



2025-12-10 Regular Meeting of the Truckee Surgery Center Board of Managers

Quarter 4

Wednesday, December 10, 2025, at 12:00pm

Tahoe Forest hospital – Aspen Conference Room

10800 Donner Pass Rd., Suite 200, Truckee, CA 96161

2025-12-10 Regular Meeting of the Truckee Surgery Center Board of Managers

Agenda Packet Contents

AGENDA

2025-12-10 Q4 Regular Meeting of Truckee Surgery Center Board_Agenda FINAL.pdf	4
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ITEMS 1 - 4 See Agenda

5. APPROVAL OF MINUTES

5.1. 09/17/2025 Regular Meeting Minutes	
2025-09-17 Regular Meeting of Truckee Surgery Center Board_DRAFT Minutes.pdf	6

6. ITEMS FOR BOARD ACTION

6.1. Annual Review of Employee Handbook	
6.1 Employee Handbook.pdf	10
6.2. Annual Review of Medical Staff Bylaws	
6.2 Medical Staff Bylaws.pdf	57
6.3. Annual Review of Medical Staff Rules & Regulations	
6.3 Medical Staff Rules and Regulations.pdf	115
6.4. Annual Review of Operating Agreement	
6.4 Operating Agreement.pdf	126
6.5. Review Water Management Plan	
6.5 Water Management Plan.pdf	160
6.6. Annual Staff Bonuses No attachment at time of posting	
6.7. Duffy Group Contract	
6.7 Duffy Group Contract.pdf	172

7. ITEMS FOR BOARD DISCUSSION

7.1. Financial Reports	
7.1.1 Q3 FY25 Financial Statement	
7.1.1 Financial Statement.pdf	175
7.1.2 Q3 FY25 Balance Sheet	
7.1.2 Balance Sheet.pdf	177
7.1.3 Monthly Dashboard - October 2025	
7.1.3 Monthly Dashboard.pdf	179
7.2. Health Benefits Open Enrollment Item for discussion only	
7.3. Interim Administrator Update	
7.3 Administrator Update.pdf	195

8. CLOSED SESSION

Items 9 - 10 See Agenda

11. ADJOURN



**TRUCKEE SURGERY CENTER
REGULAR MEETING OF THE
BOARD OF MANAGERS
AGENDA**

Wednesday, December 10, 2025, at 12:00 p.m.
Aspen Conference Room – Tahoe Forest Hospital
10800 Donner Pass Rd., Suite 200, 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 Board 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 Board cannot take action on any item not on the agenda. The Board 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 ♦

5.1. 09/17/2025 Regular Meeting ATTACHMENT

6. ITEMS FOR BOARD ACTION ♦

6.1. Annual Review of Employee Handbook ♦ ATTACHMENT

Truckee Surgery Center Board of Managers will review and consider approval of the employee handbook.

6.2. Annual Review of Medical Staff Bylaws ♦ ATTACHMENT

Truckee Surgery Center Board of Managers will review and consider approval of the medical staff bylaws.

6.3. Annual Review of Medical Staff Rules & Regulations ♦ ATTACHMENT

Truckee Surgery Center Board of Managers will review and consider approval of medical staff rules and regulations.

6.4. Annual Review of Operating Agreement ♦ ATTACHMENT

Truckee Surgery Center Board of managers will review and consider approval of the operating agreement.

6.5. Review Water Management Plan ♦ ATTACHMENT

Truckee Surgery Center Board of Managers will review and consider approval of the Water Management Plan Policy.

6.6. Annual Staff Bonuses ♦ ATTACHMENT*

Truckee Surgery Center Board of Managers will review and consider approval of annual staff bonuses.

6.7. Duffy Group Contract ♦ ATTACHMENT

Truckee Surgery Center Board of Managers will review and consider approval of the Duffy Group contract.

7. ITEMS FOR BOARD DISCUSSION

7.1. Financial Reports

Truckee Surgery Center Board of Managers will review the following financial reports:

- 7.1.1 Q3 FY25 Financial Statement..... ATTACHMENT
- 7.1.2 Q3 FY25 Balance Sheet ATTACHMENT
- 7.1.3 Monthly Dashboard - October 2025..... ATTACHMENT

7.2. Health Benefits Open Enrollment

Truckee Surgery Center Board of Managers will receive an update on open enrollment.

7.3. Interim Administrator Update ATTACHMENT

Truckee Surgery Center Board of Managers will receive an update from the Interim Administrator on operations, staffing, facility, equipment needs, and insurance claims and remediation processes.

8. CLOSED SESSION

8.1. Approval of Closed Session Minutes ◆

8.1.1. 09/17/2025 Regular Meeting

8.2. Hearing (Health & Safety Code § 32155) ◆

Subject Matter: Third Quarter 2025 Infection Control Data Summary
Number of items: One (1)

8.3. Hearing (Health & Safety Code § 32155) ◆

Subject Matter: Third Quarter 2025 Quality Assurance Performance Improvement Data
Number of items: Seven (7)

8.4. Hearing (Health & Safety Code § 32155) ◆

Subject Matter: Medical Staff Credentials
Number of items: Six (6)

8.5. Conference with Labor Negotiator (Government Code § 54957.6) ◆

Name of District Negotiator(s) to Attend Closed Session: Louis Ward
Unrepresented Employee: Truckee Surgery Center Interim Administrator

8.6. Public Employment (Government Code § 54957) ◆

Subject Matter: Truckee Surgery Center Administrator

9. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

10. ITEMS FOR NEXT MEETING

11. ADJOURN

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

A copy of the board meeting agenda is posted on Tahoe Forest Hospital District’s web site (www.tfhd.com) at least 72 hours prior to the meeting or 24 hours prior to a Special Board Meeting. Materials related to an item on this Agenda submitted to the Board of Managers, or a majority of the Board, after distribution of the agenda are available for public inspection in the District’s Administration Office, 10800 Donner Pass Rd., Suite 200, Truckee, CA 96161, during normal business hours.

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 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 (i.e., disability-related aids or other services), please contact the Executive Assistant at 582-3481 at least 24 hours in advance of the meeting.



TRUCKEE SURGERY CENTER REGULAR MEETING OF THE BOARD OF MANAGERS

DRAFT MINUTES

Wednesday, September 17, 2025, at 12:00 p.m.
Aspen Conference Room – Tahoe Forest Hospital
10800 Donner Pass Rd., Suite 200, Truckee, CA 96161

1. CALL TO ORDER

Meeting was called to order at 12:03 p.m.

2. ROLL CALL

Board of Managers: Louis Ward, Crystal Felix, Dr. Jeffrey Dodd

Board of Managers Absent: Anna Roth

Staff in attendance: Jan Iida, Chief Nursing Officer; Courtney Leslie, Truckee Surgery Center

Administrator; Heidi Fedorchak, Truckee Surgery Center Nursing Supervisor; Sarah Jackson, Executive Assistant / Clerk of the Board; Sydney Shelton, Executive Assistant

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

None.

4. INPUT – AUDIENCE

No members of the public in attendance.

5. APPROVAL OF MINUTES

5.1. 06/18/2025 Regular Meeting Minutes

ACTION: Motion made by Dr. Dodd, to approve the Truckee Surgery Center Board of Managers regular meeting minutes of June 18, 2025, as presented, seconded by Manager Felix.

AYES: Dodd, Felix, Ward

Abstention: None

NAYS: None

Absent: Roth

5.2. 09/03/2025 Special Meeting Minutes

ACTION: Motion made by Dr. Dodd, to approve the Truckee Surgery Center Board of Managers special meeting minutes of September 3, 2025, as presented, seconded by Manager Felix

AYES: Dodd, Felix, Ward

Abstention: None

NAYS: None

Absent: Roth

6. ITEMS FOR BOARD ACTION ◆

6.1. Annual Policy and Procedures ◆

Truckee Surgery Center Board of Managers will review and consider for annual approval the policies and procedures list.

ACTION: Motion made by Dr. Dodd, to accept the policy and procedures list as presented, seconded by Manager Felix.

AYES: Dodd, Felix, Ward

Abstention: None

NAYS: None

Absent: Roth

6.2. Annual Formulary Review ◆

Truckee Surgery Center Board of Managers will review and consider for annual approval the formulary.

Discussion was held regarding the formulary.

ACTION: Motion made by Dr. Dodd, to approve the formulary as presented, seconded by Manager Felix.

AYES: Dodd, Felix, Ward

Abstention: None

NAYS: None

Absent: Roth

6.3. Annual Preprinted Orders ◆

Truckee Surgery Center Board of Managers will review and consider for annual approval the list of preprinted orders.

ACTION: Motion made by Dr. Dodd, to approve the preprinted orders as presented, seconded by Manager Felix.

AYES: Dodd, Felix, Ward

Abstention: None

NAYS: None

Absent: Roth

6.4. Organizational Chart Update ◆

Truckee Surgery Center Board of Managers will review and update the organizational chart to reflect recent staffing changes.

Discussion was held. Board of Managers will conduct the annual review of the Administrator.

ACTION: Motion made by Manager Felix, to approve the updated Organizational Chart as presented, seconded by Dr. Dodd.

AYES: Dodd, Felix, Ward

Abstention: None

NAYS: None
Absent: Roth

7. ITEMS FOR BOARD DISCUSSION

7.1. Financial Reports

Truckee Surgery Center Board of Managers will review the following financial reports:

- 7.1.1. Q4 FY25 Financial Statement
- 7.1.2. Q4 FY25 Balance Sheet
- 7.1.3. Monthly Dashboard – August 2025

TSC Interim Administrator reviewed the financial reports.

TSC Interim Administrator reviewed the balance sheet.

TSC Interim Administrator reviewed the monthly dashboard.

7.2. Administrator Update

Truckee Surgery Center Board of Managers received an update from the Administrator on operations, staffing, facility and equipment needs, and insurance claims and remediation.

Open Session recessed at 12:25 p.m.

8. CLOSED SESSION

8.1. Approval of Closed Session Minutes

- 8.1.1. 06/18/2025 Regular Meeting
 - 8.1.2. 09/03/2025 Special Meeting
- Discussion was held on a privileged item.

8.2. Hearing (Health & Safety Code § 32155) ◆

Subject Matter: Contracted Services Semiannual Evaluation

Number of items: One (1)

Discussion was held on a privileged item.

8.3. Hearing (Health & Safety Code § 32155) ◆

Subject Matter: Second Quarter 2025 Infection Control Data Summary

Number of items: One (1)

Discussion was held on a privileged item.

8.4. Hearing (Health & Safety Code § 32155) ◆

Subject Matter: Second Quarter 2025 Quality Assurance Performance Improvement Data

Number of items: Twelve (12)

Discussion was held on a privileged item.

8.5. Hearing (Health & Safety Code § 32155) ◆

Subject Matter: Medical Staff Credentials

Number of items: Four (4)

Discussion was held on a privileged item.

8.6. Conference with Labor Negotiator (Government Code § 54957.6) ♦

Name of District Negotiator(s) to Attend Closed Session: Louis Ward

Unrepresented Employee: Truckee Surgery Center Interim Administrator

Discussion was held on a privileged item.

8.7. Public Employment (Government Code § 54957) ♦

Subject Matter: Truckee Surgery Center Administrator

Discussion was held on a privileged item.

Open Session reconvened at 12:51 p.m.

9. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

Item 8.1. was approved on a 3-0-1 vote. Items 8.2. – 8.4. were accepted with a vote of 3-0-1. Item 8.5. Medical Staff Credentials was approved with a vote of 3-0-1. There were no reportable actions for items 8.6-8.7.

10. ITEMS FOR NEXT MEETING

Q4 Regular Meeting of the Truckee Surgery Center Board of Managers, 12/10/2025, 12:00 p.m. at 10800 Donner Pass Rd, Suite 200.

11. ADJOURN

Meeting adjourned at 12:51 p.m.

TRUCKEE



SURGERY
CENTER

EMPLOYEE HANDBOOK

TRUCKEE SURGERY CENTER

EMPLOYEE HANDBOOK

UPDATED: JANUARY 2024

LAST REVIEWED: NOVEMBER 2025 BY: HEIDI FEDORCHAK, RN

INTRODUCTORY STATEMENT	3
HISTORY	4
MISSION & GOALS	4
STATEMENT OF AT-WILL EMPLOYMENT STATUS	5
PROBATIONARY PERIOD	6
ORIENTATION	6
COMMUNICATION	7
INTEGRATION AND THE RIGHT TO REVISE	7
EQUAL EMPLOYMENT OPPORTUNITY	7
HARRASMENT	7
EMPLOYEE CONDUCT	8
PERSONAL USE OF TRUCKEE SURGERY CENTER PROPERTY	11
ELECTRONIC COMMUNICATION/MEDIA	11
E-MAIL	12
COMMUNICATIONS GUIDELINES	14
EMPLOYMENT POLICIES AND PRACTICES	14
EMPLOYMENT APPLICATION	15
STAFF RIGHTS	15
WORK SCHEDULES	15
MEAL AND REST PERIODS	15
EMPLOYMENT CATEGORIES	17
APPEARANCE AND ATTIRE	17
ATTENDANCE AND PUNCTUALITY	18
PERFORMANCE EVALUATIONS	18
YOUR PAY	20
TERMINATION	21
STANDARDS OF CONDUCT	23
OVERVIEW	23
QUALITY	23
OPEN-DOOR	23
STAFF MEETINGS	23

EMPLOYMENT OF RELATIVES (NEPOTISM)	24
PROHIBITED CONDUCT	24
DRUG AND ALCOHOL ABUSE	25
PROFESSIONAL RELATIONSHIPS WITH PATIENTS	25
CONFIDENTIALITY	26
OPERATIONAL CONSIDERATIONS	27
TRUCKEE SURGERY CENTER PROPERTY	27
HEALTH AND SAFETY	27
ERGONOMICS	27
SMOKING	27
PARKING	27
EMPLOYEE BENEFITS	28
HOLIDAYS	28
PAID TIME OFF	28
CALIFORNIA PAID SICK LEAVE	29
QUALIFYING REASONS FOR PAID SICK LEAVE	30
USE OF PAID SICK TIME AND NOTIFICATION	30
STATE DISABILITY INSURANCE	31
WORKERS' COMPENSATION	31
EXTERNAL EMPLOYEE EDUCATION	31
GENERAL BENEFITS/RIGHTS	32
MEDICAL/DENTAL/VISION INSURANCE	32
DISABILITY INSURANCE	32
UNEMPLOYMENT COMPENSATION	32
SOCIAL SECURITY	32
WORKERS' COMPENSATION	32
TSC-PROVIDED PHYSICIAN	33
WORKERS' COMPENSATION AND MEDICAL	
ILLNESS/PERSONAL LEAVE	33
PAID SICK LEAVE AND WORKERS' COMPENSATION BENEFITS	34
PAID FAMILY LEAVE	34
LIFE INSURANCE	34
RETIREMENT PLAN	35
LACTATION ACCOMMODATIONS	35
LEAVES OF ABSENCE	

BEREAVEMENT LEAVE	36
DOMESTIC VIOLENCE, SEXUAL ASSAULT OR STALKING LEAVE AND ACCOMMODATION	36
EXTENDED MEDICAL LEAVE	37
CALIFORNIA FAMILY RIGHTS ACT Amended, effective 01/01/2021	37
PREGNANCY, CHILDBIRTH OR RELATED CONDITIONS	38
LEAVE PROCEDURES	38
CERTIFICATION	39
LEAVE RELATED TO MILITARY SERVICE	40
HEALTH AND BENEFIT PLANS	40
SUBSTITUTION OF PAID LEAVE	40
REINSTATEMENT	41
TIME ACCRUAL	41
CARRYOVER	41
INTERMITTENT LEAVE	41
JURY DUTY AND WITNESS LEAVE	42
MILITARY LEAVE	42
ORGAN AND BONE MARROW DONOR LEAVE	42
PERSONAL LEAVE	43
CONCURRENT PERSONAL AND FAMILY/MEDICAL LEAVE	43
PREGNANCY DISABILITY LEAVE CALIFORNIA EMPLOYEES	43
SCHOOL APPEARANCES INVOLVING SUSPENSION	45
TIME OFF FOR VOTING	45
VICTIMS OF CRIME LEAVE	46
VOLUNTEER CIVIL SERVICE PERSONNEL	46

INTRODUCTORY STATEMENT

Welcome to Truckee Surgery Center (TSC). You are now a member of our team because we believe you have the training, ability and experience to be of value to our business. We encourage you to continue to develop your talents and capabilities to the greatest extent, to broaden your experience, and to achieve your full potential in our organization.

TSC prides itself on our quality of care that we give to our community and of the high performance standards we maintain.

This Handbook has been carefully and cooperatively developed and refined over the years to promote a stimulating environment in which we can all share and progress. In return, we hope you will help us grow and succeed by fully applying your talents and energies.

We believe that success cannot be achieved without clear and honest communication. Always remember that our professional relationships are at the foundation of our business and we extend an open offer to communicate to all of our employees. If you have a suggestion, question, or concern, please feel free to discuss it with your manager. We encourage you to take the initiative to promote any change you feel is needed, since we all must work together to make this a great organization.

This employee handbook should provide positive and specific guidelines for what we hope will be a mutually rewarding employment relationship.

HISTORY

TSC has provided quality care to our community since 2003. The facility provides services in the following specialties: Orthopedics, Podiatry, Pain Management, ENT, Facial Plastic Reconstruction, Urology, General Surgery, and Pediatric Dental Surgery. The most common procedures performed at our facility are Orthopedics and Pain Management.

TSC is majority (99%) owned by Tahoe Forest Hospital (TFH). TSC is a separate entity and operates as its own business with separate policies and procedures from TFH. TSC employees are not employed by TFH although there is oversight from TFH.

