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# TULARE LOCAL HEALTHCARE DISTRICT

## BYLAWS

Adopted: May 22, 2013

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## **ARTICLE I**

### **NAME, AUTHORITY, PURPOSE AND**

#### **LOCATION Section 1. NAME**

The name of this District is "Tulare Local Health Care District," and is doing business as "Tulare Regional Medical Center," referred to herein as the "District."

#### **Section 2. AUTHORITY**

- a. The District is a local health care district organized November 27, 1945, under the provisions of Division 23 of the California Health and Safety Code, otherwise known and referred to herein as "The Local Health Care District Law."

Under the terms of the Local Health Care District Law, as amended from time to time, the District has established and owns and operates Tulare Regional Medical Center (the "Hospital") and other facilities and services as set forth in Section 6 of this Article.

- b. These bylaws, and any amendments hereto, shall collectively be known as the "District Bylaws."
- c. In the event of any conflict between the District Bylaws and The Local Health Care District Law (California Health and Safety Code sections 32000 — 32492), the California Health and Safety Code shall prevail.

#### **Section 3. MISSION, VISION & VALUES**

- a. Mission  
To provide safe, efficient, technologically advanced healthcare with respect for the diversity of our region.
- b. Vision  
To be the leader and preferred healthcare organization in the region.
- c. Values

**Quality:** To provide high-quality care, based on the best practices and in collaboration with Medical Staff that exceeds patient expectations.

**Customer Service:** To provide compassionate, courteous, respectful and dignified care, maintaining confidentiality and sensitivity to every individual. **Compliance/Ethics:** To comply with regulatory requirements based on the highest ethical standards.

**Finance/Efficiency:** To conduct operations according to best practices in order to achieve financial goals.

**People:** To be the organization of choice for high-quality, culturally diverse employees and Medical Staff.

**Growth:** To expand access and availability of healthcare while growing services based on regional need.

**Community:** To partner with our communities to address local and regional healthcare needs and concerns.

#### **Section 4. DESCRIPTION**

The geographic area served by the District includes the City of Tulare, California, and the surrounding southwestern areas of Tulare County, including but not limited the communities of Angiola, Alpaugh, Earlimart, Pixley, Plainview, Tipton, Waukena, and Woodville.

#### **Section 5. LOCATION**

- a. The principal office for the transaction of business of the District is fixed and located at 869 Cherry Street, Tulare, California 93274 (the "Offices").
- b. Other offices and locations for the transaction of business of the District may be established by the Board of Directors within the boundaries of the District.

#### **Section 6. COMPONENTS AND SERVICES**

- a. The District is a public agency. Facilities and services owned and operated by the District pursuant to the powers granted it under the Local Health Care District Law include, but are not limited to the following health care and non-health care components and services, which may be amended by the Board

of Directors from time to time in the exercise of its discretionary authority. HEALTH CARE COMPONENTS AND SERVICES

- a. Tulare Local Health Care District Hospital dba Tulare Regional Medical Center;
- b. Tulare Home Care;
- c. Mineral King Toxicology Laboratory;
- d. Family X-Ray;
- e. Evolutions Fitness & Wellness Center; and
- f. Rural Health/FQHC Clinics.

NON-HEALTH CARE COMPONENTS AND SERVICES

- a. Ownership of real property available for lease, rental or sale.

## ARTICLE II

### MEETINGS, ORDER OF BUSINESS

#### Section 1. MEETINGS

- a. The regular meetings of the Board of Directors of the District shall be held on the fourth Wednesday of each month, at such time as the Board of Directors may establish at the Offices, or such other location as the Board of Directors may from time to time establish.
- b. Special meetings of the Board of Directors of the District may be held in conformance with The Local Health Care District Law and the Ralph M. Brown Act. Special meetings may be called by three (3) members of the Board of Directors and notice of the holding of a special meeting shall be mailed, hand-delivered, electronically transmitted, or sent by facsimile or other generally acceptable means, to each member of the Board of Directors at least twenty-four (24) hours before the special meeting. Notice of each special meeting shall be posted at the designated area for posting Board of Director meeting agendas at least twenty-four (24) hours prior to the special meeting.

