



TAHOE FOREST HOSPITAL DISTRICT

2024-03-05 Board Governance Committee

Tuesday, March 5, 2024 at 10:00 a.m.

Tahoe Forest Hospital - Eskridge Conference Room

10121 Pine Avenue, Truckee, CA 96161



Meeting Book - 2024-03-05 Board Governance Committee

Governance Committee

AGENDA

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5. APPROVAL OF MINUTES

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6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Board Governance

6.1.1. 2023 Board Self-Assessment Results - Summary.pdf 9

6.1.2. 2024 Education Sessions
No related materials.

6.1.3. Board Retreat Agenda Development
No related materials.

6.2. Board Policy Review

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6.2.2. Board Compensation and Reimbursement, ABD-03
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6.2.3. Conflict of Interest, ABD-07 2024_0229.pdf 62

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GOVERNANCE COMMITTEE AGENDA

Tuesday, March 5, 2024 at 10:00 a.m.
Tahoe Forest Hospital – Eskridge Conference Room
10121 Pine Avenue, Truckee, CA 96161

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA**

4. **INPUT – AUDIENCE**

This is an opportunity for members of the public to address the Committee on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Committee cannot take action on any item not on the agenda. The Committee may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.

5. **APPROVAL OF MINUTES OF: 11/06/2023**

6. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**

6.1. **Board Governance**

6.1.1. **2023 Board Self-Assessment Results** ATTACHMENT

Governance Committee will review the 2023 Board Self-Assessment results.

6.1.2. **2024 Education Sessions**

Governance Committee will develop an education plan for 2024.

6.1.3. **Board Retreat Agenda Development**

Governance Committee will discuss agenda items for the spring board retreat.

6.2. **Board Policy Review**

Governance Committee will review and discuss changes to the following policies:

6.2.1. **Board of Directors Bylaws** ATTACHMENT

6.2.2. **Board Compensation and Reimbursement, ABD-03** ATTACHMENT

6.2.3. **Conflict of Interest, ABD-07** ATTACHMENT

6.2.4. **New Programs and Services, ABD-18** ATTACHMENT

6.2.5. **President & CEO Succession Policy, ABD-28** ATTACHMENT

7. **REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**

8. **NEXT MEETING DATE**

The Governance Committee will meet again as needed.

9. **ADJOURN**

*Denotes material (or a portion thereof) may be distributed later.

Note: It is the policy of Tahoe Forest Hospital District to not discriminate in admissions, provisions of services, hiring, training and employment practices on the basis of color, national origin, sex, religion, age or disability including AIDS and related conditions. Equal Opportunity

Employer. The telephonic meeting location is accessible to people with disabilities. Every reasonable effort will be made to accommodate participation of the disabled in all of the District's public meetings. If particular accommodations for the disabled are needed or a reasonable modification of the teleconference procedures are necessary (i.e., disability-related aids or other services), please contact the Clerk of the Board at 582-3481 at least 24 hours in advance of the meeting.

GOVERNANCE COMMITTEE

DRAFT MINUTES

Monday, November 6, 2023 at 2:00 p.m.
Tahoe Forest Hospital – Eskridge Conference Room
10121 Pine Avenue, Truckee, CA 96161

1. CALL TO ORDER

Meeting was called to order at 2:01 p.m.

2. ROLL CALL

Board: Alyce Wong, Chair; Robert (Bob) Barnett, Board Member

Staff in attendance: Harry Weis, President & Chief Executive Officer; Crystal Felix, Chief Financial Officer; Ted Owens, Executive Director of Governance; Martina Rochefort, Clerk of the Board

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

No changes were made to agenda.

4. INPUT – AUDIENCE

No public comment was received.

5. APPROVAL OF MINUTES OF: 05/04/2023

Director Barnett moved approval of the Board Governance Committee minutes of May 4, 2023, seconded by Director Wong.

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Board Governance

6.1.1. 2023 Board Self-Assessment

Governance Committee reviewed the 2023 Board Self-Assessment questions and format. The neutral category was removed.

Governance Committee would like a comment box added for each question.

Governance Committee discussed the scale used to calculate the assessment scoring.

The following changes discussed:

- consistent use of “President & CEO”
- adding criteria under Board & Executive
- add two questions: “I have kept the President & CEO informed of issues and concerns that have been brought to me” and “All board members have kept the President & CEO informed of issues and concerns that have been brought to board members.”

6.1.2. Board Enhancement Goals

Governance Committee reviewed Board Enhancement Goals discussed at the spring board retreat.

Discussion was held.

Director Wong will inquire with the Executive Compensation Committee on the refinement of the President and Chief Executive Officer's goals and incentive compensation.

The goal has been met to convene at least two board retreats each year and have the Ad Hoc Committee make a recommendation on community health next steps.

The goal to increase individual board member participation in community partnerships and public policy is an ongoing goal. Board members recently worked with the town and worked in that space after the town's decision. Board members met individually with town council members.

Director Wong was unaware she was wanted for the Homelessness task force meeting. Executive Director of Governance will ensure she is added to the invite.

Director Barnett would like the Board Community Engagement Committee to list out organizations for board members to get involved with. Director Wong offered to send a request to the chair of that committee.

6.1.3. Order & Decorum

Governance Committee reviewed and discussed an updated Order & Decorum policy. Committee discussed adding a portion of Order & Decorum to the board agenda.

Executive Director of Governance reviewed the edits presented on Order & Decorum.

Director Barnett suggested updating the last bullet under section 8 to "When authorized, only the Chair speaks for the board to the media".

Director Wong inquired if the vacancy section is needed when the Board Bylaws also provide the same information. Committee discussed leaving it in as a quick reference.

Crystal Felix, Chief Financial Officer, noted a typo of "expectations" on item 10.

The following edits were discussed:

- keep "and" on item 10.A.
- add "respectfully inform" on item 10.D.6.
- strike "professionalism" on item 10.D.6.
- strike "office" on item 10.F.4.
- change 10.F.2. to read "Should a board member be contacted by anyone regarding the business of the District, please notify the President and CEO within 24 hours."
- Item G under Expectations of Staff will read "Be transparent about problems within the organization and present them in an objective manner."
- update item H under Expectation of Staff to "all TFHS properties."

Order and Decorum will go to the Board for approval.

6.1.4. Review Draft Community Grant Policies

Governance Committee reviewed and discussed draft community grant policies. Risk statements were added.

President & CEO shared the website will be updated to have a fillable form for organizations to request grant or sponsorship funds.

Governance Committee discussed sending both policies to General Counsel for review to ensure they do not conflict with Government Code or other applicable laws.

CFO inquired about wording for Procedure A.2.c. The wording is unclear. It could have an impact on the budget. Director Barnett suggested making the request annual. Governance Committee would like to update A.2.c. to "Grants shall be awarded for a one year period."

6.1.5. Board of Directors Bylaws

Governance Committee discussed a Board of Directors Bylaws revision about board committees.

Staff will inquire with General Counsel if the highlighted is a requirement.

Director Wong would like to swap the paragraphs on standing and ad hoc committees.

6.1.6. Veralon Education Sessions

Governance Committee discussed board education sessions with Veralon.

The Health System's contract with Veralon ends in February 2024. The last contract cost \$25,500.

AHA and ACHD have archived webinars that can be sent to the board as education.

Governance Committee agreed not to renew the agreement with Veralon.

6.1.7. AHA Rural Health Care Leadership Conference

Governance Committee discussed board attendance at the AHA Rural Health Care Leadership Conference on February 11-14, 2024 in Orlando, Florida. Discussion was held.

The majority of board members do not want to attend the conference.

6.1.8. Environmental Stewardship

Executive Director of Governance provided an update from recent regional meetings on climate and environmental stewardship.

Executive Director of Governance attended the Climate Transformation Alliance meeting to observe their projects and discussions. Executive Director of Governance intends to attend their January meeting. Executive Director of Governance is trying to find out the financial commitment. Executive Director of Governance recommended the Health System participate.

Executive Director of Governance noted there is a formal group meeting on local homelessness through Tahoe Truckee Community Foundation.

Executive Director of Governance found larger health systems, such as Mayo Clinic, have policies on environment that put them in a corner with tough goals on greenhouse gases. Local hospitals around us do not have policies on the topic. Director Wong participated in a roundtable at ACHD and none of the board members participating had policies on climate change.

Director Wong would like to have a document that highlights what the District has done and what it is doing.

Director Barnett is supportive, in general, of making the planet healthier and would like to list the things we have done or are doing. He would like the District to be on the lookout for grants that could enable us to do more.

Harry Weis, President and Chief Executive Officer, noted the District should not commit to something that is unsustainable.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

No discussion was held.

8. NEXT MEETING DATE

The Governance Committee will meet again as needed.

9. ADJOURN

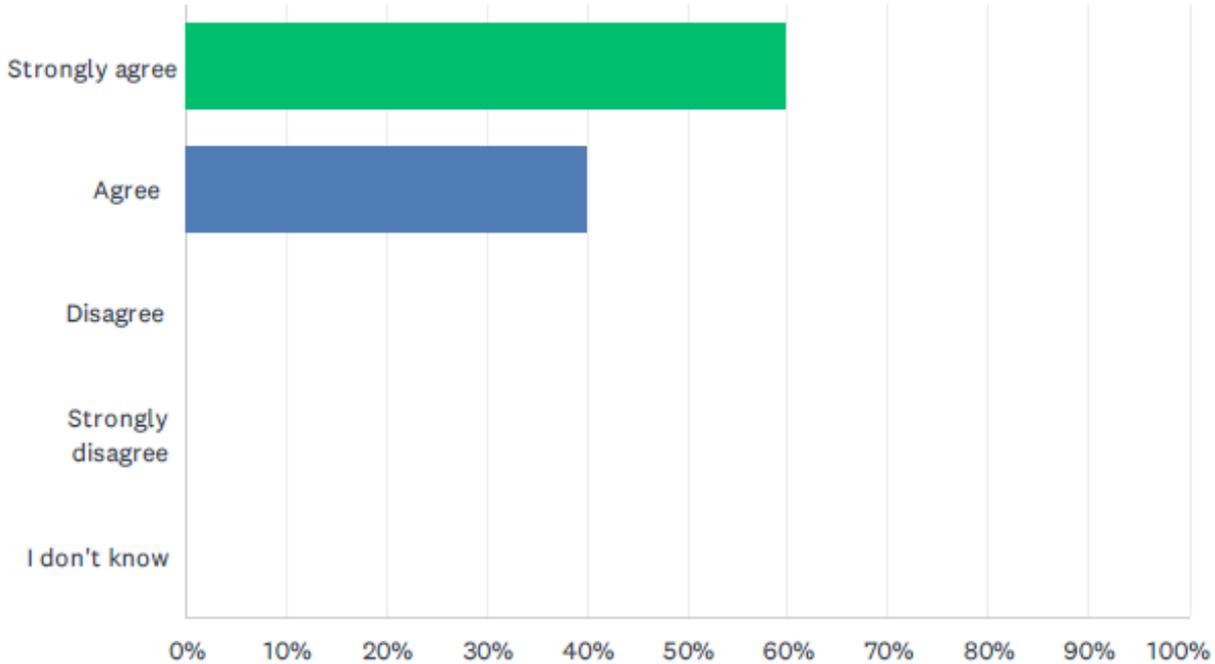
Meeting adjourned at 3:51 p.m.

2023 Board Self-Assessment

(4-point scale)

Q1 The Board uses the following Mission statement to guide its decision making: "We exist to make a difference in the health of our communities through excellence and compassion in all we do."

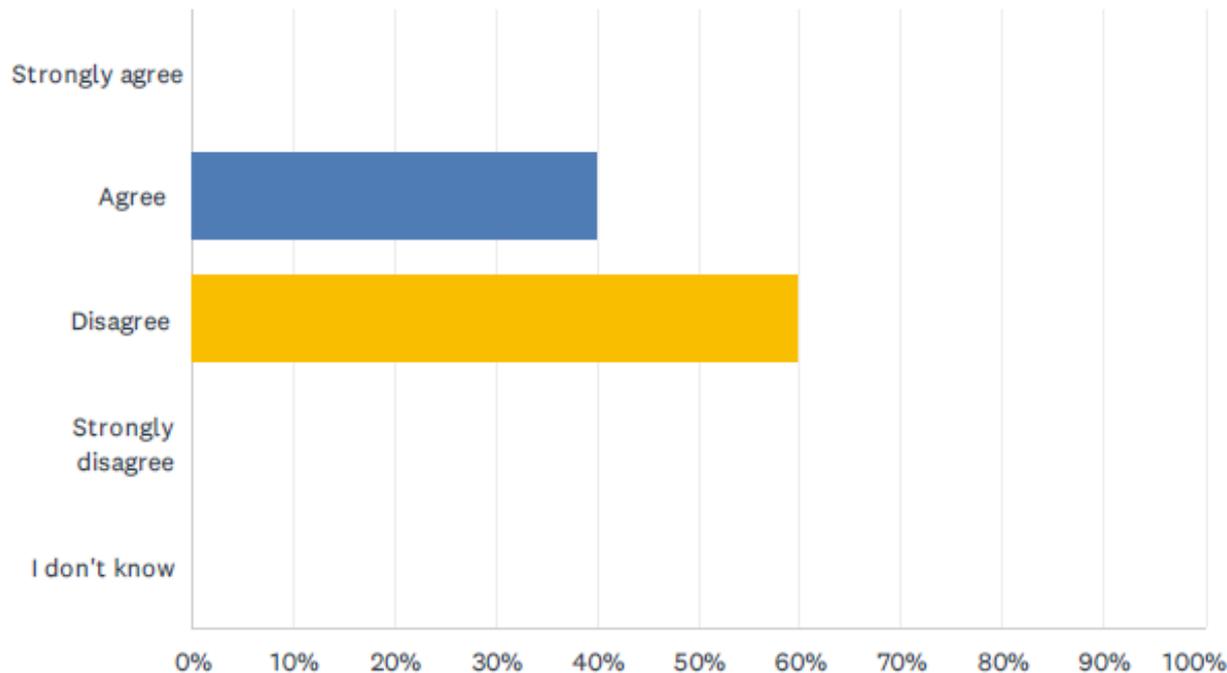
Answered: 5 Skipped: 0



Average score: 3.6

Q2 The Board regularly reviews the organization's performance against community health needs to ensure it is meeting its obligations as a healthcare district.

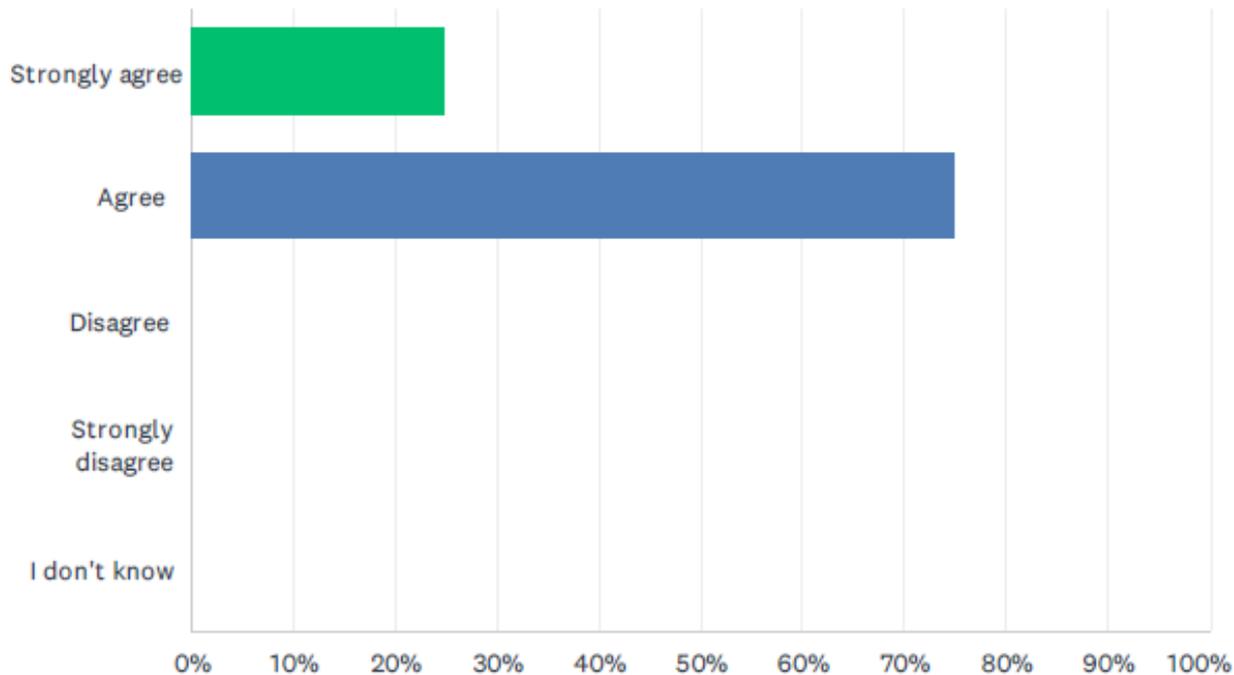
Answered: 5 Skipped: 0



Average score: 2.4

Q3 The Board monitors the organization's financial performance compared to its plans and relevant industry benchmarks.