MISSION & GOALS

The mission of Truckee Surgery Center is to provide high quality personalized care for individuals requiring non-emergency, same-day healthcare and surgical services. We strive to enhance the well-being of people in the communities we serve through a commitment to compassion and excellence in healthcare services.

- Providing skilled, professional, individualized high quality same-day care to patients without regard to race, religion, creed, color, sex or national origin, and in conformance with all federal, state and local laws and regulations. To treat each individual with personalized care, calling them by name with each encounter.
- Treating all patients with honesty and respect. Providing the community with a comprehensive program of high quality ambulatory surgical care that is safe and cost effective.
- Develop a professional nursing and support staff which optimizes the opportunities offered in the ambulatory setting for the provision of efficient, economical and effective patient centered nursing care. Developing and implementing treatment plans designed to meet patient and therapeutic goals Provide physical and emotional support to patients and their families.
- Provide patient and family pre and post-procedure education to facilitate self-care and integration into the community.
- Evaluate the effects of care through existing performance improvement activities.
- Provide appropriate facilities and necessary services to serve the needs of its patients and to maintain high quality patient care; to improve the standard of health care services in the community; to encourage education and training of the Facility's employees and Medical Staff members.
- Maintain confidentiality and HIPAA regulations. Confidential information includes, but not limited to patient records, employee records, information gained from committee meetings, and inquiries from families and friends of patients, other employees, Medical Staff, external agencies or media.
- Maintain a level of profitability to support the growth of the Facility and to support the ongoing needs of the community.
- Increase case volume of current and future service lines. Maximize the use of the facilities operating rooms.

STATEMENT OF AT-WILL EMPLOYMENT STATUS

Employment with TSC is at the mutual and continuing consent of the employee and TSC. Accordingly, either the employee or TSC can terminate the employment relationship “at-will,” (i.e. with or without cause and with or without notice) as long as the termination does not violate an express rule of law. It is usual and customary for the employee to give at least two (2) weeks’ notice for a planned termination. Nothing in this Handbook guarantees employment for any specific length of time. Nothing in this Handbook, or in any document or statement, shall limit the right to terminate employment at-will. Continuous service with TSC may earn employees benefits as specified herein; however, the length of continuous service does not change employees’

“at-will” employment status. Nothing in this Handbook, or any other document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee. TSC is also free to change the terms, conditions, benefits, or compensation associated with your employment with or without cause or notice. Only management of TSC has the authority to make any agreement modifying at-will employment, and then only in writing signed by the manager and the employee.

PROBATIONARY PERIOD

When an employee is hired, transferred or promoted, a probationary period begins during which performance is evaluated to determine skills and ability.

NEW HIRES: Full-time and regular part-time employees serve a probationary period of one hundred and twenty (120) calendar days. Management and supervisory, temporary and per diem employees serve a probationary period of six (6) calendar months.

During the initial probationary period, an employee can be discharged without any reason.

If management needs more time to evaluate the performance of the employee due to the employee not performing up to expectations, but there is reason to believe the employee may be able to do so if allowed additional time, they may extend the employee’s probationary period. Employees must be informed of an extension prior to the expiration of their initial probationary period.

Upon completion of the probationary period, the employee will receive a performance review by their manager to determine if continued employment is warranted. This review will include an evaluation of the employee's job knowledge, performance, completion of appropriate orientation and completion of any pre-placement agreements.

PROBATION PERIOD RELATED TO A PROMOTION OR TRANSFER: Employees who are promoted or transferred to a new position shall be given orientation as necessary and such employees shall serve a probationary period of ninety (90) calendar days.

ORIENTATION

TSC requires an orientation for all new hires to ensure the provision of quality services to TSC patients. Each new employee is scheduled for an orientation program in order to receive an introduction to TSC, its history, its operations, its policies, and a review of employee benefits. During this period, new employees are also asked to complete new-hire paperwork. In addition, employees will receive orientation to their departmental procedures.

Orientation for each new employee will include, but may not be limited to, within 30 days of hire: General and Department Specific Orientation, Safety Orientation and an Initial Critical Skills Assessment including Age Specific competencies, orientation on Standards of Business Conduct.

COMMUNICATION

Communication is a two-way street and is essential to the success of our company. Every management team member has an open office door and team members are encouraged to present their concerns, ideas, or suggestions to their manager. If you find that you still have concerns after meeting with your manager, please request a meeting with the Administrative Director of Surgical Services at TFH.

TSC is committed to providing the best possible climate to maximize the development of our team. Every team member will be treated as an individual. We are further committed to individuals working together to achieve TSC's goals. We believe that through open communication, conflicts can be resolved, leading to a mutually beneficial working relationship for all employees.

INTEGRATION AND THE RIGHT TO REVISE

This employee handbook contains the employment policies and practice of the company in effect at the time of publication. All previously issued handbooks and any inconsistent policy statements or memoranda are superseded.

TSC reserves the right to revise, modify, delete or add to any and all policies, procedures, work rules or benefits stated in this handbook or in any other document. Management reserves the right to deviate from existing policies in its discretion because of individual circumstances or special needs. Periodic updates may be made and employees will be updated as needed.

EQUAL EMPLOYMENT OPPORTUNITY

TSC is an equal opportunity employer and makes employment decisions on the basis of merit. We want to have the best available person in every job. Company policy prohibits unlawful discrimination based on the employee's race, color, religion, sex, sexual orientation, national origin, age, disability or any characteristic protected by law. This policy governs all aspects of employment, including selection, job assignment, compensation, counseling, discipline, termination, access to employee services, benefits and training. TSC will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in undue hardship.

HARRASMENT

TSC is committed to providing a work environment free of unlawful harassment. TSC policy prohibits sexual harassment and harassment because of race, religion, color, national origin, ancestry, physical handicap, mental condition, marital status, age, sex, sexual orientation or any other basis protected by law. TSC's anti-harassment policy applies to everyone involved in the operation of TSC, as well as any person doing business with or for the surgery center.

If you believe that you have been unlawfully harassed or subjected to any form of unlawful discrimination, provide a written complaint to your manager. Your complaint should include details of the incident or incidents, name of the individuals involved and names of any witnesses. TSC will immediately undertake effective, thorough and objective investigation of the harassment allegations.

If TSC determines that unlawful harassment has occurred, effective remedial action will be taken in accordance with the circumstances involved. Any employee determined by TSC to be responsible for unlawful harassment will be subject to appropriate disciplinary action, up to and including termination. The company will not retaliate against you for filing a complaint and will not tolerate or permit retaliation by management, employees, coworkers or physicians.

EMPLOYEE CONDUCT

In order to assure orderly operations and provide the best possible work environment, TSC expects employees to follow rules of conduct that will protect the interests and safety of personnel. It is not possible to list all the forms of behavior that are considered unacceptable in the work place, but the following are examples of infractions of rules of conduct that may result in disciplinary action, including suspension, demotion, or termination of employment:

- Theft, removal, or unauthorized possession of property;
- Falsification of timekeeping records;
- Working under the influence of alcohol;
- Possession, distribution, sale, transfer, or use or being under the influence of alcoholic or illegal drugs in the work place;
- Fighting and threatening violence in the work place;
- Boisterous or disruptive activity in the work place;
- Negligence or improper conduct leading to damage of employer owned or customer owned property;
- Insubordination;
- Violation of safety, health, or TSC's rules;
- Smoking in prohibited areas;
- Sexual or other unlawful harassment;

- Possession of dangerous or unauthorized materials, such as explosives or firearms, in the work place;
- Excessive absenteeism or absence without notice, unless such absence is the result of a reasonable accommodation of a disability or other protected status; and
- Unauthorized absence from work station during the work day, unless such absence is the result of a reasonable accommodation of a disability or other protected status.

This statement of prohibited conduct does not alter TSC's policy of employment at-will. You or TSC may terminate the employment relationship with or without cause and with or without notice at any time. Terms and conditions of employment with TSC may be modified at the sole discretion of TSC with or without cause and with or without notice, as set forth herein.

All employees are held accountable for modeling desirable behaviors and TSC enforces the code consistently and equitably among all staff regardless of seniority or clinical discipline in a positive fashion through reinforcement as well as punishment. Employee Recognition and Accolades are modes of positive reinforcement.

It is expected that all members of the health care team, patients, patient's family members, employees, and anyone else in physical attendance at TSC shall be treated in a respectful and dignified manner at all times. Such manner refers to language and non-verbal behavior, as well as general attitude as described below.

LANGUAGE

Language that is disrespectful, profane, vulgar, intimidating, demeaning, sexually suggestive or explicit, or bigoted (racially, ethnically, religiously or gender-related) is unacceptable. Loud or angry exchanges that may be overheard by others are also unacceptable.

BEHAVIOR

Behavior that is disrespectful, profane, vulgar, intimidating, sexually suggestive or explicit, or demeaning is unacceptable. This includes, but is not limited to obscene gestures, violation of reasonable personal space, un-consented photography, yelling, throwing of objects, menacing gestures, unwanted or sexual touching, degrading or sexually oriented jokes or comments, or requests for personal or sexual favors.

CONFIDENTIALITY

Under HIPAA, all aspects of patient care are confidential. TSC staff and employees also are entitled to have personal or performance problems addressed confidentially and in a private setting.

RESPECTFUL COMMUNICATION

All verbal and written communication should be respectful and professional in language and tone. Communications about a staff member or employee should be constructive, objective, respectful, and made directly to that person. It is inappropriate to make critical comments about others to a third party, unless it is in a confidential committee structure or venue where critical evaluations are expected to take place.

INVESTIGATION AND FOLLOW-UP

The process of investigating a deviation from the above standards will be initiated with the submission of an occurrence report to your manager. Any employee or staff member may submit such a report. Reports are important to possibly establish a pattern of conduct, even if a single incident does not justify disciplinary action.

Occurrence Reports should include:

- The date and time of the occurrence;
- The names of the involved parties and other observers or witnesses;
- Circumstances leading up to the questionable behavior;
- A description of the questionable behavior, limited to factual, objective language;
- Consequences, if any, of the disruptive behavior- to the involved parties, bystanders, or patient care; and
- Interventions taken at the time to remedy the situation.

The Manager and/or her/his designee will then, if deemed appropriate, interview witnesses to the event to get clarifying or supplementary information and/or invite the party or parties to the event to submit their version of what happened. The Manager will determine if disciplinary action is appropriate.

If after reviewing all appropriate data, the Manager deems the incident to be egregious enough, or part of a pattern of behavior that might possibly warrant further intervention, the occurrence report and all ancillary data and recommendations shall be passed on to the Director of Surgical Services.

If warranted, a synopsis of the occurrence and any recommendations will be made part of the employee's personnel file.

Any employee who in good faith reports an alleged act of misconduct will not be subject to retaliation or retribution. Any employee, regardless of level in the organization, who retaliates, is subject to discipline, up to and including termination.

PERSONAL USE OF TRUCKEE SURGERY CENTER PROPERTY

Without the express prior authorization of management, use of TSC equipment is limited to TSC business.

Personal use and/or removal of TSC property require prior authorization of management. This includes, but is not limited to, such things as personal computers, postage meters, telephones, and use of TSC storage facilities for personal property.

ELECTRONIC COMMUNICATION/MEDIA

USE OF COMPANY COMPUTER/ EQUIPMENT

TSC uses various forms of information systems and electronic communications/media including, but not limited to, computers (personal & laptop), e-mail, telephones (including cellular and cordless), voicemail, fax machines, and online information services.

Personal software may not be installed on TSC computer systems. All electronic information created by any employee using any means of electronic communication is the property of TSC. Personal passwords may be used for purposes of security, but the use of a personal password does not affect the company's ownership of the electronic information, nor its ability to inspect all company equipment and its content at any time without notice. Employees should have no expectation of privacy with regards to any electronic communication generated or sent from Company computer or equipment.

Employees may install only TSC approved software on TSC computer systems. All electronic communications, all software and all hardware, remain the sole property of TSC and are to be used to conduct TSC business. All information created by an employee using any means of electronic communications is the property of TSC and remains the property of TSC.

TSC will override all personal passwords if it becomes necessary to access its own computers/equipment for any reason. For these reasons, employees should not place or retain anything on company computers that the employee considers to be personal or private or otherwise would not want TSC to see. We reserve the right to access and review electronic files, messages, mail, etc. and to monitor the use of electronic communications as is necessary to ensure that there

is no misuse or violation of company policy or any law. You should be aware that data can be retrieved even though it has been deleted.

SOCIAL MEDIA

TSC's equal employment and anti-harassment policies apply to all social media communication with equal force as in other forms of verbal or written communications. For that reason, electronic communication/media should not be used in any manner that would be discriminatory, harassing, obscene, or for any illegal purpose. Posting of discriminatory, harassing or retaliatory comments will not be tolerated under any circumstances and may result in unpaid suspension and/or immediate termination.

TSC understands that employees may engage in external (personal) social media, including personal Twitter feeds, blogs, and social networking websites, on their own time. TSC respects its employees' right to engage in these activities, employees are nonetheless expected to conduct themselves professionally in all public communications. To ensure that employees understand the expectations regarding external social media use, the following guidelines have been adopted. Employees are expected to follow these guidelines using their very best personal and professional judgment. Employees should understand that flagrant or egregious violation of these guidelines may result in discipline, up to and including, unpaid suspension and/or termination.

- Know and follow TSC's policies at all times, whether at work or during personal time.
- You are personally responsible for the content you publish on blogs, wikis, or any other forms of user-generated media. Be mindful that what you publish will be in public. Protect your privacy.
- Always respect copyright, fair use, and financial disclosure laws.
- Never publish or disclose TSC's or another's confidential or other proprietary information. Never publish or report on conversations that are meant to be private or internal to TSC.
- Never cite or reference customers, clients, tenants, suppliers, or other TSC business associates without their express written approval. When you do make a reference, link back to the source where possible.
- Always respect your audience. Do not use ethnic slurs, personal insults, or obscenity.
- Be aware of your association with TSC in online social networks. Ensure your profile and related content are consistent with how you wish to present yourself to colleagues and clients.

Nothing in this policy is intended to restrict employees' otherwise lawful rights to communicate about working conditions and/or wages.

E-MAIL

TSC may assign employees with a TSC email account.

E-mail is a convenient way to communicate with other people in the company. To make the best use of E-mail, please be aware of the following practices and policies.

There is no guarantee of privacy for an electronic mail message. Please use your good judgment as you use the electronic mail system. Consequently,

- Do not send highly sensitive messages through E-mail without appropriate document password protection or encryption.
- No protected health information will be emailed without password protection or encryption.
- Do not let anyone know your network or E-mail password.

Change your E-mail password when prompted to.

Passwords:

- Should not contain all or part of the user's account name.
- Has to be at least 8 characters in length
- Has to contain characters from three of the following four categories:
 - English uppercase characters (A through Z)
 - English lowercase characters (a through z)
 - Base 10 digits (0 through 9)
 - Nonalphanumeric characters (e.g., !, \$, #, %)
- Do not leave your desk with E-mail still activated on your computer.

Moreover, even though E-mail is an efficient way to communicate, it may not be the most effective depending on what you are trying to communicate. Do not send or import any messages that may offend or violate TSC's EEO policy or policy on "Sexual or Other Harassment."

There is no expectation of privacy in the information systems, Internet communication, electronic mail, and voicemail at TSC. An assumption must be made by each associate that any and all messages may be read or heard by someone other than the intended or designated recipient. TSC will override all personal passwords if it becomes necessary to do so for any reason.

Access to the Internet, including but not limited to the use of E-mail and the Web, is available for business purposes only. Any information about TSC and/or its products or services that will appear in the electronic media requires approval by management before the information is released.

Questions about access to our electronic communications and the use of it, or issues relating to data security, should be directed to your manager.

Employees who misuse TSC's information systems or electronic communication media will be subject to disciplinary action, up to and including immediate termination of employment.

COMMUNICATIONS GUIDELINES

TSC e-mail, voicemail, fax and Internet connections are intended to facilitate business-related communication. When you use electronic communication/media, you are communicating as a representative of TSC.

The computer network and telephone system promote efficiency and encourage communication. It is easy to forget that these systems create a potentially permanent record of all your statements.

When using e-mail, the telephones, or the Internet for any communication or any information gathering functions, please practice these guidelines:

1. Electronic communication/media is to be used for office business. The following are examples of inappropriate use:
 - Sending or forwarding e-mail to political organizations, the President of the United States, or other political figures.
 - Sending or forwarding jokes or comments of a sexual, racial, or otherwise inflammatory nature either within TSC or outside TSC. Read the entire message before making the decision to forward it.
 - Sending e-mail to inappropriate addresses, such as Playboy Magazine.
 - Sending or forwarding chain letters or any type of solicitation.
 - Leaving un-businesslike messages or having un-businesslike discussions on the Internet.
 - Visiting pornographic sites on the Internet.
2. E-mail memos or Internet messages should be written with the same care as TSC formal, hard copy memos. Reread your message to be sure it is clear and complete. Remember that your message might someday be introduced as documentation in legal proceedings.
3. E-mail should never be used for discussion about, or imposition of, employee discipline.

If you are unsure about the appropriateness of a message you would like to send, or a website you would like to visit, please check with your Manager. When in doubt, don't!

EMPLOYMENT POLICIES AND PRACTICES

EMPLOYMENT APPLICATION

TSC relies upon the accuracy of the information provided by the applicant. To ensure that individuals who join the facility are qualified, it is the policy of TSC to check the employment references of all applicants. All positions requiring licenses or certification and/or educational degrees require verification during the pre-employment process. Each employee licensed or not, will be subject to a background screening prior to employment.