- a. Emergency meetings of the Board of Directors of the District may be held when prompt action is necessary due to actual or threatened disruption of public facilities in conformance with The Local Health Care District Law and the Ralph M. Brown Act. For purposes of this section, "emergency situation" means any of the following, as determined by a majority of the members of the Board of Directors: (i) work stoppage or other activity which severely impairs public health, safety or both; (ii) crippling disaster which severely impairs public health, safety, or both. All meeting sessions of the Board of Directors of the District, whether regular or special, shall be conducted in accordance with The Local Health Care District Law (Health and Safety Code sections 32000, et seq.) and the Ralph M. Brown Act, California Government Code Sections 54950, et seq. ("the Brown Act").
- b. The agenda for any regular meeting of the Board of Directors for the District shall be posted in a clearly visible and publicly accessible site for the District, including the District's website, no less than seventy-two (72) hours prior to the regular meeting. The agenda shall contain a description of each item to be transacted. Items not appearing on the agenda shall not be transacted, except in compliance with the applicable provision(s) of California Government Code Sections 54950, et seq.

## **Section 2. ORDER OF BUSINESS**

- a. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business.
- b. The Secretary of the Board of Directors shall cause to be kept at the principal office of the Board of Directors a book of minutes of all meetings of the Board of Directors showing the time and place, whether regular, special or emergency, and, if special or emergency, how authorized, the notice given, a list of persons who were notified or were attempted to be notified, the name of the directors present, and a statement of the vote of the directors on all motions and resolutions.
- c. The Board of Directors shall act only by motion and/or resolution and all votes, motions and/or resolutions shall be entered upon the minutes.

Decisions of the Board of Directors of the District establishing general rules, requirements and/or procedures affecting the Board of Directors shall be by resolution. All other decisions of the Board of Directors, unless otherwise controlled by statute, shall be by motion, which shall become effective upon the affirmative vote by the majority of the directors present upon entry in the minutes, or as otherwise provided.**ARTICLE III**

## **BOARD OF DIRECTORS**

### **Section 1. DIRECTORS**

- a. The District shall be governed by a Board of Directors (the "Board") consisting of five (5) elected or appointed persons who are registered voters residing in their specific electoral zone of the District, as identified and modified by resolution of the Board.
- b. As of the November 2012 election, each member of the Board of Directors shall be elected by the electors of each of the zones. No person shall be eligible to hold the office as a member of the Board of Directors unless he or she has been a full time resident of the zone from which he or she is elected for 30 days immediately preceding the date of the election.

### **Section 2. POWERS**

- a. The Board of Directors shall have all of the powers given to it by The Local Health Care District Law.
- b. From time to time the Board of Directors may pass resolutions regarding specific policy issues, as well as pass resolutions which establish policy for the operation of the District and any of its facilities.
- c. The Board of Directors shall determine the policies and procedures and shall have control of and be responsible for the overall operations and affairs of the District and its facilities, according to the best interests of the communities served by the District.

- a. The Board of Directors shall have the power to review and approve capital expenditures for the benefit of the District or any facilities owned and/or operated by the District. The Board of Directors shall have the sole power to engage, employ, assign, supervise and discharge legal representation of the District, including the District's General Counsel. For the purpose of any such engagement, employment, assignment, supervision and discharge, the General Counsel shall be considered an "officer" of the District, reporting to and advising the Board of Directors.

The Board of Directors shall have the power to direct the operations of the District to ensure compliance with all applicable health care laws within the State of California and the United States, including but not limited to statutes, regulations and rules applicable to health care districts and related entities.

### **Section 3. DUTIES**

- a. Members of the Board shall govern the District in accordance with the best interests of the public health and make and enforce all rules, regulations, and bylaws necessary for the administration, government, protection and maintenance of the District, under their management, and property belonging thereto.
- b. Members of the Board shall perform the duties and responsibilities required by The Local Health Care District Law, other public agencies laws applicable to the District, and applicable state and federal laws and regulations.
- c. Members of the Board shall have the ultimate moral, legal, and regulatory responsibility for the quality of services provided by all individuals who perform their duties in the District's facilities.

### **Section 4. ELECTION AND VACANCIES**

- a. The Board of Directors shall be elected as provided in The Local Health Care District Law.
- b. Members of the Board of Directors of the District shall serve a term of four (4) years.