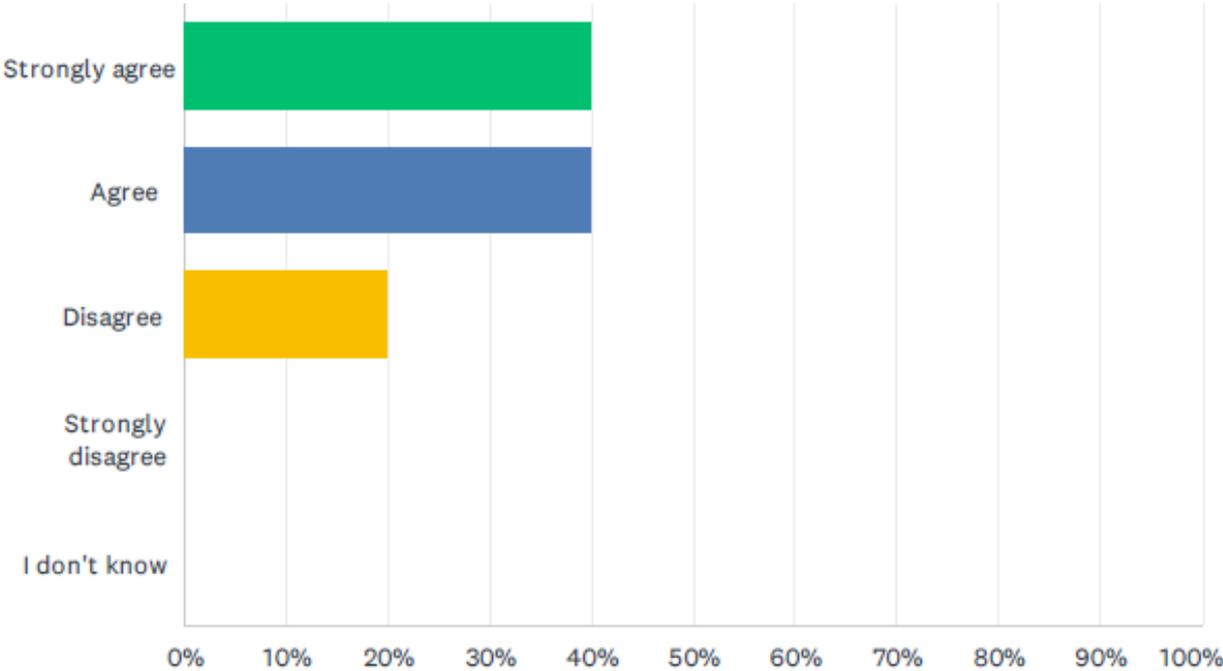
Answered: 4 Skipped: 1



Average score: 3.25

Q4 The Board demands corrective action in response to financial underperformance.

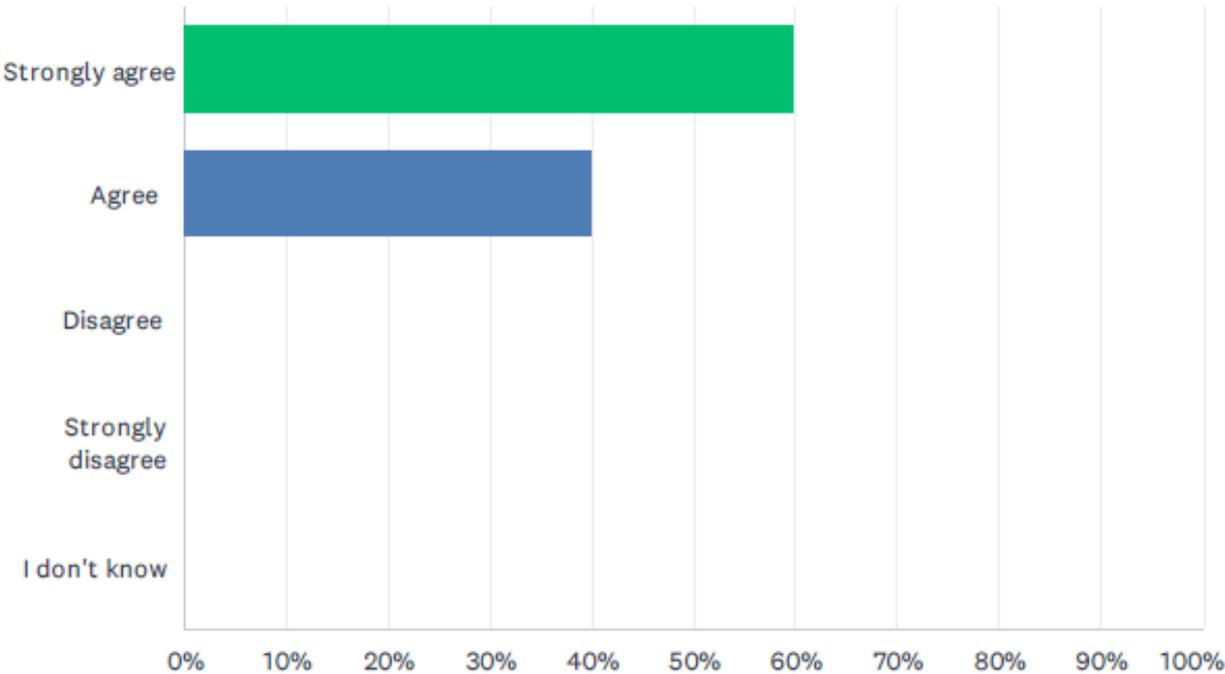
Answered: 5 Skipped: 0



Average score: 3.2

Q5 The Board is knowledgeable about the organization's external financial audit.

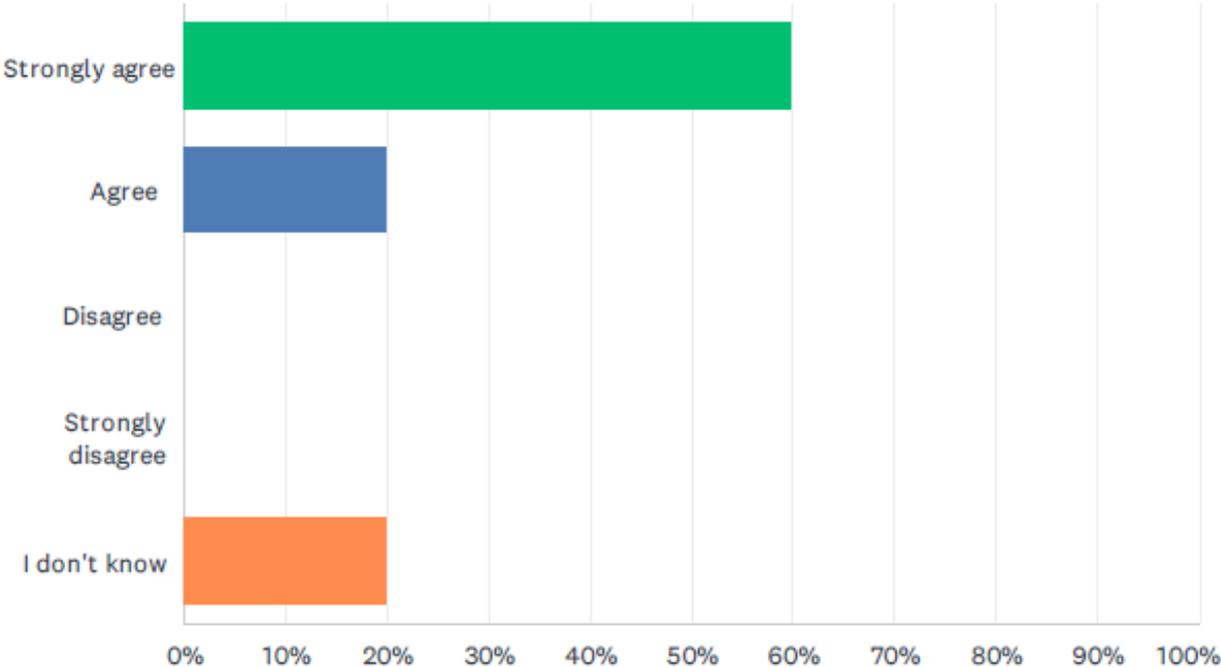
Answered: 5 Skipped: 0



Average score: 3.6

Q6 The Board annually approves the organization's corporate compliance plan.

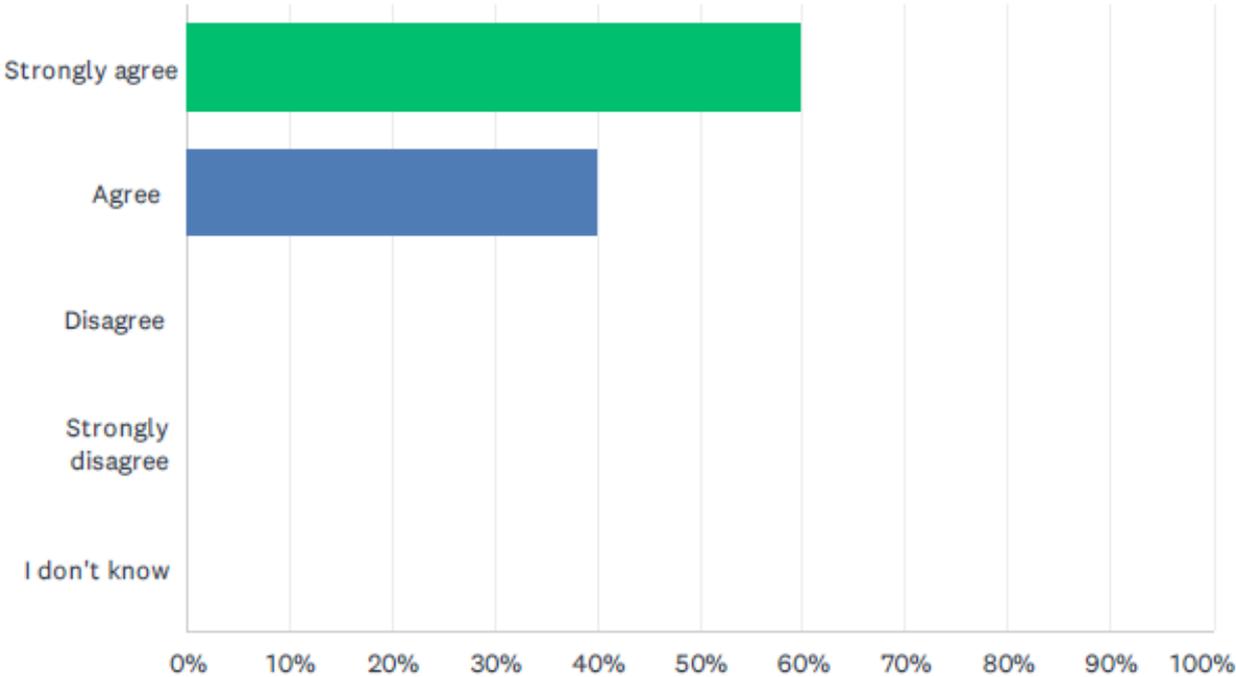
Answered: 5 Skipped: 0



Average score: 3.0

Q7 The Board is knowledgeable about the organization's compliance performance.

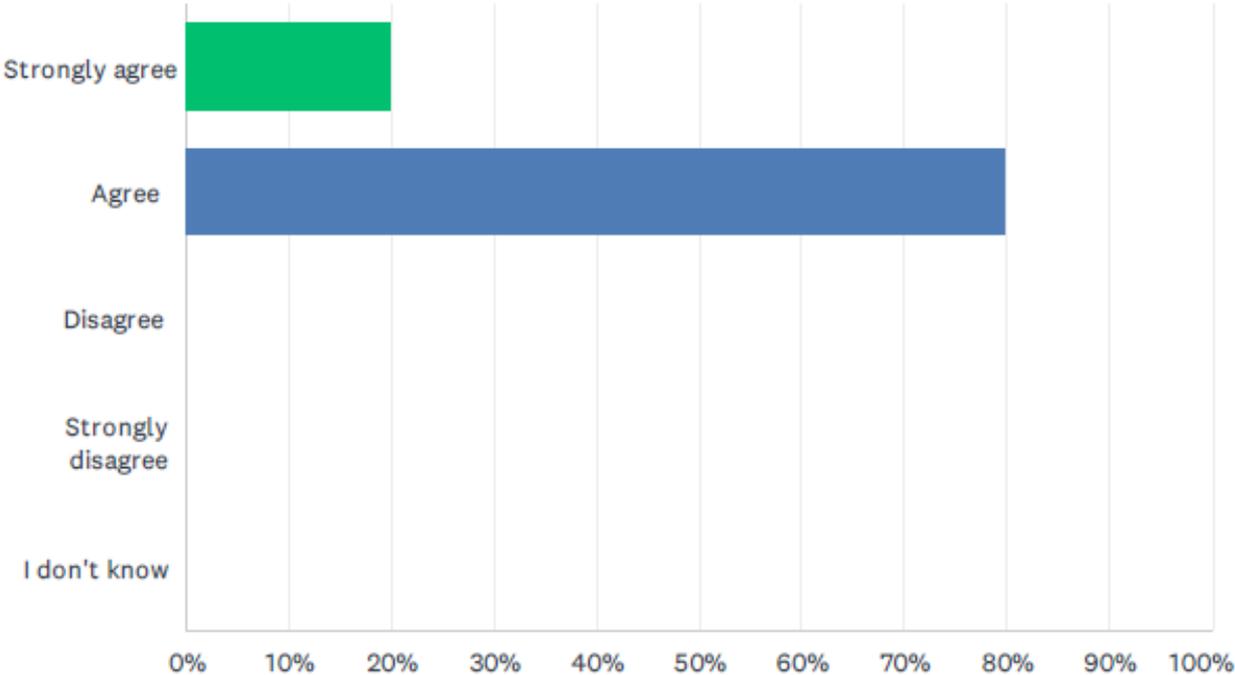
Answered: 5 Skipped: 0



Average score: 3.6

Q8 The Board receives education on strategic external and internal issues and trends at least once a year.

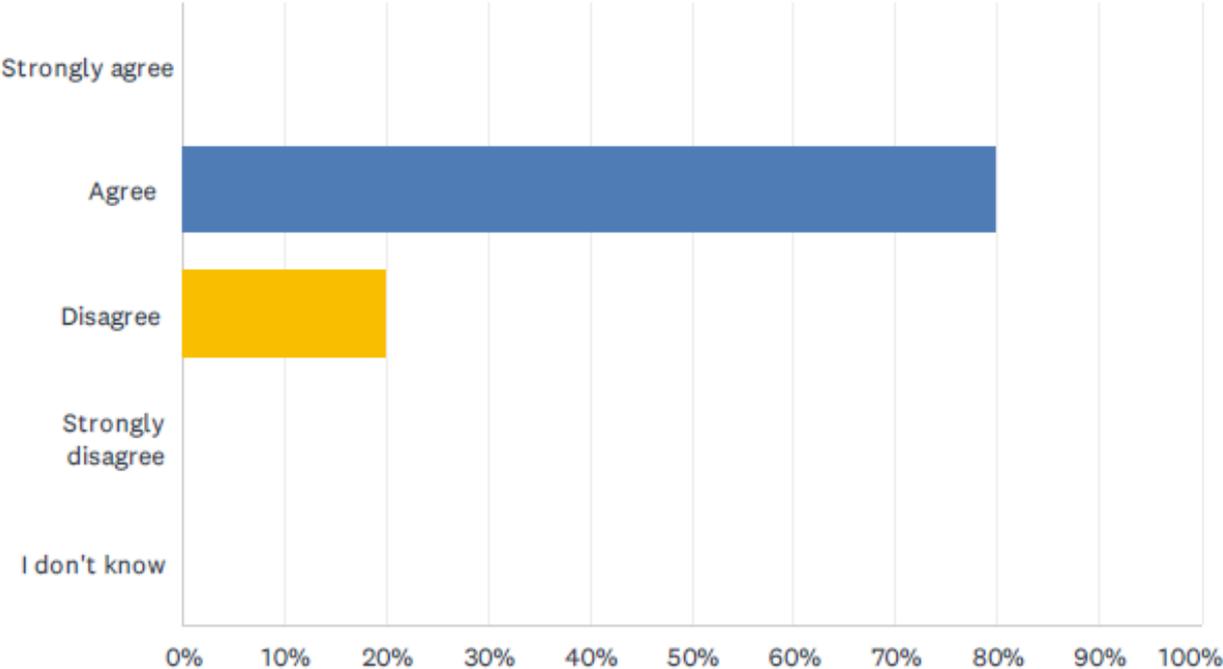
Answered: 5 Skipped: 0



Average score: 3.2

Q9 The Board is provided sufficient opportunities to engage in strategic discussion (e.g., in retreats, mini-retreats, educational sessions).

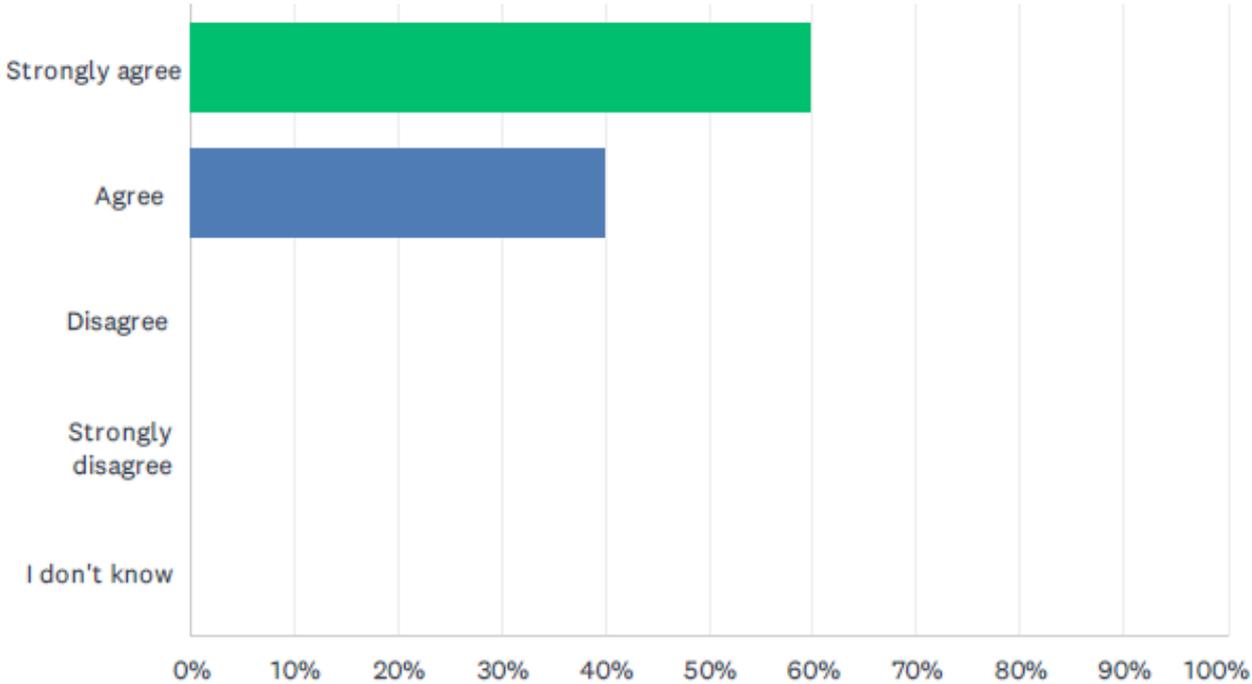
Answered: 5 Skipped: 0



Average score: 2.8

Q10 The Board approves quality, safety, and satisfaction goals.