STAFF RIGHTS

You may request to not participate in an aspect of patient care, including treatment due to a perceived conflict with your cultural values, ethics or religious beliefs. We will make every reasonable effort to honor such requests. You should submit a Request Not to Participate Letter to your manager at the time of hire or as soon as possible after you are notified that you may be required to participate in such aspect of patient care or treatment.

WORK SCHEDULES

Hours of work and work schedules for employees vary throughout TSC. Your manager will advise you of your expected work days. Actual start times will be determined based on patient load. Requests for time off are done on a first come first serve basis by submitting a request for time off form to your Manager as far in advance as possible. Your manager will do their best to accommodate your request. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as scheduled days. All employees are expected to be in their scrubs by the assigned starting time.

MEAL AND REST PERIODS

MEAL PERIODS

In accordance with federal and state law, non-exempt employees who are scheduled to work five (5) or more hours in a day will be provided with an uninterrupted, thirty (30) minute, off-duty meal period. This meal period should be taken before the end of the employees' fifth hour of work. Non-exempt employees are also authorized and permitted a paid ten (10) minute rest period for every four (4) hours of work performed or a major fraction thereof. A second uninterrupted, off-duty, unpaid thirty (30) minute meal break will be provided to employees before the end of their tenth hour of work if the employees work more than ten (10) hours per day.

Meal periods must be accurately recorded on each employee's time record. Employees must clock out for each meal period, and refrain from working during the meal period.

Employees who work excess of 8 hours in a total workday can voluntarily waive their right to one of their two meal breaks. To be valid the waiver must be documented in writing and signed by the employee and manager.

Employees can revoke the waiver at any time in writing.

The employee is to be paid for all working time, including on-the-job meal breaks while the waiver is in effect.

If a meal period is missed, the employee must notify their manager immediately with the reason for the missed meal period and document the missed meal period on a variance log.

REST PERIODS

Rest breaks are not on-call time. Rest breaks are to be uninterrupted. If someone asks you to do work while you are on a rest break, please inform them that you are on break. If your rest break is interrupted due to work, please inform your supervisor immediately to make arrangements to take your full uninterrupted rest break as soon as possible.

TSC will provide a reasonable amount of break time and a private space for Breastfeeding Mothers to express breast milk.

For clarity, please refer to the chart below to see how your meal and rest break entitlement based on the length of your shift.

HOURS WORKED	REST PERIODS	MEAL PERIODS ENTITLEMENT AND TIMING
Less than 5 hours	One 10 minute rest period	None.
5 to 6 hours	One 10 minute rest period	One unpaid meal period of no less than 30 minutes to begin by the end of the fifth hour of work. (For example, an employee who starts work at 7AM is to begin the meal period no later than 12PM.)
6 to 10 hours	Two 10 minute rest periods	One unpaid meal period of no less than 30 minutes to begin by the end of the fifth hour of work. (For example, an employee who starts work at 7AM is to begin the meal period no later than 12PM.)
More than 10 hours	At least three 10 minute rest periods (Four 10 minute rest periods after 14 hours worked, etc.)	At least two meals of no less than 30 minutes each. The first meal period to begin by the end of the fifth hour and the second meal period to begin by the end of the tenth hour of work, etc.

EMPLOYMENT CATEGORIES

REGULAR FULL-TIME

Employees who have completed their probationary period of employment and are scheduled to work 30 to 40 hours per week. Regular full-time employees are eligible for employee benefits.

REGULAR PART-TIME

Employees who have completed their probationary period of employment and are scheduled to work less than 32 hours per week, but not less than 20 hours per week. Part-time employees are eligible for benefits.

TEMPORARY

Employees who have been hired to fill a temporary need for additional staff.

PER DIEM

Employees who have completed their probationary period of employment and do not require benefits. Per Diem employees work on an intermittent or as-available basis. Per Diem employees are required to work a minimum of two shifts per month unless otherwise defined by their Manager.

NON-EXEMPT EMPLOYEES

“Non-exempt Employees” include all employees who are assigned a majority of duties which are classified as non-exempt by the overtime provisions of the Federal Fair Labor Standards Act or any applicable state laws. Employees in this category are therefore entitled to premium pay for work in excess of forty (40) hours in a workweek, or eight (8) hours in a workday.

EXEMPT EMPLOYEES

This category includes all employees who perform certain duties a majority of their work time, which qualify as exempt duties under the provisions of the federal Fair Labor Standards Act or applicable state laws. Such employees include, but are not limited to, those who qualify as exempt executive, administrative, professional, computer professional, outside sales or commissioned sales employees. Exempt employees are exempted from the overtime and minimum wage provisions of both the Fair Labor Standards Act and applicable state laws.

APPEARANCE AND ATTIRE

Personal cleanliness and appearance are of prime importance in our business. A well-groomed employee creates a favorable impression of the services we perform. Our customers expect us to maintain strict standards of professionalism. All employees are required to wear a name badge, which will be provided. All employees will be professional in appearance and dress in a manner

that is consistent with their job responsibilities with consideration for safety, organization, image, productivity, and customer interaction.

The personal appearance of all employees shall follow these standards:

- Clothing should be clean and business like/business casual. The wearing of suggestive attire or of torn jeans, sweats, shorts (greater than 4 inches above the knee), novelty buttons, baseball hats, and similar items of casual attire is not permitted, as they do not present a business like appearance.
- Hair should be clean, combed, and neatly trimmed or arranged. Shaggy, unkempt hair is not permissible regardless of hair length.
- Sideburns, mustaches, and beards shall be neatly trimmed.
- Heavy colognes or perfumes should be avoided, keeping in mind the sensitivity of others to fragrances.
- Jewelry should not interfere with the performance of the employee's job.
- Fingernails should be clean and well-manicured.
- Artificial nails are not permitted for staff in patient care.

In addition to the above, operating room ("OR") and post-anesthesia care unit ("PACU") personnel shall wear scrubs and appropriate shoe and head covers as required by policy and regulatory standards. If there are any questions as to what constitutes proper attire, please consult your manager.

ATTENDANCE AND PUNCTUALITY

To maintain a safe and productive work environment, TSC expects you to be reliable and punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on TSC and other employees.

If you are unable to report to work, please call your manager or her designee at least one hour before your scheduled start time. Either excessive absenteeism or tardiness may lead to corrective action, up to and including termination of employment. See Absenteeism and Tardiness Policy.

PERFORMANCE EVALUATIONS

It is the belief of TSC that regular employee performance reviews are important for the successful development of our employees as well as our business. TSC strongly encourages you and your manager to discuss job performance and goals on an informal, ongoing basis. Formal performance evaluations are scheduled annually from your date of hire.

INITIAL EVALUATION

Performance and competency assessment and review will take place within 120 days of hire and annually thereafter. Management and supervisory, temporary, and per diem employee performance and competency assessment and review will take place within 6 calendar months of hire.

ANNUAL EVALUATIONS

Annual performance evaluations are completed to assess your performance, and for goal planning for the year. Evaluations will be discussed and reviewed with you. A copy will be given to you and the original will be filed in your personnel file. There are several advantages to performance evaluations:

- It helps you and your manager establish priorities among different work activities for the year.
- Setting standards or goals can help you increase your own productivity by providing a focus on your efforts in relation to TSC's goals.
- It provides an opportunity for you to share your ideas on doing your job better.
- Establishing expectations in advance, together with the results that will be used to determine success, will help to ensure that your performance is judged fairly.

During your performance review, you should discuss with your manager any changes in responsibility that have occurred in the year just past or that are anticipated for the year ahead.

Following your performance evaluation meeting with your manager, you will meet again, as you or your manager feels the need, to formally review your progress and achievements toward establishing standards or goals. It is possible that the nature of your work will have changed, requiring a redirection of your goals. Of course, one of the most significant means of reviewing your performance is the day-to-day feedback you receive from your manager on your performance throughout the year. A formal review offers you an important opportunity for self-appraisal.

Salary adjustments are not made automatically during the performance evaluation process, nor are they based upon continued employment with TSC. Salary adjustments are influenced by a variety of conditions including, but not necessarily limited to, the employee's overall performance and productivity, tenure, experience, changes in the cost of living, the profitability and competitive position of TSC, etc.

Employees are not guaranteed a raise after each performance review. The performance review does not alter the at-will nature of the employment relationship.

YOUR PAY

PAYDAYS AND PAYCHECKS

TSC operates on a bi-weekly payroll schedule. You will receive your payroll check on the Friday after the last day of the pay period. If the payday falls on a holiday, paychecks will be distributed on the last workday preceding the payday.

Any errors in your pay should be reported to your manager as soon as possible. Whether an error causes underpayment or overpayment, you are expected to advise your manager to ensure the error is corrected as promptly as possible

In all, there are 26 paychecks a year. Direct deposit is available and encouraged.

TIME KEEPING REQUIREMENTS

Non-exempt employees are responsible for maintaining an accurate record of the hours worked for each pay period, and for receiving the appropriate manager pre-approval for the payment of these hours. These hours, together, with hours related to time away from work, will be captured at the time that each payroll is processed by the Administrator and/or designee. In much the same way that you expect that your paycheck accurately reflects your specific payroll information, Truckee Surgery Center expects that your record-keeping will be both accurate and timely. In many instances, Truckee Surgery Center uses these detailed payroll timekeeping records as a source for accurate financial and other accounting of its labor costs, and for budgeting. These records, too, are likely the subject of periodic audit by third parties, and, therefore should be neat, concise, and orderly. Please consult with your manager if you experience any problems in this regard or if you require any additional clarification.

Employees are to clock in no earlier than 7 minutes prior to the start of their scheduled start time. Employees will clock out for lunch breaks and any breaks taken offsite.

SALARIES

Advancement of salary base is not automatic and is not solely based on seniority. If you exceed work performance standards, you may be eligible for an annual pay increase. Hourly wages are reviewed yearly and advanced as indicated by your performance evaluation.

OVERTIME

When operating requirements or other needs cannot be met during regular working hours, you may be scheduled to work overtime. When possible, advance notification of these mandatory assignments will be provided. Overtime assignments will be distributed as equitably as practical to all employees qualified to perform the required work, and will be offered to volunteers first.

Overtime compensation is paid to all nonexempt employees in accordance with federal and state wage and hour requirements. As required by law, overtime pay is based on actual hours worked. Compensation for hours in excess of 40 for the workweek shall be paid at a rate of one and one half times the employee's regular rate of pay.

A workday begins at midnight and ends 24 hours later. A workweek begins each Sunday at midnight.

Exempt or salaried employees may be required to work hours beyond their normal schedules as work demands require. No overtime compensation will be paid to exempt/salaried employees.

TERMINATION

GIVING NOTICE

If, for whatever reason, the time comes when you need to move on, we ask that you give at least two (2) weeks' written notice to your manager in advance of your last day TSC. While this notice is not required, it may be considered in the event of requests for rehire or references. If it is determined to be in the best interest of TSC, the notice period may be waived.

In certain cases, employees who have resigned may be involved in the training of their replacements.

LAST WORK DAY

Employee must be physically present at TSC to work their last work shift. This last work shift defines the termination date. Payment will be made for any accrued but unused PTO upon termination of the employment relationship. TSC reserves the right to make any notice of resignation effective immediately.

VOLUNTARY TERMINATION

An employee may be considered to have voluntarily terminated their employment TSC if the employee:

- Resigns from TSC or quits his or her job;
- Fails to return from an approved leave of absence on the anticipated return date without submitting additional medical certification; or
- Fails to report to work without notice to TSC for two (2) consecutively scheduled workdays, unless such failure to report to work is the result of a reasonable accommodation.

INVOLUNTARY TERMINATION AND PROGRESSIVE DISCIPLINE

You are expected to meet TSC performance expectations and standards of your job. If your performance or conduct does not meet the expectations and standards, TSC will use positive performance management and a progressive corrective action approach whenever possible to motivate you to participate directly in the resolution of such situations. When circumstances warrant, TSC management may decide that the performance management process should not be followed and immediate corrective action will be taken.

The performance management process involves an initial informal counseling, followed by more formal written counseling, suspension and/or termination if performance is not improved. Steps may be skipped at the discretion of management.

OBLIGATIONS UPON TERMINATION

All items which have been issued to an employee during the course of employment, including this Handbook, remain the property of TSC. At the time of an employee's termination of employment, whether voluntary or involuntary, all company documents and other items of company property in the employee's possession or control must be returned.

EXIT INTERVIEWS

Every employee, regardless of resignation or termination, may be given an exit interview. This interview is designed to be an important exchange of information, which should be to the benefit of both parties. The content of this interview will be put in writing and will become part of your personnel file.

STANDARDS OF CONDUCT

OVERVIEW

TSC Standards of Conduct are intended as a guide to our decisions and actions. No set of rules or guidelines can substitute for the good judgment, common sense and personal integrity required to meet the challenges of our work on a day-to-day basis. The Standards of Conduct must be observed by all employees at all times.

QUALITY

We will deliver high quality of care to our patients in a manner that reflects responsibility, consistency and cost effectiveness.

OPEN-DOOR

Suggestions for improving TSC are always welcome. At some time, you may have a complaint, suggestion, or question about your job, working conditions, or the treatment you are receiving. Your good-faith complaints, questions, and suggestions also are of concern to TSC. We ask you to first discuss your concerns with your co-workers and/or manager, following these steps.

- If it is a situation related to one person, please go directly to that person or your manager.
- If it is a situation that requires discussion or problem solving, please put it on the agenda for the next staff meeting. If it is more urgent than that, bring it to the manager who will find a way to involve the necessary people.
- If the problem persists, you may describe the problem to the Director of Surgical Services (preferably in writing). He/she will provide a solution or explanation. We encourage you to bring the matter to the Director of Surgical Services as soon as possible after you believe that it has failed to be resolved.
- If the problem is still not resolved, you may present the problem in writing to the Chief Nursing Officer, who will attempt to reach a final resolution.

This procedure, which we believe is important for both you and TSC, cannot guarantee that every problem will be resolved to your satisfaction. However, TSC values your observations and you should feel free to raise issues of concern, in good faith, without the fear of retaliation.

STAFF MEETINGS

Staff Meetings are important to discuss matters that affect many people. Often this is the time that changes are presented and the staff will have the opportunity to discuss how to deal with changes in the most effective manner. It is also a good forum to problem solve. It is easy for staff meetings

to offer an atmosphere of “whining or complaining”. We want to do everything to avoid this. In order to make staff meetings productive and positive the following guidelines exist:

- An open agenda will be posted and any line items should be initialed
- The first 5-10 minutes of staff meetings will be open for all to socialize without structure
- Each member will be given an opportunity to speak without interruption
- People should use paper to note ideas that they would like to present once it is their time to speak.
- Understand that not all issues will be resolved at one meeting but progress will continue with open discussions

EMPLOYMENT OF RELATIVES (NEPOTISM)

Employee’s relatives will not be eligible for employment at TSC for business reasons or where potential problems of supervision, safety, financial compromise, security, morale, or potential conflicts of interest exist.

Relatives of current employees may be hired only if the individuals concerned:

- Do not work in a direct supervisory relationship
- Do not have any direct or indirect responsibility, authority or control, real or perceived, over the other.
- For positions not in conflict with the guidelines, relatives will be considered under the same employment standards of qualification and eligibility for the position as other candidates.

PROHIBITED CONDUCT

The following conduct is prohibited and will not be tolerated by TSC. This list of prohibited conduct are examples only and other types of conduct injurious to security, personal safety, employee welfare and TSC’s operations may also be prohibited.

- Falsification of employment records, employment information or other TSC records;
- Theft, deliberate or careless damage of any TSC property, co-workers’ properties or property of a patient;
- Fighting and threatening violence in the workplace;
- Removing or borrowing TSC property without permission;
- Insubordination;
- Possession, distribution, sale, transfer, or use or being under the influence of drugs or alcohol in the workplace;
- Using profane or abusive language;
- Unreported absence of two scheduled workdays.
- Failure to obtain permission to leave work during normal working hours.

- Failure to observe working schedules.
- Abuse of paid sick leave.
- Wearing extreme, unprofessional or inappropriate styles of dress or hair while working.
- Violation of any safety, health, security or TSC policies, rules or procedures.
- Committing a fraudulent act or breach of trust under any circumstance.

This statement of prohibited conduct does not alter the TSC policy of at-will-employment. Either you or TSC remains free to terminate the employment relationship at any time, with or without reason.

DRUG AND ALCOHOL ABUSE

TSC is committed to providing a drug-free, healthful and safe workplace. To promote this goal, you are required to report to work in appropriate mental and physical condition to perform your job in a safe and satisfactory manner.

The following rules and standards of conduct apply to all employees either on TSC property or during the workday (including meals and rest periods). The following are strictly forbidden:

- Possession or use of alcohol, or being under the influence of alcohol while on the job.
- Possession, use, distribution, sale or purchase of an illegal or controlled substance or being under the influence of an illegal or controlled substance while on the job.

Drug testing may be implemented if the employee is demonstrating significant and observable changes in performance, appearance, behavior, speech, etc. which provide reasonable suspicion of his/her being under the influence of drugs and/or alcohol.

The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner, and does not endanger other individuals in the workplace.

PROFESSIONAL RELATIONSHIPS WITH PATIENTS

All patients will be called by name with every encounter. Preferred names will be on the front of the chart and used by all employees. Employees are required to wear nametags at all times while at work (unless dealing with infants or toddlers). A sufficient amount of nametags will be provided to ensure that this rule is complied with.

Employees are expected to be polite, courteous, prompt and attentive to every patient and family member. When a situation arises where the employee does not feel comfortable or capable of handling the problem, the Manager should be called immediately. Never argue with a patient.

Remember that the patient always comes first. Never regard a patient's question or concerns as an interruption or an annoyance. Patient inquiries must be addressed promptly and professionally.