- a. A vacancy in the office of the Board of Directors shall be filled by the remaining members of the Board of Directors by appointment, as provided in California Government Code section 1780. Additionally, any such vacancies shall be filled by election by the remaining members of the Board of Directors after a thirty (30) day public notice has been made and interested parties have been interviewed by the remaining members. Any person appointed to fill such vacancy shall hold office for the unexpired term or the next regular election in accordance with law. The election of the members of the Board of Directors of the District shall be held on the first Tuesday after the first Monday in November in each even-numbered year, at which time a successor shall be chosen to each Director whose term shall expire when the successor takes office pursuant to Section 10554 of the Elections Code (Health & Saf. Cod. § 32100.5). The election shall be consolidated with the Statewide General Election pursuant to California Election Code Section 10400, et seq. The elected members shall take office at noon on the first Friday in December following the general election. Prior to taking office, each elected member shall take the official oath. (California Elections Code §§ 10553 and 10554.)

#### **Section 5. TERM; REMOVAL**

- a. A member of the Board of Directors of the District may be removed only by recall vote, as set forth in California Elections Code Section 2700.
- b. Notwithstanding any other provision of law or of the District Bylaws, the term of any member of the Board of Directors may, at the discretion of the remaining members of the Board, be deemed expired if he or she is absent from three (3) consecutive meetings, or from three (3) of any five (5) consecutive meetings of the Board of Directors and the Board of Directors, by resolution, declares the term of that member expired and that a vacancy exists on the Board of Directors.

#### **Section 6. COMPENSATION**

- a. Members of the Board shall serve without compensation, except:

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Each Director shall be allowed and paid actual and necessary traveling and incidental expenses incurred in the performance of official business of the District in accordance with policies and procedures as may be established by the Board.

**ARTICLE IV**

**OFFICERS**

## **Section 1. OFFICERS**

The officers of the District shall be members of the Board of Directors and elected by the Board members. The officers of the District shall include a President, Vice-President, Secretary and Treasurer. The President, Vice-President, Secretary and Treasurer and such other officers as may be designated by the Board of Directors shall be elected by the Board of Directors at the first regular meeting following an even numbered election year, and as further described herein Article III, Sec. 4 of the Bylaws.

Each elected officer shall serve a term of two (2) years, or until their successor is elected. An officer may resign at any time or be removed by a majority vote of the Board of Directors of the District then in office at any regular or special meeting of the Board of Directors. Reasons for action of removal shall be given in writing to each Board member, no later than ten (10) days prior to any action being taken.

In the event of a resignation or removal of an officer, the Board of Directors shall elect a successor to serve for the balance of the removed officer's unexpired term.

## **Section 2. PRESIDENT**

The Board of Directors of the District shall elect one of its members to act as President and, if at any time the President shall be unable to act, the Vice-President shall take the President's place and perform their duties. The duties and responsibilities of the President (or Acting Officer) are as provided:

- a. Shall preside over all meetings of the Board of Directors of the District.

- a. Shall, in conjunction with the District's CEO and the District's legal counsel, be responsible for the placement of all items on Board meeting agendas. Shall sign, as President, such contracts, conveyances and other instruments in writing as the Board of Directors shall authorize or direct the President to sign.
- b. Shall be responsible for coordination and liaison with District legal counsel, auditors and consultants.
- c. Designate members of the Board to undertake special responsibilities and to report to the Board on those activities.
- d. Appoint members of Standing and Ad Hoc committees.
- e. Represent the Board at official functions when necessary, serve as spokesperson for the Board regarding Board actions, and keep the Board informed of such occasions.
- f. Shall perform such other duties as pertain to the office, as prescribed by the Board of Directors.

### **Section 3. VICE PRESIDENT**

In the absence or inability of the President to serve, the Vice-President shall perform the duties of the President, and shall perform other duties as pertain to the office as are prescribed by the Board.

### **Section 4. SECRETARY**

- a. The Secretary shall act as Secretary of both the District and the Board of Directors.
- b. The Secretary shall be responsible for seeing that records of all actions, proceedings, and minutes of meetings of the Board of Directors are properly kept and maintained in the office of the Board of Directors.
- c. The Secretary shall be responsible for seeing that all ordinances and resolutions of the Board of Directors pertaining to policy and government of the District and its facilities are properly recorded and are maintained in the office of the Board of Directors.

- a. The Secretary shall serve, or cause to be served, all notices required either by law or the District Bylaws and, in the event of their absence, inability, refusal or neglect to do so, such notices shall be served by any person thereunto directed by the President or Board of Directors. The Secretary shall be responsible for seeing that the seal of the District is in safekeeping in the office of the Board of Directors and shall use it under the direction of the Board of Directors.
- b. The Secretary shall perform such other duties as pertain to the office and as are prescribed by the Board of Directors of the District.