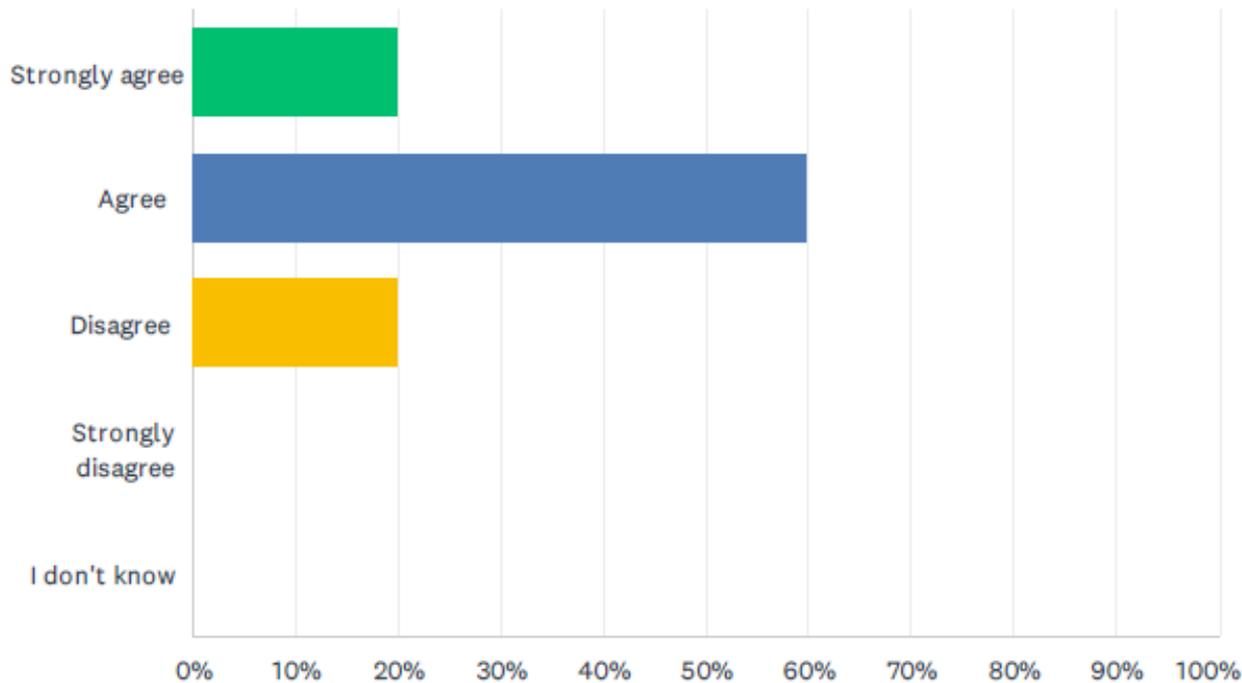
Answered: 5 Skipped: 0



Average score: 3.6

Q11 The Board demands corrective action in response to underperformance on the quality, safety and satisfaction goals (e.g., patient experience).

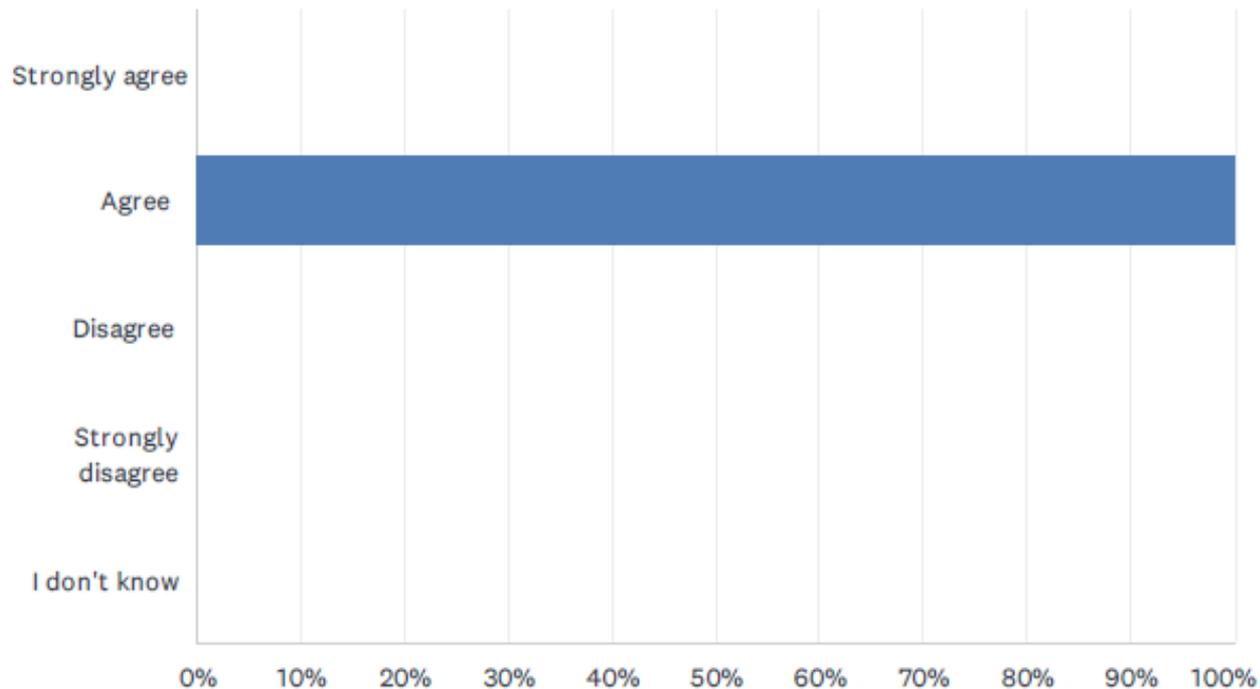
Answered: 5 Skipped: 0



Average score: 3.0

Q12 The Board is kept up to date on the results of Enterprise Risk Management assessments (e.g., fire, cybersecurity, reputational, regulatory, operational).

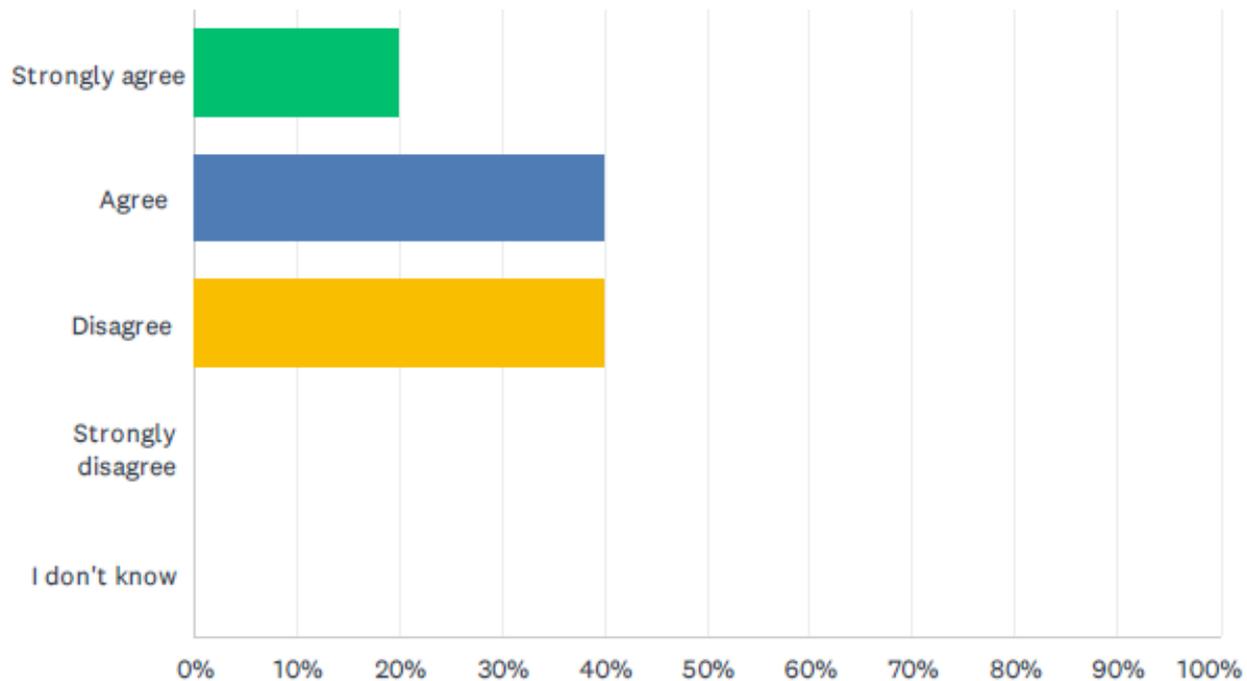
Answered: 5 Skipped: 0



Average score: 3.0

Q13 There is a clear process in place for setting the President & CEO's annual goals.

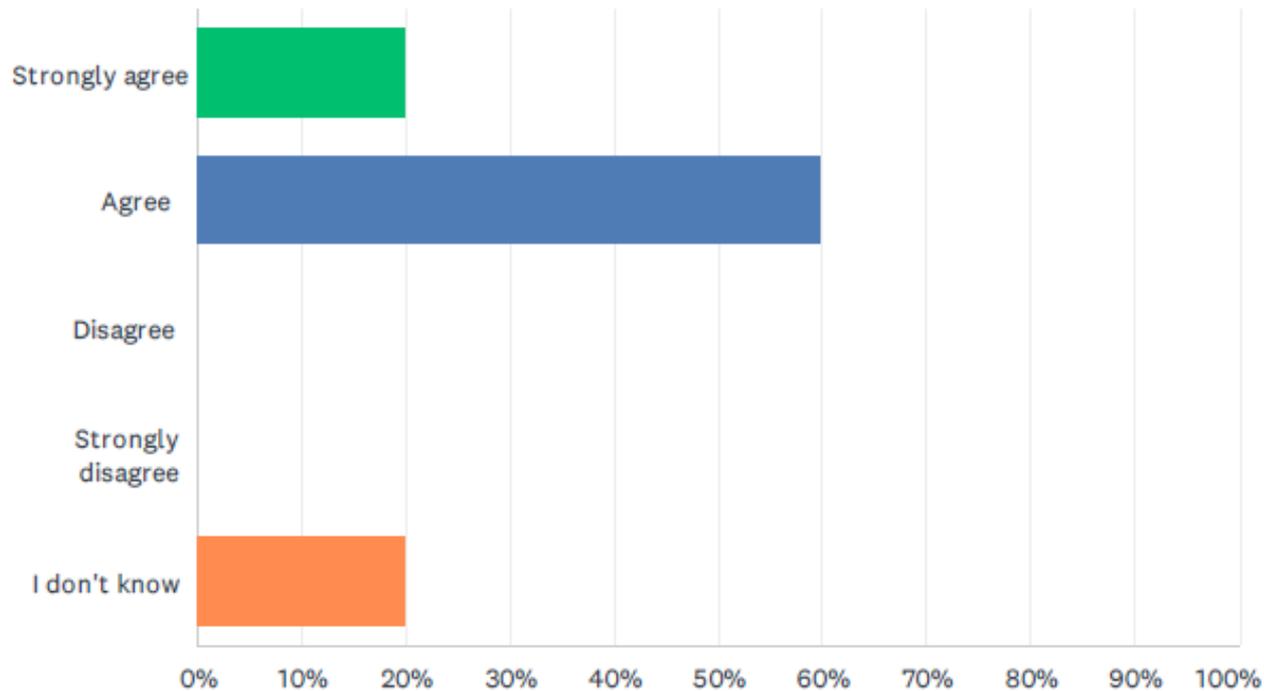
Answered: 5 Skipped: 0



Average score: 2.8

Q14 The Board holds the President & CEO accountable for the organization's performance.

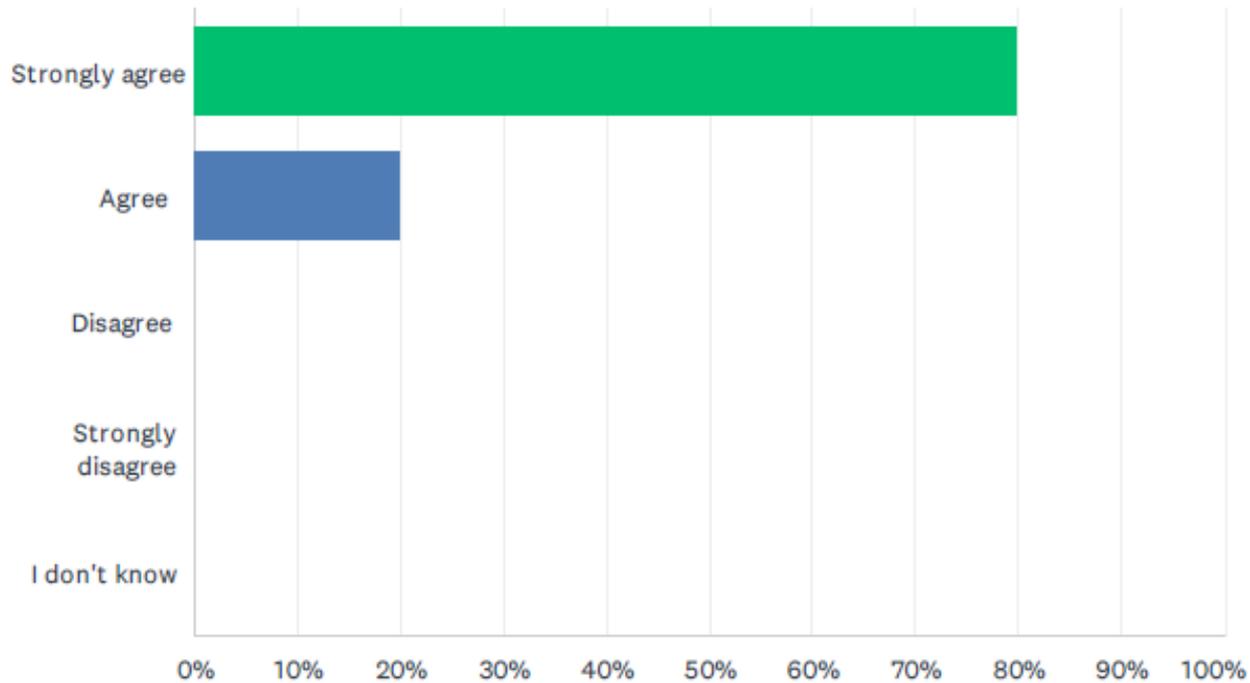
Answered: 5 Skipped: 0



Average score: 2.6

Q15 The Board Chair runs board meetings effectively.

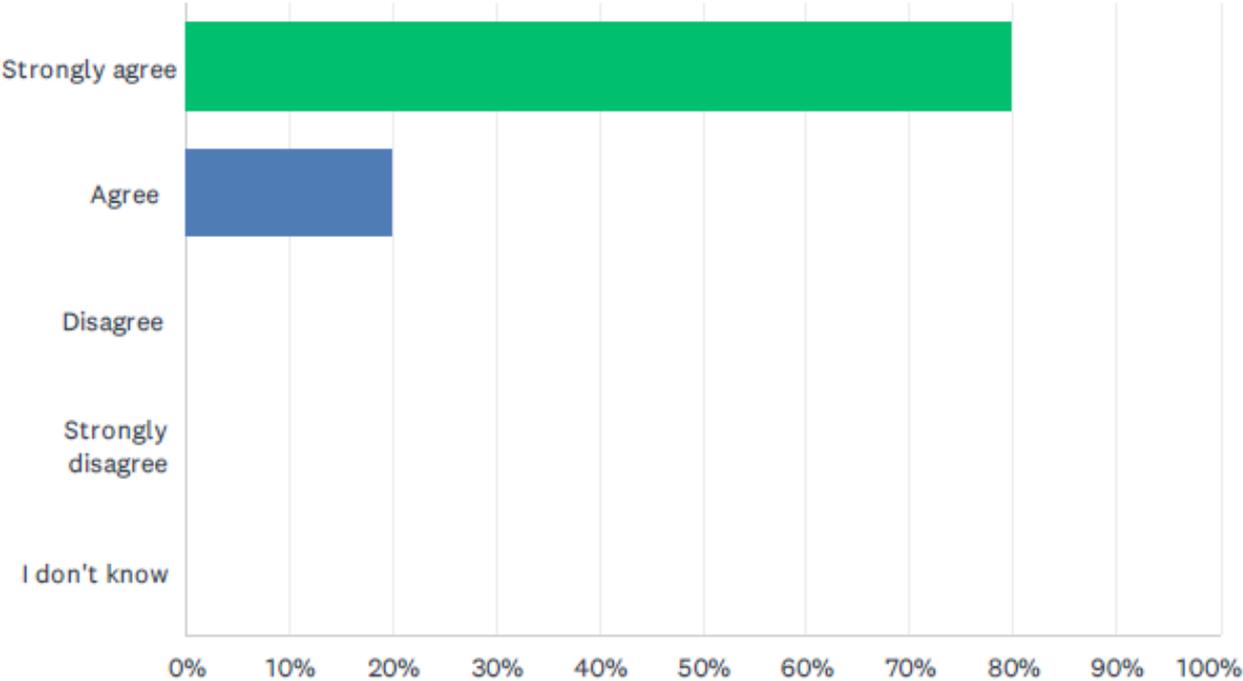
Answered: 5 Skipped: 0



Average score: 3.8

Q16 Board meetings are run respectfully, taking into consideration internal and external stakeholders (e.g., board members, management, the public).

