

**SECOND AMENDED AND RESTATED BYLAWS OF THE  
BOARD OF TRUSTEES OF  
JACKSON-MADISON COUNTY GENERAL HOSPITAL DISTRICT**

**ARTICLE I.  
Mission and Purpose of the District**

The mission of Jackson-Madison County General Hospital District (hereinafter referred to as the "District"), as set forth in Chapter 686 of the Private Acts of 1949 (the "Private Act") is to provide, on a fee-for-service basis with due regard for the needs of low-income and indigent patients, the full range of health care (including mental health), illness prevention and allied and incidental services and operations. Additionally, the District will seek to provide quality, compassionate health care and to accomplish this goal without tax support.

**ARTICLE II.  
Subsidiaries of the District**

The District may establish subsidiary non-profit corporations from time to time. Each non-profit corporation of which the District is the sole member, whenever created, shall be a subsidiary entity of the District and shall be deemed to be a governmental entity for purposes of the Tennessee Governmental Tort Liability Act and for all other purposes.

**ARTICLE III.  
Powers and Authority of the District**

The District (and its subsidiaries and affiliates) shall have all powers and authority available to it law, including, but not limited to, the following powers and authority:  
pursuant to applicable

**A.** All powers and authority set forth in Chapter 686 of the Private Acts of 1949, as amended;

**B.** All powers and authority set forth in Tennessee Code Annotated Sections 7-57-301, 7-57-302, 7-57-304, 7-57-305, 7-57-310, 7-57-501, 7-57-502, 7-57-503, 7-57-504, and 7-57-603, as all of the foregoing may be amended from time to time or as the foregoing may be numerically redesignated in the Tennessee Code Annotated;

**C.** All powers and authority granted to Private Act Hospital Authorities and Private Act Metropolitan Hospital Authorities pursuant to and in accordance with Tennessee statutory law, common law, and/or constitutional law;

**D.** All other powers and authority available pursuant to state, local, and federal laws, rules, and regulations;

**E.** To the extent permitted by law, the power and authority:

**1.** To make and amend bylaws, not inconsistent with its Private Act or the laws of this state, for regulating and managing its affairs;

**2.** To purchase, receive, lease, or otherwise acquire, and own, hold, improve, use, and otherwise deal with, real or personal property, or any legal or equitable interest in property,

wherever located;

3. To sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of, or grant a security interest in, all or any part of its property;

4. To purchase, receive, subscribe for, or otherwise acquire; own, hold, vote, use, sell, mortgage, lend, pledge, or otherwise dispose of, or grant a security interest in; and deal in and with shares of other interests in, or obligations of, any other entity;

5. To make and enter into contracts, including contracts for necessary supplies, equipment or services incident its the operation, and to incur liabilities, borrow money, issue its notes, bonds, and other obligations, and secure any of its obligations or those of any other person by mortgage, pledge of, or security interest in, any of its property, franchises, or income;

6. To invest and reinvest its funds, and receive and hold real and personal property as security for repayment;

7. To be a promoter, partner, member, associate, or manager of any partnership, joint venture, trust, or other entity;

8. To elect, appoint, and designate officers, employees, and agents of the District and its subsidiaries and affiliates, define their duties, and fix their compensation;

9. To pay pensions and establish pension plans, pension trusts, profit sharing plans, and benefit or incentive plans for any or all of its current or former directors, officers, employees, and agents;

10. To make donations for the public welfare or for charitable, scientific, or educational purposes;

11. To make payments or donations, or do any other act, not inconsistent with law, that furthers the District's interests;

12. To accept gifts, devises, and bequests, subject to any conditions or limitations contained in such gift, devise, or bequest, so long as such conditions or limitations are not contrary to law or the purposes for which the District is organized, and to accept donations of money, personal property, or real estate for the benefit of the authority and to take title thereto from any person, firm, corporation or society desiring to make such donations; and

13. To do all things necessary or convenient, not inconsistent with law, to further the activities and affairs of the District and its subsidiaries and affiliates.

Except as otherwise provided by law, the validity of any District action may not be challenged on the ground that the District lacks or lacked powerb act.

#### **ARTICLE IV. Board of Trustees**

**A. Governing Body.** The District shall have a Board of Trustees (the "Board of Trustees" or the "Board"), which shall be the governing body of the District.

B. Membership. The Board of Trustees consists of five (5) members elected under Sections 4, 5, 6, and 7 of Chapter 686 of the Private Acts of 1949, as amended (the "Private Act"). The members of the Board of Trustees must be natural persons. Members of the Board of Trustees are elected for the terms described in the Private Act by the City Council of the City of Jackson and the County Legislative Body of Madison County on an alternating basis as described in the Private Act. A member of the Board of Trustees whose term has expired shall continue to serve until his or her successor shall have been elected in the manner provided for in the Private Act. Members of the Medical Staff of Jackson-Madison County General Hospital are eligible for and may be elected to the Board of Trustees in the same manner as members of the Board of Trustees are otherwise elected by the City Council and the County Legislative Body as provided in the Private Act.

C. Compensation of Members of Board of Trustees. Members of the Board of Trustees shall serve without compensation. As used herein, the term "compensation" shall mean direct monetary payments, such as salaries, but the term "compensation" shall not include reimbursement of out-of-pocket expenses incurred while performing duties as a Board member, incidental meals, or educational programs, nor shall such tenn include incidental benefits or other such items of remuneration.

D. Duties of the Board of Trustees.

1. Generally. The District is governed by the Board of Trustees in accordance with the Private Act. The Board of Trustees shall have full, absolute, and complete authority and responsibility for the operation, management, conduct, and control of the business and affairs of the District. The affairs of the District shall include, without limitation, the operations of all of the District's affiliated facilities and services.

2. Specific Areas of Oversight and Authority. Subject to the limitations set forth in Paragraph D.3. below, the Board shall have oversight and authority regarding the following matters:

- a. Being ultimately responsible for oversight of the quality of care provided by the District. In order to carry out the foregoing responsibility, the Board of Trustees will provide for oversight of the effective functioning of activities relating to: (i) delivery of quality patient care; (ii) performance improvement; (iii) risk management; (iv) Medical Staff credentialing; (v) financial management; and (vi) professional graduate education, when provided.
- b. Ensuring, through delegation to management and oversight, that provisions are made for coordination and integration among leaders to: (i) establish policies; (ii) maintain quality patient care; (iii) provide for necessary resources; and (iv) provide for organizational management and planning.
- c. Approving the annual operating budget and long-term capital expenditure plan for the District. The plan should provide for capital expenditures for at least a three (3)-year period, including the year in which the operating budget is applicable. Such plan should identify the objectives of and anticipated sol)rces of financing for any antioipatsd capital expenditure in excess of \$600,000 that relates to acquisition of land, improvement of land, buildings or equipment, or the replacement, modernization, and expansion of buildings and equipment;
- d. Annually preparing and submitting a budget and financial reports as required by the Private Act ;

- e. Ensuring, through delegation to management and oversight, that provisions are made for conflict resolution to resolve conflicts among leaders;
- f. Ensuring, through delegation to management and oversight, that provisions are made for the collaboration among District leaders in developing, reviewing, and revising policies and procedures that address key items, including informing management that the Medical Staff, management, and others should review and revise departmental policies and procedures when warranted.
- g. Through delegation to management and oversight, providing for the establishment, promulgation, and enforcement of the rules, regulations, and policies of the District, the upkeep and maintenance of all property, the administration of all financial affairs of the District, the execution of all contracts, agreements and other instruments, and the employment, compensation, discharge, and supervision of all personnel;
- h. Establishing policies, promoting performance improvement, and providing for organizational management and planning;
- i. Assisting in connection with the District's compliance with applicable laws and regulations by receiving and considering compliance reports and other activities;
- j. Assuming the following responsibilities in connection with the Medical Staff:
  - (i) determining, in accordance with Tennessee law, which categories of medical practitioners are eligible candidates for appointment to the Medical Staff;
  - (ii) appointing members of the Medical Staff who meet eligibility requirements for Medical Staff membership after considering recommendations of the existing members of the Medical Staff in connection therewith;
  - (iii) assuring that the Medical Staff has Bylaws;
  - (iv) approving the Medical Staff Bylaws and Rules and Regulations;
  - (v) ensuring that the Medical Staff is accountable to the Board of Trustees for the quality of care provided to patients; and
  - (vi) ensuring that every Medicare patient is under the care of a healthcare practitioner of the types listed in 42 C.F.R. Section 482.12(c)(1), as the same may be amended or numerically redesignated from time to time.

In connection with and in performing their duties, members of the Board of Trustees may and shall have the right to speak directly to and to correspond with any third person who furnishes information to members of the Board of Trustees, such as accountants, attorneys, and other professional advisors, as well as to any employee or officer of the District.

**3. Limitations on Board of Trustees' Liability.** Notwithstanding the above duties and responsibilities set forth for the members of the Board of Trustees, the members of the Board of Trustees shall be entitled to all limitations on liability, immunity from liability and suit, and other presumptions (including the presumption of the business judgment rule) provided by applicable law. Nothing contained in the above list of duties and responsibilities shall be deemed to affect or reduce the limitations on a Board member's liability for his or her acts or omissions .