**Section 5 TREASURER**

- a. The Treasurer shall have the responsibility for the safekeeping and dispersal of funds in the treasury of the District, in accordance with the provisions of The Local Health Care District Law and in accordance with such resolutions, procedures and directions as the Board of Directors may adopt.
- b. The Board of Directors may designate, by motion, resolution or by proper procedure, any other person or persons who shall have authority to sign checks drawn on the appropriate accounts of the District, and to execute in the name of the District all contracts and conveyances and other instruments in writing.
- c. The Treasurer shall perform such other duties as pertain to their office and as are prescribed by the Board of Directors.

**ARTICLE V**

**COMMITTEES**

**Section 1. GENERAL PROVISIONS**

- a. Board members shall be appointed to committees of the Board by the President, subject to the approval of the Board, at the first regular meeting of the Board each calendar year.

- a. The President of the Board may appoint, with concurrence of the Board of Directors, any special committees needed to perform special tasks and functions for the District. Committees of the Board shall be Standing or Ad Hoc.
- b. All committees, whether Hospital committees or committees established by the Board, shall be advisory to the Board unless otherwise specified by the Board. The purpose and progress of committees shall be reviewed by the Board on an annual basis, at the December regular meeting of the Board.
- c. The President shall appoint no more than two (2) members of the Board of Directors to participate in any given committee. Appointed Board members shall be assisted by District staff and consultants of the District.

Each committee shall report its activities to the Board of Directors on a periodic basis.

Section 2. STANDING COMMITTEES

- a. Finance and Audit Committee. This committee shall be responsible for performing the following functions:

To oversee the financial management and budget of the District, in consultation with an independent auditor selected by the Board.

Review and recommend to the Board policies and procedures in the areas of finance, fiscal controls, investments and insurance programs.

- i. Recommend to the Board a change in auditors at least every five years, oversee the selection process and make a recommendation to the Board for selection of an appropriate auditor.
- ii. Review the completed audit of the District's books and accounts when received and report the committee's recommendation concerning the audit to the Board.
- iii. The Finance Committee will review and forward to the full Board the following reports:

aa Profit & Loss and Budget Report  
Semi-Annual Investment Report

bb Annual Budget Report

i. Perform other duties as assigned by the Board.

- b. Compliance Committee. This committee shall be responsible for overseeing implementation, execution, and effectiveness of the compliance program in ensuring compliance with applicable statutes, regulations, and other Federal health care program requirements.

The compliance committee shall include two (2) Board members, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, general counsel, Compliance Officer, and other personnel from relevant functional departments as the committee deems necessary. The Compliance Officer shall have direct access to the Board of Directors, and all members of the Compliance committee; including being present during any meeting of the Board. The Compliance Officer shall make regular reports to the Board of Directors and other District management

concerning Compliance program implementation and execution.

Responsibilities:

Development and distribution of written compliance policies and procedures, including standards of conduct;

- i. Development and implementation of regular, effective education and training programs for all affected employees in applicable District facilities and services;
- ii. Development of a system to receive allegations of improper/ illegal/ non-compliant activities, which system promotes open lines of communication, protects the anonymity of complainants and protects whistleblowers from retaliation;
- iii. Development of a system to respond to allegations of improper/ illegal/ non-compliant activities;
- iv. Investigation and remediation of identified systemic problems and enforcement of appropriate disciplinary action against employees who have violated internal

compliance policies, applicable statutes, regulations or Federal health care program requirements including policies addressing the non-employment or retention of sanctioned individuals; and

- vi. Development and implementation of auditing or other evaluation techniques to monitor compliance and assist in the reduction of identified problem areas.
- c. Building/Planning/Facilities Committee. This committee shall be responsible for the following:

Oversee the proper use of all District properties;

Oversee the compliance of all agreements related to District assets, including issues of fair market value to protect against gifts of public funds;

- i. Set lease/rental rates and ensure lessee/tenant compliance with lease/rental agreements;
- ii. Recommend to the Board any action the committee deems necessary or advisable to ensure protection of the District's interests under any lease/rental agreement;
- iii. Work with lessees/tenants to resolve issues;
- iv. Work with District architect on master planning and construction project(s) to develop the entire District campus, including the District's east campus.