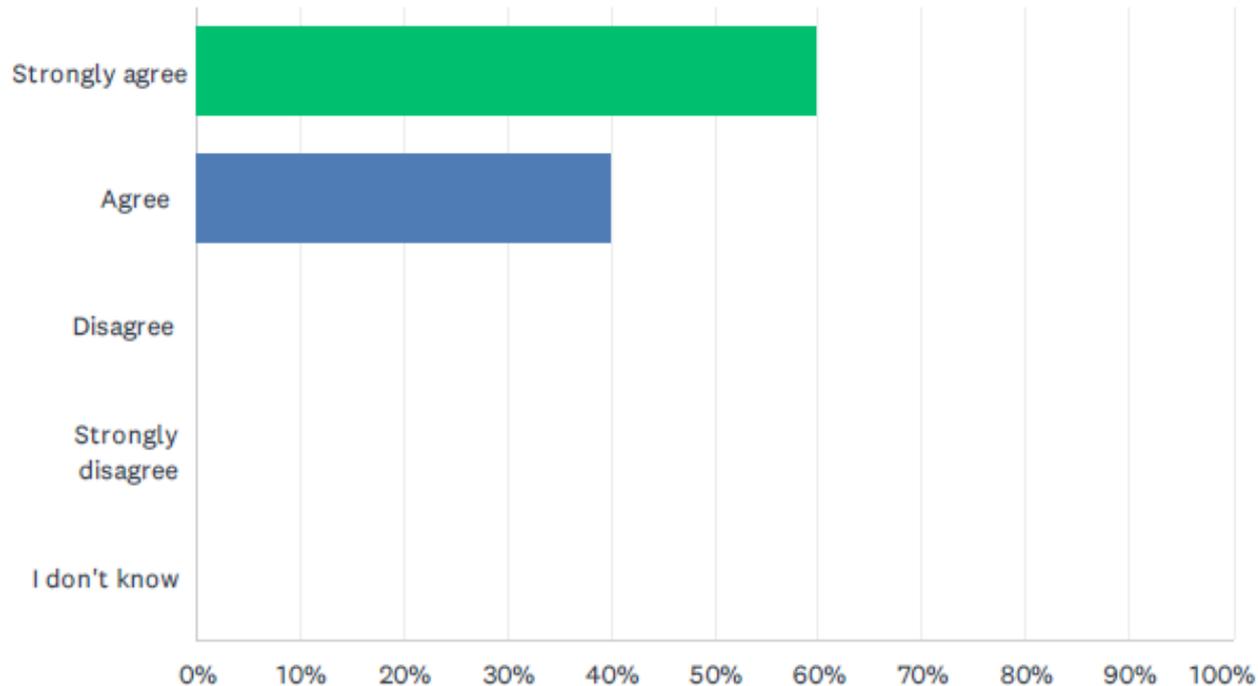
Answered: 5 Skipped: 0



Average score: 3.8

Q17 Board members receive materials with sufficient time for review prior to meetings (e.g., in alignment with best practice of 4-7 days prior to meetings).

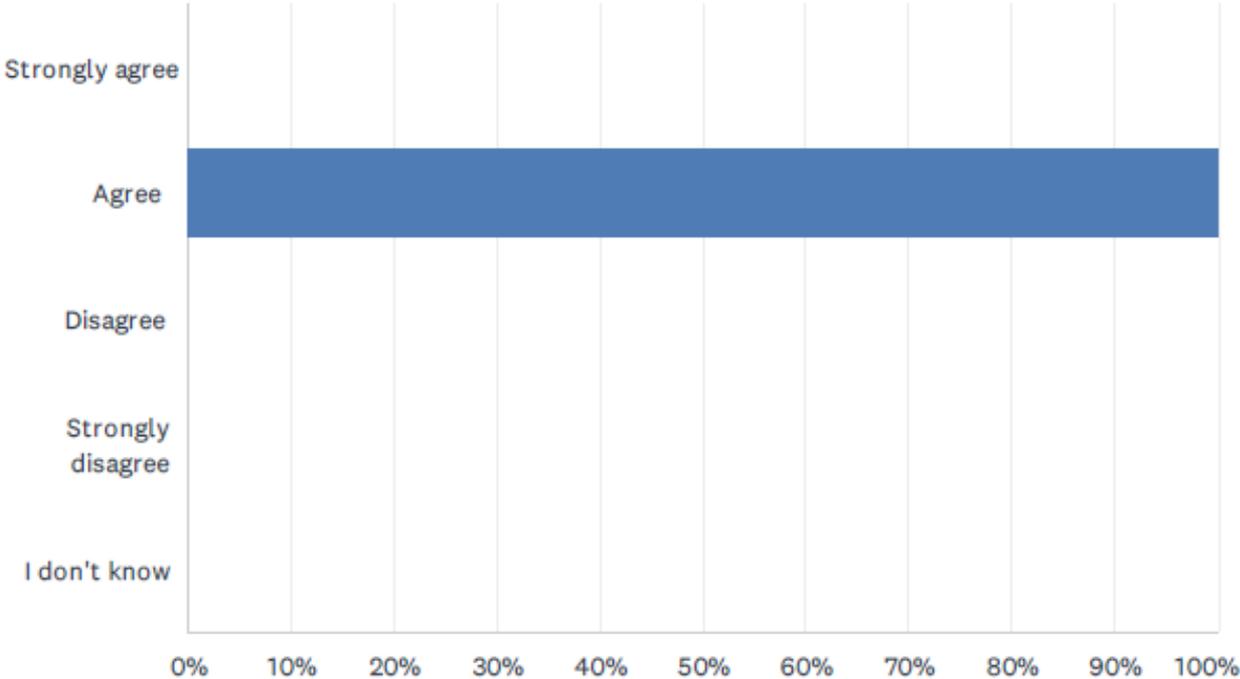
Answered: 5 Skipped: 0



Average score: 3.6

Q18 Committees contribute effectively to the work of the Board (e.g., committee work is aligned with Board priorities; committees tee up discussions for the Board).

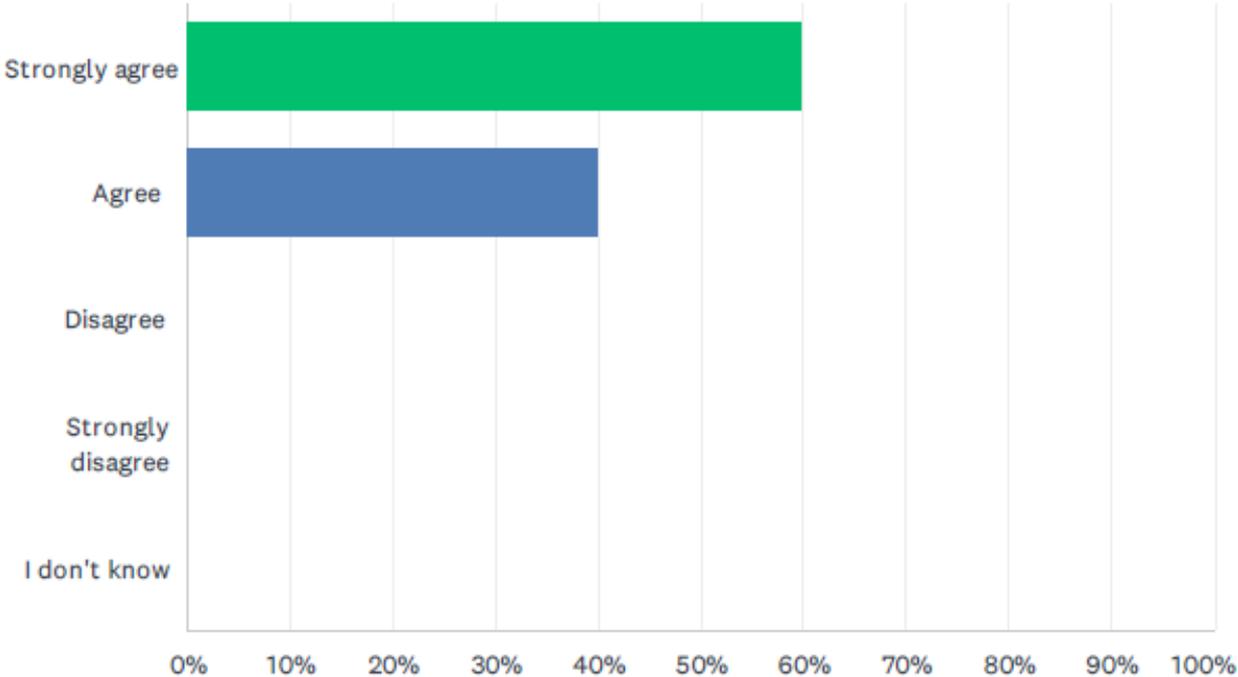
Answered: 5 Skipped: 0



Average score: 3.0

Q19 The Board is an effective working group (e.g. listens well, uses consensus decision making, is respectful of one another in deliberations, etc.).

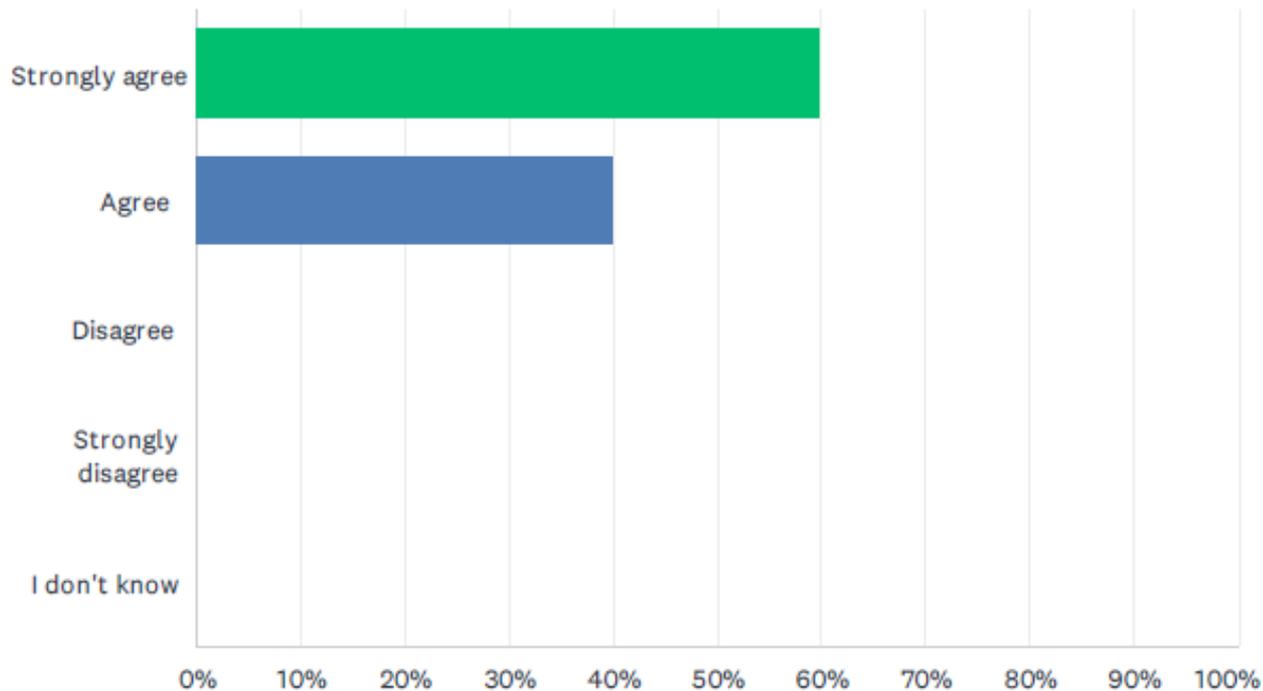
Answered: 5 Skipped: 0



Average score: 3.6

Q20 Board members respect the distinction between the role of the Board and the role of management.

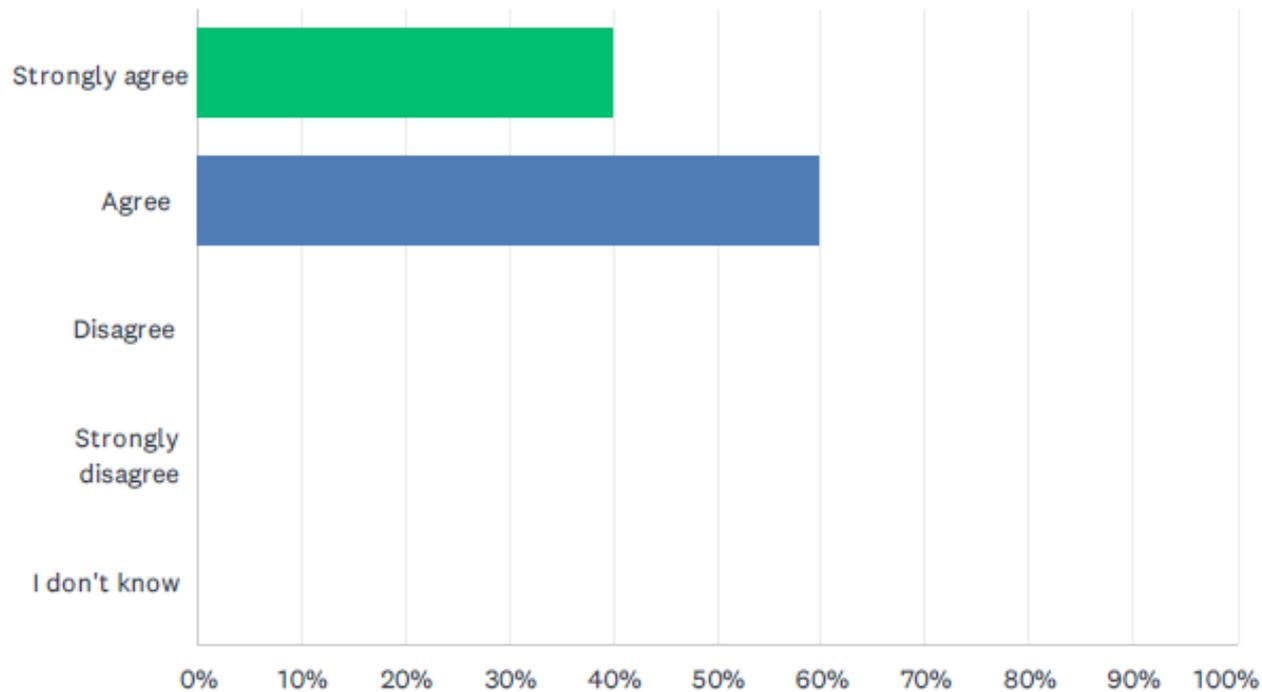
Answered: 5 Skipped: 0



Average score: 3.6

Q21 The Board has in place sufficient written Board-level policies and procedures (e.g. expectations, conflict of interest, code of conduct including confidentiality).

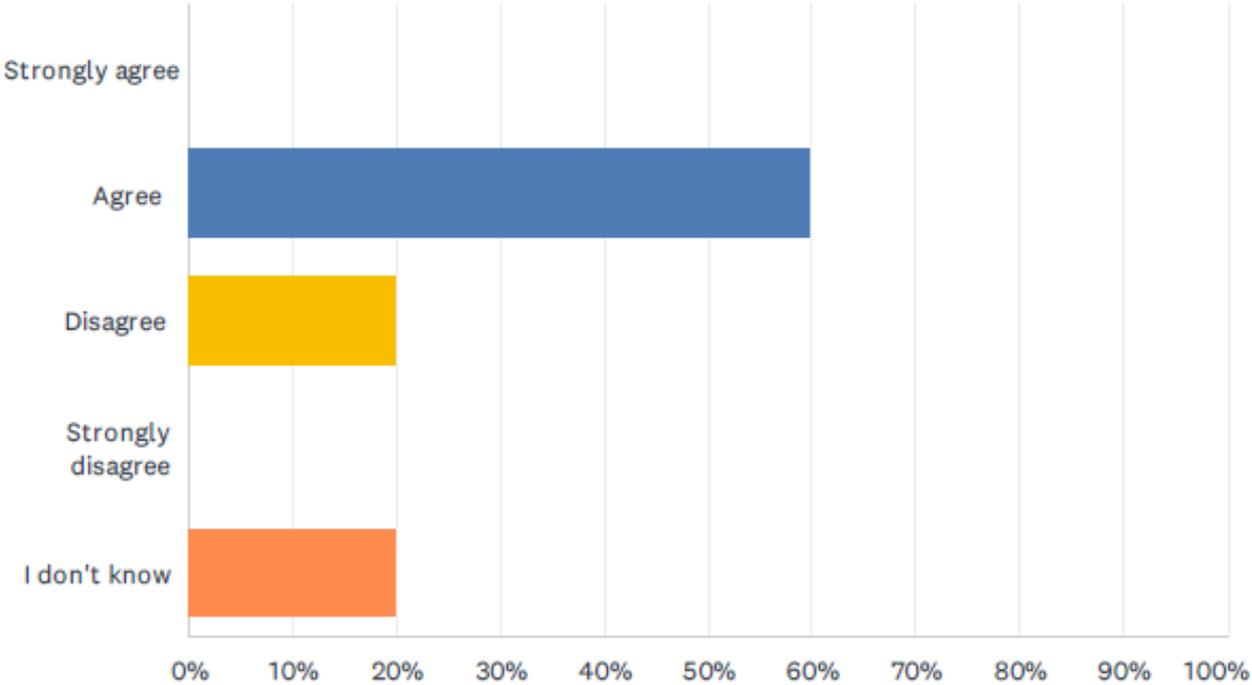
Answered: 5 Skipped: 0



Average score: 3.4

Q22 The Board has a formal plan for ongoing Board education.