## ARTICLE V.

## Meetings of the Board of Trustees

**A. Annual, Regular, and Special Meetings.** Meetings of the Board of Trustees shall be annual, regular, and special. The annual meeting shall be held the fourth (4th) Tuesday in April at Jackson-Madison County General Hospital at 5:00 PM, local time, or at such other time and place as may be determined by the Chairman and included in the notice of the annual meeting. Regular meetings shall be held on the last Tuesday of each month at Jackson-Madison County General Hospital at 5:00 PM, local time, or at such other time and place as may be determined by the Chairman and included in the notice of the regular meeting. Special meetings may be called at any time by the Chairman, and shall be called by the Chairman upon the written request of three (3) members of the Board of Trustees. Notice of a special meeting shall include the date and time of the meeting. Unless otherwise stated in the notice thereof, special meetings shall be held at Jackson-Madison County General Hospital.

**B. Notice of Meetings.** Adequate public notice of any meeting shall be made, which shall include mailing of notice to each member of the Board of Trustees at the member's address, which notice shall set forth the time and place of the meeting. In case of a special meeting, the notice calling the meeting shall contain a statement of the business to be transacted, and at such special meeting, no business other than that stated in the notice shall be transacted. Notice shall be effective at the earliest of the following times: (i) when received (whether actually received or constructively received by virtue of publication); (ii) five (5) days after deposit in the U.S. mail, if mailed correctly with correct postage; or (iii) on the date shown on the return receipt if sent by registered mail or certified mail, return receipt requested. A member of the Board of Directors may waive any required notice, and a Board member's attendance at or participation in a meeting waives any otherwise required notice of the meeting, unless the Board member objects at the beginning of the meeting to the holding of the meeting and does not thereafter vote for or assent to action taken at such meeting.

**C. Quorum.** A quorum at any annual, regular, or special meeting of the Board shall be a majority of the members of the Board of Trustees in office immediately before the meeting begins. In order for the Board of Trustees to take action on any matter presented to it, the affirmative vote of at least three (3) members shall be required, and the minutes of the meeting shall show that at least three (3) members voted affirmatively. All proceedings of the Board of Trustees shall be governed by the latest edition of Robert's Rules of Order, unless in conflict with the Private Act establishing the Hospital District, or in conflict with the Bylaws of the Board, or where such rules are patently inapplicable. Notwithstanding the foregoing, procedural irregularities in the conduct of a meeting shall not vitiate any action of the Board unless such irregularities are objected to at the same meeting by a member of the Board or unless such irregular procedure would, without regard to the existence of the specific rule violated, constitute a violation of the right of procedural due process under the Federal or Tennessee Constitution.

**D. Agenda.** The agenda at any meeting of the Board of Trustees shall be as follows:

### **Annual Meeting:**

1. Call to order.
2. Presentation and approval of minutes of the last annual meeting.
3. Presentation of the Annual Report of the Board of Trustees.
4. Transaction of other business that may be properly brought before the meeting.
5. Election of Officers of the Board of Trustees.
6. Adjournment.

### **Regular Meetings:**

1. Call to order.

2. Presentation and approval of minutes of the last regular meeting and of any special

- meetings held since the last regular meeting.
3. Administration's Proposed Actions Requiring Board Approval.
4. Report of Chief of Staff.
5. Report of President.
6. Transaction of unfinished business.
7. Transaction of other business that may properly come before the meeting.
8. Adjournment.

**Special Meeting:**

1. Call to order.
2. Reading of the notice calling the meeting.
3. Transaction of the business for which the meeting is called.
4. Adjournment.

**E. Conduct of the Meetings.** It shall not be necessary to read detailed written resolutions or reports into the record, unless specifically requested by a member of the Board at the meeting, if the resolution or report has been brought to the attention of the Board prior to the meeting and a copy of the resolution or report is available at the meeting for inspection by members of the Board and members of the public in attendance. A "Bringing to the attention of the Board" may be accomplished by mailing of resolutions and reports in advance of the meeting.

**F. Attendance.** Each member of the Board of Trustees shall be required to attend eighty percent (80%) of the annual and regular meetings of the Board. A member of the Medical Staff selected by the Medical Staff and/or other individuals may attend the regular meetings of the Board of Trustees referenced in Paragraph A above and may speak at such regular meetings. However, such individuals who wish to speak at the regular meetings must comply with the time limits established by the Board for the same and must comply and adhere strictly to the agenda for the meeting established by the Board.

**G. Records of Meetings.** The Board of Trustees or its designee shall keep complete records and minutes of its regular and special meetings.

**H. Resignation of Directors and Vacancies.** A member of the Board of Trustees may resign at any time by delivering written notice to the other members of the Board of Trustees or to its Chairman. A resignation is effective when the notice is effective (which may not be earlier than upon receipt of the notice by the Board or its Chairman) unless the notice specifies a later effective date. In the event of resignation of a member of the Board of Trustees, or upon the death of a member of the Board of Trustees prior to the expiration of his or her term, or upon a vacancy in the Board occurring for any other reason, the subject Board member's successor shall be elected for the unexpired term in the same manner in which the resigning or deceased member was elected as provided in the Private Act.

**I. Orientation.** Members of the Board of Trustees, upon their election, will be given an orientation program presented by District administration sufficient to familiarize each Board member with the physical plant of the District, the organization of the District, the financial structure of the District, and the overall administration of the District. Thereafter, members of the Board of Trustees shall attend such continuing education programs for Board members that are presented in-house by the administration or otherwise by outside agencies, as the Board may determine to be proper to meet identified needs.

**J. Annual Performance Review.** On an annual basis, the Board of Trustees shall review its performance by considering actions and deliberations of its committees and of the Board itself. Such review shall coincide with the conclusion of the hospital's fiscal year and shall consider statistics, audited financial reports, and comparison of accomplished events with strategic planning documents.



**K. Board Officers.** At the annual meeting of the Board of Trustees, the Board of Trustees shall elect a Chairman, a Vice-Chairman, and a Secretary from among its members. Members so elected shall hold office until the next annual meeting or until their successors are elected.

**1. Chairman.** The Chairman shall preside at all meetings of the Board of Trustees, shall be interested in all affairs of the District, and shall perform such other duties as may be assigned by the Board of Trustees from time to time.

**2. Vice-Chairman.** The Vice-Chairman shall perform the duties and exercise the powers of the Chairman during the absence or disability of the Chairman.

**3. Secretary.** The Secretary shall issue notices of all meetings, including adequate public notice to the extent required by law, shall receive and attend to all correspondence of the Board of Trustees, shall be responsible for the minutes and other records of the Board of Trustees, and shall perform such other duties as usually pertain to that office or as shall be prescribed by the Board of Trustees from time to time.

## **ARTICLE VI. COMMITTEES**

**A. Designation of Committees.** The Board of Trustees may designate one or more standing or special committees of the Board of Trustees of the District by one or more enabling resolutions of the Board of Trustees. The Board of Trustees will establish such committees as it desires from time to time and may add additional committees or delete committees, as it deems necessary and appropriate. Such committees are authorized to exercise only the authority granted to them by the Board of Trustees' enabling resolution. Such committees have the authority to report to the Board from time to time at the request of the Board, but such committees shall not make or have any authority to make decisions for the Board or make or have any authority to make recommendations to the Board, unless the same is specifically authorized by the resolution establishing the subject committee.

**B. Limitations on Committees' Power.** No committee established by the Board shall have the authority to act on District affairs, unless directly authorized by the Board in the subject enabling resolution. Otherwise, committees have the authority only to report (but not make decisions for or recommendations to) the Board from time to time, as requested by the Board. No committee shall have the authority to elect, appoint, or remove any member of such committee, except as provided in the enabling resolution. Rules governing procedures for meetings of any committee established by the Board shall be as established by the Board in the committee's enabling resolution. Absent such procedures in the enabling resolution, the procedures will be established by the committee itself.

**C. Committee Chair.** The Chairman of the Board of Trustees, with the approval of the Board of Trustees, shall appoint the committee chairs for all committees established by the Board of Trustees to serve for such term as outlined in the enabling resolution.

**D. Committee Meetings.** Meetings of committees may be called by the respective chairs of such committees, or by any number of members of the committee as set forth in the enabling resolution for such committee. The voting requirements and quorum requirements for each committee will be as set forth in the enabling resolution for each such committee.

**E. Reports to the Board Of Trustees.** Reports to the Board of Trustees from any committee may be made by the committee chair, or by any member of the Board of Trustees sitting on such committee, or by such other person or individuals who are approved by the Board of Trustees from time to time to make such reports, or in the enabling resolution of such committee.

**ARTICLE VII.**  
**STANDARDS OF CONDUCT FOR BOARD MEMBERS,**  
**LIMITATIONS ON BOARD MEMBERS' LIABILITY, AND LITIGATION MATTERS**

**A. General Standards of Conduct.** A Board member shall discharge all duties as a director, including duties as a member of a committee: (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (iii) in a manner the Board member reasonably believes to be in the best interests of the District.

**B. Reliance on Others.** In discharging the duties listed in Paragraph A. above, a Board member is entitled to rely upon information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by: (i) one (1) or more officers or employees of the District whom the Board member reasonably believes to be reliable and competent in the matters presented; or (ii) legal counsel, public accountants, consultants, or other persons as to matters the Board member reasonably believes are within the person's professional or expert competence; or (iii) a committee of the District or the Medical Staff if the Board member reasonably believes the committee merits confidence.

**C. Limitations on Liability and Immunity.** Pursuant to applicable Tennessee law, the Board members are generally immune from suit arising from the conduct of the affairs of the District.

**D. Loans to Board Members and Officers.** The District may not loan money to or guarantee the personal obligation of a Board member or officer of the District. However, the foregoing restriction does not apply to loans and guarantees authorized or permitted by Tennessee statute or law.