### **Section 3. AD HOC OR SPECIAL COMMITTEES**

Ad Hoc or Special committees (such as legislative, community based planning, governance, strategic planning, Bond Oversight) may be established by the President with the approval of the Board of Directors for such special tasks as circumstances warrant. It shall be the duty of the President to appoint the chairperson and members of each Ad Hoc or Special committee. The Ad Hoc or Special committee shall limit its activities to the accomplishments of the task for which it is appointed and shall not have power to act, except as is specifically conferred by action of the Board. Upon completion of the task for which appointed, such Ad Hoc or Special committee shall stand discharged.

- a. Section 4. HOSPITAL COMMITTEESExisting Hospital Committees.** The President shall appoint no more than two (2) Board members to serve as Board liaisons on the following established and existing Hospital committees: Joint Conference Committee, Physician Recruitment Committee; and/or those Hospital committees which may be established from time to time.
- b. Joint Conference Committee.** The President of the Board and a member of the Board appointed by President shall participate, along with the Chief Executive Officer, in the Joint Conference Committee, which is a committee of the Medical Staff of the District. This committee shall serve as a systematic mechanism for communication between members of the Board, the Administration, and members of the Medical Staff of the District. Specifically, issues which relate to utilization, credentialing, the Peer Review process, and quality of patient care shall be regularly addressed. These meetings shall be held on a routine basis, and at a minimum of twice a year. The proceedings and records of this committee are protected by Section 1157 of the Evidence Code.
- c. Performance Improvement Committee.** This committee's primary purpose is to provide oversight of the District's performance improvement activities, and to establish a consistent, systematic approach to improving organization wide improvement. A summary of Performance Improvement activities is to be submitted to the Board on periodic basis, but not less than semi-annually.
- a. Credentialing Committee.** This committee's primary purpose is for the Chair and the Vice Chair of the Board to work with the CEO and Chief of Medical Staff regarding the credentialing process of the District. In collaboration with the Medical Staff, the Credentialing Committee will submit recommendations made by Credentialing Committee to the Board for recommendation, approval and/or rejection of the credentialing of the Medical Staff,
- d. Grievance Committee.** The Board of Directors delegates responsibility for the grievance process, as required by the Medicare Conditions of Participation, to the Hospital. A Grievance Committee shall be responsible for

developing/amending policies and procedures for the handling of patient grievances in accordance with legal requirements.**ARTICLE VI**

**CHIEF EXECUTIVE OFFICER**

**Section 1. GENERAL PROVISIONS**

- a. The Board shall appoint and may enter into a contract of employment with a competent experienced Administrator who shall serve as the Chief Executive Officer (CEO) and manager of the District, as provided and in compliance with The Local Health Care Law and Ralph M. Brown Act.
- b. The Board shall be solely responsible for appointment or dismissal of CEO.
- c. The CEO shall have the ultimate operational authority and shall be responsible for the day-to-day administration and management of the District in all its services, activities and departments, and Medical Staff relations, subject only to such policies adopted and/or issued by the Board of Directors of the District.
- d. The CEO shall act as the "duly authorized representative" of the Board of Directors in all matters the Board has not otherwise formally designated to another.
- e. In the absence of the CEO, a Vice President designated by the CEO shall assume the responsibilities of this position. The Board Chair, in consultation with the Board, retains final authority to name the person to act during the long term absence or incapacity of the CEO.

On a periodic basis, but at a minimum annually, the Board shall meet in Executive session to monitor the performance of the CEO. The conclusions and recommendations from this performance evaluation will be directly communicated to the CEO.

**Section 2. AUTHORITIES AND DUTIES**The authorities and duties of the CEO, as required and as authorized by the Board shall be:

- (1) To prepare and submit to the Board of Directors for approval a plan or organization of the personnel and others concerned with the operation of District facilities, services, activities and departments, including but not limited to Tulare Regional Medical Center, and all of its related programs and services.
- (2) To prepare an annual budget of the expected receipts and expenditures.
- (3) To conserve physical and financial assets of the District.
- (4) To select, employ, assign, supervise, and discharge all employees.
- (5) Establish and maintain information and support systems.
- (6) To ensure physical properties are kept in good repair and operating condition.
- (7) To supervise all business affairs, financial transactions, collections of accounts, purchase and insurance of supplies, and to ensure all funds are collected and expended to the best possible advantage.
- (8) To submit to the Board of Directors a Capital Expenditure Report on a quarterly basis, as to how the capital expenditures in the previous quarter have been spent. A Capital Expenditures Budget is approved on an annual basis by the Board. The quarterly Capital Expenditure Reports are presented to inform the Board as to how the resources of the annual Capital Expenditure Budget are being managed. .
- (9) To submit to the Board of Directors other expenditures exceeding the sum of Twenty Five Thousand Dollars (\$25,000.00).