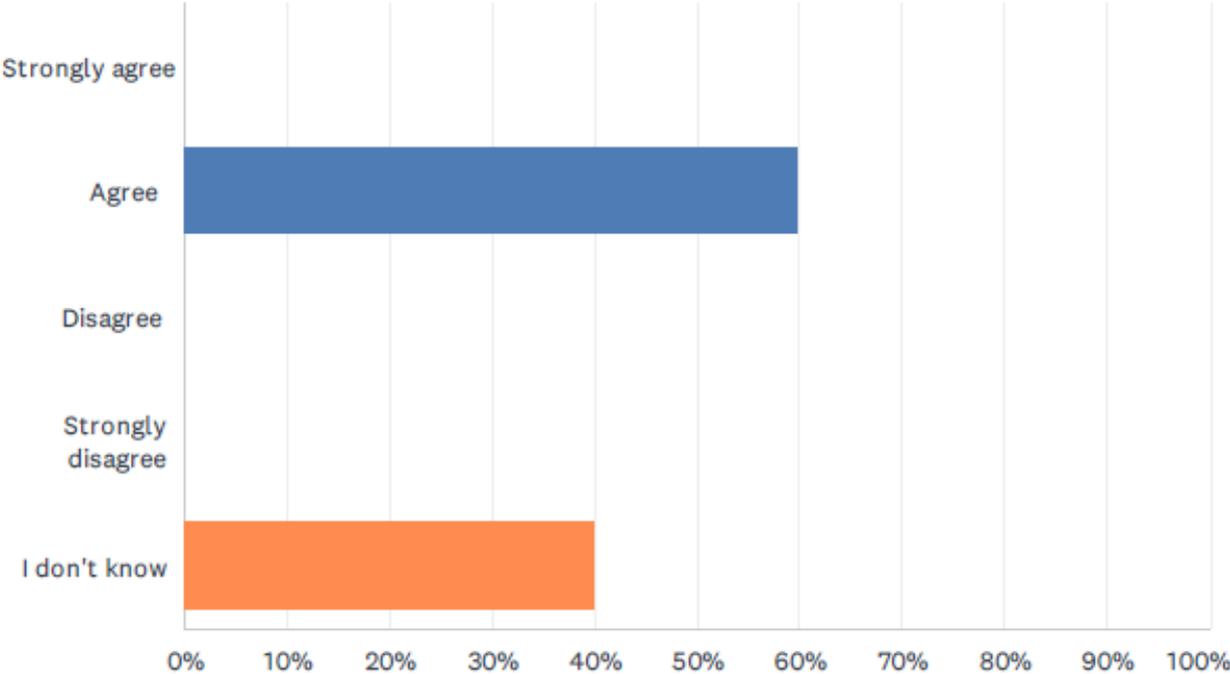
Answered: 5 Skipped: 0



Average score: 2.2

Q23 The Board has an effective orientation program in place for new board members.

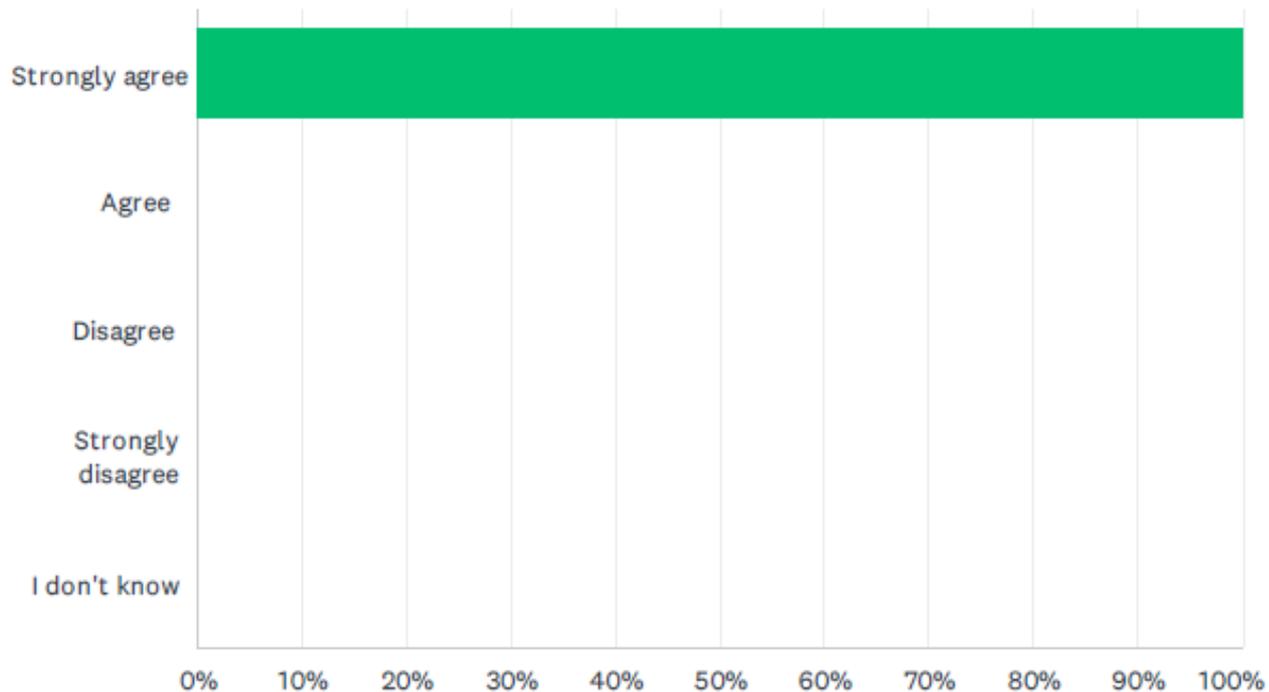
Answered: 5 Skipped: 0



Average score: 1.8

Q24 I feel comfortable voicing opinions of concern to the Board regardless of how sensitive the issue may be.

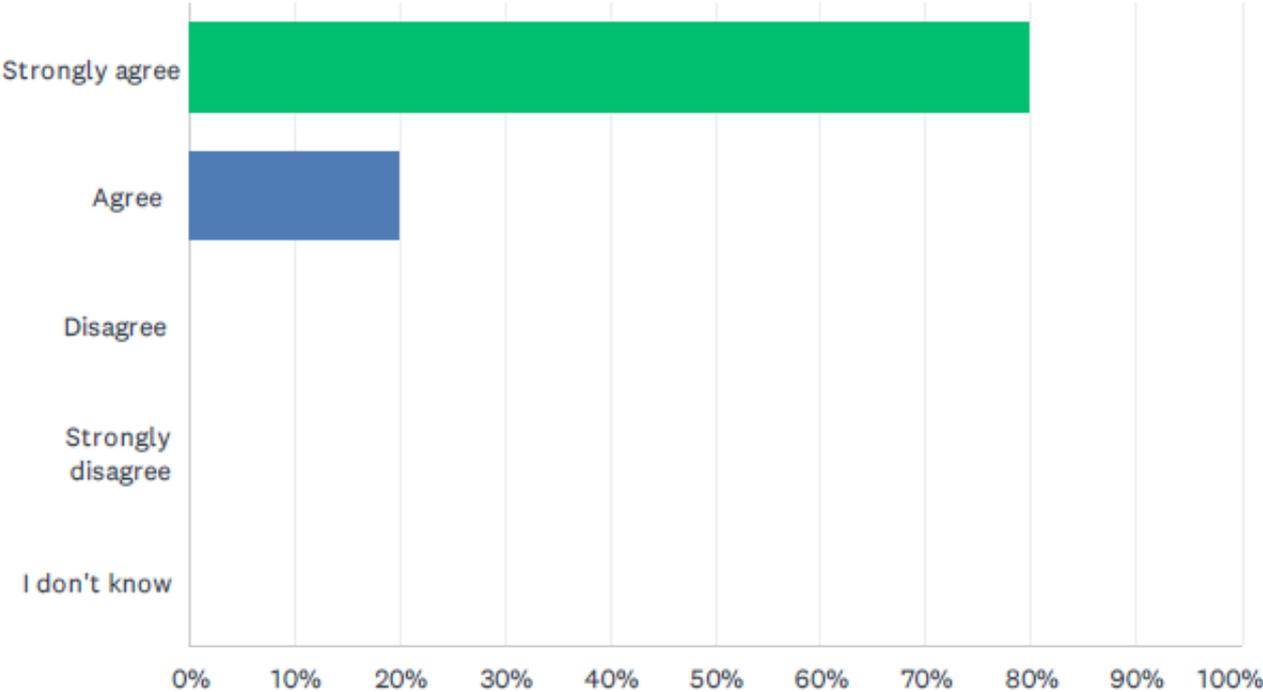
Answered: 4 Skipped: 1



Average score: 4.0

Q25 I feel comfortable voicing opinions of concern to the Board regardless of how sensitive the issue may be.

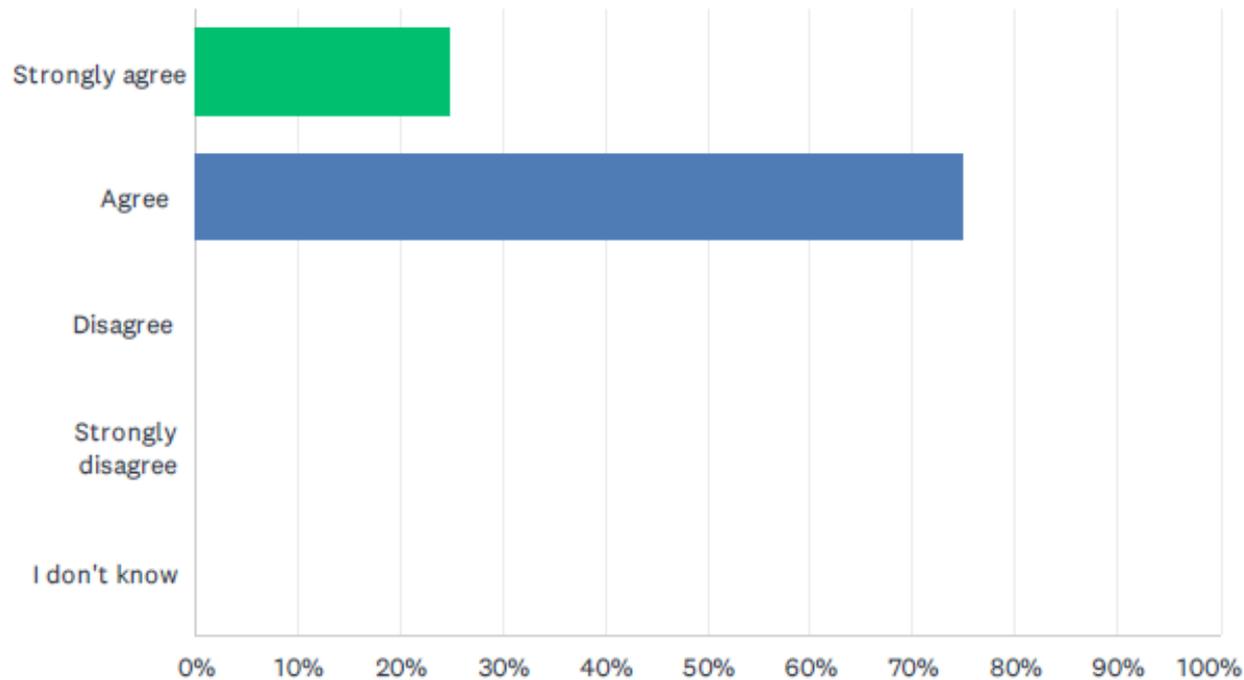
Answered: 5 Skipped: 0



Average score: 3.8

Q26 I have kept the President & CEO informed of issues and concerns that have been brought to me.

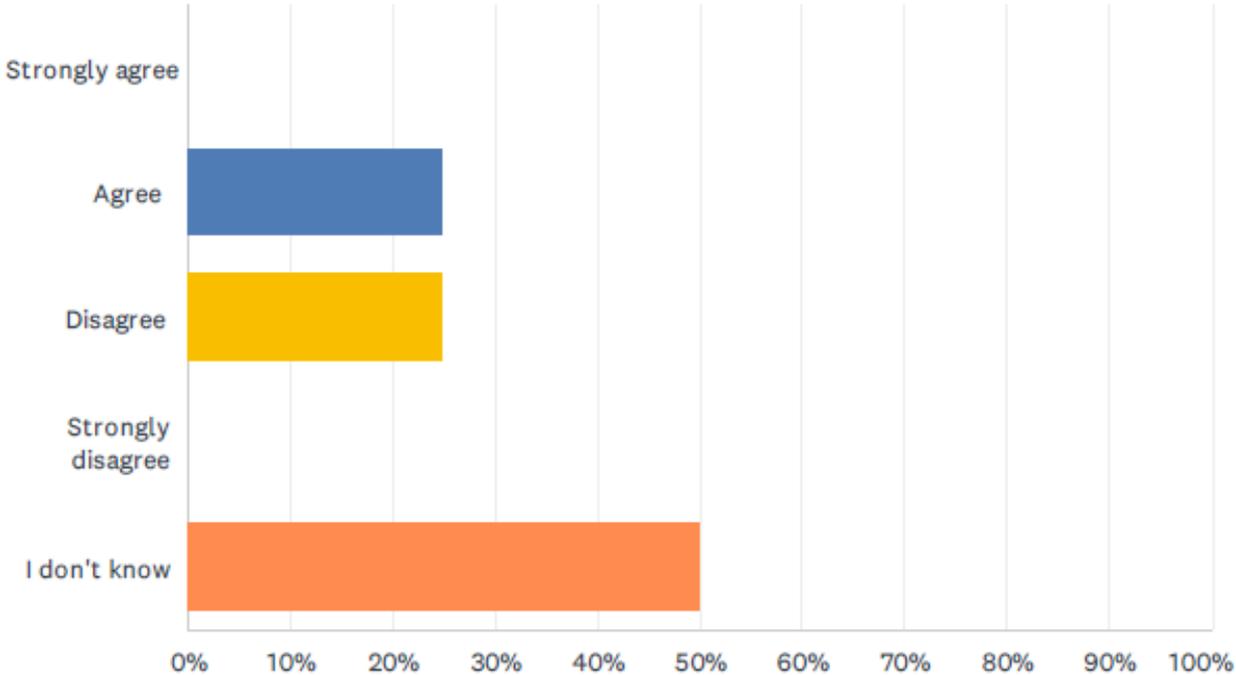
Answered: 4 Skipped: 1



Average score: 3.25

Q27 All board members have kept the President & CEO informed of issues and concerns that have been brought to board members.

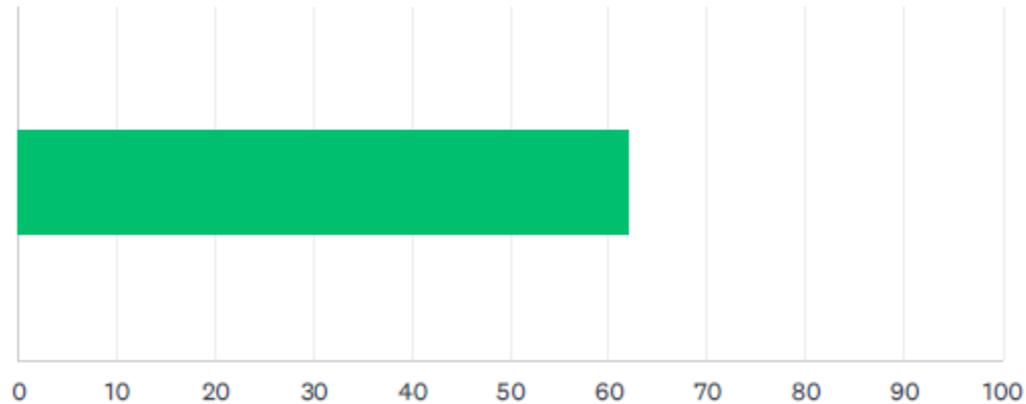
Answered: 4 Skipped: 1



Average score: 1.25

Q28 On a scale of 1 to 10, my experience as a Board member has been positive, meaningful, and engaging (10 being the highest).

Answered: 5 Skipped: 0



Total Respondents: 5

#	
1	95
2	99
3	7
4	9
5	100

Q29 What specific suggestions do you have for improving the effectiveness and efficiency of the Board or its committees?

Answered: 5 Skipped: 0

#	RESPONSES
1	I think everyone tries to be both effective and efficient
2	More data driven discussions about hospital performance and initiatives. The work Vizient is leading is a great start! For example, Vizient surfaced an observatins that many initiatives are launched but not sustained. What's the cost to the organization and is there a low return on investment?
3	Continue with the post-meeting evaluations.
4	That Board members are intelligent and savvy enough to determine what information and when it should go up the chain of command.
5	No operational system is perfect, so I hope we are continually open to reviewing and revising board policies as they require from time to time.

Q30 What additional information or education do you need to help you as a Board member? Note: Please click the DONE button below to submit your survey responses when finished.

Answered: 4 Skipped: 1

#	RESPONSES
1	More detailed and structured business intelligence and analytics (BI/BA). Measures such as mean time to first appointment for a new patient. Do we measure such things? Are they improving. Another topic discussed in the past year is physician productivity - have we made progress here? Not sure, don't have any data.
2	I would like to do more visioning. Where do we see the healthcare delivery and the District in five, 10 or 20 years? How does that vision affect our decisions today?
3	Regular reports on the status of physician engagement....not just Press Ganey but also Joy of Medicine. Process Improvement by stake holders in various specialty areas, MSC, Surgery etc.
4	I still am unsure how we are addressing community health problems and ways to address those concerns.

BYLAWS OF THE BOARD OF DIRECTORS
TAHOE FOREST HOSPITAL DISTRICT

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**BYLAWS OF THE BOARD OF DIRECTORS
OF
TAHOE FOREST HOSPITAL DISTRICT**

Pursuant to the provisions of Sections 32104, 32125, 32128, and 32150 of the Health and Safety Code of the State of California, the Board of Directors of TAHOE FOREST HOSPITAL DISTRICT adopts these Bylaws for the government of TAHOE FOREST HOSPITAL DISTRICT.

ARTICLE I. NAME, AUTHORITY AND PURPOSE

Section 1. Name.

The name of this district shall be "TAHOE FOREST HOSPITAL DISTRICT" (hereinafter "District").

Section 2. Authority.

