Council Committee (“PSQC”) and MEC, including any identified actual or potential areas of patient risk and recommending appropriate action to the full BOT. For avoidance of doubt, the Quality Committee shall not consider matters that are within the jurisdiction of the PSQC or MEC, Medical Staff Quality Review Committee, or any other organized medical staff committee, peer review body, or other body whose proceedings are subject to Section 1157 of the California Evidence Code, except in reviewing the reports and other matters originally considered by such other body. Where such reports and other material are subject to protection under Evidence Code §1157, or may be discussed in closed session pursuant to Health & Safety Code §1461, or are otherwise subject to similar confidentiality or privacy protections under applicable law, the Committee shall conduct its proceedings in such a manner as to preserve such protections or status to the maximum extent reasonably feasible, while also maximizing the information that may be shared with the full BOT, to the extent consistent with the foregoing regarding privacy and confidentiality protections.~~

3. Meetings of the BOT Quality Committee: ~~To the extent permitted under applicable law,~~

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a. The peer review deliberations shall occur in closed session; and

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b. Quality discussion and hearings ~~are held~~shall occur in closed session.

~~D. Community Relations and Planning Committee~~

~~1. Composition: The BOT Chair shall appoint all members of the BOT Community Relations and Planning Committee. The Committee shall consist of the following four (4) members of the BOT: one (1) representative from the Medical Staff, the CEO, a designee of the CEO, and one (1) additional BOT member appointed by the Chair of the Board of Trustees.~~

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

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~~E. D. Governance and Nominating Committee~~

1. Composition: The BOT Governance and Nominating Committee shall consist of ~~three BOT~~the following five (5) members of the BOT: the Chair of the BOT, the Chief of Medical Staff, the CEO, and two (2) additional members appointed by the Chair of the BOT.

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2. Duties:

2-a The Committee shall develop and implement a process for recruiting and nominating new members for the BOT. Nominations will be submitted to the Board of Supervisors for appointment to the BOT. In addition, the Committee will be responsible for monitoring the BOT's work in accordance with the Bylaws and policies and procedures adopted by the BOT, and overseeing the education and development of BOT members.

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b. The Committee shall undertake a review of these Bylaws (including the Conflict of Interest Code required by Section 6(b)), and make recommendations to the BOT for amendments or reaffirmation thereof, in advance of the BOT's review of these Bylaws pursuant to Article XV, and at such other times as the Committee may deem appropriate.

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Section 3. Medical Staff Authority and Responsibility

It is acknowledged that the Medical Staff of NMC is an entity governed by the Medical Staff Bylaws, 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, may be established at any time and from time to time by the Board. ~~The membership of ad hoc committees shall be as provided by the BOT in the action creating such ad hoc committee, and no BOT member shall have a right to membership on any ad hoc committee unless specifically appointed thereto.~~

ARTICLE VII - MEETINGS

Section 1. Frequency and Place of Meetings

- A. The annual meeting of the BOT shall be held at a time and place to be designated by the BOT, 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 of the BOT shall be held with notice on the first Friday of each month at a time and place to be designated by the BOT, ~~or at such other time as the BOT may designate by formal action adopting or amending its schedule of regular meetings.~~ Each such meeting shall be duly noticed in accordance with the requirements of the Brown Act.
- C. Standing committees of the BOT shall meet in accordance with the annual schedule of committee meetings adopted by the 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~~ shall be held at the principal office of NMC or at such other

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place within ~~the County of~~ Monterey County as the BOT ~~provides by resolution may~~ provide.

Section 2. Special Meetings

- A. Special BOT meetings may be called at any time for a specific, announced purpose by the ~~BOT~~ Chair of the BOT, or on request of the majority of the then-sitting BOT members, in compliance with applicable law.
- B. Notice of a special meeting shall be delivered, in writing, to all 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 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 BOT member~~.

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Section 4. Majority

Actions of the BOT or any committee shall be by a majority of those ~~Trustees physically and electronically voting members~~ in attendance in compliance with applicable law.

Section 5. Minutes

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

Section 6. Public Meetings

All meetings of the 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 Brown Act or other applicable statutes.

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ARTICLE VIII - CHIEF EXECUTIVE OFFICER

Section 1. Qualifications and Position

- A. A qualified and competent CEO shall be retained by the Board of Supervisors, through a

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search and interview process, with input from the BOT, and shall be given responsibility for the day-to-day management of NMC, subject to BOT and Board of Supervisors oversight. The CEO shall possess the requisite knowledge, skills and experience to sufficiently evaluate, support and monitor the quality of patient care at NMC.

~~B. The CEO is an Ex Officio member of all BOT committees.~~

~~B.~~ The California Department of Public Health (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 CEO are retained.

Section 2. Annual Performance Evaluation

- A. The CEO is evaluated at least annually by the 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.
- B. The final decision on CEO hiring and termination will be retained by the Board of Supervisors, who will consider the recommendation of the BOT.

ARTICLE IX - MEDICAL STAFF

Section 1. Appointment The BOT shall:

- A. Determine in accordance with State and federal law, which categories of practitioners are eligible to apply for appointment to the Medical Staff.
- B. Appoint members of the Medical Staff and grant the clinical privileges of each practitioner, approve ~~allied health professional ("AHP")~~ advanced practice provider status and practice prerogatives, after considering the recommendations of the MEC, at the time of initial application and reappointment in accordance with the Medical Staff Bylaws, Rules and Regulations, AHP Rules and Regulations, and other applicable policies and procedures. The BOT shall ensure that the criteria for selection include evidence of current licensure, relevant training and/or experience, current competence, clinical judgment, interpersonal and communication skills, and physical and mental health status.
- C. Assure that the Medical Staff has bylaws and approve the Medical Staff Bylaws, 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.
- E. Require that patient care services at NMC or under NMC auspices be provided only by a member of the Medical Staff or under supervision of the Medical Staff, and

within the clinical privileges or practice prerogatives granted by the BOT.

- F. Direct that adequate support personnel be available to assist the Medical Staff with organizational functions, including Medical 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 BOT. In such an event, due process shall be provided as described in Medical Staff Bylaws.

ARTICLE X - INDEMNIFICATION

Members of the 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 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 BOT.

ARTICLE XII - ADOPTION

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

ARTICLE ~~XII~~XIII - AMENDMENT

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

ARTICLE XIV – INTERPRETATION

Words used in these Bylaws that reference a particular gender shall be interpreted to refer to all genders, unless the context indicates otherwise.

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ARTICLE XV - REVIEW

BOT Bylaws shall be reviewed by the BOT at least every ~~two~~three years for recommendation to the Board of Supervisors for reaffirmation or possible revision, or more frequently if necessary.

Attachment: Board of Supervisors adopted Conflict of Interest Code

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