- (1) To advise and cooperate with the Medical Staff of Tulare Regional Medical Center and to secure like cooperation directed toward and in the interest of rendering **quality** professional services to all patients. To prepare and submit regularly to the Board of Directors periodic reports showing the professional services performed, the financial activities of the District and such other reports as may be required by the Board of Directors.
- (2) To attend meetings of the Board of Directors and its committees.
- (3) To perform any other duties assigned or delegated by the Board and/or necessary to serve the best interest of the District.
- (4) To serve as the liaison officer and channel of communications for all official communications between the Board of Directors or any of its committees and the Medical Staff.
- (5) To be responsible for, have control of, and authority for decisions concerning the operation of District facilities, services and divisions and their related personnel, including but not limited to Tulare Regional Medical Center and its affiliated programs and services.
- (6) To report to the Board at regular and special meetings all significant times of business of Tulare Regional Medical Center and make recommendations concerning the disposition thereof.
- (7) To ensure that the District complies with applicable laws, regulations and standards.
- (1) To promote awareness of the District, good will in the community, and philanthropic support.

## ARTICLE VII

**MEDICAL STAFFSection 1. GENERAL PROVISIONS**

- a. The Board of Directors shall appoint the Medical Staff composed of licensed physicians, dentists, podiatrists, allied health or clinical psychologists duly licensed by the State of California, as described in the Health and Safety Code of the State of California, sec. 32128. The Board of Directors, upon consideration of the recommendations of the Medical Staff coming from the Medical Executive Committee, through the Credentialing Committee, affirms or denies appointment and privileges to the Medical Staff of Tulare Regional Medical Center. The Board shall reappoint members to the Medical Staff every two (2) years, as set forth in the Medical Staff Bylaws. The Board requires that an organized Medical Staff is established within the District and that the Medical Staff submits their Bylaws, Rules and Regulations and any changes thereto, to the Board of Directors for approval.
- b. All applications for appointment to the Medical Staff shall be in writing, shall be addressed to and submitted to Administration, the Medical Staff and to the Board of Directors for final approval.
- c. In no case shall the Board take action on an application, refuse to renew an appointment, or cancel an appointment previously made without conference with the Medical Staff or its duly authorized representative. Final responsibility for appointment, modification, rejection or cancellation of any appointment shall rest with the Board of Directors. The standards for appointment and reappointment of the Medical Staff shall be as provided by the standards of the regulatory and accrediting agencies.
- d. The Medical Staff shall be self-governing with respect to the business of the Medical Staff, and as provided in Section 2282.5 of Business & Professions Code.
- e. The Medical Staff shall initiate, formulate, adopt and recommend to the Board of Directors, Medical Staff Policies and Procedures, Bylaws, Rules and Regulations, and amendments thereto which shall be effective when approved

by the Board of Directors. The Medical Staff shall exercise this responsibility and authority in good faith and in a reasonable, timely, and responsible manner, reflecting the interests of providing patient care in a manner consistent with the generally recognized level of quality and efficiency, and maintaining a harmony of purpose and effort with the Board of Directors. The Medical Staff and the Board of Directors shall maintain a collaborative relationship to ensure proper and timely adoption and/or amendment of Medical Staff Policies and Procedures, Bylaws, Rules and Regulations.

The Board of Directors holds the Medical Staff accountable and responsible for the development, adoption, and annual review of its own Medical Staff Bylaws, Rules and Regulations that are consistent with the District's policies, applicable codes, and/or other regulatory requirements. Neither the Medical Staff nor the Board of Directors may make unilateral amendments to the Medical Staff Bylaws or the Medical Staff Rules and Regulations.

- a. The Medical Staff is responsible for establishing the mechanism for the selection of Medical Staff Officers, Medical Staff Department Chairpersons, and Medical Staff Committee Chairpersons, with the mechanism included in the Medical Staff Bylaws and Rules.
- b. The Medical Staff shall meet in accordance with the requirements of Accrediting Agencies as they deem necessary to review and analyze their clinical work within the District. The Medical Staff and Management are to review and revise all departmental policies and procedures as often as needed, and comply with any and all regulatory agency requirements.

In the event of a discrepancy between Medical Staff Bylaws, Medical Staff Rules and/or the District's Bylaws, the District Bylaws shall, to the extent permitted by law, prevail.