**E. Litigation Matters.** If a present or former Board member is made a party to a proceeding (including a threatened or pending action, suit, or proceeding, whether civil, criminal, administrative, or investigative) arising out of acts or omissions of such individual as a Board member, the District shall pay for or reimburse the reasonable costs and expenses incurred by such Board member (including attorney's fees, costs, and expenses) and any resulting settlement, judgment, penalty, or fine (collectively, the "Litigation-Related Payments") if: (i) the Board member acted in good faith, and (ii) the Board member reasonably believed that the Board member's conduct was in the District's best interest; and (iii) in the case of any criminal proceeding, the Board member had no reasonable cause to believe the Board member's conduct was unlawful. A Board member's conduct with respect to an employee benefit plan for a purpose the Board member reasonably believed to be in the interests of the participants in, and beneficiaries of, the plan, is conduct that satisfies the foregoing requirements.

The District may not pay any of the Litigation-Related Payments under the foregoing provisions if a judgment or other final adjudication adverse to the Board member establishes the Board member's liability for conduct amounting to willful, wanton, or gross negligence, and the Board votes (without the presence or vote of the Board member that is involved in the litigation) not to pay the Litigation-Related Payments. In such event, the Board member shall reimburse the District for all Litigation-Related Payments previously made by the District to or on behalf of the subject Board member. Additionally, the District's obligation to pay the Litigation-Related Payments shall be limited by applicable law and may be paid only to the extent that the District is permitted by law to pay the Litigation-Related Payments. Nothing contained herein shall limit or affect any other right of a Board member to indemnity for expenses under any statute, rule, regulation, by-law, insurance policy, contract, or otherwise.

**F. Insurance.** The District shall purchase and maintain insurance on behalf of an individual who is a Board member insuring against liability asserted against or incurred by the individual while acting in such capacity or arising from the individual's status as a Board member, whether or not the District would have authority to reimburse the Board member as otherwise provided herein or by applicable law.

**ARTICLE VIII.**  
**Conflict of Interest Policy**

**A Purpose.** The purpose of this conflicts of interest policy is to protect the District's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Board member of the District. This policy is intended to supplement, but not to replace, any applicable state laws governing conflicts of interest applicable to governmental entities and charitable entities.

**B. Definitions.**

**1. Compensation** includes direct and indirect remuneration and gifts or favors that are substantial in nature.

**2. Financial Interest.** A person has a "Financial Interest" if the person has, directly or indirectly, through business, investment or family:

a. An ownership or investment interest in any entity with which the District has a transaction or arrangement; or

b. A compensation arrangement with the District or with any entity or individual with which the District has a transaction or arrangement; or

c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the District is negotiating a transaction or arrangement.

A "Financial Interest" is not necessarily a conflict of interest. As set forth herein below, a person who has a Financial Interest may have a conflict of interest only if the Governing Body decides that a conflict of interest exists. A "conflict of interest" exists only where an Interested Person has a Financial Interest with respect to a matter under consideration and the Governing Body determines that a conflict of interest exists.

**3. Governing Body** means the Board of Trustees and any committee or sub-committee with board-delegated powers.

**4. Interested Person** means a member of a Governing Body or a Principal Officer who has a direct or indirect Financial Interest with respect to a matter under consideration.

**5. Principal Officer** means the President and Vice-Presidents of the District.

**C. Rule of Construction.** For purposes of this conflict of interest policy, the District, and all of the governmental instrumentalities of the District, including without limitation all non-profit corporations of which the District is the sole member, shall be deemed to be one entity. Thus, for example, this policy shall not apply to any transaction or arrangement solely between the District and any other governmental instrumentality of the District, and a compensation arrangement with any governmental instrumentality of the District shall be deemed a compensation arrangement with the District.

**D. Annual Disclosure of Conflicts of Interest and Agreement to Abide by Conflict of Interest Policy.** Each Principal Officer and each member of a Governing Body shall, upon appointment to the relevant position and annually thereafter, disclose in writing his or her Financial Interests and all material facts related thereto, or affirmatively state that he or she has no Financial Interests as defined herein. Upon appointment to a Governing Body or as a Principal Officer, and annually thereafter while  
Board Bylaws 9/15/03  
District

serving in such status, each such person shall be given a copy of this conflict of interest policy, and shall sign a statement to the effect that the person:

1. Received a copy of this conflict of interest policy;
2. Has read and understands the policy;
3. Agrees to comply with the policy;
4. Understands that the policy applies to all Governing Bodies; and

5. Understands that the District is a charitable and governmental entity and that in order to maintain its tax-exempt status as a charitable entity, it must continuously engage primarily in activities that accomplish one or more of its tax-exempt purposes.

**E. Duty to Disclose.** In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence of his or her Financial Interest and all material facts to the members of the Governing Body considering the proposed transaction or arrangement.

**F. Determining Whether a Conflict Exists.** After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, he or she shall *leave* the Governing Body meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Governing Body members shall determine if a conflict of interest exists.

**G. Procedures for Addressing Conflicts of Interest.**

1. An Interested Person may make a presentation to the Governing Body meeting, but after such presentation, he or she shall *leave* the meeting during the discussion of, and the *vote* on, the transaction or arrangement that results in the conflict of interest.

2. The chairperson of the Governing Body shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3. After exercising due diligence, the Governing Body shall determine whether the District can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

4. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Governing Body shall determine by a majority vote of its disinterested members whether the transaction or arrangement is in the District's best interests and in accordance with its statutory mission and purpose and whether the transaction is fair and reasonable to the District and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

**H. Violations of the Conflicts of Interest Policy.**

1. If a Governing Body has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

2. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Governing Body determines that the member has in fact failed to disclose an actual or possible conflict of interest, then, unless the Governing Body in question is the Board of Trustees, it shall refer the matter to the Board of Trustees for appropriate disciplinary and corrective action. In cases involving members of the Board of Trustees, the Board of Trustees shall take such appropriate action as may be permitted by law.

**I. Records of Proceedings.** The minutes of each Governing Body shall contain:

1. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict or interest, the nature of the Financial Interest, any action taken to determine whether a conflict of interest was present, and the Governing Body's decision as to whether a conflict of interest in fact existed.

2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

**J. Compensation Committees.**

1. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the District for services is precluded from voting on matters pertaining to that member's compensation.

2. Physicians who receive compensation, directly or indirectly, from the District, whether as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

**K. Periodic Reviews.** To ensure that the District operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its status as a charitable organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable and are the result of arm's length bargaining;

2. Whether acquisitions of physician practices or other provider services result in inurement or impermissible private benefit;

3. Whether partnership, joint venture, management service organization, or physician hospital organization arrangements conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the District's charitable purposes, and do not result in inurement or impermissible private benefit;

4. Whether agreements to provide health care, as well as agreements with other health care providers, employees, and third party payors, further the District's

charitable purposes, and do not result in inurement or impermissible private benefit.

In conducting the above-described periodic reviews, the District may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Trustees of its responsibility for ensuring that periodic reviews are conducted.

**L. Effect of Conflict of Interest Transactions.** A conflict of interest transaction is neither voidable nor the basis for imposing liability on any officer or member of the Board of the District if the transaction was fair at the time that it was entered into, or the transaction is approved as provided herein in G. above, or approval for the transaction is obtained from a court of record having jurisdiction in Madison County.

## **ARTICLE IX. Officers of the District**

**A. President.** The Board of Trustees shall have the authority to employ and fix the compensation of the President, whose duties and responsibilities shall be prescribed by the Board of Trustees. The Board of Trustees shall employ a criteria-based process for selecting a qualified and competent President, who shall be the Chief Executive Officer of the District. An applicant for such position should be of good moral character, have the knowledge and skills necessary to perform the duties required of the President of the District, should be willing to abide by the Code of Ethics of the American College of Healthcare Executives, should have at least five (5) years experience in a responsible administrative position in an acute care hospital, should be a graduate of an accredited college or university with special training in hospital and healthcare administration, and shall be a member of the American College of Healthcare Executives.

**B. Authority and Duties of the President.** The authority and duties of the President shall be as follows:

1. The President is responsible for effectively operating the facilities of the District, including Jackson-Madison County General Hospital, according to the authority conferred by the Board of Trustees; and the President shall provide for compliance by all facilities and activities of the District with applicable laws and regulations.

2. To prepare and submit to the Board of Trustees for approval a scheme of organization of the personnel and others concerned with the operation of the District.

3. To prepare a budget showing the expected receipts and expenditures of the District.

4. To conserve physical and financial assets of the District.

5. To supervise all business affairs, such as financial transactions, collection of accounts, and purchase and issue of supplies, and to be certain that all funds are collected and expended to the best possible advantage.

6. To select, employ, control, and discharge all employees.

7. To develop and maintain written personnel policies and practices for the District.

8. To assure that the building and grounds are kept in a good state of repair.

9. To cooperate with the Medical Staff and to attempt to secure like cooperation on

the part of all those concerned with rendering professional services .

**10.** To submit regularly to the Board of Trustees periodic reports showing the professional services and financial activities of the District, long and short term plans, operations, program efficiencies, nature and extent of funding, and capital and other resources, and to prepare and submit any special reports that may be required by the Board of Trustees.

**11.** . To work with management, clinical, and administrative staff to provide for a well- managed organization with clear lines of responsibility and accountability within departments and between departments and administration.