Through your conduct, show your desire to assist the patient in obtaining the help she/he needs. If you are unable to help a patient, find someone who can.

Care for your patients as you would like yourself or your own family to be treated.

CONFIDENTIALITY

Employees are exposed daily to a great deal of confidential information. Disclosing confidential information is an invasion of patient privacy. None of this information, including method or procedure used for handling a specific case, should be discussed with individuals outside TSC, including relatives, friends and other patients. This information should be discussed with co-workers only as necessary and in *out of hearing* range of those who have no need to know. Violation of patient confidentiality is considered a serious breach of ethics and is grounds for immediate termination.

OPERATIONAL CONSIDERATIONS

TRUCKEE SURGERY CENTER PROPERTY

Lockers, desks, equipment and scrubs are TSC property and must be kept clean and used for work related purposes. TSC reserves the right to inspect all TSC property without notice to the employee and/or in the employee's absence.

HEALTH AND SAFETY

Employees are responsible for the safety of themselves as well as others in the workplace. In compliance with California law and to promote the concept of a safe workplace, TSC maintains an Injury and Illness Prevention Program.

An Exposure Control Plan is available at all times and will be read on the first day of work by new employees. MSDS (Material Safety Data Sheets) are available for all chemicals used in the surgery center.

In compliance with Proposition 65, TSC will inform employees of any possible exposure to a chemical known to cause cancer or reproductive toxicity.

ERGONOMICS

TSC is subject to Cal/OSHA ergonomics standards for minimizing workplace repetitive motion injuries. TSC will make necessary adjustments to reduce exposure to ergonomic hazards through modifications to equipment and processes and employee training.

TSC believes that reduction of ergonomic risk is instrumental in maintaining an environment for personal safety and well-being, and is essential; to our business.

SMOKING

Smoking is not allowed in the facility. Smoking is not allowed within 25 feet of any entrance to the facility.

PARKING

Employee vehicles may be parked in designated employee areas. Employees may not use parking designated for patients. TSC is not responsible for loss or damage to employee vehicles or contents while parked on TSC property.

EMPLOYEE BENEFITS

HOLIDAYS

Truckee Surgery Center observes the following 10 holidays:

- New Year's Day (January 1st)
- Presidents Day (Third Monday in February)
- Memorial Day (Last Monday in May)
- Independence Day (July 4th)
- Labor Day (First Monday in September)
- Thanksgiving Day (Fourth Thursday in November)
- The Friday after Thanksgiving (Fourth Friday in November)
- Christmas Eve Day (December 24th)
- Christmas Day (December 25th)
- New Year's Eve Day (December 31st)

Holiday pay is accrued for employees based on the number of hours worked as part of PTO. Eligible employees begin to accrue PTO immediately upon employment. Accrual amounts are based on the schedule below.

PAID TIME OFF

Paid time off may be used for sick time, holidays, vacation, care for a family member, personal matters, or low census time. PTO should be managed by the employee to allow for both holidays and possible sick time. Employees will need to schedule time off with their manager.

Full and Part Time Non-exempt Employees:

- 1st year through 4th year .0962 hours per hour worked (FT-5 weeks/year)
- 5th year through 9th year .1154 hours per hour worked (FT-6 weeks/ year)
- 10+ years .1347 hours per hour worked (FT-7 weeks/year)

Exempt Employees earn an additional one week PTO per year based on above schedule.

TSC encourages employees to take PTO on an annual basis. Paid time off accrual will be capped off at 240 hours. Once this cap is reached, the employee will have a reasonable amount of time to take accrued PTO. If no PTO is taken during that reasonable amount of time period, no further PTO will accrue until some paid time off is used.

Management may approve, on a case by case basis, a cash out of a lump sum of accrued PTO hours. This payment will be made on a separate check with appropriate tax deductions. The cash will not exceed 160 hours.

The total of your weekly hours, including PTO for holidays, sick time, vacation, and hours worked will equal your hours on a normal schedule, not to exceed 80 hours.

Requested time off taken without hours in your PTO bank may be approved by management based on the needs for coverage at Truckee Surgery Center. This time will be taken at no pay.

Paid time off shall be scheduled to provide adequate job coverage of job responsibilities and staffing requirements. Management will approve all requested PTO. PTO requests will be granted on a first come basis after a request for timer off form is submitted to your Manager. If two requests have the same request date, employees are encouraged to trade and work the time off requests among themselves. Seniority and/or TSC staffing requirements will be the determining factor if an agreement cannot be made between employees.

LONG TERM SICK LEAVE

Full time and regular part time employees will accrue long term sick leave at a rate of 0.027 hours for each hour paid, exclusive of overtime, standby, and callback hours, with the exception that scheduled working hours, which are changed to stand by, will accrue long term sick leave. Employees begin accruing Long Term Sick Leave immediately upon employment.

Long term sick usage begins

- 1) on the fifth calendar day of an illness
- 2) immediately upon hospitalization if sooner, or
- 3) if the employee is eligible for and receives Workers' Compensation.

The use of long term sick on days 1-3 of an illness may be approved by management on a case by case basis.

CALIFORNIA PAID SICK LEAVE

Beginning July 1, 2015, California law provides for mandatory paid sick leave under the Healthy Workplaces, Healthy Families Act (the "Act"). All employees who have worked in California for 30 or more days within a year from the start of their employment are eligible for protected paid sick time under the Act. Employees cannot be discriminated or retaliated against for requesting or using paid sick time.

Paid sick leave is a paid benefit to allow all TSC employees in a non-benefited position (per diem, temporary) to accrue paid time off to be used for the employee's illness or to care for a family member. Paid sick leave should not be confused with Personal Paid Leave (PTO) or Long Term Sick (LTS).

Paid sick leave only pertains to employees who are not eligible for PTO/LTS accrual. Employees begin accruing paid sick leave immediately upon employment.

Employee eligibility to use accrued paid sick leave begins on their 90th day of employment.

Employees accrue one (1) hour of paid sick leave for every 30 hours worked. Accrual rate is .0334 per hour worked.

Unused paid sick time will carry over from year to year. However, it will not exceed a maximum of 80 hours.

QUALIFYING REASONS FOR PAID SICK LEAVE

Paid sick time under the Act can be used for any of the following reasons:

- Diagnosis, care or treatment of an existing health condition for an employee or covered family member, as defined below.
- Preventive care for an employee or an employee's covered family member.
- For certain specified purposes when the employee is a victim of domestic violence, sexual assault or stalking.

For purposes of paid sick leave, a covered family member includes:

- A child: Defined as a biological, foster or adopted child; a stepchild; or a legal ward, regardless of the age or dependency status of the child. A "child" also may be someone for whom you have accepted the duties and responsibilities of raising, even if he or she is not your legal child.
- A parent: Defined as a biological, foster or adoptive parent; a stepparent; or a legal guardian of an employee or the employee's spouse or registered domestic partner. A "parent" may also be someone who accepted the duties and responsibilities of raising you when you were a minor child, even if he or she is not your legal parent.
- A spouse.
- A registered domestic partner.
- A grandparent.
- A grandchild.
- A sibling.

USE OF PAID SICK TIME AND NOTIFICATION

An employee can use paid sick time for any of the above reasons protected by the Act. If the need for paid sick time is foreseeable, employees must provide advance oral or written notification their manager. If the need for paid sick time is not foreseeable, employees shall provide notice to their manager as soon as practicable.

An employee can also decide to use PTO for any of the above reasons. However, if an employee wants the time off to be protected paid sick time, the employee should designate the time off accordingly and provide the above-described notice. Otherwise, TSC will treat the time off as PTO and not protected paid sick time.

STATE DISABILITY INSURANCE

California Employees Only Qualification for State Disability occurs when an employee is ill or disabled for longer than seven (7) consecutive calendar days. Participation in California State Disability is not automatic, an employee must complete an application and submit it to his/her physician for completion. Applications are available from physician's offices or TSC management.

If an employee is ill or disabled for longer than seven (7) consecutive days, Long Term Sick leave is used from the first day of illness. Any PTO used during the first four calendar days will be credited back upon receipt of proof of California State Disability benefits.

WORKERS' COMPENSATION

Qualification for Workers' Compensation occurs when an employee is hospitalized as a result of a work-related illness or injury, or when the employee is ill or disabled as a result of a work-related illness or injury for longer than three (3) consecutive calendar days. When an employee is injured at work, pay for the first three (3) days, which is not covered by Workers' Compensation Insurance, will be deducted from the employee's Long Term Sick leave bank. In order to qualify for this benefit, the employee must report any work-related injury to their manager on the day the injury occurs. If this procedure is not followed, the employee will be required to deduct the first three (3) days of the work-related illness from his/her PTO account. If an employee's Long Term Sick benefits expire while they are disabled, accrued PTO will be paid as outlined above.

EXTERNAL EMPLOYEE EDUCATION

It may be necessary for employees to attend training programs, seminars, conferences, lectures, meetings or outside activities for the benefit of TSC or the individual employee. The employee must submit, to their manager, a written request to attend and all relevant information including the date, hours, location, cost, expenses, purpose and justification for attendance. TSC sponsorship will be at the discretion of management.

Where attendance is required or authorized by TSC, customary and reasonable expenses (registration fees, materials, transportation, lodging accommodations and parking) will be reimbursed upon submission of proper receipts.

Registration fees, for approved positions, for BLS, ACLS and PALS will be reimbursed by TSC after successful completion by the employee of the class.

GENERAL BENEFITS/RIGHTS

MEDICAL/DENTAL/VISION INSURANCE

TSC provides comprehensive medical, dental, and vision insurance plans for eligible employees. Full-time and part-time employees are eligible for coverage on the first of the month following 30 days of employment and the insurance premium will be paid by TSC.

- Full time and part time employees may enroll dependents at ½ the cost.
- Exempt employees' dependents will be enrolled and maintained by TSC.

DISABILITY INSURANCE

TSC makes a payment on behalf of the employees, to the State of California to provide you with disability insurance pursuant to the California Unemployment Insurance Code. Disability insurance is payable when you cannot work because of illness or injury not caused by employment at the facility or when you are entitled to temporary workers' compensation at a rate less than the daily disability amount.

UNEMPLOYMENT COMPENSATION

TSC contributes to the California Unemployment Insurance Fund on behalf of its employees.

SOCIAL SECURITY

Social Security is an important part of every employee's retirement benefit. TSC pays a matching contribution to each employee's Social Security taxes.

WORKERS' COMPENSATION

TSC, in accordance with state law, provides insurance coverage for employees in case of work-related injury. The workers' compensation benefits provided to injured employees may include:

- Medical care
- Cash benefits, tax free, to replace lost wages
- Vocational rehabilitation to help qualified injured employees return to suitable employment.

To ensure that you receive any workers' compensation benefits to which you are entitled, you will need to:

- Immediately report any work related injury to your manager

- Seek medical treatment and follow-up care if required.
- Complete a written Employee's Claim Form (DCW Form 1) and return it to the Administrator.
- Employees must provide TSC with a certification from their health care provider regarding the need for workers' compensation disability leave and the employee's ability to return to work.

Upon submission of a medical certification that an employee is able to return to work after a workers' compensation leave, the employee under most circumstances will be reinstated to his or her same position held at the time the leave began, or to an equivalent position, if available. An employee returning from a workers' compensation leave has no greater right to reinstatement than if the employee had been continuously employed rather than on leave. For example, if the employee on workers' compensation leave would have been laid off had he or she not gone on leave, or if the employee's position has been eliminated or filled in order to avoid undermining the TSC's ability to operate safely and efficiently during the leave, and no equivalent or comparable positions are available, then the employee would not be entitled to reinstatement.

An employee's return depends on his or her qualifications for any existing openings. If, after returning from a workers' compensation disability leave, an employee is unable to perform the essential functions of his or her job because of a physical or mental disability, TSC's obligations to the employee may include reasonable accommodation, as governed by the Americans with Disabilities Act.

The law requires TSC to notify the workers' compensation insurance of any concerns of false or fraudulent claims.

TSC-PROVIDED PHYSICIAN

Truckee Surgery Center provides medical treatment for work-related injuries through a medical provider network, Tahoe Forest Hospital Occupational Health Clinic, which the TSC has chosen to provide medical care to injured employees because of their experience in treating work-related injuries.

WORKERS' COMPENSATION AND MEDICAL ILLNESS/PERSONAL LEAVE

Employees who are ill or injured as a result of a work-related incident, and who are eligible for family and medical leave under state and federal law (California Family Rights Act (CFRA)), will be placed on CFRA during the time they are disabled and not released to return to work. The leave under this laws runs concurrently, and eligible employees will be on CFRA for a maximum of 12 weeks in a 12-month period starting from the date leave is first taken.

PAID SICK LEAVE AND WORKERS' COMPENSATION BENEFITS

Paid sick leave is a benefit that also covers absences for work-related illness or injury. Employees who have a work-related illness or injury are covered by workers' compensation insurance. However, workers' compensation benefits usually do not cover absences for medical treatment. When you report a work-related illness or injury, you will be sent for medical treatment, if treatment is necessary. You will be paid your regular wages for the time you spend seeking initial medical treatment.

Any further medical treatment will be under the direction of the health care provider. Any absences from work for follow-up treatment, physical therapy or other prescribed appointments will not be paid as time worked. If you have accrued and unused sick leave, and the time off is not covered by the California Family Rights Act (CFRA), the additional absences from work will be paid with the use of sick leave. If the absences are covered by CFRA, you may choose to substitute sick leave for any time that would otherwise be unpaid.

If you do not have accrued, paid sick leave, or if you have used all of your sick leave, you may choose to substitute paid time off for further absences from worked, related to your illness or injury.

PAID FAMILY LEAVE

Employees may be eligible for Paid Family Leave (PFL) wage replacement benefits, which are funded through payroll deductions and coordinated through the Employment Development Department. PFL provides limited compensation for up to six weeks after an unpaid, seven-day waiting period when an employee needs to take leave from work to care for a parent, parent-in-law, child, spouse, registered domestic partner, grandparent, grandchild, or sibling who is seriously ill, or for a working parent who wants time to bond with his or her newborn, foster child or newly adopted child. Under provisions of California Paid Family Leave, long-term sick leave may be used to attend to an employee's child, parent, spouse or domestic partner. There is a limit of one-half (1/2) of what an employee accrues in a one-year period that can be used to attend to the employee's child, parent, spouse or domestic partner. The PFL program does not provide employees with a right to a leave of absence; it is limited to a state-mandated wage replacement benefit.

LIFE INSURANCE

TSC may provide a life insurance plan for its employees.

RETIREMENT PLAN

TSC provides a 401K for eligible employees in order to assist in planning for their retirement. All employees will receive a summary plan description. Eligible employees will be at least 21 years of age and have worked a minimum of 6 months at TSC. Eligible employee contributions will be matched at ½, not to exceed 3%. This matching amount may be changed with a 30-day written notice to the Administrator. For more information regarding eligibility, contributions, benefits and tax status, contact the Administrator.

Employees will receive a detailed explanation of the insurance plans offered.

LACTATION ACCOMMODATIONS

For up to one year after their children's birth, employees breastfeeding their children will be provided reasonable breaks to express breast milk for the newborn. Employees may use an enclosed room shielded from view and free from intrusion by others. Employees should contact management regarding the location of a private room. Employees are not required to use a restroom to express breast milk.

Employees storing milk in the refrigerator assume all responsibility for the safety of the milk and the risk of harm for any reason, including proper storage, refrigeration, and tampering.

Lactation breaks should coincide with the employees' scheduled rest periods as much as possible. Employees may use rest periods, meal periods, and an additional unpaid thirty (30) minutes twice a day to express milk. Further time may be considered excessive if it seriously disrupts Truckee Surgery Center operations.

Truckee Surgery Center will not retaliate, demote, or otherwise discipline employees for requesting or taking reasonable lactation breaks.

PREGNANT WORKERS FAIRNESS ACT Effective 2024

Truckee Surgery Center will provide reasonable accommodations to an employee's known limitations related to pregnancy, childbirth, or related medical conditions unless doing so would cause undue hardship to the surgery center.

Employees should submit accommodation requests to the Administrator or Nurse Manager.

LEAVES OF ABSENCE

Employees should request any leave in writing as far in advance as possible.

BEREAVEMENT LEAVE

TSC grants leave of absence to employees in the event of the death of the employee's current spouse, registered domestic partner, child, parent, legal guardian, brother, sister, grandparent, or grandchild; or mother-, father-, sister-, brother-, son-, or daughter-in-law. An employee with such a death in the family may take up to 5 (five) consecutive scheduled workdays off with pay with the approval of their manager. Payment will be deducted from available Long Term Sick hours. Employees may use PTO hours for additional time off. The employee's manager may approve additional unpaid leave.

DOMESTIC VIOLENCE, SEXUAL ASSAULT OR STALKING LEAVE AND ACCOMMODATION

Employees who are victims of domestic violence, sexual assault and stalking are eligible for unpaid leave. Although the leave is generally unpaid, employees can use their paid sick time under California's Healthy Workplaces, Healthy Families Act for the purposes described below.

You may request leave if you are involved in a judicial action, such as obtaining restraining orders, or appearing in court to obtain relief to ensure your health, safety or welfare, or that of your child. Please provide reasonable advance notice of the need for leave unless advance notice is not feasible. Contact your manager.

Employees who are victims of domestic violence, sexual assault or stalking and need a reasonable accommodation for their safety at work should contact management and discuss the need for an accommodation. If you are requesting such a reasonable accommodation, you will need to submit a written statement signed by you, or by an individual acting on your behalf, certifying that the accommodation is for the purpose of your safety at work.

For reasonable accommodation requests, TSC will also require certification demonstrating that you are the victim of domestic violence, sexual assault or stalking. Any of the forms of certification described above for leave purposes will suffice. TSC may request recertification every six months from the date of the previous certification. You should notify TSC if an approved accommodation is no longer needed.