The District shall retain the ability to make effective business decisions that are necessary for the efficient and high quality operation of its facilities.

- k. The Board of Directors shall adopt Appointment and Corrective Action Procedures for the Medical Staff setting forth the procedures governing: (1) appointments and re

appointments to the Medical Staff; (2) delineation of clinical privileges; (3) assignments to staff categories; and (4) procedures relating to corrective actions involving applicants and medical staff appointees. The Board of Directors shall adopt a Fair Hearing Procedure for the Medical Staff setting forth: (1) the hearing rights which will be afforded to applicants and appointees to the Medical Staff in the event of a reduction, restriction, suspension, revocation, denial or failure to renew staff appointment or clinical privileges, or a recommendation for any of the foregoing; (2) the circumstances under which such hearing rights will be made available; (3) the manner in which such hearing will be conducted; and (4) the method of selecting members of the Hearing and Appellate Review Committees.

- m. The District CEO, as an Ex-Officio member of the Medical Executive Committee, shall have the right to attend all General, Executive and other committee meetings of the Medical Staff and shall be given notice of such meetings.

Members of the Medical Staff are eligible to run in public election for membership on the Board of Directors in the same manner as any other member of the public.

**Section 2. MEDICAL STAFF (ACTIVE, COURTESY, CONSULTING, & PROVISIONAL)**

- a. General qualifications and membership on the Medical Staff of the District shall be extended only to practitioners who are professionally competent and continuously meet the qualifications, standards, and requirements as set forth in the Medical Staff Bylaws and Rules. Medical Staff membership (except Honorary Medical Staff) shall be limited to practitioners who are currently licensed or qualified to practice medicine, dentistry, podiatry or oral surgery in California.

**Section 3. TEMPORARY MEDICAL STAFF PRIVILEGES**

Temporary privileges may be granted by the CEO (or designee), on the recommendation of the Chief of Staff or the chief of the appropriate service, or either's designee. All persons requesting or receiving temporary privileges shall be bound by the Medical Staff Bylaws and Rules, as well as the

the end of 120 consecutive days, but may be terminated earlier. A determination to grant temporary privileges shall not be binding or conclusive with respect to an applicant's pending request for appointment to the Medical Staff.**Section 4.**

#### **HONORARY MEDICAL STAFF**

Members of the Honorary Medical Staff shall be appointed by the Board of Directors from among former members of the Medical Staff who have retired from active practice, or other members of the medical profession who, in the opinion of the Board of Directors, are of such professional eminence as to merit this honor. Such members shall not vote on the business of the Medical Staff but may attend meetings, educational programs, and may be accorded the privileges of the floor.

#### **Section 5. QUALITY OF CARE/PATIENT SAFETY AND PERFORMANCE IMPROVEMENT PROGRAM**

- a. The Board of Directors shall assure that there is an efficient, effective, comprehensive and integrated solution focused Quality of Care/Patient Safety and Performance Improvement Program.
- b. The Board of Directors delegates the authority and responsibility for carrying out the Quality of Care/Patient Safety and Performance Improvement Program to the Active Medical Staff and CEO, who, in turn, shall demonstrate to the Board the effectiveness of such program for quality assurance. The Medical Staff Bylaws shall include a standing Performance Improvement Committee.

Membership of the Performance Improvement Committee shall include an equal number of active Medical Staff and appropriate District staff.

- c. The Medical Staff and District staff will implement and report on the activities and mechanisms for monitoring and evaluating the quality of patient care, for identifying and resolving patient care problems, and for identifying opportunities to improve patient care within the District.
- d. The quality assurance mechanisms within any of the District's facilities shall provide for monitoring of patient care processes to assure that patients with the same health

conditions are receiving the same level of care within the District.**ARTICLE VIII**

**NONDISCRIMINATION POLICY**

The District, including its members of the Board of Directors, officers, employees and agents, shall not engage in discrimination on the basis of actual or perceived age, ancestry, religious creed, race, color, national origin, sex, religion, physical or mental disability, medical condition, political beliefs, sexual orientation, and/or marital or family status.

**ARTICLE IX**

**SEVERABILITY**

If any article, subsection, paragraph, sentence, clause or phrase of the District Bylaws is for any reason held to be in conflict with the provisions of The Local Health Care District Law or any other law, statute, rule or regulation, such conflict shall not affect the validity of the remaining portion of the District Bylaws.