**12.** To attend all meetings of the Board of Trustees, except in such circumstances where he is unavailable, in which case, to designate someone to attend meetings of the Board of Trustees in his stead.

**13.** To perform such other duties as may pertain to the position of President and Chief Executive Officer of the District, as may be specified by the Board of Trustees from time to time, or as may be necessary in the best interests of the District or as may be necessary for the performance of, or protection of the District's ability to perform its mission.

**14.** To delegate any of his authority under this article, including designating an individual to act in his or her absence to provide the District with administrative direction at all times; provided, however, that if the President plans to designate someone to act in his or her absence and to delegate his or her authority as provided herein to a person other than the Executive Vice-President for more than seven (7) days, prior approval of the Board of Trustees shall be required.

**15.** To establish and maintain information and support systems.

**16.** To recruit and maintain staff.

**17.** Except as otherwise provided by specific resolution of the Board, to execute and bind the District to contracts for goods, services, and business relationships of all kinds not prohibited or limited by applicable law, regulation, or policy of the Board, and to delegate such authority. The President shall have responsibility for supervision of contracting by the District and of enforcement of the Board Purchasing Policy and other policies of the Board with respect to contracts. The President may delegate contracting authority, subject to any limitations imposed by the Board.

**18.** To develop and recommend to the Board necessary or desirable changes to the organization and operation of the Quality PLUS Program of the District as well as the mechanism used to conduct, evaluate, and revise such activities.

**19.** To review and, after consultation with the Medical Staff, to make recommendations to the Board for approval of the organization of the Utilization Review Program, as well as the mechanism used to conduct, evaluate, and revise such activities to assure appropriate allocation of resources at Jackson-Madison County General Hospital by striving to provide quality patient care in the most cost-Bffective manner.

**20.** To review reports of the annual evaluation of the Quality PLUS Program and the Utilization Review Program and make recommendations to the Board thereon .

**21.** To review reports, and make recommendations to the Board on, safety, performance improvement, and risk management at Jackson-Madison County General Hospital,

and to monitor and evaluate quality of patient care activities, problems identified, and opportunities to improve patient care. The President shall review and promptly respond to reports and recommendations from planning, regulatory, and inspecting agencies having jurisdiction over facilities and activities of the District, and shall work with management, clinical, and administrative staff to provide for internal controls protecting human, physical, financial, and information resources.

22. To file applicable legal documents and copies of the District's hospitals' state licensure or certification.

23. To review results of quality assurance and utilization review activities in an effort to determine whether all patients with substantially the same health problems are receiving substantially the same level of care in the Hospital, and to report his opinion to the Board concerning the same.

24. Within budgeted resources, to act in his discretion, in consultation with District counsel, to protect the legal interests and rights of the District by bringing, prosecuting, defending, and/or settling legal actions in the name of the District or any of its affiliate corporations, except as such authority may specifically be limited or directed from time to time by affirmative action of the Board.

25. To appoint such committees to report to the President to advise the President and assist him in those enumerated responsibilities set forth above. The appointment, functioning, and reporting responsibilities of the committees and their authority to act and report to the President shall be set forth in the appointment by the President in establishing such committee. Any committee established by the President shall have the authority only to report and make recommendations to the President, and any such committee shall have no authority to make recommendations to or decisions for the Board.

**C. Vice-Presidents.** The President shall select and employ competent and experienced Vice-Presidents. Criteria for employment for Vice-President positions will be determined by the President. Vice-President positions will be:

1. Executive Vice-President
2. Chief Operating Officer
3. Chief Financial Officer
4. Medical Affairs
5. System Services
6. Hospital Services (multiple positions).

Duties, authority, and span of control will be as delegated by the President.

**D. Identification of Other District Leaders.** The District establishes and maintains one or more documents apart from these Bylaws that indicate lines of authority, management, and operational responsibility at the various levels of governance.

## ARTICLE X. STANDARDS OF CONDUCT FOR OFFICERS,



## LIMITATIONS ON OFFICERS' LIABILITY, AND LITIGATION MATTERS

**A. General Standards of Conduct.** An officer shall discharge all duties as an officer: (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (iii) in a manner the officer reasonably believes to be in the best interests of the District.

**B. Reliance on Others.** In discharging the duties listed in Paragraph A. above, an officer is entitled to rely upon information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by: (i) one (1) or more officers or employees of the District whom the officer reasonably believes to be reliable and competent in the matters presented; or (ii) legal counsel, public accountants, consultants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.

**C. Litigation Matters.** If an officer of the District who is a member of the District's Quality Council (a "Quality Council Member") is made a party to a proceeding (including a threatened or pending action, suit, or proceeding, whether civil, criminal, administrative, or investigative) arising out of acts or omissions of such individual as an officer, the District may pay for or reimburse the reasonable costs and expenses incurred by such Quality Council Member (including attorney's fees, costs, and expenses) and any resulting settlement, judgment, penalty, or fine (collectively, the "Litigation-Related Payments") if: (i) the Quality Council Member acted in good faith; and (ii) the Quality Council Member reasonably believed that the Quality Council Member's conduct was in the District's best interest; and (iii) in the case of any criminal proceeding, the Quality Council Member had no reasonable cause to believe the Quality Council Member's conduct was unlawful. The determination of whether to pay Litigation-Related Payments on behalf of a Quality Council Member shall be made by the President, unless the President is the subject of the litigation, in which case, the determination shall be made by the Board.

The District may not pay any of the Litigation-Related Payments under the foregoing provisions if a judgment or other final adjudication adverse to the Quality Council Member establishes the Quality Council Member's liability for conduct amounting to willful, malicious, criminal, wanton, or gross negligent conduct or that such conduct was performed for personal financial gain and the President (or the Board if the President is the subject of the litigation) determines not to pay the Litigation-Related Payments. In such event, the Quality Council Member shall reimburse the District for all Litigation-Related Payments previously made by the District to or on behalf of the subject Quality Council Member. Additionally, the District's obligation to pay the Litigation-Related Payments shall be limited by applicable law and may be paid only to the extent that the District is permitted by law to pay the Litigation-Related Payments. Nothing contained herein shall limit or affect any other right of a Quality Council Member to indemnity for expenses under any statute, rule, regulation, bylaw, insurance policy, contract, or otherwise.

**E. Insurance.** The District may purchase and maintain insurance on behalf of an individual who is or was a Principal Officer insuring against liability asserted against or incurred by the individual while acting in such capacity or arising from the individual's status as a Principal Officer, whether or not the District would have authority to reimburse the Principal Officer as otherwise provided herein or by applicable law.

## ARTICLE XI. Medical Staff

**A. Authorization.** There shall be one Medical Staff established for the District organized for and having jurisdiction over practitioners at Jackson-Madison County General Hospital, West Tennessee Transitional Care, Pathways in-patient unit, West Tennessee Surgery Center, Tennessee Heart Center, West Tennessee Cancer Center, Medical Center Home Health, Medical Center EMS, Occupational District Board Bylaws 9/15/03

Rehabilitation Center of West Tennessee, West Tennessee Rehabilitation Center, Medical Center Laboratory, and all other facilities of the Jackson-Madison County General Hospital District from time to time placed under, but not removed from, the jurisdiction of the Medical Staff by action of the Board of Trustees with the concurrence of the Medical Executive Committee of the Medical Staff. References to the "Medical Staff" in these Bylaws refer to this Medical Staff. Each other activity or facility of the District shall, to the extent that such activity or facility is required by applicable law, regulation, or provision of its charter or bylaws, have its own separate medical staff organization. The Bylaws of the Medical Staff shall include provisions for resolution of conflicts.

**8. Purpose.** The organizational purposes of the Medical Staff include, without limitation, advising, accounting to, and providing recommendations to the Board through the Medical Executive Committee of the Medical Staff or otherwise with respect to:

1. Organization and structure of the Medical Staff;
2. Criteria for appointment to the Medical Staff;
3. Qualification and review of credentials of applicants for appointment to the Medical Staff;
4. Recommendations of individuals for Medical Staff membership and delineation of clinical privileges for eligible individuals;
5. Qualification of applicants for particular clinical privileges;
6. Determination, monitoring, and enforcement of standards of quality care, including mechanisms for quality assurance *review* of patient records, and organization of the Medical Staff performance improvement activities and the process designed for conducting, evaluating, and revising such activities.
7. Mechanisms and processes for *corrective* action with respect to holders of clinical privileges or Medical Staff appointments, including suspension, revocation, or termination of clinical privileges or Medical Staff membership, for violations of Board, Hospital, or Medical Staff Bylaws, Rules and Regulations;
8. *Corrective* action against practitioners in specific cases, and processes designed for fair hearing procedures;
9. Other issues or areas of concern of a medical nature as to which the Board may from time to time request *advice* or recommendations from the Medical Staff.

**C. Governance of the Medical Staff.**

**1. Governing Documents.** The organization and operation of the Medical Staff shall be governed by these Bylaws, the policies of the Board, the Medical Staff Credentialing Policy, and the Medical Staff Bylaws and Rules and Regulations. In the event of conflict among the foregoing, these Bylaws shall govern. The Medical Staff Bylaws shall be construed to apply only to internal procedures of the Medical Staff and to mechanisms for provision of recommendations and/or advice to the Board on matters as to which medical expertise is required or relevant. The Rules and Regulations of the Medical Staff shall be construed only as limitations on the conduct of members of the Medical Staff and other licensed health care workers under the jurisdiction of the Medical Staff.