A. This District, having been established May 2, 1949, by vote of the residents of the District under the provisions of Division 23 of the Health and Safety Code of the State of California, otherwise known and referred to herein as "The Local Health Care District Law," and ever since that time having been operated there under, these Bylaws are adopted in conformance therewith, and subject to the provisions thereof.

B. In the event of any conflict between these Bylaws and the Local Health Care District Law, the latter shall prevail.

C. These Bylaws shall be known as the "District Bylaws."

D. Non-Discrimination: It is the policy of Tahoe Forest Hospital District to not discriminate in admissions, provisions of service, hiring, training and employment practices on the basis of age; race; color; creed; ethnicity; religion; national origin; marital status; sex; sexual orientation; gender identity or expression; disability; association; veteran or military status; or any other basis prohibited by federal, state, or local law.

Section 3. Purpose and Operating Policies.

A. Purpose.

Tahoe Forest Hospital District will strive to be the health system of choice in our region and the best mountain health system in the nation. We exist to enhance the health of our communities through excellence and compassion in all we do.

B. Operating Policies.

In order to accomplish the Mission of the District, the Board of Directors establishes the following Operating Policies:

1. Through planned development and responsible management, the assets of the District will be used to meet the service needs of the area in an efficient and cost-effective manner, after evaluation of available alternatives and other resources available to the District. This may include the development and operation of programs, services, and facilities at any location within or without the District for the benefit of the people served by the District.

2. The District shall dedicate itself to the maximum level of quality consistent with sound fiscal management and community-based needs.

3. Improvement of the health status of the area will be the primary emphasis of services offered by the District. In addition, the District may elect to provide other programs of human service outside of the traditional realm of health care, where unmet human service needs have been identified through the planning process.

ARTICLE II. BOARD OF DIRECTORS

The Board of Directors:

Section 1. Election.

There shall be five members of the Board of Directors who shall be elected for four-year terms, as provided in the Local Health Care District Law.

Section 2. Responsibilities.

Provides oversight for planning, operation, and evaluation of all District programs, services, and related activities consistent with the District Bylaws.

A. Philosophy and Objectives.

Considers the health requirements of the region and the responsibilities that the District should assume in helping to meet them.

B. Programs and Services.

1. Takes action on recommendations of the President and Chief Executive Officer or designee with regard to long- and short-range plans for the development of programs and services.

2. Provides oversight to the President and Chief Executive Officer in the implementation of programs and service plans.

3. Takes action on board policies and other policies brought forth by the President and Chief Executive Officer or designee.

4. Evaluates the results of programs and services on the basis of previously

established objectives and requirements. Receives reports from the President and Chief Executive Officer or designees and directs the President and Chief Executive Officer to plan and take appropriate actions, where warranted.

C. Organization and Staffing.

1. Selects and appoints the President and Chief Executive Officer.
2. Evaluates the continuing effectiveness of the organization.

D. Medical Staff.

1. Appoints and re-appoints all Medical Staff members.
2. Ensures that the District Medical Staff is organized to support the objectives of the District.
3. Reviews and takes final action on appeals involving Medical Staff disciplinary action.
4. Approves Medical Staff Bylaws and proposed revisions.

E. Finance.

1. Assumes responsibility for the financial soundness and success of the District and its wholly owned subsidiaries.
2. Assumes responsibility for the appropriate use of endowment funds and of other gifts to the District. Exercises trusteeship responsibility to see that funds are used for intended purposes.
3. Adopts annual budgets of the District, including both operating and capital expenditure budgets.
4. Receives and reviews periodic financial reports. Considers comments and recommendations of its Finance Committee and management staff.
5. Receives and reviews reports of the District's auditors.
6. Approves policies which govern the financial affairs of the District.
7. Authorizes officers of the District to act for the District in the execution of financial transactions.

F. Grounds, Facilities and Equipment.

1. Approves plans for development, expansion, modernization, and replacement of the District's grounds, facilities, major equipment, and other tangible assets.

2. Approves the acquisition, sale, and lease of real property.

G. External Relations.

Assumes ultimate responsibility for representing the communities served by the District and representing the District to the communities served.

H. Assessment and Continuous Improvement of Quality of Care

Ensures that the proper organizational environment and systems exist to continuously improve the quality of care provided. Responsible for a system-wide quality assessment and performance improvement program that reflects all departments and services. Reviews Quality Assessment Reports focused on indicators related to improving health outcomes and the prevention and reduction of medical errors. Provides oversight to and annually approves the written Quality Assurance / Process Improvement plan.

I. Strategic Planning.

1. Oversees the strategic planning process.

2. Establishes long-range goals and objectives for the District's programs and facilities.

Section 3. Powers.

A. Overall Operations.

The Board of Directors shall determine policies and shall have control of, and be responsible for, the overall operations and affairs of this District and its facilities.

B. Medical Staff.

The Board of Directors shall authorize the formation of a Medical Staff to be known as "The Medical Staff of Tahoe Forest Hospital District". The Board of Directors shall determine membership on the Medical Staff, as well as the Bylaws for the governance of said Medical Staff, as provided in Article VIII of these District Bylaws.

C. Auxiliary.

The Board of Directors may authorize the formation of service organizations from time to time as needed ("Auxiliary"), the Bylaws of which shall be approved by the Board of Directors.

D. Other Affiliated or Subordinate Organizations.

The Board of Directors may authorize the formation of other affiliated or subordinate organizations which it may deem necessary to carry out the purposes of the District; the Bylaws of such organizations shall be approved by the Board of Directors.

E. Delegation of Powers.

The Medical Staff, Auxiliary, and any other affiliated or subordinate organizations shall have those powers set forth in their respective Bylaws. All powers and functions not set forth in their respective Bylaws are to be considered residual powers vested in the Board of Directors.

F. Provisions to Prevail.

These District Bylaws shall override any provisions to the contrary in the Bylaws or Rules and Regulations of the Medical Staff, Auxiliary or any affiliated or subordinate organizations. In case of conflict, the provisions of these District Bylaws shall prevail.

G. Resolutions and Ordinances.

From time to time, the Board of Directors may pass resolutions regarding specific policy issues, which resolutions may establish policy for the operations of this District.

H. Residual Powers.

The Board of Directors shall have all of the other powers given to it by the Local Health Care District Law and other applicable provisions of law.

I. Grievance Process

The Board of Directors may delegate the responsibility to review and resolve grievances.

Section 4. Vacancies.

Any vacancy upon the Board of Directors shall be filled by appointment by the remaining members of the Board of Directors within sixty (60) days of the vacancy. The Board of Directors may appoint an individual without engaging in public solicitation of candidates. Notice of the vacancy shall be posted in at least three (3) places within the District at least fifteen (15) days before the appointment is made. The District shall notify the elections officials for Nevada and Placer Counties of the vacancy no later than fifteen (15) days following either the date on which the District Board is notified of the vacancy or the effective date of the vacancy, whichever is later, and of the appointment no later than fifteen (15) days after the appointment. In lieu of making an appointment, the remaining members of the Board of Directors may within sixty (60) days of the vacancy call an election to fill the vacancy. If the vacancy is not filled by the Board of Directors or an election called within sixty (60) days, the Board of Supervisors of the County representing the larger portion of the Hospital District area in which an election to fill the vacancy would be held may fill the vacancy within ninety (90) days of the vacancy, or may order the District to call an election. If the vacancy is not filled or an election called within ninety (90) days of the vacancy, the District shall call an election to be held on the next available election date. Persons appointed to fill a vacancy shall hold office until the next District general election that is scheduled 130 or more days

after the date the District and the elections officials for Nevada and Placer Counties were notified of the vacancy and thereafter until the person elected at such election to fill the vacancy has been qualified, but persons elected to fill a vacancy shall hold office for the unexpired balance of the term of office.

Section 5. Meetings.

A. Regular Meetings.

Unless otherwise specified at the preceding regular or adjourned regular meeting, regular meetings of the Board of Directors shall be held on the fourth Thursday of each month at 4:00 PM at a location within the Tahoe Forest Hospital District boundaries, except for regular meetings for the months of November and December which shall be held on the third Thursday of the month at 4:00 PM. The Board shall take or arrange for the taking of minutes at each regular meeting.

B. Special and Emergency Meetings.

Special meetings of the Board of Directors may be held at any time and at a place designated in the notice and located within the District, except as provided in the Brown Act, upon the call of the Chair, or by not fewer than three (3) members of the Board of Directors, and upon written notice to each Director specifying the business to be transacted, which notice shall be delivered personally or by mail or e-mail and shall be received at least twenty-four (24) hours before the time of such meeting, provided that such notice may be waived by written waiver executed by each member of the Board of Directors. Notice shall also be provided within such time period to local newspapers and radio stations which have requested notice of meetings. Such notice must also be posted twenty-four (24) hours before the meeting in a location which is freely accessible to the public. In the event of an emergency situation involving matters upon which prompt action is necessary due to disruption or threatened disruption of District services (including work stoppage, crippling disaster, mass destruction, terrorist act, threatened terrorist activity or other activity which severely impairs public health, safety or both), the Board may hold a special meeting without complying with the foregoing notice requirements, provided at least one (1) hour prior telephone notice shall be given to local newspapers and radio stations which have requested notice of meetings, and such meetings shall otherwise be in compliance with the provisions of Government Code Section 54956.5. The Board shall take or arrange for the taking of minutes at each special meeting.

C. Policies and Procedures.

The Board may from time to time adopt policies and procedures governing the conduct of Board meetings and District business. All sessions of the Board of Directors, whether regular, special, or emergency, shall be open to the public in accordance with the Brown Act (commencing with Government Code Section 54950), unless a closed session is permitted under the Brown Act or Health and Safety Code Sections 32106 and 32155 or other applicable law.

Section 6. Quorum.

The presence of a majority of the Board of Directors shall be necessary to constitute a quorum to transact any business at any regular or special meeting, except to adjourn the meeting to a future date.

Section 7. Medical Staff Representation.

The Chief of the Medical Staff shall be appointed as a special representative to the Board of Directors without voting power and shall attend the meetings of the Board of Directors. In the event the Chief of Staff cannot attend a meeting, the Vice-Chief of the Medical Staff or designee shall attend in the Chief of Staff's absence.

Section 8. Director Compensation and Reimbursement of Expenses.

The Board of Directors shall be compensated in accordance with ABD-03 Board Compensation and Reimbursement policy.

Each member of the Board of Directors shall be allowed his or her actual necessary traveling and incidental expenses incurred in the performance of official business of the District as approved by the Board or President and Chief Executive Officer, pursuant to Board policy.

Section 9. Board Self-Evaluation.

The Board of Directors will monitor and discuss its process and performance at least annually. The self-evaluation process will include comparison of Board activity to its manner of governance policies.

ARTICLE III. OFFICERS

Section 1. Officers.

The officers of the Board of Directors shall be Chair, Vice-Chair, Secretary and Treasurer who shall be members of the Board.

Section 2. Election of Officers.

The officers of the Board of Directors shall be chosen every year by the Board of Directors in December of the preceding calendar year and shall serve at the pleasure of the Board. The person holding the office of Chair of the Board of Directors shall not serve successive terms, unless by unanimous vote of the Board of Directors taken at a regularly scheduled meeting. In the event of a vacancy in any office, an election shall be held at the next regular meeting following the effective date of the vacancy to elect the officer to fill such office.

Section 3. Duties of Officers.

A. Chair. Shall preside over all meetings of the Board of Directors. Shall sign as Chair, on behalf of the District, all instruments in writing which the Chair has been authorized and obliged by the Board to sign and such other duties as set forth in these Bylaws as well as those duties charged to the president under the Local Health Care District Law. The Board Chair will serve as the chairperson of the Board Governance Committee.

B. Vice-Chair. The Vice-Chair shall perform the functions of the Chair in case of the Chair's absence or inability to act.

C. Secretary. The Secretary shall ensure minutes of all meetings of the Board of Directors are recorded and shall see that all records of the District are kept and preserved. Shall attest or countersign, on behalf of the District, all instruments in writing which the Secretary has been authorized and obligated by the Board to attest/countersign as well as those charged to the secretary under the Local Health Care District Law.

D. Treasurer. The Treasurer will serve on the Board Finance Committee and shall ensure the Board's attention to financial integrity of the District.

ARTICLE IV. COMMITTEES

Section 1. Committee Authority.

No committee shall have the power to bind the District unless the Board provides otherwise in writing.

Section 2. Ad Hoc Committees.

Ad Hoc Committees may be appointed by the Chair of the Board of Directors from time to time as deemed necessary or expedient. Ad Hoc Committees shall perform such functions as shall be assigned to them by the Chair, and shall function for the period of time specified by the Chair at the time of appointment or until determined to be no longer necessary and disbanded by the Chair of the Board of Directors. The Chair shall appoint each Ad Hoc Committee chair.

Section 3. Standing Committees.

~~Standing Committees and their respective charters will be affirmed annually by resolution, duly adopted by the Board of Directors.~~

The Chair shall recommend appointment of the members of these committees and the chair thereof, subject to the approval of the Board by majority of Directors present. Committee appointments shall be for a period of one (1) year and will be made

annually at or before the January Board meeting.

ARTICLE V. MANAGEMENT

Section 1. President and Chief Executive Officer.

The Board of Directors shall select and employ a President and Chief Executive Officer who shall act as its executive officer in the management of the District. The President and Chief Executive Officer shall be given the necessary authority to be held responsible for the administration of the District in all its activities and entities, subject only to the policies as may be adopted from time to time, and orders as may be issued by the Board of Directors or any of its committees to which it has delegated power for such action by a writing. The President and Chief Executive Officer shall act as the duly authorized representative of the Board of Directors.

Section 2. Authority and Responsibility.

The duties and responsibilities of the President and Chief Executive Officer shall be outlined in the Employment Agreement and job description. Other duties may be assigned by the Board. The President and Chief Executive Officer, personally or through delegation, hires, assigns responsibility, counsels, evaluates and (as required) terminates all District employees.

ARTICLE VI. TAHOE FOREST HOSPITAL

Section 1. Establishment

The District owns and operates Tahoe Forest Hospital, which shall be primarily engaged in providing, including but not limited to, Emergency Services, Inpatient/Observation Care, Critical Care, Diagnostic Imaging Services, Laboratory Services, Surgical Services, Obstetrical Services, and Long-Term Care Services.

ARTICLE VII. INCLINE VILLAGE COMMUNITY HOSPITAL

Section 1. Establishment

The District owns and operates Incline Village Community Hospital, which shall be primarily engaged in providing, including but not limited to, Emergency Services, Inpatient/Observation Care, Diagnostic Imaging Services, Laboratory Services, and Surgical Services.

ARTICLE VIII. MEDICAL STAFF

Section 1. Nature of Medical Staff Membership.

Membership on the Medical Staff of Tahoe Forest Hospital District is a privilege which shall be extended only to professionally competent practitioners who continuously meet the qualifications, standards, and requirements set forth herein and in the Bylaws of the Medical Staff.

Section 2. Qualifications for Membership.

A. Only physicians, dentists, oral surgeons, or podiatrists who:

1. Demonstrate and document their licensure, experience, education, training, current professional competence, good judgment, ethics, reputation, and physical and mental health status so as to establish to the satisfaction of the Medical Staff and the Board of Directors that they are professionally qualified and that patients treated by them can reasonably expect to receive high quality medical care;
2. Demonstrate that they adhere to the ethics of their respective professions and that they are able to work cooperatively with others so as not to adversely affect patient care or District operations;
3. Provide verification of medical malpractice insurance coverage; and
4. Establish that they are willing to participate in and properly discharge those responsibilities determined according to the Medical Staff Bylaws and possess basic qualifications for membership on the Medical Staff. No practitioner shall be entitled to membership on the Medical Staff, assigned to a particular staff category, or granted or renewed particular clinical privileges merely because that person: (1) holds a certain degree; (2) is licensed to practice in California, Nevada, or any other state; (3) is a member of any particular professional organization; (4) is certified by any particular specialty board; (5) had, or presently has, membership or privileges at this or any other health care facility; or (6) requires a hospital affiliation in order to participate on health plan provider panels, to obtain or maintain malpractice insurance coverage, or to pursue other personal or professional business interests unrelated to the treatment of patients at this facility and the furtherance of this facility's programs and services.

Section 3. Organization and Bylaws.

The Bylaws, Rules and Regulations, and policies of the Medical Staff shall be subject to approval of the Board of Directors of the District, and amendments thereto shall be effective only upon approval of such amendments by the Board of Directors, which shall not be withheld unreasonably. Neither the Medical Staff nor the Board of Directors may unilaterally amend the Medical Staff Bylaws or Rules and Regulations. The Bylaws of the Medical Staff shall set forth the procedure by which eligibility for Medical Staff membership and establishment of clinical privileges shall be determined, including standards for qualification. Such Bylaws shall provide that the Medical Staff,

or a committee or committees thereof, shall study the qualifications of all applicants and shall establish and delineate clinical privileges and shall submit to the Board of Directors recommendations thereon and shall provide for reappointment no less frequently than biennially. The Medical Staff shall also adopt Rules and Regulations or policies that provide associated details consistent with its Bylaws, as it deems necessary to implement more specifically the general principles established in the Bylaws.

Section 4. Appointment to Medical Staff

All appointments and reappointments to the Medical Staff shall be made by the Board of Directors as provided by the standards of the Healthcare Facility Accreditation Program. Final responsibility for appointment, reappointment, new clinical privileges, rejection, or modification of any recommendation of the Medical Staff shall rest with the Board of Directors.

All applications for appointment and reappointment to the Medical Staff shall be processed by the Medical Staff in such manner as shall be provided by the Bylaws of the Medical Staff and, upon completion of processing by the Medical Staff, the Medical Staff shall make a report and recommendation regarding such application to the Board of Directors. This recommendation will also include the request by the practitioner for clinical privileges, and the Medical Staff's recommendation concerning these privileges.

Upon receipt of the report and recommendation of the Medical Staff, the Board of Directors shall adopt, reject, or modify a favorable recommendation of the Medical Executive Committee, or shall refer the recommendation back to the Medical Executive Committee for further consideration, stating the reasons for the referral and setting a time limit within which the Medical Executive Committee shall respond.