TSC will engage in an interactive process with the employee to identify possible accommodations, if any, that are effective and will make reasonable accommodations unless an undue hardship will result.

TSC will, to the extent allowed by law, maintain the confidentiality of an employee requesting leave or accommodation under these provisions.

EXTENDED MEDICAL LEAVE

A medical leave of absence may be granted for non-work-related medical disabilities (other than pregnancy, childbirth, and related medical conditions) with a doctor's written certificate of disability. Extended disability leaves will also be considered on a case-by-case basis, consistent with the TSC's obligations under federal and state disability laws.

Employees should request any leave in writing as far in advance as possible.

A medical leave begins on the first day your doctor certifies that you are unable to work, and ends when your doctor certifies that you are able to return to work. The Administrator or designee will supply you with a form for your doctor to complete, showing the date you were disabled and the estimated date you will be able to return to work. An employee returning from a medical disability leave must present a doctor's certificate declaring fitness to return to work.

If you are granted a medical leave, TSC will pay you sick pay for the period of time equivalent to your accumulated long term sick pay earned. You also may use any PTO leave time previously accrued.

If returning from a non-work-related medical leave, you will be offered the same position you held at the time your leave began, if available. If your former position is not available, a comparable position will be offered. If neither the same nor a comparable position is available, your return to work will depend on job openings existing at the time of your scheduled return. TSC makes no guarantees of reinstatement, and your return will depend on your qualifications for existing openings.

California workers' compensation laws govern work-related injuries and illnesses. California pregnancy disability laws govern leaves taken because of pregnancy, childbirth, and related medical conditions. An employee that needs reasonable accommodations should contact their manager and discuss the need for an accommodation.

Any leave taken under this provision qualifying as leave under the state family and medical leave laws (CFRA) will be counted as family/medical leave, charged to your entitlement of 12 workweeks of family/medical leave in a 12-month period, and governed by the rules relating to family/medical leave.

CALIFORNIA FAMILY RIGHTS ACT Amended, effective 01/01/2021

The California Family Rights Act (CFRA) provides up to 12 workweeks of unpaid family/medical leave within a 12-month period, under the following conditions:

- The employee has been employed with TSC for a total of at least 12 months prior to the commencement of leave. The 12 months of employment must have accumulated within the previous seven years (certain exceptions apply);

- The employee has worked at least 1,250 hours during the previous 12-month period before the need for leave; and
- The employee is employed at a work site where there are 5 or more employees
Leave may be taken for one or more of the following reasons:
- The birth of the employee's child, or placement of a child with the employee for adoption or foster care;
- For incapacity due to pregnancy, prenatal medical care or child birth
- For a serious health condition that makes the employee unable to perform his or her job;
- To care for the employee's spouse, child, parent, grandchildren, grandparents, or sibling who has a serious health condition;
- To care for the employee's registered domestic partner.

For additional information about eligibility for family/medical leave, contact your manager.

PREGNANCY, CHILDBIRTH OR RELATED CONDITIONS

Leave because of the employee's disability for pregnancy, childbirth or related medical condition is not counted as time used under California law (the California Family Rights Act). Employees who take time off for pregnancy disability should apply for pregnancy disability leave (PDL). Once the pregnant employee is no longer disabled, or once the employee has exhausted PDL and has given birth she may apply for leave under the California Family Rights Act, for purposes of baby bonding.

Any leave taken for the birth, adoption, or foster care placement of a child does not have to be taken in one continuous period of time. California Family Rights Act leave taken for the birth or placement of a child will be granted in minimum amounts of two weeks. However, TSC will grant a request for a California Family Rights Act leave (for birth/placement of a child) of less than two weeks' duration on any two occasions. TSC may also grant additional requests for leave lasting less than two weeks at its discretion. Any leave taken must be concluded within one year of the birth or placement of the child with the employee.

LEAVE PROCEDURES

The following procedures shall apply when an employee requests Medical/Illness or Personal Leave:

- Please contact your manager as soon as you realize the need for leave. If the leave is based on the expected birth, placement for adoption or foster care, or planned medical treatment for a serious health condition of the employee or a family member, the employee must notify TSC at least 30 days before leave is to begin. The employee must consult with his or her supervisor regarding scheduling of any planned medical treatment or supervision in order to minimize disruption to the operations of TSC. Any such scheduling is subject to

the approval of the health care provider of the employee or the health care provider of the employee's child, parent, or spouse.

- If the employee cannot provide 30 days' notice, TSC must be informed as soon as is practical.
- If the California Family Rights Act request is made because of the employee's own serious health condition, TSC may require, at its expense, a second opinion from a health care provider that TSC chooses. The health care provider designated to give a second opinion will not be one who is employed on a regular basis by TSC.
- If the second opinion differs from the first opinion, TSC may require, at its expense, the employee to obtain the opinion of a third health care provider designated or approved jointly by the employer and the employee. The opinion of the third health care provider shall be considered final and binding on TSC and the employee.

CERTIFICATION

TSC requires the employee to provide certification. You will have 15 calendar days from the TSC request for certification to provide it to the TSC, unless it is not practicable to do so. TSC may require recertification from the health care provider if the employee requests additional leave upon expiration of the time period in the original certification. *(For example, if an employee needs two weeks of medical/illness leave, but following the two weeks needs intermittent leave, a new medical certification will be requested and required.)* If the employee does not provide medical certification in a timely manner to substantiate the need for medical/illness leave, TSC may delay approval of the leave, or continuation thereof, until certification is received. If certification is never received, the leave may not be considered family and medical leave.

If the leave is needed to care for a sick child, spouse, parent, grandchild, grandparent, or sibling the employee must provide a certification from the health care provider stating:

- Date of commencement of the serious health condition;
- Probable duration of the condition;
- Estimated amount of time for care by the health care provider; and
- Confirmation that the serious health condition warrants the participation of the employee.

When both parents are employed by TSC, and request simultaneous leave for the birth or placement for adoption or foster care of a child, TSC will not grant more than a total of 12 workweeks medical/illness or personal leave for this reason.

If an employee cites his/her own serious health condition as a reason for leave, the employee must provide a certification from the health care provider stating:

- Date of commencement of the serious health condition;
- Probable duration of the condition; and
- Inability of the employee to work at all or to perform any one or more of the essential

functions of his/her position because of the serious health condition.

If an employee is absent because of his/her own serious health condition, TSC will also require a medical release to return to work form or certification from the employee's health care provider that the employee is able to resume work. Employee's returning to work after a musculoskeletal health condition and/or have been prescribed controlled medication due to their serious health condition must be cleared through TFH Occupational Health prior to returning to work.

Failure to provide a release to return to work certificate from the employee's health care provider will result in denial of reinstatement for the employee until the certificate is obtained.

LEAVE RELATED TO MILITARY SERVICE

A leave taken due to a "qualifying exigency" related to military service must be supported by a certification of its necessity. A leave taken due to the need to care for a service member shall be supported by a certification by the service member's health care provider or other certification allowed by law. Special certification requirements apply to leaves related to military service.

HEALTH AND BENEFIT PLANS

An employee taking family medical leave will be allowed to continue participating in any health and welfare benefit plans in which he/she was enrolled before the first day of the leave (for a maximum of 12 workweeks, or 26 workweeks if the leave is to care for a covered service member) at the level and under the conditions of coverage as if the employee had continued in employment for the duration of such leave. TSC will continue to make the same premium contribution as if the employee had continued working. The continued participation in health benefits begins on the date leave first begins. In some instances, TSC may recover from an employee premiums paid to maintain health coverage if the employee fails to return to work following family/medical leave. Premium payments shall be made out by check to TSC.

Employees on pregnancy disability leave will be allowed to continue to participate in group health coverage for up to a maximum of four months of pregnancy disability leave (if such insurance was provided before the leave was taken) on the same terms as if you had continued to work. The right to continued group health coverage during pregnancy disability leave is a separate and distinct entitlement from the CFRA entitlement.

SUBSTITUTION OF PAID LEAVE

Generally, CFRA leave is unpaid. TSC may require employees to use accrued PTO and/or Long Term Sick while taking CFRA leave. In order to use paid leave for CFRA leave, employees must

comply with TSC 's normal paid leave policies. For more information on those specific circumstances, requiring or allowing the substitution of paid leave contact your manager.

REINSTATEMENT

Under most circumstances, upon return from leave, an employee will be reinstated to his or her original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, an employee has no greater right to reinstatement than if he or she had been continuously employed rather than on leave. For example, if an employee on family/medical leave would have been laid off had he or she not gone on leave, or if the employee's job is eliminated during the leave and no equivalent or comparable job is available, then the employee would not be entitled to reinstatement. In addition, an employee's use of family/medical leave will not result in the loss of any employment benefit that the employee earned before using family/medical leave.

Reinstatement after leave may be denied to certain salaried "key" employees under the following conditions:

- An employee requesting reinstatement was among the highest-paid 10 percent of salaried employees employed within 75 miles of the worksite at which the employee worked at the time of the leave request;
- The refusal to reinstate is necessary because reinstatement would cause substantial and grievous economic injury to the TSC's operations;
- The employee is notified of TSC's intent to refuse reinstatement at the time the TSC determines the refusal is necessary; and
- If leave has already begun, TSC gives the employee a reasonable opportunity to return to work following the notice described previously.

TIME ACCRUAL

Please contact the Administrator or designee with any questions regarding accrual of other TSC provided paid leave benefits (such as PTO or sick leave) during unpaid CFRA leave.

CARRYOVER

Leave granted under any of the reasons provided by state and federal law will be counted as medical/illness leave and will be considered as part of the 12-workweek entitlement (26-workweek entitlement if leave is to care for a service member) in any 12-month period. No carryover of unused leave from one 12-month period to the next 12-month period is permitted.

INTERMITTENT LEAVE

Employees may take California Family Rights Act leave intermittently (in blocks of time, or by reducing their normal weekly or daily work schedule) if the leave is for the serious health condition

of the employee or a qualifying family member and the reduced leave schedule is medically necessary as determined by the health care provider of the person with the serious health condition. The smallest increment of time that can be used for such leave is one hour. See also the discussion of Pregnancy, Childbirth or Related Medical Conditions above.

JURY DUTY AND WITNESS LEAVE

TSC encourages employees to serve on jury duty when called. Employees will receive full pay while serving on jury duty. You should notify your manager of the need for time off for jury duty as soon as a notice or summons from the court is received. You may be requested to provide written verification from the court clerk of performance of jury service. If work time remains after any day of jury selection or jury duty, you will be expected to return to work for the remainder of your work schedule.

MILITARY LEAVE

Employees who wish to serve in the military and take military leave should contact the Administrator for information about their rights before and after such leave. You are entitled to reinstatement upon completion of military service, provided you return or apply for reinstatement within the time allowed by law.

ORGAN AND BONE MARROW DONOR LEAVE

Employees who are donors for organ or bone marrow may take paid time off as follows:

- Employees may take up to 30 business days of leave in any one-year period for the purpose of donating an organ to another person. The one-year period is calculated from the date the employee begins his/her leave.
- Employees may take up to 5 business days of leave in any one-year period for the purpose of donating bone marrow to another person. The one-year period is calculated from the date the employee's leave begins.
- During the leave for organ/bone marrow donors, TSC will continue to provide and pay for any group health plan benefits the employee was enrolled in prior to the leave of absence.
- Leave taken for the purpose of organ or bone marrow donation is not leave for the purpose of family medical leave under state law, The California Family Rights Act.
- Employees who wish to take a leave of absence to donate bone marrow or an organ will be required to provide written verification of the need for leave, including confirmation that the employee is an organ or bone marrow donor and that there is a medical necessity for the donation of the organ or bone marrow.

TSC requires that employees taking leave for organ donation use two weeks of accrued but unused

PTO.

Once a Donor has exhausted the required PTO the employee will be paid for the remaining leave of absence, if additional leave is needed, up to the maximum allowed by law.

PERSONAL LEAVE

A personal leave of absence without pay may be granted at the discretion of TSC. Requests for personal leave should be limited to unusual circumstances requiring an absence of longer than two weeks. Approved personal absences of shorter duration are not normally treated as leaves, but rather as excused absences without pay.

CONCURRENT PERSONAL AND FAMILY/MEDICAL LEAVE

Any leave taken under this provision that qualifies as leave under the state and/or federal Leave Acts will be counted as medical/illness leave and charged to your entitlement of 12 workweeks of family/medical leave in a 12-month period.

PREGNANCY DISABILITY LEAVE CALIFORNIA EMPLOYEES

If you are pregnant, have a related medical condition, or are recovering from childbirth, please review this policy. Any employee planning to take pregnancy disability leave should advise their manager as early as possible. The individual should make an appointment their manager to discuss the following conditions:

- Duration of pregnancy disability leave will be determined by the advice of the employee's physician, but employees disabled by pregnancy may take up to four months of leave per pregnancy (the working days you normally would work in one-third of a year or 17 1/3 weeks). Part-time employees are entitled to leave on a pro rata basis. The four months of leave includes any period of time for actual disability caused by the employee's pregnancy, childbirth, or related medical condition. This includes leave for severe morning sickness and for prenatal care, doctor-ordered bed rest, as well as other reasons. Your healthcare provider determines how much time you need for your disability.
- TSC will also reasonably accommodate medical needs related to pregnancy, childbirth, or related conditions or temporarily transfer you to a less strenuous or hazardous position (where one is available) or duties if medically needed because of your pregnancy.
- Employees who need to take pregnancy disability must inform TSC when a leave is expected to begin and how long it will likely last. If the need for a leave, reasonable accommodation, or transfer is foreseeable (such as the expected birth of a child or a planned medical treatment for yourself), employees must provide at least 30 days advance notice before the pregnancy disability leave or transfer is to begin. Employees must consult with

their manager regarding the scheduling of any planned medical treatment or supervision in order to minimize disruption to the operations of the department. Any such scheduling is subject to the approval of the employee's health care provider;

- For emergencies or events that are unforeseeable, we need you to notify management at least verbally, as soon as practical after you learn of the need for the leave.
- Failure to comply with these notice requirements may result in delay of leave, reasonable accommodation, or transfer;
- Pregnancy leave usually begins when ordered by the employee's physician. The employee must provide TSC with a written certification from a health care provider for need of PDL, reasonable accommodation or transfer. The certification must be returned no later than 15 calendar days after it is requested by the Company. Failure to do so may, in some circumstances, delay PDL leave, reasonable accommodation or transfer. Please see the Administrator for a medical certification form to give to your health provider.
- Leave returns will be allowed only when the employee's physician sends a release;
- An employee will be required to use accrued sick time (if otherwise eligible to take the time) during a pregnancy disability leave. An employee will be allowed to use accrued PTO (if otherwise eligible to take the time) during a pregnancy disability leave; and
- Leave does not need to be taken in one continuous period of time and may be taken intermittently, as needed. Leave may be taken in increments of one hour.

If intermittent leave or leave on a reduced work schedule is medically advisable the employee may, in some instances, be required to transfer temporarily to an available alternative position that meets the employee's needs. The alternative position need not consist of equivalent duties, but must have the equivalent rate of pay and benefits. The employee must be qualified for the position. The position must better accommodate the employee's leave requirements than her regular job. Transfer to an alternative position can include altering an existing job to better accommodate the employee's need for intermittent leave or a reduced work schedule.

An employee will be reinstated to her same position held at the time the leave began or, in certain instances, to a comparable position, if available. There are limited exceptions to this policy. An employee returning from a pregnancy disability leave has no greater right to reinstatement than if the employee had been continuously employed.

Employees on pregnancy disability leave will be allowed to continue to participate in group health insurance coverage for up to a maximum of four months of disability leave (if such insurance was provided before the leave was taken) at the level and under the conditions that coverage would have been provided if the employee had continued in employment continuously for the duration of the leave. In some instances, an employer can recover from an employee premiums paid to maintain health coverage if the employee fails to return following pregnancy disability leave. PDL may impact other benefits or a seniority date. Please contact management for more information.

REPRODUCTIVE LOSS LEAVE (effective 1/1/2024)

Employees are eligible to take up to five days of leave following a reproductive loss, defined as a failed adoption, failed surrogacy, miscarriage, stillbirth, or unsuccessful assisted reproduction. A reproductive loss event is the day, or for a multiple day event, the final day of the event.

Reproductive loss leave must be taken within three months of the reproductive loss event, unless the employee is on or chooses to take leave under another leave entitlement, in which cases reproductive loss leave must be taken within three months of the other leaves end date.

The five days of reproductive loss leave may be nonconsecutive. If an employee experiences more than one reproductive loss event within a 12-month period, an employee can receive another five days of leave. Total leave for an employee's multiple reproductive loss events is limited to 20 days per 12 month period.

Compensation may be unpaid. However, employees may use any available PTO or accrued sick time.

SCHOOL APPEARANCES INVOLVING SUSPENSION

If an employee who is the parent or guardian of a child facing suspension from school is summoned to the school to discuss the matter, the employee should alert his or her manager as soon as possible before leaving work. In agreement with California Labor Code Section 230.7, no discriminatory action will be taken against an employee who takes time off for this purpose.

Employees must provide their supervisor with documentation from the school or licensed child care provider.

Employees must use PTO leave in order to receive compensation for this time off, employees who do not have PTO available will take the time off without pay.

TIME OFF FOR VOTING

If an employee does not have sufficient time outside of working hours to vote in an official state-sanctioned election, the employee may take off enough working time to vote. Such time off shall be taken at the beginning or the end of the regular working shift, whichever allows for more free time, and the time taken off shall be combined with the voting time available outside of working hours to a maximum of two hours combined. Under these circumstances, an employee will be allowed a maximum of two hours of time off during an election day without loss of pay. When possible, an employee requesting time off to vote shall give his or her supervisor at least two days' notice.