2. **Fair Hearing Plan.** In addition to the Medical Staff Bylaws and Rules and Regulations, the Medical Staff shall have a Fair Hearing Plan, adopted in the same manner as its Bylaws and Rules and Regulations, which shall set out the procedures for hearings and appellate review, or waiver thereof, for applicants, members of the Medical Staff, and other holders of clinical privileges, as to whom adverse actions (as defined in such Fair Hearing Plan) have been taken. In the event of conflict, these Bylaws shall govern over such Fair Hearing Plan. The Fair Hearing Plan shall be construed only as providing the mechanism for fact-finding hearings to aid the Medical Staff in making recommendations, and the Board in making decisions, on adverse actions against applicants or holders of Medical Staff membership or clinical privileges. Technical violations of the Fair Hearing Plan shall not vitiate any action of the Board, unless such violations rise to the level of a denial of procedural due process under the federal or Tennessee Constitutions.

3. **Amendment of Medical Staff Bylaws and Rules and Regulations.** The Medical Staff Bylaws and Rules and Regulations may not be unilaterally amended by the Medical Staff or the Board of Trustees and may be amended only with the concurrence of the Medical Staff and the Board, with the following exception: The Board reserves the right to amend the same in cases of emergency where failure to do so would expose patients to health risk or the District to financial or liability risk, as determined by the Board. The Board shall give written notice of any such emergency amendment to the Medical Executive Committee forthwith, and such emergency amendments shall be effective only until the next meeting of the full Medical Staff, unless they are ratified by the Medical Staff at such meeting. Nothing contained in this section shall be construed to limit, restrict, or prohibit the Board of Trustees from unilaterally amending its own Bylaws as provided in Article XIII below.

4. **Medical Staff Categories.** The Medical Staff shall be divided into categories, the qualifications for which and the responsibilities and prerogatives of which shall be as provided in the Medical Staff Bylaws.

5. **Medical Staff Departments and Committees.**

a. **Medical Executive Committee.** There shall be a Medical Executive Committee that shall have the authority to act for the Medical Staff between meetings thereof. The composition of the Medical Executive Committee shall be as set forth in the Medical Staff Bylaws.

b. **Departments.** The Medical Staff shall have departments by clinical specialty. The number and designation of departments, and their functions, powers, and composition, shall be as set forth in the Medical Staff Bylaws.

c. **Other Committees.** The Medical Staff may have other committees with functions, authority, and membership as set forth in the Medical Staff Bylaws. In addition, the Chief of Staff and the Chairmen of Committees or Departments shall have authority to set up ad hoc committees or sub-committees as to any matter within the jurisdiction and purpose of the Medical Executive Committee.

D. **Composition of the Medical Staff.**

1. **Eligibility.** The Medical Staff shall consist of physicians, dentists, and allied health professionals appointed by the Board. "Allied health professionals" for purposes of these Bylaws, means individuals licensed for independent practice of a health care discipline found by the Board to be beneficial and complementary to the delivery of quality health care in the facilities of the District. Specific eligibility criteria shall be as set forth in the Medical Staff Bylaws and the Medical

Staff Credentialing Policy. Licensed health care workers whose licensure does not permit independent practice are under the jurisdiction of the Medical Staff as to their privileges, but are not eligible for appointment to the Medical Staff

**2. Appointment.** Based on information submitted and based on Medical Staff recommendations, the Board shall appoint physicians to the Medical Staff and shall grant initial, renewed, or revised clinical privileges in accordance with these Bylaws, the Medical Staff Bylaws, the Medical Staff Rules and Regulations, and the policies of the Medical Staff and of the District. The Board shall appoint only well-qualified and competent persons to the Medical Staff. The criteria and procedures for appointment shall be as set forth in these Bylaws and the Medical Staff Bylaws, with all criteria relating to professional competence and the impact thereof on patient care, patient welfare, the objectives of the institution, or the character or competency of the individual practitioner, being set forth in the Medical Staff Bylaws, and other criteria (including criteria that may otherwise impact patient care and welfare and the objectives of the institution) being set forth either in these Bylaws, in the Medical Staff Bylaws, in the Medical Staff Credentialing Policy, or any combination of the foregoing.

**3. Provisional Appointment and Reappointment.** All initial appointments to the Medical Staff shall be for a six (6)-month provisional period, during which time, the performance of the appointee may be monitored as provided for in the Medical Staff Bylaws. Subsequent appointment shall be for a maximum of two (2) years. Procedures and criteria for reappointments shall be as set forth in the Medical Staff Bylaws.

**4. Suspension and Termination of Appointments.** Appointments to the Medical Staff may be suspended or terminated as provided for in the Medical Staff Bylaws and these Bylaws.

**E. Restrictions on Appointments and Membership.** The Board has determined that provision of high quality patient care in certain specialized areas is best served by having all such care provided by a single physician or specified group of physicians employed by or under contract to the District.

**1. Services Designated as Closed.** The following clinical services are designated by the Board as Closed Services:

- a. Radiology, meaning the performance and interpretation of diagnostic imaging procedures and interventional radiological procedures performed using equipment of the Department of Radiology; and
- b. Radiation Oncology, meaning the treatment of cancer using radiation and any procedures utilizing the equipment of the Department of Radiation Oncology; and
- c. Pathology, including any procedures using the equipment of the Department of Pathology; and
- d. Emergency Medicine; meaning triage and treatment of patients in the Emergency Department; but not including the treatment of patients in the Emergency Department where treatment by the physician in question has been specifically requested by the patient or the physician in question has been called in as a consultant on a particular case by a member of the Emergency Department; and

- e. Cardiovascular Surgery; meaning the treatment of cardiovascular disease and defects through open-heart surgery; and
- f. Neonatology; meaning the diagnosis and treatment of diseases and defects of neonates.

**2. Modification of List of Closed Services.** Modification of the list of Closed Services in the foregoing section shall be made by the Board of Trustees by amendment of these Bylaws and/or by Board resolution. Prior to enactment of such amendment, or any amendment to this section, the Board of Trustees shall give notice to the Medical Executive Committee of the proposed amendment. The Medical Staff shall then have three (3) months from such notice to submit written comments on the proposed amendment. Upon consideration of the comments submitted, **if** any, the Board of Trustees may then proceed to enact the amendment proposed, not enact the amendment, or to enact any modified version of the amendment which, in the opinion of the Board of Trustees, is fairly encompassed by the subject matter of the notice provided to the Medical Executive Committee.

**3. Authorization of Exclusive Contracts, Administration.** The President is authorized to enter into exclusive contracts for physicians' services in each Closed Service on terms deemed advisable to him, or may employ physicians directly (on terms permitted by law), to provide physician services **in** one or more Closed Services, which contracts, and/or employment, may include the performance of administrative duties by Contract Physicians. Lack of a written contract at any given time shall not, however, change the status of a service as a Closed Service. "Contract Physicians" for purposes of these Bylaws, means physicians who are either employees of the Hospital, or parties to or employed by parties to an exclusive contract determined by the President to be then currently in effect. The President shall have full authority to administer such contracts and/or employment, including the authority to terminate contracts according to their terms and employment according to law, with or without cause, except that termination by the President for cause based solely upon the clinical performance of a Contract Physician shall require a determination by the Board, after consideration of the recommendations of the Medical Staff and the record of any hearing to which the physician may be entitled under the Fair Hearing Plan.

**4. Appointments and Privileges in Closed Services.** Notwithstanding any other provision of these Bylaws or the Medical Staff Bylaws, no persons other than Contract Physicians shall be appointed to, or shall maintain an appointment to the Medical Staff in a Closed Service, nor shall any person other than a Contract Physician, an employee of a Contract Physician, or an employee of the District, be granted or maintain any clinical privileges, including consulting privileges, in a Closed Service. Physicians other than Contract Physicians whose practice is limited to the area of a Closed Service may be appointed to the Honorary Staff, but shall not hold or exercise clinical privileges. Any application for staff membership or clinical privileges **in** a Closed Service shall include evidence satisfactory to the President that the applicant is a Contract Physician, employee of a Contract Physician, or an employee of the District. Upon determination that an applicant has requested appointment to the Medical Staff in a Closed Service without providing such evidence, the President shall cause the application to be returned to the applicant as unprocessable. Upon determination that an applicant, although not requesting appointment to a Closed Service, has requested privileges properly belonging to a Closed Service hereunder without providing such evidence, the President shall notify the applicant **in** writing that the application for such privileges cannot be processed, and give the applicant the option, within a reasonable time specified by the President, to give written notice to the President of his or her intention to proceed with the remainder of his or her application or to request a hearing as provided below. Failure to respond within the prescribed time shall be deemed withdrawal of the entire application. ~~If applicant has requested privileges in addition to privileges in a Closed Service and if the appli-~~  
If applicant

cant elects to go forward with the remainder of his or her application, it shall be considered as if the request for Closed Service privileges had never been made, and no action shall be taken upon such request for Closed Service privileges. If an applicant disagrees with the President's determination that he or she has requested privileges in a Closed Service, the applicant may request a hearing on that issue by written notice to the President within fifteen (15) days of mailing of the returned application by the President. The applicant shall have the procedural rights set forth in the Fair Hearing Plan for a denial of privileges and/or staff membership by the Board, but the only issues for determination in any such proceedings shall be:

- a. Whether the privileges in question are, in fact, Closed Service privileges; and
- b. Whether the applicant presently is, in fact, a Contract Physician, employee of a Contract Physician, or employee of the District.