If the Board of Directors is inclined to reject or modify a favorable recommendation, the Board shall refer the matter back to the Medical Executive Committee for further review and comments, which may include a second recommendation. The Executive Committee's response shall be considered by the Board before adopting a resolution.

If the Board's resolution constitutes grounds for a hearing under Article VII of the Medical Staff Bylaws, the President and Chief Executive Officer shall promptly inform the applicant, and he/she shall be entitled to the procedural rights as provided in that Article.

In the case of an adverse Medical Executive Committee recommendation or an adverse Board decision, the Board shall take final action in the matter only after the applicant has exhausted or has waived his/her procedural rights under the Medical Staff Bylaws. Action thus taken shall be the conclusive decision of the Board, except that the Board may defer final determination by referring the matter back for reconsideration. Any such referral shall state the reasons therefore, shall set a reasonable time limit within which a reply to the Board of Directors shall be made, and may include a directive that additional hearings be conducted to clarify issues which are in doubt. After

receiving the new recommendation and any new evidence, the Board shall make a final decision.

Conflict Resolution. The Board of Directors shall give great weight to the actions and recommendations of the Medical Executive Committee and in no event shall act in an arbitrary and capricious manner.

The Board of Directors may delegate decision-making authority to a committee of the Board; however, any final decision of the Board committee must be subject to ratification by the full Board of Directors at its next regularly scheduled meeting.

Section 5. Staff Meetings: Medical Records

The Medical Staff shall be self-governing with respect to the professional work performed in the Hospital. The Medical Staff shall meet in accordance with the minimum requirements of the Healthcare Facility Accreditation Program. Accurate, legible, and complete medical records shall be prepared and maintained for all patients and shall be the basis for review and analysis.

For purposes of this section, medical records include, but are not limited to, identification data, personal and family history, history of present illness, review of systems, physical examination, special examinations, professional or working diagnosis, treatment, gross and microscopic pathological findings, progress notes, final diagnosis, condition on discharge, and other matters as the Medical Staff shall determine.

Section 6. Medical Quality Assurance

The Medical Staff shall, in cooperation with the administration of the District, establish a comprehensive and integrated quality assurance and risk control program for the District which shall assure identification of problems, assessment and prioritization of such problems, implementation of remedial actions and decisions with regard to such problems, monitoring of activities to assure desired results, and documentation of the undertaken activities. The Board of Directors shall require, on a quarterly basis, reports of the Medical Staff's and District's quality assurance activities.

Section 7. Hearings and Appeals

Appellate review of any action, decision or recommendation of the Medical Staff affecting the professional privileges of any member of, or applicant for membership on, the Medical Staff is available before the Board of Directors. This appellate review shall be conducted consistent with the requirements of Business and Professions Code Section 809.4 and in accordance with the procedures set forth in the Medical Staff Bylaws. Nothing in these Bylaws shall abrogate the obligation of the District and the Medical Staff to comply with the requirements of Business and Professions Code Sections 809 through 809.9, inclusive. Accordingly, discretion is granted to the Medical Staff and Board of Directors to create a hearing process which provides for the least burdensome level of formality in the process while still providing a fair review and to

interpret the Medical Staff Bylaws in that light. The Medical Staff, Board of Directors, and their officers, committees, and agents hereby constitute themselves as peer review bodies under the Federal Health Care Quality Improvement Act of 1986 (42 U.S.C. § 11101 et seq.) and the California peer review hearing laws and claim all privileges and immunities afforded by the federal and state laws.

If adverse action as described in these provisions is taken or recommended, the practitioner must exhaust the remedies afforded by the Medical Staff Bylaws before resorting to legal action.

The rules relating to appeals to the Board of Directors as set forth in the Medical Staff Bylaws are as follows; capitalized terms have the meaning defined by the Medical Staff Bylaws:

A. Time For Appeal

Within ten (10) days after receipt of the decision of the Hearing Committee, either the Practitioner or the Medical Executive Committee may request an appellate review. A written request for such review shall be delivered to the President and Chief Executive Officer and the other party in the hearing. If a request for appellate review is not received by the President and Chief Executive Officer within such period, the decision of the Hearing Committee shall thereupon become final, except if modified or reversed by the Board of Directors.

It shall be the obligation of the party requesting appellate review to produce the record of the Hearing Committee's proceedings. If the record is not produced within a reasonable period, as determined by the Board of Directors or its authorized representative, appellate rights shall be deemed waived

In the event of a waiver of appellate rights by a Practitioner, if the Board of Directors is inclined to take action which is more adverse than that taken or recommended by the Medical Executive Committee, the Board of Directors must consult with the Medical Executive Committee before taking such action. If after such consultation the Board of Directors is still inclined to take such action, then the Practitioner shall be so notified. The notice shall include a brief summary of the reasons for the Board's contemplated action, including a reference to any factual findings in the Hearing Committee's Decision that support the action. The Practitioner shall be given ten (10) days from receipt of that notice within which to request appellate review, notwithstanding his or her earlier waiver of appellate rights. The grounds for appeal and the appellate procedure shall be as described below. However, even if the Practitioner declines to appeal any of the Hearing Committee's factual findings, he or she shall still be given an opportunity to argue, in person and in writing, that the contemplated action which is more adverse than that taken or recommended by the Medical Executive Committee is not reasonable and warranted. The action taken by the Board of Directors after following this procedure shall be the final action of the Hospital.

B. Grounds For Appeal

A written request for an appeal shall include an identification of the grounds of appeal, and a clear and concise statement of the facts in support of the appeal. The recognized grounds for appeal from a Hearing Committee decision are:

1. substantial noncompliance with the standards or procedures required by the Bylaws, or applicable law, which has created demonstrable prejudice; or
2. the factual findings of the Hearing Committee are not supported by substantial evidence based upon the hearing record or such additional information as may be permitted pursuant to this section; or
3. The Hearing Committee's failure to sustain an action or recommendation of the Medical Executive Committee that, based on the Hearing Committee's factual findings, was reasonable and warranted.

C. Time, Place and Notice

The appeal board shall, within thirty (30) days after receipt of a request for appellate review, schedule a review date and cause each side to be given notice of time, place and date of the appellate review. The appellate review shall not commence less than thirty (30) or more than sixty (60) days from the date of notice. The time for appellate review may be extended by the appeal board for good cause.

D. Appeal Board

The Board of Directors may sit as the appeal board, or it may delegate that function to an appeal board which shall be composed of not less than three (3) members of the Board of Directors. Knowledge of the matter involved shall not preclude any person from serving as a member of the appeal board so long as that person did not take part in a prior hearing on the action or recommendation being challenged. The appeal board may select an attorney to assist it in the proceeding, but that attorney shall not be entitled to vote with respect to the appeal.

E. Appeal Procedure

The proceedings by the appeal board shall be in the nature of an appellate review based upon the record of the proceedings before the Hearing Committee. However, the appeal board may accept additional oral or written evidence, subject to a foundational showing that such evidence could not have been made available to the Hearing Committee in the exercise of reasonable diligence, and subject to the same rights of cross-examination or confrontation that are provided at a hearing. The appeal board shall also have the discretion to remand the matter to the Hearing Committee for the taking of further evidence or for clarification or reconsideration of the Hearing Committee's decision. In such instances, the Hearing Committee shall report back to the appeal board, within such reasonable time limits as the appeal board imposes. Each party shall have the right to be represented by legal counsel before the appeal board, to present a written argument to the appeal board, to personally appear and

make oral argument and respond to questions in accordance with the procedure established by the appeal board. After the arguments have been submitted, the appeal board shall conduct its deliberations outside the presence of the parties and their representatives.

F. Decision

Within thirty (30) days after the submission of arguments as provided above, the appeal board shall send a written recommendation to the Board of Directors. The appeal board may recommend, and the Board of Directors may decide, to affirm, reverse or modify the decision of the Hearing Committee. The decision of the Board shall constitute the final decision of the Hospital and shall become effective immediately upon notice to the parties. The parties shall be provided a copy of the appeal board's recommendation along with a copy of the Board of Director's final decision.

G. Right To One Hearing

No practitioner shall be entitled to more than one (1) evidentiary hearing and one (1) appellate review on any adverse action or recommendation.

H. Exception to Hearing Rights

1. Exclusive Contracts

The hearing rights described in this Article shall not apply as a result of a decision to close or continue closure of a department or service pursuant to an exclusive contract or to transfer an exclusive contract, or as a result of action by the holder of such an exclusive contract.

2. Validity of Bylaw, Rule, Regulation or Policy

No hearing provided for in this article shall be utilized to make determinations as to the merits or substantive validity of any Medical Staff bylaw, rule, regulation or policy. Where a Practitioner is adversely affected by the application of a Medical Staff bylaw, rule, regulation or policy, the Practitioner's sole remedy is to seek review of such bylaw, rule, regulation or policy initially by the Medical Executive Committee. The Medical Executive Committee may in its discretion consider the request according to such procedures as it deems appropriate. If the Practitioner is dissatisfied with the action of the Medical Executive Committee, the Practitioner may request review by the Board of Directors, which shall have discretion whether to conduct a review according to such procedures as it deems appropriate. The Board of Directors shall consult with the Medical Executive Committee before taking such action regarding the bylaw, rule, regulation or policy involved. This procedure must be utilized prior to any legal action.

3. Department, Section or Service Formation or Elimination

A Medical Staff department, section, or service can be formed or eliminated only following a review and recommendation by the Medical Executive Committee regarding the appropriateness of the department, section, or service elimination or formation. The Board of Directors shall consider the recommendations of the Medical Executive Committee prior to making a final determination regarding the formation or elimination.

The Medical Staff Member(s) who's Privileges may be adversely affected by department, section, or service formation or elimination are not afforded hearing rights pursuant to Article VII.

ARTICLE IX. REVIEW AND AMENDMENT OF BYLAWS

At intervals of no more than two (2) years, the Board of Directors shall review these Bylaws in their entirety to ensure that they comply with all provisions of the Local Health Care District Law, that they continue to meet the needs of District administration and Medical Staff, and that they serve to facilitate the efficient administration of the District.

These Bylaws may from time to time be amended by action of the Board of Directors. Amendments may be proposed at any regular meeting of the Board of Directors by any member of the Board. Action on proposed amendments shall be taken at the next regular meeting of the Board of Directors following the meeting at which such amendments are proposed.

ADOPTION OF BYLAWS

Originally passed and adopted at a meeting of the Board of Directors of the TAHOE FOREST HOSPITAL DISTRICT, duly held on the 9th day of January, 1953 and most recently revised on the 27th-xxx day of Octoberxxxx, 20224.

REVISION HISTORY

1975

Revised – March, 1977

Revised – October, 1978

Revised – April, 1979

Revised – March, 1982

Revised – May, 1983

Revised – February, 1985

Revised – July, 1988

Revised – March, 1990

Revised – November, 1992

Revised – February, 1993

Revised – May, 1994

Revised – April, 1996

Revised – September, 1996

Revised – April, 1998
Revised – September, 1998
Revised – March, 1999
Revised – July, 2000
Revised – January, 2001
Revised – November, 2002
Revised – May, 2003
Revised – July, 2003
Revised – September, 2004
Revised – March, 2005
Revised – December, 2005
Revised – October, 2006
Revised – March, 2007
Revised – April, 2008
Revised – January, 2009
Revised – September, 2010
Revised – September, 2012
Revised – November, 2014
Revised – December, 2015
Revised – November, 2017
Revised – November, 2018
Revised – August, 2020
Revised – October, 2022
[Revised – xxxx, 2024](#)

Board Compensation and Reimbursement, ABD-03

RISK:

Failure to adhere to legislative regulations governing compensation and reimbursement could result in legal penalties, fines, or reputational damage to the organization.

PURPOSE:

To provide compensation and reimbursement to the Board of Directors, consistent with legislative regulations, for the performance of the duties of their office.

POLICY:

- A. As permitted by Health and Safety Code section 32103, of the Local Health Care District Law, and required by the Political Reform Act, the payment of One Hundred Dollars (\$100.00) per meeting not to exceed six (6) meetings a month, is authorized as compensation to each member of the Board of Directors. Each member of the Board of Directors shall further be allowed his/her actual necessary traveling and incidental expenses incurred in the performance of official business of the District.
- B. Pursuant to Health and Safety Code section 32103, subdivision (a), the District finds that more than five meetings per month are necessary for the effective operation of the District because the District operates in a competitive market, often necessitating meetings to effectively resolve time-sensitive matters outside and in addition to its normal meeting schedule. Time-sensitive matters include, but are not limited to, the creation of new or expansion of existing health facilities, programs, or services; the acquisition or leasing of real property; and the consideration of appeals of actions, decisions, or recommendations of the Medical Staff affecting the professional privileges of its membership, which are governed by strict timelines pursuant to statute, local policy and bylaws. In addition, the Board of Directors operates with various standing committees that maintain flexible schedules to ensure prompt consideration of emerging issues. Finally, the District prioritizes fostering and growing community and regional relations, as demonstrated in the 2019-2021 Strategic Plan, which requires Board Members to attend meetings of governmental agencies and community organizations to represent the District. In the past, Board Members have needed to participate in more than five meetings in a calendar month to address significant matters, including but not limited to hiring a Chief Executive Officer. This policy permits the District flexibility to address these important matters promptly when they arise, while compensating Board Members for time spent supporting the District.
- C. For the purpose of compensation, a meeting is defined as:
 1. Regular and Special Board Meetings, including but not limited to continued, adjourned and emergency meetings;
 2. Board Committee meetings;
 3. Hospital District meetings at which the Board member is present as a designated Board representative (e.g., Medical Executive Committee, Bioethics Committee, IVCH Foundation, TFHS Foundation, TIRHR Board)
 4. Meetings of governmental agencies and community organizations, etc. where the Board member is representing the TFHD (i.e., Rotary, Tahoe City Breakfast Club, Truckee Daybreak Club). To be compensated, the Board member must be on the program or speaking to an item on the agenda related to the Hospital District at the request of the Board Chair or President and Chief Executive Officer.
 5. Conferences, seminars and other educational meetings do not qualify for meeting compensation.
- D. Members of the Board of Directors of the Tahoe Forest Hospital District and their eligible dependents shall be eligible to participate in the health, dental, vision and life insurance programs of Tahoe Forest Hospital District in a manner, including appropriate discounts, comparable to that offered to the Management Staff of the District.

PROCEDURE:

- A. Board members are responsible for notifying the Executive Assistant in writing of meetings

- attended in the prior month, noting the day and purpose of each meeting prior to the last business day of each month.
- B. Board members shall also provide brief oral reports on meetings attended at the expense of TFHD at the next regular Board meeting.
- C. Board of Directors Travel Allowance
1. Meals will be reimbursed up to a daily per diem rate based on the location of the conference subject to IRS per diem guidelines.
 2. Air Fare for Board Members only.
 3. Parking and/or taxi fees and other transportation expenses will be reimbursed.
 4. If driving, mileage will be reimbursed at current IRS rates.
 5. Hotel room will be covered in full for Board Member.
 - a. If, however, the lodging is in connection with a conference or organized educational activity that does not qualify as a meeting and is conducted in compliance with California Government Code, Section 54952.2(c), including ethics training required by California Government Code, Section 53234, then lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor as long as the group rate is available to the Board member at the time of booking. If the group rate is not available, then the Board member shall use comparable lodging.
 6. Tuition fees for Board Members will be paid in full.
 7. Conference educational materials (books, audio tapes, etc.) not to exceed \$50.
 8. Receipts are required for all reimbursable expenses.
 9. Board members shall use government and group rates offered by a provider of transportation or lodging services for travel and lodging when available.
 10. All expenses that do not fall within the adopted travel reimbursement policy of the IRS reimbursable rates shall be approved by the Board, in a public meeting before the expense is incurred.
- D. Upon election or appointment to a seat on the Board of Directors of the Tahoe Forest Hospital District, the appropriate paperwork which is necessary to complete for enrollment will be given to the Board Member by the Human Resources Department. Coverage will begin on the first of the month following election or appointment to the Board of Directors and completion of the necessary enrollment forms

References:

California Government Code, §§ 53232.2(d), (e), 53232.3(a), 53235(a), (b) (d). [§§54950 - 54963](#) ; [California Health & Safety Code, Section 32103](#)

Conflict of Interest, ABD-07

RISK:

Failure to effectively implement and adhere to the Conflict of Interest policy poses a significant risk to the organization's integrity, reputation, and operational effectiveness. It may result in compromised decision-making, biased actions, legal and regulatory non-compliance, and financial loss.

PURPOSE:

- A. To protect the interests of Tahoe Forest Hospital District ("TFHD" or "District") when it is contemplating entering into a transaction or arrangement that has the potential to benefit the private interests of a member of the Board of Directors ("Director"), committee member, or other "Interested Person," as defined below.
- B. To educate and guide Directors and staff on the statutory Conflict of Interest policy which requires that public officials, whether elected or appointed, should perform their duties in an impartial manner, free from bias caused by their own financial interests or the financial interests of persons who have supported them, (Political Reform Act, Gov. Code § 81000 et seq. and Gov. Code § 1090 et seq.), and to supplement the multiple laws that govern conflicts of interest for public officials.
- C. To guide, assist and protect TFHD in determining whether a conflict exists under these laws and what required steps, if any, must be taken.
- D. To ensure that all individuals who, due to their position, can influence decisions affecting the business, operations, ethical, and/or competitive position of TFHD, perform their duties in an impartial manner free from any bias created by personal interests of any kind.
- E. To clarify the duties and obligations of public officials, in the context of potential conflicts of interest and to provide them with a method for disclosing and resolving potential conflicts of interest.
- F. To establish general principles for the management of conflicts of interest in order to protect against situations that could prevent a public official from acting in the best interest of the organization.