**CONFLICTS OF INTEREST**

**Section 1. CONFLICTS OF INTEREST**

Pursuant to Section 1090 of the Government Code, members of the Board and officers of the District shall not be financially interested in any contract made by them in their official capacity, or by the District or anybody or board of which they are members. Members of the Board or officers of the District shall not be purchasers at any sale or vendors at any purchase made by them in their official capacity.

The Administration Policy Manual of Tulare Regional Medical Center and the Board of Directors Policy Manual has a written Conflict of Interest Policy which requires the completion and filing of a Conflict of Interest Statement disclosing financial interests that

- AA may be materially affected by official actions and provides that designated staff members must disqualify themselves from acting in their official capacity when necessary in order to avoid a conflict of interest. The requirements of this policy are additional to the provisions of Government Code Section 87100 and other laws pertaining to conflict of interest; and nothing herein is intended to modify or abridge the provisions of the policies of Tulare Regional Medical Center which apply to:Members of the Board of Directors
- BB The executive staff of the District;
- CC All management personnel of any District Health care facility.

Each member of the Board of Directors and specified executives must file an annual Conflict of Interest Statement as required by California Code.

The Board shall assess the adequacy of its conflict-of interest/confidentiality policies and procedures at least every three (3) years.

**Section 2. PERMISSIBLE INTERESTS**

The Board of Directors may approve a proposed transaction in which a member of the Board or officer of the District has only a remote interest, as defined by Government Code sections 1091 through 1091.5, or other interest allowed by law, upon the disclosure of such interest pursuant to the requirements of Government Code section 1091, the Local Health Care District Law, or other applicable laws.

**Section 3. DUTY TO DISCLOSE**

Members of the Board of Directors and officers of the District shall disclose any potential conflict to the Board of Directors prior to entering into any transaction entered by the District, and prior to participation in any related meetings, negotiations, discussions or other matters related to the transaction. Members of the Board of Directors and officers of the District shall abstain from participating in meetings, negotiations, discussions or other matters relating to a transaction in which the Board Member or officer of the District has a conflict of interest.

## ARTICLE XI INDEMNIFICATION

### Section 1. ACTIONS OTHER THAN BY THE DISTRICT

The District shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the District) by reason of the fact that he or she is or was a director, officer, employee or agent of the Hospital District, or is or was serving at the request of the District as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the District, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The District shall indemnify any person, only as to that person's actions acting within the scope of his or her employment and/or authority as a director, officer or agent of the Hospital District. Willful acts outside the scope of any person's employment and/or authority of his/her position shall be investigated as to whether indemnification will be provided on a case by case basis. The termination of any action, suit or proceeding any judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Hospital District, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful. Indemnification shall not be considered when any action, after a good faith investigation has transpired, has been deemed as unlawful.

### Section 2. ACTION BY THE DISTRICT

The District shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the District to procure a judgment in its favor by reason of the fact that he or she is or was a director officer, employee or agent of the District, or is or was serving at the request of the District as a director, officer, employee

or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he acted within the scope of his authority and in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the District and except that no indemnification shall be made in respect of any claim issue or matter as to which such person shall have been adjudged to be liable to the District, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

**Section 3. AUTHORIZATION OF INDEMNIFICATION**

Any indemnification under Sections (a) and (b) above shall be made by the District only as authorized in the specific case upon a determination that indemnification of the director, officer employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth therein. Such determination shall be made: (a) by the Board of Directors by a majority vote of a quorum consisting of members who were not parties to such action, suit or proceeding; or (b) if such quorum is not obtainable, or, even if obtainable a quorum of disinterested members so directs, by independent legal counsel in a written opinion; or (c) by the sole member.

## ARTICLE XII

### AMENDMENTS

#### Section 1. AMENDMENT BY MAJORITY

The District Bylaws may be amended by affirmative vote of majority of the total members of the Board of Directors at any Regular or Special meeting of the Board of Directors, provided a full statement of such proposed amendment shall have been sent to each member of the Board of Directors not less than seven (7) days prior to the meeting.

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**Section 2. ACTION TO AMEND** Affirmative action may be taken to amend the District Bylaws by unanimous vote of the entire membership of the Board of Directors at any Regular or Special meeting of the Board of Directors in which event the provision for seven (7) days notice shall not apply.

President, Board of Directors

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Secretary, Board of Directors

Adopted by the Board of Directors on May 22, 2013