Upon final action by the Board on the results of such hearing, if such action is favorable to the practitioner, the application shall proceed as usual under the Medical Staff Bylaws. If such action is to uphold the President's determination, then no further action shall be taken on such application.

**5. Termination of Existing Staff Membership and Privileges.** Where a practitioner previously has been granted staff membership and/or privileges in a Closed Service, and is no longer qualified to maintain the same under these Bylaws, the President shall so notify the Board. The President shall then propose to the Board the termination of the practitioner's Closed Service privileges, and, if exercise of such privileges appears to constitute all or substantially all of the practitioner's practice in District facilities, termination of the practitioner's staff membership (if any), as well. The affected practitioner shall have the procedural rights set forth in the Fair Hearing Plan for a revocation of privileges and/or staff membership by the Board, but the only issues for determination in any such proceedings shall be:

- a. Whether the privileges in question are, in fact, Closed Service privileges; and
- b. Whether the practitioner presently is, in fact, a Contract Physician, employee of a Contract Physician, or employee of the District; and
- c. If termination of staff membership is proposed, whether exercise of Closed Service privileges in fact constitutes all or substantially all of the practitioner's practice at District facilities.

**6. Waiver.** The foregoing restrictions relative to Closed Services, either as to new privileges or as to maintenance of existing privileges, may, in the discretion of the Board of Trustees, be waived if the applicant agrees that such privileges will be exercised only upon specific referrals to the applicant personally, and the Chief of the Closed Service (as defined by the respective Closed Service contracts) concurs that:

- a. The applicant is otherwise qualified to exercise the requested privileges; and
- b. Granting of the applicant's privileges will not interfere with or compromise in any way the safe, efficient, and economical operation of the Closed Service or the hospital's equipment utilized thereby; and

- c. Under all the circumstances, granting the applicant's request is in the best interests of quality patient care at the Hospital.

The Board may impose such conditions as it deems appropriate on any such application for the preservation of the benefits to the institution and its patients sought to be secured by the creation of the Closed Services. Waiver hereunder shall be a privilege and not a right. Denial of waiver shall not be deemed a denial of privileges for any purpose, and shall not entitle an applicant to any hearing or other procedural rights under these Bylaws, the Medical Staff Bylaws, or the Fair Hearing Plan. Waiver may be terminated at any time in the discretion of the Board of Trustees, and, upon such termination, subparagraph 4, above, shall become applicable as if the waiver had never been granted. The procedures of this sub-paragraph shall be the sole and exclusive method by which the restrictions of the foregoing sub-paragraphs concerning Closed Service may be waived, and no action or inaction of the Board of Trustees, the President, or any other officer, employee, or contractor of the District shall be deemed a waiver of such provisions.

**7. Other Contracts and Employment of Physicians.** The President may contract for services of physicians or physician groups, or may employ physicians (on terms permitted by law), to provide physician services in any clinical specialty. Where the President, after consultation with the Medical Staff Department concerned, deems that a clinical specialty is needed by the Hospital in furtherance of its mission or the clinical specialty involved is then under-served by the Medical Staff (taking into account recruiting plans of the present Medical Staff already being pursued which have a reasonable probability of success), and such contracting and/or employment is necessary for the recruitment or retention of a physician or physicians to provide services in the Hospital in such clinical specialty, such contracts may, without approval of such clinical specialty as a "Closed Service" under these Bylaws, include terms restricting the Hospital from employing or contracting with other physicians in the same clinical specialty. Such terms shall not, however, restrict the existing privileges, or the grant of new privileges, to members of the Medical Staff, not employed or contracted by the Hospital, in such clinical specialty. Notwithstanding the foregoing, physician contracts of the District in effect on the date of adoption of this provision are ratified by the Board of Trustees and effective according to their terms.

**F. Additional Restrictions on Appointments, Membership, and Privileges.** Management of the District believes that if a physician is employed by or has a direct or indirect ownership interest or investment interest in another hospital located in Madison County, Tennessee, then appointing such physician to the Medical Staff and granting such physician privileges associated therewith undermines the provision of quality care within the District, undermines maintenance of operational, managerial, and clinical harmony within the District, and undermines protection of the District's assets and its corporate viability, and, therefore, ultimately threatens the District's purpose of providing for the health care needs of all of the people of Jackson-Madison County and West Tennessee. The Board of Trustees, having considered the recommendations of management and the foregoing issues, has made the following findings: (i) Physicians who are employed by or have a direct or indirect ownership or investment interest in any other hospital located within Madison County, Tennessee, inherently have divided loyalties between the hospital in which they have the ownership or investment interest and the District; (ii) Such physicians have a financial incentive to refer more profitable patients to the hospital in which they are employed or have the direct or indirect ownership or investment interest and less profitable patients to the District's facilities, regardless of which facility is better suited to serve the patients' needs; (iii) Such physicians have an inherent incentive to otherwise be more active and interested in the operations of the hospital in which they are employed or have an ownership or investment interest and less so in the District; and (iv) Because of the foregoing factors and other relevant factors, appointing physicians to the Medical Staff and granting privileges associated therewith to such physicians who are employed or who have a direct or indirect ownership or investment interest in any other hospital located in Madison County, Tennessee, undermines the provision of quality care within the District, undermines maintenance of operational, managerial, and clinical harmony within the District, and undermines protection of the District's assets and



District Board Bylaws 9/15/03



corporate viability, and, therefore, ultimately threatens the District's purpose of providing for the health care needs of all of the people of Jackson-Madison County and West Tennessee.

Based on the foregoing, the following additional restrictions shall be applicable to appointments to and membership on the Medical Staff and the privileges associated therewith: Notwithstanding any other provision of these Bylaws, the Medical Staff Bylaws, any Credentialing Policy, the Medical Staff Rules and Regulations, or the Fair Hearing Plan, each person who applies on and after September 30, 2003, for appointment to and membership on the Medical Staff and for privileges associated therewith and each person who after such date applies for reappointment to the Medical Staff membership and renewal of the privileges associated therewith shall be required to disclose to the District, as part of such application process, an employment relationship with any other hospital located in Madison County, Tennessee, and any and all direct or indirect ownership or investment interests that the physician or a "Related Person" has directly or indirectly, in any other hospital located in Madison County, Tennessee. A "Related Person" shall mean any family member of the physician (including a spouse, any child of his/hers, adopted children, siblings, and parents), any entity that employs the physician, and/or any entity or proprietorship of which the physician is an owner, shareholder, member, or partner. Notwithstanding any other provision of these Bylaws, the Medical Staff Bylaws, any Credentialing Policy, the Medical Staff Rules and Regulations, or the Fair Hearing Plan, the application of any physician who has (or who has a Related Person who has) such direct or indirect ownership or investment interest or any physician who is so employed shall not be further processed unless: (1) such person already is a member of the Medical Staff with privileges associated therewith at the time of the application, such person acquired such investment or ownership interest in the other hospital prior to September 30, 2003, and such person's privileges are not being expanded; or (2) such person's ownership or investment interest in the other hospital is ownership of less than one percent (1%) in a publicly traded entity. The President shall take such actions as he deems reasonably appropriate to notify all persons requesting applications for appointment and reappointment to membership on the Medical Staff and for privileges associated therewith that such disclosure will be required and that if such applicant or a Related Person has such direct or indirect ownership or investment interest in any other hospital located in Madison County, Tennessee, or if such applicant is employed by any other hospital located in Madison County, Tennessee, his or her application shall not be further processed. The President shall also notify in writing within a reasonable prompt period of time each applicant who is so employed or who has (or where a Related Person has) such a direct or indirect ownership or investment interest and whose application therefore will not be further processed.

If an applicant disagrees with the President's determination that such applicant or a Related Person has such direct or indirect ownership or investment interest in any other hospital located in Madison County, Tennessee, or is employed by any other hospital located in Madison County, Tennessee, the applicant may request a hearing on that issue by written notice to the President within fifteen (15) days of mailing of the returned application by the President. The applicant shall have the procedural rights set forth in the Fair Hearing Plan for a denial of privileges and/or staff membership by the Board, but the only issue for determination in any such proceedings shall be whether such applicant or a Related Person has such direct or indirect ownership or investment interest in any other hospital located in Madison County, Tennessee, or whether such applicant is employed by any other hospital located in Madison County, Tennessee. Upon final action by the Board on the results of such hearing, if such action is favorable to the practitioner, the application shall proceed as usual under the Medical Staff Bylaws. If such action is to uphold the President's determination that such applicant or a Related Person has such direct or indirect ownership or investment interest in any other hospital located in Madison County, Tennessee, or that such applicant is employed by any other hospital located in Madison County, Tennessee, then no further action shall be taken on such application.

Nothing herein shall be construed to prohibit any physician from having privileges at, being a member of the medical staff of, practicing at, or referring patients to, any other hospital.

**ARTICLE XII.  
Auxiliary Organizations**

The District shall have the right to utilize the service of auxiliary groups. Such groups shall adopt formal bylaws that shall be submitted to the Board of Trustees for approval. Any program planning by the auxiliary must have the approval of the Hospital President. The auxiliary must submit at least an annual report of the activities and operation of its organization.

**ARTICLE XIII.  
Amendments**

These Bylaws may be amended by action of the Board at any meeting in accordance with Article V, provided that a full statement of the proposed amendment or amendments shall have been given in the notice to Board members of such meeting.