VICTIMS OF CRIME LEAVE

An employee who is themselves a victim or who is the family member of a victim of certain serious crimes may take time off from work to attend judicial proceedings related to the crime or to attend proceedings involving rights of the victim.

A family member of a crime victim may be eligible to take this leave if he/she is the crime victim's spouse, parent, child or sibling. Other family members may also be covered depending on the purpose of the leave.

The absence from work must be in order to attend judicial proceedings or proceedings involving rights of the victim. Only certain crimes are covered. You must provide reasonable advance notice of your need for leave, and documentation related to the proceeding may be required. If advance notice is not possible, you must provide appropriate documentation within a reasonable time after the absence.

For more information regarding this leave (including whether you are covered, when and what type of documentation is required, and which type of paid time off can be used), please management with day-to-day personnel responsibilities.

Employees must use PTO leave in order to receive compensation for this time off, employees who do not have PTO available will take the time off without pay.

VOLUNTEER CIVIL SERVICE PERSONNEL

No employee shall be disciplined for taking time off to perform emergency duty as a volunteer firefighter, peace officer, or emergency rescue personnel. Employees who perform emergency duty as a volunteer firefighter, reserve peace officer, or emergency rescue personnel may also take up to a total of fourteen days unpaid leave time per calendar year to engage in required fire, law enforcement or emergency rescue training. Please alert your manager that you may have to take time off for emergency duty or emergency duty training. When taking time off for emergency duty, please alert your manager before doing so when possible.

If you are an official volunteer firefighter, reserve peace officer or emergency rescue personnel, please alert your manager if you have training.

Employees must use PTO in order to receive compensation for this time off, employees who do not have PTO available will take the time off without pay. **Disclaimer: This employee handbook is subject to change.*

**TRUCKEE SURGERY CENTER, LLC
MEDICAL STAFF BYLAWS**

**TABLE OF CONTENTS
MEDICAL STAFF BYLAWS
TRUCKEE SURGERY CENTER, LLC**

LAST REVIEW: NOVEMBER 2025

<u>Article</u>	<u>Page</u>
ARTICLE I. NAME, PURPOSES and RESPONSIBILITIES	2
ARTICLE II. MEMBERSHIP	3
ARTICLE III. CATEGORIES OF MEDICAL STAFF MEMBERSHIP AND ALLIED HEALTH PROFESSIONAL STATUS	6
ARTICLE IV. APPOINTMENT AND REAPPOINTMENT	11
ARTICLE V. CLINICAL PRIVILEGES	16
ARTICLE VI. CORRECTIVE ACTION	21
ARTICLE VII. HEARINGS AND APPELLATE REVIEWS	28
ARTICLE VIII. OFFICERS	41
ARTICLE IX. COMMITTEES	44
ARTICLE X. MEETINGS.....	52
ARTICLE XI. CONFIDENTIALITY OF INFORMATION	53
ARTICLE XII. ADOPTION AND AMENDMENTS OF BYLAWS, RULES AND REGULATIONS.....	55

TRUCKEE SURGERY CENTER, LLC MEDICAL STAFF BYLAWS
PREAMBLE

These bylaws create a structure to provide an efficient, democratic framework to Medical Staff of Truckee Surgery Center, LLC (TSC, LLC). The Medical Staff endeavors to improve performance while promoting professional relationships among the members, TSC, LLC staff, patients and the community.

DEFINITIONS

1. **ALLIED HEALTH PROFESSIONAL** or **AHP** means a health care provider who is licensed or possesses the appropriate legal credentials, and is other than a licensed physician, dentist or podiatrist. AHPs may be granted practice prerogatives within the scope of their license/legal credential on the approval of the MEC and the Governing Board. The AHP shall exercise his/her practice prerogatives under the supervision of a physician, osteopath, podiatrist, or dentist member of the Medical Staff, when required by law, and in conformity with the law and these bylaws. AHPs are not members of the Medical Staff.
2. **AUTHORIZED REPRESENTATIVE** or **SURGERY CENTER'S AUTHORIZED REPRESENTATIVE** means the individual designated by the Governing Board and approved by the MEC to provide information to and request information from the National Practitioner Data Bank.
3. **CENTER REPRESENTATIVE** means a person appointed by the MEC to deliver and receive notices and any other information, or act on behalf of the Governing Board in connection with any hearing conducted pursuant to Article VII hereof.
4. **CLINICAL PRIVILEGES** or **PRACTICE PREROGATIVES** means the authorization granted by the Governing Board to a practitioner or an AHP to provide specific patient care services at the Surgery Center within defined limits, based on an individual's or AHP's license or other legal credential, education, training, experience, competence, health status and judgment.
5. **CVO** means an external Credentialing Verification Organization (CVO)
6. **GOVERNING BOARD** means the Board of Managers of TSC, LLC, as defined in the Operating Agreement of TSC, LLC.
7. **INVESTIGATION** means a formal appointment of a committee or a process formally initiated by a MEC when acting as a peer review body. The MEC may also appoint committees for purposes other than a formal "investigation," such as to "evaluate" a situation or a practitioner. Such evaluation shall not constitute an "investigation," for purposes of reporting obligations under [either] California Business and Professions Code Section 805 or the Health Care Quality Improvement Act and the National Practitioner Data Bank (NPDB).

8. MEDICAL DISCIPLINARY CAUSE OR REASON OR MDCR means that aspect of an applicant's or member's competence or professional conduct that is reasonably likely to be detrimental to patient safety or to the delivery of patient care.
9. MEDICAL EXECUTIVE COMMITTEE or MEC means the Executive Committee of TSC, LLC responsible for governing the Medical Staff as described in these bylaws.
10. MEDICAL STAFF or STAFF means those M.D.s, D.O.s, Dentists, or Podiatrists who have been granted recognition as members of the Medical Staff pursuant to the terms of these bylaws.
11. MEDICAL STAFF YEAR means the period from January 1 to December 31.
12. PRACTITIONER means an individual who holds a current license as an M.D., D.O. or D.P.M. by the State of California.
13. SURGERY CENTER means surgery center owned and operated by TSC, LLC.

ARTICLE I. NAME, PURPOSES AND RESPONSIBILITIES

1.1 NAME

The name of this organization is the Medical Staff of TSC, LLC.

1.2 PURPOSES OF THE MEDICAL STAFF

The purposes of the Medical Staff are to:

- 1.2.1 be the formal organizational structure through which (1) the benefits of membership on the Medical Staff may be obtained by individual practitioners and (2) the obligations of Medical Staff membership may be fulfilled.
- 1.2.2 serve as the primary means for accountability to the Governing Board for the appropriateness of the professional performance and ethical conduct of its members and AHPs.
- 1.2.3 strive toward the continual upgrading of the quality and safety of patient care delivered at the Surgery Center.
- 1.2.4 provide a means through which the Medical Staff may participate in TSC, LLC's policy-making.

1.3 RESPONSIBILITIES OF THE MEDICAL STAFF

The responsibilities of the Medical Staff are to:

- 1.3.1. account to the Governing Board for the quality of patient care provided by all Medical Staff members and by all AHPs authorized pursuant to the

bylaws to practice at TSC, LLC through regular reports and recommendations concerning the implementation, operation and results of the quality review and evaluation activities, which shall be developed through the following means:

- (a) Review and evaluation of the quality of patient care through a valid and reliable patient care assessment procedure.
 - (b) An organizational structure and mechanisms that allow concurrent monitoring of safe patient care and clinical practices.
 - (c) A credentials program, including mechanisms for appointment and reappointment and the granting of clinical privileges to be exercised or practice prerogatives to be performed with the verified credentials and current demonstrated performance of the applicant, Medical Staff member or AHP. Quality management information shall be included in the appraisals.
 - (d) Cooperation with nursing staff in development of policies relating to patient care.
- 1.3.2. recommend to the Governing Board action with respect to appointments, reappointments, Medical Staff category, clinical privileges, practice prerogatives and corrective action.
- 1.3.3 recommend to the Governing Board programs for the establishment, maintenance, continuing improvement and enforcement of a high level of professional standards in the delivery of health care at the Surgery Center.
- 1.3.4 account to the Governing Board for the quality of patient care through regular reports and recommendations concerning the implementation, operation and results of the quality review and evaluation activities.
- 1.3.5. initiate and pursue corrective action with respect to practitioners and AHPs, when warranted.
- 1.3.6. develop, administer, and recommend amendments to and seek compliance with these bylaws, the Medical Staff rules and regulations, and TSC, LLC policies.

ARTICLE II. MEMBERSHIP

2.1 NATURE OF MEMBERSHIP

Membership on the Medical Staff of TSC, LLC is a privilege which shall be extended only to individuals holding degrees in medicine, osteopathy, dentistry or podiatry who continuously meet the qualifications, standards and requirements set forth in these bylaws.

2.2 QUALIFICATIONS FOR MEMBERSHIP

2.2.1 GENERAL QUALIFICATIONS

Only physicians, doctors of osteopathy, dentists, and podiatrists who:

- (a) Document their (1) current licensure, (2) adequate experience, education, and training, (3) current professional competence, (4) good judgment, and (5) adequate physical and mental health status, so as to demonstrate to the satisfaction of the Medical Staff that they are professionally and ethically competent and that patients treated by them can reasonably expect to receive quality medical care;
- (b) Are determined to (1) strictly adhere to the Code of Ethics of both the surgery center and the American Medical Association, American Dental Association, American Podiatry Association, or American Osteopathic Association, whichever is applicable, as well as this Medical Staff's Bylaws and Rules and Regulations and applicable policies of the Medical Staff and the Center, (2) be able to work cooperatively with others so as not to adversely affect patient care, (3) keep as confidential, as required by law, all information or records received in the physician-patient relationship, and (4) be willing to participate in and properly discharge those responsibilities determined by the Medical Staff;
- (c) Maintain in force professional liability insurance in not less than One Million Dollars (\$1,000,000) per occurrence and Three Million (\$3,000,000) in the aggregate. The MEC, for good cause shown, may waive this requirement with regard to such member as long as such waiver is not granted or withheld on an arbitrary, discriminatory or capricious basis;
- (d) Practice within the community within a reasonable distance of the Surgery Center; and
- (e) Anesthesiologists, Orthopedists, General Surgeons, Urologists, Gynecologists, and Otolologists maintain membership or affiliation in good standing at one of the local accredited acute care hospitals of which a transfer agreement is in place.

shall be deemed to possess basic qualifications for membership on the Medical Staff. If a practitioner does not meet these basic qualifications, he/she will not be provided an application to the TSC, LLC Medical Staff.

2.2.2 PARTICULAR QUALIFICATIONS

- (a) Physicians. An applicant for physician membership on the Medical Staff must hold an M.D. or D.O. degree, and must also hold a valid and unsuspended license to practice medicine issued by the Medical Board of California or the Osteopathic Medical Board of California.
- (b) Limited License Practitioners:
 - (1) Dentists. An applicant for dental membership on the Medical Staff must hold a D.D.S. or equivalent degree, and must also hold a valid and unsuspended certificate to practice dentistry issued by the Dental Board of California.
 - (2) Podiatrists. An applicant for podiatric membership on the Medical Staff must hold a D.P.M. degree, and must hold a valid and unsuspended certificate to practice podiatry issued by the Medical Board of California Board of Podiatric Medicine.

2.3 NONDISCRIMINATION

No aspect of Medical Staff membership or particular clinical privileges shall be denied on the basis of sex, race, age, creed, color, religion, ancestry, national origin, disability, medical condition, marital status or sexual orientation, or other considerations not impacting the applicant's ability to discharge the privileges for which s/he has applied or holds, if after reasonable accommodation, the applicant complies with the bylaws and Rules and Regulations.

2.4 BASIC RESPONSIBILITIES OF MEDICAL STAFF MEMBERSHIP

The ongoing responsibilities of each Medical Staff member include:

- 2.4.1 Providing patients with the quality of care meeting the professional standards of the Medical staff of TSC, LLC;
- 2.4.2 Abiding by the Medical Staff's bylaws and rules and regulations;
- 2.4.3 Preparing and completing in a timely fashion medical records for all the patients to whom the member provides care in the Surgery Center;
- 2.4.4 Abiding by the lawful ethical principles of the California Medical Association or member's professional association;
- 2.4.5 Working cooperatively with other members and staff so as not to adversely affect patient care; and

- 2.4.6 Refusing to engage in improper inducements for patient referral.
- 2.4.7 Not deceive a patient as to the identity of any practitioner providing care or service.
- 2.4.8 Not delegate the responsibility for diagnosis or care of patients to another practitioner who is not qualified to take on this responsibility.
- 2.4.9 Cooperate in all peer review and quality assurance review of their practice and notify the Medical Director of any corrective action initiated by other healthcare organizations, agencies or professional associations; loss of malpractice coverage and any other change in the information that an applicant for appointment or reappointment must submit.
- 2.4.10 Refrain from unlawful harassment or discrimination against any person based on the person's age, religion, color, national origin, ancestry, physical disability, mental disability, medical disability, marital status, sex or sexual orientation.

ARTICLE III. CATEGORIES OF MEDICAL STAFF MEMBERSHIP AND ALLIED HEALTH PROFESSIONAL STATUS

3.1 CATEGORIES

The categories of the Medical Staff shall include the following: active, courtesy, provisional and temporary. At each time of reappointment, the member's staff category shall be determined.

3.2 ACTIVE MEDICAL STAFF

3.2.1 QUALIFICATIONS

The Active Medical Staff shall consist of members who:

- (a) Meet the general qualifications for membership set forth in Section 2.2; and
- (b) Regularly provided care to at least ten (10) patients a year in the Surgery Center.

3.2.2 PREROGATIVES

Except as otherwise provided, the prerogative of an Active Medical Staff member shall be to:

- (a) Admit patients and exercise such clinical privileges as are granted pursuant to Article V;

- (b) Attend and vote on matters presented at general and special meetings of the Medical Staff and of the committees of which he or she is a member; and
- (c) Hold staff office and serve as a voting member of committees to which he or she is duly appointed or elected by the Medical Staff or duly authorized representative thereof.

3.3 THE COURTESY MEDICAL STAFF

3.3.1 QUALIFICATIONS

The courtesy Medical Staff shall consist of members who:

- (a) Meet the general qualifications for membership set forth in Section 2.2;
- (b) Regularly care for (or reasonably anticipate regularly caring for) less than ten (10) patients per year in the Surgery Center;
- (c) Have satisfactorily completed appointment in the provisional category.

3.3.2 PREROGATIVES

Except as otherwise provided, the courtesy Medical Staff member shall be entitled to;

- (a) Admit patients and exercise such clinical privileges as are granted pursuant to Article V; and
- (b) Attend in a non-voting capacity meetings of the Medical Staff, including open committee meetings and educational programs, but shall have no right to vote at such meetings, except within committees when the right to vote is specified at the time of appointment. Courtesy staff members shall not be eligible to hold office in the Medical Staff.

3.4 PROVISIONAL STAFF

3.4.1 QUALIFICATIONS

The provisional Medical Staff shall consist of members who meeting the general Medical Staff membership qualifications set forth in Section 2.2.

3.4.2 PREROGATIVES

The provisional Medical Staff member shall be entitled to:

- (a) Admit patients and exercise such clinical privileges as are granted pursuant to Article V; and
- (b) Attend meetings of the Medical Staff, including committee meetings with the permission of the chairman, and educational programs, but shall have no right to vote at such meetings, except within committees when the right to vote is specified at the time of appointment. Provisional Medical Staff members shall not be eligible to hold office in the Medical Staff.

3.4.3 OBSERVATION OF PROVISIONAL STAFF MEMBER

Each provisional staff member shall undergo a period of observation by designated monitors as described in Section 5.3. The observation shall be to evaluate the member's (1) proficiency in the exercise of clinical privileges initially granted and (2) overall eligibility for continued staff membership and advancement within staff categories. The MEC shall establish in rules and regulations the frequency and format of observation the MEC deems appropriate in order to adequately evaluate the provisional staff member including, but not limited to, concurrent or retrospective chart review, mandatory consultation, and/or direct observation. Appropriate records shall be maintained.

3.4.4 TERM OF PROVISIONAL STAFF STATUS

A member shall remain in the provisional staff until ten (10) cases have been reviewed by a physician appointed by the MEC. Five (5) of the ten (10) cases may be completed at a local Medicare-certified hospital as long as written documentation of such is provided by the member.

3.4.5 ACTION AT CONCLUSION OF PROVISIONAL STAFF STATUS

- (a) If the provisional staff member has satisfactorily demonstrated his or her ability to exercise the clinical privileges initially granted and otherwise appears qualified for continued Medical Staff membership, the member shall be eligible for placement in the Active or Courtesy Medical Staff as appropriate, on recommendation of the Medical Director to MEC and Governing Board; and
- (b) In all other cases, the Medical Director and MEC make its recommendation to the Governing Board regarding a modification or termination of clinical privileges, or termination of Medical Staff membership.

3.5 TEMPORARY STAFF

3.5.1 QUALIFICATIONS

The Temporary Staff shall consist of physicians, dentists, and podiatrists who do not actively practice at the Surgery Center but are important resource individuals for non-clinical Medical Staff quality management activities (i.e. proctoring, peer review activities, consultation on quality management). Such persons shall be qualified to perform the non-clinical functions for which they are made temporary members of the staff.

3.5.2 PREROGATIVES

Temporary Medical Staff members shall be entitled to attend all meetings of committees to which they have been appointed for the limited purpose of carrying out quality management functions. They shall have no privileges to perform clinical services in the Surgery Center. They may not admit patients to the ambulatory care center, or hold office in the Medical Staff organization. Finally, they may attend Medical Staff meetings outside of their committees, on invitation.