DEFINITIONS:

- A. **Conflict of Interest:** An Interested Person has a Conflict of Interest with respect to a governmental decision, contract, transaction, or arrangement in which the District is (or would be, if approved) a party if the person has, directly or indirectly, through a business, investment, family, or other relationship:
 1. an ownership or investment interest in any entity involved in such contract, transaction, or arrangement.
 2. a compensation arrangement with an individual or entity involved in such contract, transaction, or arrangement.
 3. a real property interest that it is reasonably foreseeable will be materially affected by a District contract, transaction or arrangement.
 4. a potential ownership or investment interest in, or compensation arrangement with, an individual or entity with which the District is negotiating such contract, transaction, or arrangement.
 5. a fiduciary position (e.g., member, officer, Director, committee member) with respect to an entity involved in such contract, transaction, or arrangement.
 6. a non-economic affiliation or relationship, directly (or indirectly, through a third party) with an individual or entity with which the District is negotiating or maintains a contract, transaction, or arrangement such that the affiliation or relationship could render the Interested Party incapable of making a decision with only the best interests of the District in mind.A conflict of interest may exist when an obligation or situation resulting from an individual's personal activities or financial interest may adversely influence, or reasonably be perceived as influencing, the individual's judgment in the performance of duties to the

District. For purposes of this policy, personal activities or financial interests include, but are not limited to, a business, commercial or financial interest, either of the Director or staff deriving from family or marital relationships, from friends, or from former, existing or prospective business associations.

- B. Interested Persons:** For purposes of applying this Policy to any contract, transaction, or arrangement involving TFHD, "Interested Person" shall mean any person in a position to exercise substantial influence over the District in the twelve months preceding formal presentation of the proposed contract, transaction or arrangement to the Board for approval. Interested Person includes, but is not limited to, Directors, any executive leader or manager, or members of a committee with board-delegated powers. The Board may also determine, based upon all the facts and circumstances (with the advice of legal counsel, if necessary) that a person other than an Interested Person shall be treated as an Interested Person with respect to a particular contract, transaction or arrangement.

POLICY:

- A. It is the policy of TFHD to comply with all laws, including all conflict of interest rules and regulations.
- B. Each Board Director and employee of TFHD shall exercise good faith and best efforts in the performance of his or her duties to TFHD and all entities affiliated with TFHD. In all dealings with and on behalf of TFHD or any affiliated entity, each such person shall be held to a strict rule of honest and fair dealing with TFHD and its affiliated entities, and no such person shall use his or her position, or knowledge gained thereby, in such a manner as to create a conflict, or the appearance of a conflict, between the interest of TFHD or any affiliated entity and the interest of such person. The appearance of a conflict of interest is present if a reasonable person would conclude it is reasonably foreseeable that an individual's personal interests will cause him or her to disregard the individual's responsibilities to TFHD. Any individual subject to this Policy must promptly and fully disclose a written description of the material facts of any actual, apparent, or potential Conflict of Interest consistent with the procedures described in this Policy.
- C. TFHD will not make a governmental decision or engage in any contract, transaction, or arrangement involving a Conflict of Interest unless the disinterested members of the Board of Directors (acting at a duly constituted meeting thereof) (with the advice of legal counsel, if necessary) determine that appropriate safeguards to protect TFHD have been implemented. If allowed by law, disinterested members shall approve the governmental decision, contract, transaction, or arrangement by a majority vote of a quorum of the Board, or with participation by interested member(s) consistently with a rule of necessity provided under the Political Reform Act or other applicable law.
- D. No Director, Chief, or employee of TFHD shall accept any (material) compensation, gift, or other favor which could influence or appear to a reasonable person to influence such person's actions affecting TFHD or any affiliated entity.
- E. In compliance with the law, all individuals occupying designated positions on TFHD's Conflict of Interest Code shall complete and file Statements of Economic Interest (Form 700) annually with TFHD. Disclosure is required as determined by the individual's Disclosure Category, which is listed in the Conflict of Interest Code.

PROCEDURE:

A. Duty to Disclose.

1. An Interested Person has a continuing obligation to disclose (in the manner provided in this Policy) the existence and nature of any actual, apparent or potential conflict of interest he/she may have.
2. Whenever an Interested Person has a financial or personal interest, whether or not said interest is an actual, apparent or potential conflict of interest, in any matter coming before the Board of Directors, the affected person shall fully disclose the nature of the interest to the Board of Directors, and such disclosure shall be recorded in the minutes of the meeting, including enough of the material facts to adequately reflect the nature of the actual, apparent, or potential conflict of interest. The Statement of Disclosure may be oral or

written.

- a. **TFHD Board of Director as an Interested Person.** If the Interested Person is a member of the TFHD Board of Directors, the Director:
 - i. Must publicly announce at a duly scheduled TFHD public meeting any disqualifying conflict of interest, including the specific financial interest that is the source of the disqualification, and
 - ii. After announcing the financial interest, the Director must leave the room or other forum during any discussion or deliberations on the matter in question, and may not participate in the decision or be counted for purposes of a quorum, except when participation is justified under a rule of necessity. As consent calendar items are not the subject of discussion or deliberation, a Director need not leave the room as to such items unless they are pulled from the consent calendar for discussion;
 - iii. In the case of a closed session, the Director still must publicly declare his or her conflict in general terms during open session before the Board goes into closed session, but must do so in a way that does not disclose closed session information;
 - iv. A disqualified Director may not attend a closed session or obtain any confidential information from the closed session.
 - v. These restrictions are separate and apart from the Director's right to appear in the same manner as any other member of the general public before an agency in the course of its prescribed governmental function solely to represent himself or herself on a matter which is related to his or her personal interests, provided that such participation is permitted under applicable rules of the Fair Political Practices Commission.
- b. **All Other Interested Persons.** All other Interested Persons, at the discretion of the Board of Directors, may be required to leave either the room or refrain from discussion during any discussion or deliberations on the matter in question or while the proposed governmental decision, contract, transaction or arrangement is discussed, and may not attend a closed session or obtain any confidential information from the closed session. The Interested Person shall not be required to leave the room for matters on the consent calendar which are not pulled from that calendar for discussion.
 - i. In determining whether to require an Interested Person to leave the room during discussion of the proposed governmental decision, contract, transaction or arrangement, the Directors shall balance the need to facilitate the discussion by having such person on hand to provide additional information with the need to preserve the independence of the Board's decision.

B. Determining Whether a Conflict Exists.

1. Generally, it is the legal responsibility of the Interested Person to comply with conflict of interest laws. However, when the Board has information that an Interested Person has an actual or potential conflict of interest with respect to one of its decisions and has not voluntarily abstained, the Board shall examine each transaction under its consideration in light of the relevant laws mandating impartiality and freedom from bias, and conduct an analysis of all the facts to determine if a conflict of interest exists which triggers a disqualification requirement.
2. If an actual, apparent, or a potential Conflict of Interest is identified to the Board of Directors, whether through the voluntary submission of a Disclosure Statement, or by a disclosure by a person other than the Interested Person, the disinterested Board members shall review the matter and determine by majority vote whether a Conflict of Interest exists. While the Board may not have the power to bar an interested board member from participating in a discussion due to its conclusion he or she has a disqualifying conflict of interest, it can instruct its Clerk not to record the vote of a Director the Board determines on the advice of legal counsel to be disqualified from voting on a matter.
3. The Board shall evaluate whether a conflict of interest exists under the multiple laws

governing conflicts by first applying the four-step analysis promulgated by the Fair Political Practices Commission.

STEP 1: Is it reasonably foreseeable that the decision will have an effect on a financial interest of a public official?

STEP 2: If yes, is that effect material?

STEP 3: If the answers to steps 1 and 2 are both yes, is the effect on the public official's financial interest the same as its effect on the interests of the public generally?

STEP 4: If the effects are not the same on the public generally, will the public official be making, participating in the making of, or using their position to influence the making of the governmental decision that will cause those effects?

If the answer to the first two of these questions is "yes," the answer to the third question is "no," and the answer to the fourth question is also "yes," then the official may have a conflict of interest and be required to disqualify him/herself from all participation in that decision.

4. If disqualification of the Interested Person is not required as a result of this analysis, the Board shall further evaluate whether a conflict exists or has arisen out of matters other than a financial interest, e.g., friendship, blood relationship, or general sympathy for a particular viewpoint. The potential for a conflict arises when a Board Member (or committee member) has, directly or through a family member, a material personal interest in a proposed contract, transaction, arrangement, or affiliation to which TFHD may be a party, that would place the Board Member (or committee member) in a position in which she or he may be tempted by her or his own private interests to disregard those of TFHD.
5. To the extent other Federal or State laws impose more restrictive conflict-of-interest standards (including more extensive disclosures of actual or potential conflicts of interest), the Board of Directors, the District and any Interested Person shall also comply with such additional standards.
6. The following is a non-exclusive list of the *types of questions* the Board may use as part of its efforts to determine whether an Interested Person's interest constitutes a conflict of interest:
 - a. With respect to an **ownership or investment interest**:
 - i. The dollar value of the interest;
 - ii. The dollar value of the interest as a percentage of ownership interest in the entity;
 - iii. The perceived importance of the transaction or arrangement to TFHD and to the entity, respectively;
 - iv. Whether the transaction or arrangement can reasonably be expected to have a materially impact on the value of the ownership or investment interest;
 - v. The extent to which the ownership or investment interest might reasonably be expected to influence the entity in connection with its performance under the transaction or arrangement; and
 - vi. Other similar factors.
 - b. With respect to a **compensation arrangement**:
 - i. The dollar value of the arrangement;
 - ii. The dollar value of the arrangement as a percentage of all other compensations arrangements to which the person is a party;
 - iii. The nature of the underlying compensation arrangement.
 - c. With respect to **public office and campaign contributions**:
 - i. Whether a single official holds two public offices simultaneously;
 - ii. Whether jurisdiction overlaps;
 - iii. Whether there is a pending issuance of a license, permit or entitlement;
 - iv. Whether there is a receipt of contributions of more than \$250 from any affected person in the twelve months before the decision;
 - v. Whether there is a receipt of gift(s);
 - vi. The date of contribution(s).
 - d. For **Vendors**:
 - i. The dollar value of the services;

- ii. The dollar value of the goods or services relative to the overall volume of goods or services: (i) purchased by TFHD in general; (ii) purchased by TFHD for this particular good or service, i.e., legal services, etc.; or (iii) provided by the Interested Person or Interested Person's affiliated entity in general;
 - iii. The Interested Person's position within the vendor entity, i.e., owner, partner, or employee;
 - iv. The impact the business relationship with TFHD has on the Interested Person's compensation from or career advancement within this entity;
 - v. Whether the Interested Person provides the services directly, supervises the delivery of services, or has no connection to the delivery of services; and
 - vi. Where in the TFHD organizational hierarchy lays the decision to authorize the goods or services to be purchased from the Interested Person/vendor directly or indirectly.
- e. With respect to **non-financial interests**:
- i. The materiality of the interest;
 - ii. The nature of the interest;
 - iii. The presence of specific factors that may prevent the Interested Person from acting in the best interests of TFHD in connection with the transaction or arrangement;
 - iv. With respect to multiple board memberships, the presence of specific factors indicating a potential whereby the Interested Person may subordinate his/her duty to TFHD to his/her duty to the other entity for which he serves as a board member; and
 - v. Other similar factors.
7. Common *examples of financial interests* which could potentially create a conflict of interest, include, but are not limited to the following:
- a. An ownership or investment interest in a business involved in a contract, transaction or arrangement with TFHD;
 - b. A compensation arrangement with an individual or entity involved in a contract, transaction or arrangement with TFHD;
 - c. A potential ownership or investment in, or compensation arrangement with, an individual or entity with which the non-profit organization is negotiating a contract, transaction, or arrangement for services
8. Some *examples of non-financial interests* which could potentially create a conflict of interest, include, but are not limited to the following:
- a. Director A serves on the board of a hospital, which is considering an expansion of its community ambulatory surgery centers, while simultaneously serving on the board of a local community college, which plans on establishing medical clinics to serve the needs of students, faculty, employees and those living in the area;
 - b. Foundation Director B simultaneously serves on the board of a Museum, both of which are considering the commencement of a capital campaign that will target the same community of potential donors.
9. A finding of conflict of interest is not contingent on willful wrongdoing, or upon whether an individual's judgment has actually been affected. A conflict of interest may exist regardless of whether a monetary advantage has been or may have been given to an individual.
10. The Board may request additional information from all reasonable sources and may involve General Counsel in its deliberations.
11. Once all necessary information has been obtained, the Board shall make a finding by majority vote as to whether a conflict of interest indeed exists.

C. Addressing the Conflict of Interest.

- 1. Once the disinterested members of the Board of Directors have determined that an actual conflict of interest exists with respect to a particular transaction or arrangement:
 - a. The disinterested members of the Board of Directors shall exercise due diligence to determine whether TFHD could obtain a more advantageous contract, transaction or

arrangement with reasonable efforts under the circumstances and, if appropriate, shall appoint a non-Interested Person or committee to investigate lawful alternatives to the proposed contract, transaction or arrangement.

- b. In considering whether to enter into the proposed contract, transaction or arrangement, the Board of Directors may approve such a contract, transaction or arrangement by a majority vote only if the disinterested Directors determine that:
 - i. The proposed contract, transaction or arrangement is in TFHD's best interests and for TFHD's own benefit; and
 - ii. The proposed transaction is fair and reasonable to TFHD, taking into account, among other relevant factors, whether TFHD could obtain a more advantageous contract, transaction or arrangement with reasonable efforts under the circumstances.
 - c. This section shall not apply to conflicts of interest governed by Government Code section 1090 et seq. relating to contracts between TFHD and an Interested Person that are neither a remote nor non-interested, as defined therein.
2. The Board of Directors may proceed consistent with any applicable rules of necessity provide by the Political Reform Act or other State law.

D. Violations of the Conflicts of Interest Policy.

1. If the Board of Directors or committee has reason to believe that an Interested Person has failed to comply with the disclosure obligations of this Policy, the Board of Directors shall inform that person of the basis for its belief and provide that person an opportunity to address the alleged failure to disclose.
2. After hearing the response of such person and conducting such further investigation as may be warranted under the circumstances, the Board of Directors shall determine whether such person has, in fact, violated the disclosure requirements of this conflicts of interest policy.
3. If the Board determines that there has been a violation of the conflict of interest policy, the Board shall take appropriate disciplinary and corrective action, which may include removal from a Committee, if the Interested Person is a Board or committee member, or disciplinary action up to and including termination, if the Interested Person is an employee over whom the Board has such authority, or official censure by the Board.
4. Board of Director violations of the conflict of interest policy may result in various consequences, such as citizen recall or criminal or civil sanctions or penalties imposed by the Fair Political Practices Commission (FPPC) for violations of the Political Reform Act.

E. Records of Proceedings.

The minutes of meetings of the Board of Directors and any committee with board delegated powers shall include:

1. the names of persons who disclosed or were otherwise found to have actual, apparent, or potential interests relevant to any matter under discussion at the meeting, a general statement as to the nature of such interest (e.g., employment arrangement, equity interest or board membership or officer position in another corporation), any action taken to determine whether a conflict of interest existed, and the board or committee's conclusion as to whether a conflict exists; and
2. the names of the persons (other than members of the general public) present for the discussions and votes relating to the transaction, or arrangement, a summary of the content of these discussions that contains the type of information regularly reported in board or committee minutes and identifies whether any alternatives were considered, and a record of any vote taken in connection therewith.

F. Annual Statements

1. Statement of Economic Interests (Form 700):
 - a. The Clerk of the Board or his/her designee shall notify all designated positions of the requirements for completion of the Statement of Economic Interests. For more information, access the form and user instructions at fppc.ca.gov.
 - b. Each individual will complete the form as required and return to the Clerk of the Board as requested;
 - c. All forms are maintained by Administration as required by regulation.
2. Form 700 Filing Deadlines

New Program and Services, ABD-18

RISK:

Failure to thoroughly evaluate new programs or services may result in their inefficacy or inability to meet the intended objectives, potentially wasting resources and impacting the organization's ability to fulfill its mission which could compromise Tahoe Forest Hospital District's reputation and integrity within the community. Poorly evaluated programs or services may also incur unexpected financial costs or liabilities, straining the organization's budget and financial sustainability.

PURPOSE:

- A. To assist the Board of Directors with the Board's oversight and evaluation of new programs and/or services.
- B. To assist the Board of Directors in the Board's responsibility to affirm the organization's strategic direction in a manner consistent with the organization's mission, vision, and values.

POLICY:

- A. The Board (or designated Board committee) will consider the following when evaluating new programs and services:
 - 1. Congruence with mission, vision, and values
 - 2. Financial feasibility
 - 3. Impact on quality and safety with a requirement to meet quality related performance criteria
 - 4. Market potential
 - 5. Redundancy
 - 6. Impact on other organizational units (e.g., employed physician groups, independent physicians on the medical staff, the medical staff as a whole, etc.)
- B. Management will present to the Board a written analysis of proposed new programs and services that addresses, at a minimum, the components listed above.
- C. The Board will first consider the information presented in the analysis during a Board or relevant committee meeting; discussion will take place and additional information/input from others may be required. Management will provide all additional information/input requested by the Board.
- D. The Board may choose to not make a decision on whether to move forward with a new program or service during the meeting at which the new program or service is proposed. The Board may, in its discretion, choose to make a final decision at a subsequent Board meeting to allow Board members additional time for discussion/consideration and to assess all information before voting.
- E. All discussion amongst the Board shall occur consistent with obligations under the Ralph M. Brown Act, Government Code sections 54950 et seq.

President & CEO Succession Policy, ABD-28

RISK:

The absence of a formalized President & CEO succession plan for Tahoe Forest Hospital District poses a significant organizational risk, potentially leading to disruptions in leadership continuity and operational instability.

PURPOSE:

To ensure there is a formalized President & Chief Executive Officer (CEO) succession plan in the event of a planned or unplanned President & CEO vacancy.

POLICY:

- A. It is the responsibility of the Board of Directors to annually review the President & CEO Succession Plan with the President & CEO. This annual review will take place prior to the President & CEO evaluation.
- B. The Board of Directors, on an ongoing basis, will work with the President & CEO to assess the leadership needs of Tahoe Forest Hospital District and identify potential internal candidates for long term succession planning.
- C. In the event of a vacancy of President & CEO, the Board of Directors will collaborate with the Chief Human Resource Officer to implement [AHR-113 CEO Succession Plan](#).