**ARTICLE XIV.  
Construction and Interpretation**

**RESOLUTION OF THE BOARD OF TRUSTEES  
OF  
JACKSON MADISON COUNTY GENERAL HOSPITAL DISTRICT**

A RESOLUTION TO AMEND THE BYLAWS

BE IT RESOLVED, that the Jackson"Madison County General Hospital District Board of Trustees (Board) has amended the *Board of Trustees Bylaws* as provided below:

Article XI.C.2. is deleted in its entirety and replaced by the following:

**2. Fair Hearing Plan.** As part of the Medical Staff Bylaws, the Medical Staff shall have a Fair Hearing Plan (Hearing and Appeal Procedures), which shall govern the hearing and appellate review, or waiver thereof, for applicants, members of the Medical Staff, and other holders of clinical privileges, as to whom adverse actions (as set forth in such Fair Hearing Plan) have been taken. The Board of Trustees shall have the sole and exclusive authority to .render a final decision regarding such adverse actions. Violations of the Fair Hearing Plan shall not vitiate any action of the Board, unless such violations rise to the level of a denial. of procedural due process under the federal or Tennessee Constitutions.

BE IT FURTHER RESOLVED, that the Board approves and adopts the revision of the *Board of Trustees Bylaws*.

ADOPTED, this the 29th day of November, 2016.

  
CHARLOTTE V. BURCH, Chairwoman

Exhibit: 1-""

**RESOLUTION OF THE BOARD OF TRUSTEES  
OF  
JACKSON MADISON COUNTY GENERAL HOSPITAL DISTRICT**

A RESOLUTION TO AMEND THE BYLAWS

BE IT RESOLVED, that the Jackson-Madison County General Hospital District Board of Trustees (Board) has amended the *Board of Trustees Bylaws* as provided below:

Article XI.F. is deleted in its entirety and replaced by the following:

**F. Additional Restrictions on Appointments, Membership, and Privileges.** Management of the District believes that if a physician is employed by or has a direct or indirect ownership interest or investment interest in another hospital located in Madison County, Tennessee, then such physician's being on the Medical Staff and having the privileges associated therewith undermines the provision of quality care within the District, undermines maintenance of operational, managerial, and clinical harmony within the District, and undermines protection of the District's assets and its corporate viability, and, therefore, ultimately threatens the District's purpose of providing for the health care needs of all of the people of Jackson-Madison County and West Tennessee. The Board of Trustees, having considered the recommendations of management and the foregoing issues, has made the following findings: (i) Physicians who are employed by or have a direct or indirect ownership or investment interest in any other hospital located within Madison County, Tennessee, inherently have divided loyalties between the hospital in which they have the ownership or investment interest and the District; (ii) Such physicians have a financial incentive to refer more profitable patients to the hospital in which they are employed or have the direct or indirect ownership or investment interest and less profitable patients to the District's facilities, regardless of which facility is better suited to serve the patients' needs; (iii) Such physicians have an inherent incentive to otherwise be more active and interested in the operations of the hospital in which they are employed or have an ownership or investment interest and less so in the District; and (iv) Because of the foregoing factors and other relevant factors, allowing physicians who are employed with or who have a direct or indirect ownership or investment interest in any other hospital located in Madison County, Tennessee, to be on the Medical Staff and to have the privileges associated therewith, undermines the provision of quality care within the District, undermines maintenance of operational, managerial, and clinical harmony within the District, and undermines protection of the District's assets and corporate viability, and, therefore, ultimately threatens the District's purpose of providing for the health care needs of all of the people of Jackson-Madison County and West Tennessee.

Based on the foregoing, the following additional restrictions shall be applicable to appointments to and membership on the Medical Staff and the privileges associated therewith:

1. Notwithstanding any other provision of these Bylaws, the Medical Staff Bylaws, any Credentialing Policy, the Medical Staff Rules and Regulations, or the Fair

Hearing Plan, each person who applies on and after September 30, 2003, for appointment to and membership on the Medical Staff and for privileges associated therewith and each person who after such date applies for reappointment to the Medical Staff membership and renewal of the privileges associated therewith shall be required to disclose to the District, as part of such application process, any employment relationship with any other hospital located in Madison County, Tennessee. Any application for appointment or reappointment of a physician who is so employed shall not be further processed.

2. Notwithstanding any other provision of these Bylaws, the Medical Staff Bylaws, any Credentialing Policy, the Medical Staff Rules and Regulations, or the Fair Hearing Plan, each person who applies on and after January 28, 2014 for appointment to and membership on the Medical Staff and for privileges associated therewith and each person who after such date applies for reappointment to the Medical Staff membership and renewal of the privileges associated therewith shall be required to disclose to the District any and all direct or indirect ownership or investment interests that the physician or a "Related Person" has directly or indirectly, in any other hospital located in Madison County, Tennessee. A "Related Person" shall mean any family member of the physician (including a spouse, any child of his/hers, adopted children, siblings, or parents), any entity that employs the physician, or any entity or proprietorship of which the physician is an owner, shareholder, member, or partner. In determining the existence of an investment required to be disclosed by this section, the President may take notice of or rely on any statement published in any medium by another hospital located in Madison County, Tennessee, which relates to direct or indirect physician ownership of that hospital. Notwithstanding any other provision of these Bylaws, the Medical Staff Bylaws, any Credentialing Policy, the Medical Staff Rules and Regulations, or the Fair Hearing Plan, the application for appointment or reappointment of any physician who has (or who has a Related Person who has) such direct or indirect ownership or investment interest shall not be further processed unless such person already is a member of the Medical Staff with privileges associated therewith at the time of the application and such person acquired such investment or ownership interest in the other hospital prior to January 28, 2014, or (2) such person's ownership or investment interest in the other hospital is ownership of less than one percent (1%) in a publicly traded entity. In the case of an applicant for appointment or reappointment for Medical Staff membership and privileges who has an employment relationship or investment or ownership interest (personally or by a Related Person), that disqualifies the applicant from appointment or reappointment under this section, the President shall mail written notice to such applicant that his or her application will not be processed further.

3. Notwithstanding any other provision of these Bylaws, the Medical Staff Bylaws, any Credentialing Policy, the Medical Staff Rules and Regulations, or the Fair Hearing Plan, but subject to the exceptions stated below, upon the President being informed that a physician has any direct or indirect ownership or investment interest in any other hospital located in Madison County, Tennessee or that such physician is employed by any other hospital located in Madison County, Tennessee, such physician's membership on the Medical Staff and such physician's privileges associated therewith shall be automatically terminated. Such automatic termination shall be effective as of the President's mailing of written notice of the termination to the affected physician. The

President shall mail such written notice to the affected physician promptly after the President's gaining actual knowledge of the facts giving rise to such automatic termination.

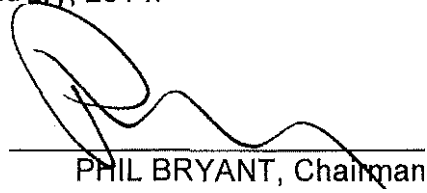
4. The automatic termination required by this section shall not apply in the case of an ownership or investment interest by a Physician or Related Person where such ownership or investment interest existed on or before January 28, 2014 and the percentage of the investment interest has not been increased since January 28, 2014, or where such investment interest is less than one percent (1%) in a publicly traded entity; nor shall automatic termination apply in the case of a physician employed by another hospital if such employment existed on or before June 30, 2007 and continued without interruption since that date.

5. If an applicant or a member of the Medical Staff disagrees with the President's determination that such applicant or member or a Related Person has such direct or indirect ownership or investment interest in any other hospital located in Madison County, Tennessee, or that such applicant or member is employed by any other hospital located in Madison County, Tennessee, the applicant or member may request a hearing on that issue by written notice to the President within fifteen (15) days of mailing of the written notice by the President to the physician that his/her application will not be further processed pursuant to Section F.1 or F.2. or the mailing of written notice by the President of automatic termination under Section F. 3 above, as applicable. The applicant or member shall have the procedural rights set forth in the Fair Hearing Plan for a denial of privileges and/or staff membership by the Board, but the only issue for determination in any such proceedings shall be whether such applicant, member or a Related Person has such direct or indirect ownership or investment interest in any other hospital located in Madison County, Tennessee, or whether such applicant or member is employed by any other hospital located in Madison County, Tennessee. Upon final action by the Board on the results of such hearing, if such action is favorable to the physician, then if the hearing was held because of a decision under Section F.1 or F.2 above, the application shall proceed as usual under the Medical Staff Bylaws or, if the hearing was held because of a decision under Section F. 3 above, the member shall be reinstated, as applicable. If such action is to uphold the President's determination that such applicant, member or a Related Person has such direct or indirect ownership or investment interest in any other hospital located in Madison County, Tennessee, or that such applicant or member is employed by any other hospital located in Madison County, Tennessee, then, then if the hearing was held because of a decision under Section F.1 or F.2 above, no further action shall be taken on such application or, if the hearing was held because of a decision under Section F. 3 above, the automatic termination contemplated by Section F. 3 above shall remain in effect, as applicable.

Nothing herein shall be construed to prohibit any physician from having privileges at, being a member of the medical staff of, practicing at, or referring patients to, any other hospital.

BE IT FURTHER RESOLVED, that the Board approves and adopts the revision of the *Board of Trustees Bylaws*.

ADOPTED, this the 28th day of January, 2014.