3.6 ONE-TIME SURGICAL ASSIST PRIVILEGES

Only physician Medical Staff members shall be eligible for one-time surgical assist privileges. The physician must be a member in good standing at a local Medicare-certified hospital. The physician must notify the TSC, LLC authorized representative one week prior to the scheduled procedure. The following documentation must be received: 1) copy of a valid California medical license and DEA certificate, 2) copy of malpractice insurance certificate and, 3) a report of all actions by any licensing or regulatory agency, medical group, or hospital against the physician. Prior to granting the privileges, the Medical Board, the National Practitioner Data Bank, the OIG/GSA exclusion list, and the hospital where the physician holds clinical privileges shall be queried, the answers shall have been received and have been deemed acceptable by the Medical Director. The authorized representative will verify all information and the Medical Director will review and approve/disapprove the privileges. There is no application fee. The privilege will be granted for one day only and may be requested three (3) times in a twelve (12) month period.

3.7 ALLIED HEALTH PROFESSIONALS

3.7.1 DEFINITION

Allied Health Professional or AHP means a health care provider who is licensed or possesses the appropriate legal credentials, and is other than a licensed physician, dentist or podiatrist. AHPs may be granted practice prerogatives within the scope of their license/legal credential on the approval of the MEC and the Governing Board. The AHP shall exercise his/her practice prerogatives under the supervision of a physician, osteopath, podiatrist, or dentist member of the

Medical Staff, when required by law, and in conformity with the law and these bylaws. AHPs are not members of the Medical Staff.

3.7.2 QUALIFICATIONS

An AHP may be granted practice prerogatives as described in Section 3.7.1 hereof, provided he or she holds a current license or other legal credential as required by State law, and who:

- (a) documents his or her experience, background, training, demonstrated ability, physical health status and mental health status, with sufficient adequacy to demonstrate that any patient treated by them shall receive care of the generally recognized professional level of quality and that they are qualified to provide a needed service at the Surgery Center; and
- (b) are determined, on the basis of documented references, to adhere strictly to the ethics of their respective professions as applicable and to work cooperatively with others; and
- (c) participates in continuing medical education applicable to their specialty; and
- (d) demonstrates acceptable malpractice coverage.

3.7.3 APPLICATIONS

Applications for AHP status and practice prerogatives will be processed in a parallel manner to those for Medical Staff members, as appropriate.

3.7.4 PREROGATIVES

AHPs shall be eligible to provide services at TSC, LLC under this category. The MEC may establish particular qualifications for AHPs.

3.7.5 DURATION

The qualifications of each AHP shall be reviewed on initial application and every two (2) years thereafter.

3.7.6 PROCEDURAL RIGHTS

Nothing herein shall create any vested rights to any such AHP to receive or maintain any practice prerogatives.

Anyone entitled to impose a summary suspension pursuant to Section 6.3 has the authority to summarily suspend an AHP. Termination of AHPs shall not entitle them to any of the hearing and appeal provisions of Article VII, unless otherwise

required by law. For AHPs, a hearing with unbiased members of the MEC and an appeal to the Governing Board shall be provided if practice prerogatives have been denied, revoked, or restricted for a Medical Disciplinary Cause or Reason. In the event that an AHP has acquired AHP status by virtue of his/her employment or other relationship with a member of the Medical Staff, termination shall be automatic and simultaneous on the termination of the relationship between the Medical Staff member and TSC, LLC or the Medical Staff member and the AHP without the right to a hearing or appeal.

3.7.7 CATEGORIES

The Governing Board shall determine, based on comments of the MEC and such other information as it has before it, those categories of AHPs that shall be eligible to exercise clinical privileges or practice prerogatives in the Surgery Center. AHPs exercising practice prerogatives in a Governing Board-approved category shall be subject to supervision requirements as required by law and as recommended by the Allied Health Professionals Committee and the MEC, and approved by the Governing Board.

ARTICLE IV. APPOINTMENT AND REAPPOINTMENT

4.1 GENERAL

Except as otherwise specified herein, no person shall exercise clinical privileges in the Surgery Center unless that person applies for and receives appointment to the Medical Staff or is granted temporary privileges as set forth in these bylaws.

4.2 APPOINTMENT AUTHORITY

Appointments, denials and revocations of appointments to the Medical Staff shall be made as set forth in these bylaws, but only after there has been a recommendation from the Medical Director to the MEC and Governing Board.

4.3 DURATION OF APPOINTMENT AND REAPPOINTMENT

Except as otherwise provided in these bylaws, initial appointments to the Medical Staff shall be for a period of two (2) years. Reappointments shall be for a period of two (2) years.

4.4 APPLICATION FOR INITIAL APPOINTMENT AND REAPPOINTMENT

4.1.1 APPLICATION FORM

An application form shall be approved by the MEC. The form shall require detailed information which shall include, but not be limited to, information concerning:

- (a) The applicant's qualifications, including, but not limited to, education, professional training and experience, current licensure, current DEA registration, and continuing medical education information related to the services to be performed by the applicant;
- (b) Peer references familiar with the applicant's professional competence and ethical character;
- (c) Request for specified clinical privileges;
- (d) Past or pending professional disciplinary action, licensure limitation, or related matter;
- (e) Physical and mental health status;
- (f) Final judgments or settlements made against the applicant in professional liability cases, and any filed cases pending; and
- (g) Professional liability coverage.
- (h) Criminal Background Screening

Each application for initial appointment to the Medical Staff shall be in writing, submitted on the prescribed form with all provisions completed or accompanied by an explanation of why answers are unavailable, and signed by the applicant. When an applicant requests an application form, that person shall be given a copy of these bylaws, the Medical Staff rules and regulations, and summaries of other applicable policies relating to clinical practice at the Surgery Center, if any.

4.4.2 EFFECT OF APPLICATION

By applying appointment to the Medical Staff each applicant:

- (a) Signifies willingness to appear for interviews regarding the application;
- (b) Authorizes consultation with others who have been associated with the applicant and who may have information bearing on the applicant's competence, qualifications and performance, and authorizes such individuals and organizations to candidly provide all such information;
- (c) Consents to inspection of records and documents that may be material to an evaluation of the applicant's qualifications and ability to carry out clinical privileges requested, and authorizes all individuals and organizations in custody of such records and documents to permit such inspection and copying;

- (d) Releases from any liability, to the fullest extent permitted by law, all persons for their acts performed in connection with investigating and evaluating the applicant;
- (e) Releases from liability, to the fullest extent permitted by law, all individuals and organizations who provide information regarding the applicant, including otherwise confidential information;
- (f) Consents to the disclosure to other organizations, hospitals, medical associations, licensing boards, and to other similar organizations as required by law, any information regarding the applicant's professional or ethical standing that TSC, LLC or the Medical Staff may have, and releases the Medical Staff and Governing Board from liability for so doing to the fullest extent permitted by law; and
- (g) Pledges to provide for continuous quality care for patients.

4.4.3 VERIFICATION OF INFORMATION

The applicant shall deliver a completed application to the CVO credentialing designee. An application is considered "complete" when all required application information and supporting documents have been received. The Medical Executive Committee or designee shall be notified of the application. The CVO shall seek to collect and primary source verify the references, licensure status, DEA, State DPS, State CDS if applicable, Medical malpractice insurance coverage consistent with guidelines of the Governing Body, Criminal background check, board certification, and other evidence submitted in support of the application, as indicated in the credentialing policies and procedures. TSC, LLC's authorized representative shall query the American Medical Association (AMA) or the American Osteopathic Association Physician Profiles and the Education Commission for Foreign Medical Graduates (ECFMG) if applicable, regarding the applicant or member and place in the applicant's or member's credentials file. The National Practitioner Data Bank, the OIG/GSA exclusion list, and the relevant professional licensing board shall be queried on all applicants. The applicant shall be notified of any problems in obtaining the information required, and it shall be the applicant's obligation to obtain the required information. When collection and verification is accomplished, all such information will be given to the Medical Director for review then to the MEC for recommendation to the Governing Board. The TSC, LLC may use paper or electronic processes for applications, credentialing, and privileging.

4.4.4 MEC ACTION

At its next regular meeting after receipt of the application, or as soon thereafter as is practical, the MEC shall consider the application. The MEC may request additional information, and/or elect to interview the applicant. The MEC shall

render and forward to the Governing Board a written report and decision as to Medical Staff appointment. The MEC may also defer action on the application. The reasons for the decision shall be stated.

Recommendations concerning membership and clinical privileges shall be based on whether the applicant meets the qualifications and can carry out all of the responsibilities specified in the bylaws and TSC, LLC's ability to provide adequate support services and facilities for practitioners.

4.4.5 EFFECT OF MEC ACTION

When a final proposed action gives rise to the obligation to file an 805 report in accordance with the California Business and Professions Code § 805(b), the Governing Board shall be promptly informed in writing and the applicant shall be promptly informed by written notice in accordance with California Business and Professions Code § 809.1 and shall then be entitled to the procedural rights as provided in Article VII. AHPs do not have hearing rights as provided in these bylaws.

4.4.6 ACTION ON THE APPLICATION

The Governing Board may accept the recommendation of the MEC or may refer the matter back to the MEC for further consideration, setting the purpose for such referral and setting a reasonable time limit for making a subsequent recommendation. The following procedures shall apply with respect to action on the application:

- (a) If the MEC issues a favorable recommendation, the Governing Board shall affirm the recommendation of the MEC, refer the matter back to the MEC, or decide not to concur.
 - (1) If the Governing Board concurs in that recommendation, the decision of the Governing Board shall be deemed final action.
 - (2) If the final proposed action gives rise to the obligation to file an 805 report in accordance with the California Business and Professions Code § 805(b), the applicant shall be promptly informed by written notice in accordance with California Business and Professions Code § 809.1 and shall then be entitled to the procedural rights as provided in Article VII. If the applicant waives his or her procedural rights, the decision of the Governing Board shall be deemed final action.
- (b) In the event the final proposed action of the MEC, or any significant part of it, gives rise to the obligation to file an 805 report in accordance with the California Business and Professions

Code § 805(b), the procedural rights set forth in Article VII shall apply.

- (1) If the applicant waives his or her procedural rights, the recommendations of the MEC shall be forwarded to the Governing Board for final action, which shall affirm the recommendation of the MEC if the decision is supported by substantial evidence.
- (2) If the applicant requests a hearing, the Governing Board shall take final action only after the applicant has exhausted his or her procedural rights as established by Article VII. After exhaustion of the procedures set forth in Article VII, subject only to the rights of appeal as set forth in these bylaws, the Governing Board shall make a final decision and shall affirm the decision of the Judicial Review Committee if it is supported by substantial evidence following a fair procedure. The Governing Board's decision shall be in writing and shall specify the reasons for the action taken.

4.4.7 NOTICE OF FINAL DECISION

- (a) Notice of the final decision shall be given to the applicant in writing.
- (b) A decision and notice to appoint or reappoint shall include, if applicable: (1) the clinical privileges granted; and (2) any special conditions attached to the appointment.

4.4.8 TIMELY PROCESSING OF APPLICATIONS

Applications for Medical Staff appointments shall be considered in a timely manner as stated in the credentialing policies and procedures. While special or unusual circumstances may constitute good cause and warrant exceptions, the following time periods provide a guideline for routine processing of applications:

- (a) Evaluation, review, and verification of application and all supporting documents sixty (60) days after receipt of all necessary documentation;
- (b) Review and recommendation by MEC thirty (30) days after receipt of all necessary documentation.

4.5 REAPPOINTMENT

Medical staff privileges must be periodically reappraised, not less than every two (2) years. The scope of procedures performed at TSC, LLC must be periodically reviewed and amended as appropriate.

4.5.1 REAPPLICATION

At least five (5) months prior to the expiration date of the current staff appointment, a reapplication form shall be mailed or delivered to the member. At least ninety (90) days prior to the expiration date, each Medical Staff member shall submit to the CVO designee the completed application form for renewal of appointment to the staff, and for renewal or modification of clinical privileges. The reapplication form shall include all information necessary to update and evaluate the qualifications of the applicant including, but not limited to, the matters set forth in Section 4.4.1, as well as other relevant matters. On receipt of the application, the information shall be processed as set forth commencing at Section 4.4.3.

4.5.2 FAILURE TO FILE REAPPOINTMENT APPLICATION

If the member fails without good cause to file a completed application within forty-five (45) days past the date it was due, the member shall be deemed to have resigned membership from the TSC, LLC Medical Staff, as of the date of expiration of his/her appointment, and the procedures set forth in Article VII shall not apply.

ARTICLE V. CLINICAL PRIVILEGES

5.1 EXERCISE OF PRIVILEGES

A member providing clinical services at this surgery center shall be entitled to exercise only those clinical privileges specifically granted. These privileges and services must be organization specific, within the scope of any license, certificate or other legal credential authorizing practice in this state and consistent with any restrictions thereon. Medical Staff privileges may be granted, continued, modified or terminated by the Governing Board of TSC, LLC after considering the recommendation of the MEC, and only for reasons directly related to quality of patient care and other provisions of the Medical Staff bylaws, and only following the procedures outlined in these bylaws.

5.2 DELINEATION OF PRIVILEGES IN GENERAL

5.2.1 REQUESTS

Each application for appointment and reappointment to the Medical Staff must contain a request for the specific clinical privileges desired by the applicant and are limited to those privileges currently held at an area acute care facility. A

request by a member for a modification of clinical privileges may be made at any time, but such requests must be supported by documentation of training and/or experience supportive of the request.

5.2.2 BASES FOR PRIVILEGES DETERMINATION

Requests for clinical privileges shall be evaluated on the basis of the member's education, training, experience, demonstrated professional competence and judgment, clinical performance, and the documented results of patient care and other quality review and monitoring which the Medical Staff deems appropriate. Privilege determinations may also be based on pertinent information concerning clinical performance obtained from outside sources and appropriateness of procedure for an ambulatory surgery center setting.

5.3 PROCTORING

5.3.1 GENERAL PROVISIONS

Except as otherwise determined by the MEC, all new members and all members granted new clinical privileges shall be subject to a period of review. Performance on three (3) procedures has been established by the MEC, to determine suitability to continue to perform services within the Surgery Center. Monitoring reports available at accredited local hospitals may be accepted in lieu of fifty percent (50%) of the monitoring reports required to be completed at the Surgery Center. Monitoring reports must be as described in section 3.4.3 and completed by a physician appointed by the MEC. The Medical Director will review, evaluate and make recommendations to the MEC through the use of physician monitoring records and other quality data.

5.3.2 FAILURE TO OBTAIN CERTIFICATION

If a new member or member exercising new clinical privileges fails to obtain such certification within the time allowed by the MEC those specific clinical privileges shall automatically terminate, and the member shall be entitled to a hearing, on request, pursuant to Article VII, if such failure is due to a Medical Disciplinary Cause or Reason.

5.4 CONDITIONS FOR PRIVILEGES OF LIMITED LICENSE PRACTITIONERS

5.4.1 GENERAL EXCEPTIONS TO PREROGATIVES

Limited license members:

- (a) shall exercise clinical privileges only within the scope of their licensure and as set forth below.

5.4.2 ADMISSIONS

When dentists, oral surgeons, and podiatrists provide care to patients within the ambulatory care center, the patient's primary care provider or cardiologist has completed the medical portion of the H&P exam and has provided medical clearance for the patient to be admitted to the surgery center. Alternatively, a physician member of the Medical Staff may conduct or directly supervise the care provided by the limited license practitioner, except the portion related to dentistry or podiatry, and assume responsibility for the care of the patient's medical problems, which are outside of the limited license practitioner's lawful scope of practice.

5.4.3 SURGERY

Surgical procedures performed by dentists and podiatrists shall be under the overall supervision of a physician member of the Medical Staff with surgical privileges.

5.4.4 MEDICAL APPRAISAL

All patients admitted for care at the Surgery Center by a dentist or podiatrist shall receive the same basic medical appraisal as patients admitted to other services, and the dentists or podiatrists shall consult with a physician member to determine the patient's medical status and a need for medical evaluation.

5.5 TEMPORARY PRIVILEGES

5.5.1 CIRCUMSTANCES

- (a) Temporary privileges may be granted where good cause exists to a physician for the care of specific patients but for not more than four (4) patients per calendar year provided that the procedure described in Section 5.5.2 has been followed.
- (b) Following the procedures in Section 5.5.2, temporary privileges may be granted to a person serving as a locum tenens for a current member of the TSC, LLC Medical Staff. Such person may attend the patients of the member for whom the person is serving as locum tenens and only for a period not to exceed ninety (90) days per calendar year, unless the MEC recommends a longer period for good cause.

5.5.2 APPLICATION AND REVIEW

- (a) On receipt of a completed application and supporting documentation from a physician, dentist, or podiatrist authorized to practice in California, the MEC may grant temporary privileges to

a practitioner who appears to have qualifications, ability and judgment, consistent with Section 2.2.1, but only after:

- (1) The MEC has contacted at least one person who:
 - a. Has recently worked with the applicant;
 - b. Has directly observed the applicant's professional performance over a reasonable time; and
 - c. Provides reliable information regarding the applicant's current professional competence, ethical character, and ability to work well with others so as not to adversely affect patient care.
- (2) The appropriate licensing board, the National Practitioner Data Bank, and the OIG/GSA exclusion list have been queried, the answer shall have been received and it has been deemed acceptable by the Medical Director.
- (3) The applicant's file is forwarded to the MEC.
- (4) Reviewing the applicant's file and attached materials, the MEC recommends granting temporary privileges.