PHIL BRYANT, Chairman

Exhibit ; **M-**

**RESOLUTION OF THE BOARD OF TRUSTEES  
OF  
JACKSON MADISON COUNTY GENERAL HOSPITAL DISTRICT**

A RESOLUTION TO AMEND THE BYLAWS

BE IT RESOLVED, that the Jackson-Madison County General Hospital District Board of Trustees (Board) has amended the *Board of Trustees Bylaws* as provided below:

Article XI.A. is deleted in its entirety and replaced by the following:

A. Authorization. There shall be one Medical Staff established for the District organized for and having jurisdiction over practitioners at Jackson-Madison County General Hospital, West Tennessee Surgery Center, Tennessee Heart and Vascular Center, West Tennessee Kirkland Cancer Center, Medical Center EMS, Occupational Rehabilitation Center of West Tennessee, West Tennessee Rehabilitation Center, Medical Center Laboratory, and all other facilities of the Jackson-Madison County General Hospital District from time to time placed under, but not removed from, the jurisdiction of the Medical Staff by action of the Board of Trustees with the concurrence of the Medical Executive Committee of the Medical Staff. References to the "Medical Staff" in these Bylaws refer to this Medical Staff. Each other activity or facility of the District shall, to the extent that such activity or facility is required by applicable law, regulation, or provision of its charter or bylaws, have its own separate medical staff organization. The Bylaws of the Medical Staff shall include provisions for resolution of conflicts.

BE IT FURTHER RESOLVED, that the Board approves and adopts the revision of the *Board of Trustees Bylaws*.

ADOPTED, this the 20<sup>th</sup> day of December, 2011.

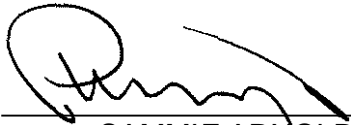
  
\_\_\_\_\_  
SAMMIE ARNOLD, Chairman

Exhibit: **N-')**\_



**RESOLUTION OF THE BOARD OF TRUSTEES  
OF  
JACKSON MADISON COUNTY GENERAL HOSPITAL DISTRICT**

A RESOLUTION TO AMEND THE BYLAWS

BE IT RESOLVED, that the Jackson-Madison County General Hospital District Board of Trustees (Board) has amended the *Board of Trustees Bylaws* as provided below:

Article XI.F. is deleted in its entirety and replaced by the following:

F. **Additional Restrictions on Appointments, Membership, and Privileges.** Management of the District believes that if a physician is employed by or has a direct or indirect ownership interest or investment interest in another hospital located in Madison County, Tennessee, then such physician's being on the Medical Staff and having the privileges associated therewith undermines the provision of quality care within the District, undermines maintenance of operational, managerial, and clinical harmony within the District, and undermines protection of the District's assets and its corporate viability, and, therefore, ultimately threatens the District's purpose of providing for the health care needs of all of the people of Jackson-Madison County and West Tennessee. The Board of Trustees, having considered the recommendations of management and the foregoing issues, has made the following findings: (i) Physicians who are employed by or have a direct or indirect ownership or investment interest in any other hospital located within Madison County, Tennessee, inherently have divided loyalties between the hospital in which they have the ownership or investment interest and the District; (ii) Such physicians have a financial incentive to refer more profitable patients to the hospital in which they are employed or have the direct or indirect ownership or investment interest and less profitable patients to the District's facilities, regardless of which facility is better suited to serve the patients' needs; (iii) Such physicians have an inherent incentive to otherwise be more active and interested in the operations of the hospital in which they are employed or have an ownership or investment interest and less so in the District; and (iv) Because of the foregoing factors and other relevant factors, allowing physicians who are employed with or who have a direct or indirect ownership or investment interest in any other hospital located in Madison County, Tennessee, to be on the Medical Staff and to have the privileges associated therewith, undermines the provision of quality care within the District, undermines maintenance of operational, managerial, and clinical harmony within the District, and undermines protection of the District's assets and corporate viability, and, therefore, ultimately threatens the District's purpose of providing for the health care needs of all of the people of Jackson-Madison County and West Tennessee.

Based on the foregoing, the following additional restrictions shall be applicable to appointments to and membership on the Medical Staff and the privileges associated therewith:

I . Notwithstanding any other provision of these Bylaws, the Medical Staff Bylaws, any Credentialing Policy, the Medical Staff Rules and Regulations, or the Fair Hearing Plan, each person who applies on and after September 30, 2003, for appointment to and membership on the Medical Staff and for privileges associated therewith and each person who after such date applies for reappointment to the Medical Staff membership and renewal of the privileges associated

therewith shall be required to disclose to the District, as part of such application process, any employment relationship with any other hospital located in Madison County, Tennessee, and any and all direct or indirect ownership or investment interests that the physician or a "Related Person" has directly or indirectly, in any other hospital located in Madison County, Tennessee. A "Related Person" shall mean any family member of the physician (including a spouse, any child of his/hers, adopted children, siblings, and parents), any entity that employs the physician, and/or any entity or proprietorship of which the physician is an owner, shareholder, member, or partner. Notwithstanding any other provision of these Bylaws, the Medical Staff Bylaws, any Credentialing Policy, the Medical Staff Rules and Regulations, or the Fair Hearing Plan, the application of any physician who has (or who has a Related Person who has) such direct or indirect ownership or investment interest or any physician who is so employed shall not be further processed unless: in the case of an ownership or investment interest (1) such person already is a member of the Medical Staff with privileges associated therewith at the time of the application, such person acquired such investment or ownership interest in the other hospital prior to September 30, 2003, and such person's privileges are not being expanded or (2) such person's ownership or investment interest in the other hospital is ownership of less than one percent (1%) in a publicly traded entity. The President shall take such actions as he deems reasonably appropriate to notify all persons requesting applications for appointment and reappointment to membership on the Medical Staff and for privileges associated therewith that such disclosure will be required and that if such applicant or a Related Person has such direct or indirect ownership or investment interest in any other hospital located in Madison County, Tennessee, or if such applicant is employed by any other hospital located in Madison County, Tennessee, his or her application shall not be further processed. The President shall also mail written notice, within a reasonably prompt period of time, to each applicant who is so employed or who has (or where a Related Person has) such a direct or indirect ownership or investment interest that his/her application therefore will not be further processed.

2. Notwithstanding any other provision of these Bylaws, the Medical Staff Bylaws, any Credentialing Policy, the Medical Staff Rules and Regulations, or the Fair Hearing Plan, upon the President's having actual knowledge that a physician who is a member of the Medical Staff (or a Related Person of such physician) has any direct or indirect ownership or investment interest in any other hospital located in Madison County, Tennessee or that such physician is employed by any other hospital located in Madison County, Tennessee, then, unless, in the case of an ownership or investment interest, such physician or Related Person had such ownership or investment interest in such other hospital on or before January 30, 2007, or such ownership or investment interest is ownership of less than one percent (1%) in a publicly traded entity or, in the case of employment, such physician was employed by such other hospital on or before January 30, 2007, and has remained continuously employed by such other hospital since such date, such physician's membership on the Medical Staff and such physician's privileges associated therewith shall be automatically terminated. Such automatic termination shall be effective as of the President's mailing of written notice of the termination to the affected physician. The President shall mail such written notice to the affected physician promptly after the President's gaining actual knowledge of the facts giving rise to such automatic termination. The President shall take such actions as he deems reasonably appropriate to notify all physicians on the Medical Staff of this restriction on a physician's being on the Medical Staff and having the privileges associated therewith. Without limiting the foregoing, the President shall provide notice to each physician member of the Medical Staff that such physician's membership on the Medical Staff and his/her

privileges associated therewith are subject to automatic termination in accordance with the foregoing provisions of this Section F. 2.

3. If an applicant or a member of the Medical Staff disagrees with the President's determination that such applicant or member or a Related Person has such direct or indirect ownership or investment interest in any other hospital located in Madison County, Tennessee, or that such applicant or member is employed by any other hospital located in Madison County, Tennessee, the applicant or member may request a hearing on that issue by written notice to the President within fifteen (15) days of mailing of the written notice by the President to the physician that his/her application will not be further processed pursuant to Section F.1 or the mailing of written notice by the President of automatic termination under Section F. 2 above, as applicable.. The applicant or member shall have the procedural rights set forth in the Fair Hearing Plan for a denial of privileges and/or staff membership by the Board, but the only issue for determination in any such proceedings shall be whether such applicant, member or a Related Person has such direct or indirect ownership or investment interest in any other hospital located in Madison County, Tennessee, or whether such applicant or member is employed by any other hospital located in Madison County, Tennessee. Upon final action by the Board on the results of such hearing, if such action is favorable to the physician, then if the hearing was held because of a decision under Section F.1 above, the application shall proceed as usual under the Medical Staff Bylaws or, if the hearing was held because of a decision under Section F. 2 above, the member shall be reinstated, as applicable. If such action is to uphold the President's determination that such applicant, member or a Related Person has such direct or indirect ownership or investment interest in any other hospital located in Madison County, Tennessee, or that such applicant or member is employed by any other hospital located in Madison County, Tennessee, then, then if the hearing was held because of a decision under Section F.1 above, no further action shall be taken on such application or, if the hearing was held because of a decision under Section F. 2 above, the automatic termination contemplated by Section F. 2 above shall remain in effect, as applicable.

Nothing herein shall be construed to prohibit any physician from having privileges at, being a member of the medical staff of, practicing at, or referring patients to, any other hospital.

BE IT FURTHER RESOLVED, that the Board approves and adopts the revision of the *Board of Trustees Bylaws*.

ADOPTED, this the 30th day of January, 2007.

  
BRUCE BLEDSOE, Chairman"--

Exhibit ;G-3