5.5.3 GENERAL CONDITIONS

- (a) If granted temporary privileges, the applicant shall act under the supervision of the Medical Director within TSC, LLC.
- (b) Temporary privileges shall automatically terminate at the end of the designated period, unless earlier terminated by the MEC or unless affirmatively renewed following the procedure as set forth in Section 5.5.2.
- (c) Requirements for proctoring and monitoring including, but not limited to, those in Section 5.3, shall be imposed on such terms as may be appropriate under the circumstances.
- (d) Temporary privileges may at any time be terminated by the Medical Director or MEC. In such cases, the Medical Director or MEC shall assign a member of the TSC, LLC Medical Staff to assume responsibility for the care of such member's patient(s). The wishes of the patient shall be considered in the choice of a replacement Medical Staff member. Terminations for Medical Disciplinary Cause or Reason give rise to the hearing rights specified in Article VII.

- (e) All persons requesting or receiving temporary privileges shall be bound by the bylaws and rules and regulations of the TSC, LLC Medical Staff.

5.6 LEAVE OF ABSENCE

5.6.1 A Medical Staff member may request a voluntary leave of absence from the Medical Staff by submitting a written notice to the MEC. The request must state the approximate period of leave desired, which may not exceed one (1) year, and include the reasons for the request. Upon written request of the Medical Staff member to the MEC, and at the discretion of the MEC, an approved leave may be extended to two (2) years. During the period of leave, the Practitioner shall not exercise clinical privileges at the Surgery Center, and membership prerogatives and responsibilities shall be in abeyance. The request may be granted or denied, in whole or in part, at the discretion of the MEC with Governing Board Approval. In making its decision, the MEC shall consider the abilities of the Medical Staff to fulfill the patient care needs that may be created in the Surgery Center by the absence of the member requesting the leave. All Medical Staff members requesting a leave of absence are expected to complete all medical records and Medical Staff and Surgery Center matters prior to commencing the leave of absence, unless, in the judgment of the MEC, the member has a physical or psychological condition that prevents him/her from completing records and/or concluding other Medical Staff or Surgery Center matters.

5.6.2 A leave of absence may be granted for any reason approved by the MEC and the Governing Board including, but not limited to, the following reasons:

- (a) Medical Leave of Absence

A Medical Staff member may request and be granted a leave of absence for the purpose of obtaining treatment for a medical or psychological condition, disability, or impairment.

- (b) Military Leave of Absence

A Medical Staff member may request and be granted a leave of absence to fulfill military service obligations.

- (c) Educational Leave of Absence

A Medical Staff member may request and be granted a leave of absence to pursue additional education and training. Any additional clinical privileges that may be desired upon the successful conclusion of additional education and training must be requested in accordance with these Bylaws.

- (d) Personal/Family Leave of Absence

A Medical Staff member may request and be granted a leave of absence for a variety of personal reasons (e.g., to pursue a volunteer endeavor) or family reasons (e.g., maternity leave).

5.6.3 Termination of Leave

At least thirty (30) days prior to the requested termination of the leave of absence, the Medical Staff member may request reinstatement of Medical Staff membership and clinical privileges by submitting a written notice to the MEC. The written request for reinstatement shall include an attestation that no changes have occurred in the status of any of the criteria listed in Section 2.2 of these Bylaws or, if changes have occurred, a detailed description of the nature of the changes. In addition, the MEC may request any information or evidence it deems relevant to the decision to reinstate a Practitioner to the Medical Staff including, but not limited to, medical records of Practitioner. If so requested, the Medical Staff member shall submit a summary of relevant activities during the leave which may include, but is not limited to, the scope and nature of professional practice during the leave period and any professional training completed. The MEC may approve or deny the requested reinstatement in whole or in part and may limit or modify the requested reinstatement, including, but not limited to, imposing requirements for monitoring and/or proctoring. If the leave of absence has extended past the Practitioner's reappointment time, he/she will be required to submit an application for reappointment in accordance with these Bylaws and the reinstatement shall be processed as a reappointment.

An adverse decision regarding reinstatement of Medical Staff membership, which is not for a MDCR, shall not constitute grounds for a hearing under Article VII of these Bylaws.

5.6.4 Failure to Request Reinstatement

The Medical Director will notify the physician in writing no less than 60 days and again no less than 30 days prior to the expiration of a leave of absence. Failure, without good cause, to request reinstatement prior to the end of an approved leave of absence shall be deemed an automatic termination from the Medical Staff.

ARTICLE VI. CORRECTIVE ACTION

6.1 ROUTINE MONITORING AND EDUCATION

The TSC, LLC Medical Staff committees are responsible for carrying out peer review and quality or performance improvement review functions. Following completion of the peer review process, the committees may counsel, educate, issue letters of warning or censure, or institute retrospective or concurrent monitoring (so long as the practitioner is only required to provide reasonable notice of admissions and procedures) in the course of carrying out those functions without initiating formal corrective action. Comments, suggestions, and warnings

may be issued orally or in writing. Any such actions, monitoring, or counseling shall be documented in the member's peer review file. MEC approval is not required for such actions, although the actions may be reported to the MEC. The routine monitoring and education actions described in this section shall not constitute a restriction of clinical privileges or grounds for any formal hearing or appeal rights under Article VII.

6.2 CORRECTIVE ACTION

6.2.1 CRITERIA FOR INITIATION

Any person may provide information to the MEC about the conduct, performance, or competence of Medical Staff members. When reliable information indicates a member may have exhibited acts, demeanor, or conduct reasonably likely to be (1) detrimental to patient safety or to the delivery of quality patient care within the Surgery Center; (2) unethical; (3) contrary to the Medical Staff bylaws and rules or regulations; (4) below applicable professional standards; (5) disruptive of Surgery Center operations; or (6) illegal, a member may request for an investigation or action against such member may be made.

[6.2.2 CRIMINAL ARREST

In the event that an individual is arrested for alleged criminal acts, an immediate investigation into the circumstances of the arrest shall be made. The MEC shall review the circumstances leading to the arrest and may determine if further action is warranted prior to the outcome of the legal action. If the MEC recommends use of a corrective action that fits the definition of an adverse action, this shall entitle the individual subject to such action to notification and the right to a hearing and as set forth in Article VII.]

6.2.3 INITIATION

A request for an investigation must be in writing, submitted to the MEC and supported by reference to specific activities or conduct alleged. If the MEC initiates the request, it shall make an appropriate recordation of the reasons.

6.2.4 INVESTIGATION

If the MEC concludes an investigation is warranted, it shall direct an investigation to be undertaken. The MEC may conduct the investigation itself, or may assign the task to an appropriate Medical Staff member or committee. If the investigation is delegated to a member or committee, such person(s) shall proceed with the investigation in a prompt manner and shall forward a written report of the investigation to the MEC as soon as possible. The report may include recommendations for appropriate corrective action. The member shall be notified that an investigation is being conducted and shall be given an opportunity to provide information in a manner and on such terms as the investigating body

deems appropriate. The investigating body may, but is not obligated to, conduct interviews with persons involved; however, such investigation shall not constitute a “hearing” as that term is used in Article VII, nor shall the procedural rules with respect to hearings or appeals apply.

Despite the status of any investigation, at all times the MEC shall retain authority and discretion to take whatever action may be warranted by the circumstances, including summary suspension, termination of the investigative process, or other action.

6.2.5 MEC ACTION

As soon as possible after the conclusion of the investigation, the MEC shall take action which may include, without limitation:

- (a) Determining no corrective action be taken and, if the MEC determine there was not credible evidence for the complaint in the first instance, removing any adverse information from the member’s file;
- (b) Deferring action for a reasonable time;
- (c) Issuing letters of admonition, censure, reprimand, or warning. In the event such letters are issued, the affected member may make a written response which shall be placed in the member’s file;
- (d) Recommending the imposition of terms of probation or special limitation on continued TSC, LLC Medical Staff membership including, without limitation, requirement for mandatory consultation, or monitoring; and
- (e) Recommending termination of membership.

6.2.6 SUBSEQUENT ACTION

- (a) If corrective action as set forth in Section 6.2 is recommended by the MEC, that recommendation shall be transmitted for information to the Governing Board.
- (b) The recommendation of the MEC shall be adopted by the Governing Board as final action unless the member requests a hearing, in which case the final decision shall be determined as set forth in Article VII, if applicable, or the Governing Board disagrees with the MEC.

6.2.7 ALTERNATIVE TO CORRECTIVE ACTION

Initial collegial efforts may be made prior to resorting to formal corrective action, when appropriate. Such collegial interventions on the part of Medical Staff leaders in addressing the conduct or performance of an individual shall not constitute corrective action, shall not afford the individual subject to such efforts to the right to a hearing as set forth in Article VII hereof, and shall not require reporting to the State Licensure Board or the National Practitioner Data Bank, except as otherwise provide in these Bylaws or required by applicable law. Alternatives to corrective action may include:

- (a) Informal discussions or formal meetings regarding the concerns raised about conduct or performance;
- (b) Written letters of guidance, reprimand, or warning regarding the concerns about conduct or performance;
- (c) Notification that future conduct or performance shall be closely monitored and notification of expectations for improvement;
- (d) Suggestions or requirements that the individual seek continuing education, consultations, or other assistance in improving performance and which do not in any way restrict the individual's ability to exercise clinical privileges at the Surgery Center; and/or
- (f) Requirements to seek assistance for any impairment.

6.3 SUMMARY RESTRICTION OR SUSPENSION

6.3.1 CRITERIA FOR INITIATION

Whenever failure to immediately suspend or restrict a practitioner may result in imminent danger to the health of any individual, the MEC or any officer thereof, may summarily suspend the membership of such member. Unless otherwise stated, such summary suspension shall become effective immediately on imposition and the person or committee responsible shall promptly give written notice to the member and the Governing Board. The summary restriction or suspension may be limited in duration and shall remain in effect for the period stated or, if none, until resolved as set forth herein.

6.3.2 MEC ACTION

As soon as practical, but no later than seven (7) calendar days after such summary restriction or suspension has been imposed, a meeting of the MEC as a whole shall be convened to review and consider the action. On request, the member may attend and make a statement concerning the issues under investigation, on such

terms and conditions as the MEC may impose. In no event, however, shall any meeting of the MEC, with or without the member, constitute a “hearing” within the meaning of Article VII, nor shall any procedural rules apply. The MEC may modify, continue, or terminate the summary suspension, but in any event it shall furnish the member with notice of its decision.

6.3.3 PROCEDURAL RIGHTS

If the MEC does not terminate the summary suspension, the member shall be entitled to the procedural rights afforded by Article VII.

6.4 AUTOMATIC SUSPENSION OR LIMITATION

In the following instances, membership may be suspended or limited as described, and a hearing, if requested, shall be an informal hearing before the MEC limited to the question of whether the grounds for automatic suspension as set forth below have occurred.

6.4.1 LICENSURE

- (a) Revocation, Expiration, and Suspension: Whenever a member’s license or other legal credential authorizing practice in this state expires, is revoked or suspended, TSC, LLC Medical Staff membership shall be automatically revoked as of the date such action becomes effective.
- (b) Restriction: Whenever a member’s license or other legal credential authorizing practice in this state is limited or restricted by the applicable licensing or certifying authority, any clinical privileges exercised at the Surgery Center which are within the scope of said limitation or restriction shall be automatically limited or restricted in a similar manner, as of the date such action becomes effective and throughout its term.
- (c) Probation: Whenever a member is placed on probation by the applicable licensing or certifying authority, his or her membership status shall automatically become subject to the same terms and conditions of the probation as of the date such action becomes effective and throughout its term.

6.4.2 CONTROLLED SUBSTANCES

- (a) Whenever a member’s DEA certificate is revoked, limited, suspended, or expires, the member shall automatically and correspondingly be divested of the right to prescribe medications covered by the certificate, as of the date such action becomes effective and throughout its term.

- (b) Probation: Whenever a member's DEA certificate is subject to probation, the member's right to prescribe such medications shall automatically become subject to the same terms of the probation, as of the date such action becomes effective and throughout its term.

6.4.3 FAILURE TO SATISFY SPECIAL APPEARANCE REQUIREMENT

A practitioner who fails to satisfy the requirements of Section 10.6.2 shall automatically be suspended from exercising all or such portion of his/her clinical privileges in accordance with the provisions of said Section 10.6.2.

6.4.4 CONVICTION OF FELONY

A Medical Staff member who is convicted of a felony, or who has pled "guilty" or pled "no contest" or its equivalent, in any jurisdiction, to a felony shall immediately and automatically be suspended from practicing at TSC, LLC. Such suspension is effective on conviction and does not await the results of an appeal or the conviction otherwise becoming final. Such suspension shall remain in effect until the matter is resolved by subsequent action by the MEC to dissolve the suspension or to continue it and initiate further corrective action.

6.4.5 MATTERS INVOLVING LICENSE, DRUG ENFORCEMENT ADMINISTRATION CERTIFICATE, FAILURE TO SATISFY SPECIAL APPEARANCE AND FELONY CONVICTION

As soon as practicable after action is taken as described in Section 6.3.1, paragraphs (b) or (c), or in Sections 6.4.2, 6.4.3, 6.4.4 and 6.4.5, the MEC shall convene to review and consider the facts on which such action was predicated. The MEC may then recommend such further corrective action as may be appropriate based on information disclosed or otherwise made available and/or may direct that an investigation be undertaken pursuant to Section 6.1.3. With regard to a felony conviction, the MEC shall make a finding of whether the felony is related to the Medical Staff member's basic qualifications, functions, duties or ethical conduct prior to deciding whether to dissolve a suspension or to continue it and initiate further corrective action. Hearing rights are subject to the provisions of Article VII.

6.4.6 CLINICAL RECORDS

Members of the Medical Staff are required to complete clinical records within such reasonable time as may be prescribed by the Medical Director or MEC and in any event, no later than thirty (30) days from the date treatment was provided. A limited suspension in the form of withdrawal of the right to treat future patients at the Surgery Center until clinical records are completed, shall be imposed by the Medical Director or MEC, after notice of delinquency for failure to complete clinical records within such period. Bona fide vacation or illness may constitute

an excuse subject to approval by the Medical Director or MEC. The suspension shall continue until lifted by the Medical Director or MEC.

6.4.7 PROFESSIONAL LIABILITY INSURANCE

Failure to maintain professional liability insurance shall be grounds for automatic suspension of a member's clinical privileges, and if within thirty (30) days after written warnings of the delinquency the member does not provide evidence of required professional liability insurance, the member's membership shall be automatically terminated and the member shall not have the right to a hearing pursuant to Article VII.

6.4.8 Misrepresentation

Whenever it is discovered that an individual materially misrepresented, omitted or erred in answering the questions on an application for Medical Staff membership or clinical privileges or in answering interview queries, the individual's membership and clinical privileges shall be automatically terminated. The individual may not re-apply for membership or privileges until twenty-four (24) months have passed.

6.4.9 Impaired Practitioner

Should a Practitioner or Allied Health Professional appear or become impaired while providing patient care, the Medical Director or Administrator shall be notified immediately. Impaired shall mean illness, suspected drug abuse or suspected alcohol intoxication if such could reasonably interfere with the Practitioner's or Allied Health Professional's competent performance of procedures at the Surgery Center. Should the Medical Director or Administrator determine that a Practitioner or Allied Health Professional is impaired as defined above, the Practitioner or Allied Health Professional shall be denied or removed from patient contract until it has been determined that the individual is no longer impaired.

6.4.10 AUTOMATIC RESIGNATION

(1) Relocation

Unless otherwise approved by the Governing Board upon recommendation of the MEC, any Practitioner or other individual with clinical privileges who takes up permanent residence more than a reasonable distance, as determined by the Governing Board, from the Surgery Center shall be deemed to have resigned from the Medical Staff and relinquished all clinical privileges.

(2) Failure to Apply for Reappointment or Renewal of Privileges

A term of medical staff membership or the granting of clinical privileges shall be for a period of no more than two (2) years. In the event that reappointment or a renewal of clinical privileges has not occurred for whatever reason prior to the expiration of the current term of appointment, the membership and clinical privileges of the individual shall be terminated. The individual shall be notified of the termination and the need to submit a new application if continued membership or clinical privileges are desired. The failure to seek reappointment or renewal of clinical privileges prior to the expiration of the current term of appointment shall not give rise to the hearing and appellate rights set forth in Article VII.

ARTICLE VII. HEARINGS AND APPELLATE REVIEWS

These procedures apply to all applicant/member physicians, dentists, and podiatrists applying to practice or practicing within the Surgery Center.

7.1 STATEMENT OF PURPOSE

The following procedures are set forth in order to help ensure that a professional review action is taken in the reasonable belief that the action is in the furtherance of quality health care; that a reasonable effort is made to obtain the facts of the matter; that adequate notice and hearing procedures are afforded to the Practitioner involved and that any action eventually taken is warranted by the facts ascertained. All committees, panels, and boards charged with responsibility under Article VII and Article IX of these Bylaws shall evaluate and improve the quality of care rendered at the Surgery Center. The procedures set forth in this Article VII shall apply exclusively to Practitioners.

7.2 INTERVIEWS

Any interviews conducted pursuant to these bylaws shall neither constitute, nor be deemed, a "hearing," as described in this Article VII, shall be preliminary in nature, and shall not be conducted according to the procedural rules applicable with respect to hearings. When the MEC or the Governing Board is considering an independent adverse recommendation, as defined in Section 7.3, or when otherwise deemed appropriate by the MEC or Governing Board, the MEC or Governing Board may offer the Medical Staff member an interview. In the event an interview occurs, the Medical Staff member may be informed of the general nature of the circumstances leading to such recommendation and may present information relevant thereto. In an interview, neither the Medical Staff member nor the MEC is entitled to representation by an attorney. A record of the matters discussed and findings resulting from such interview may be made.

7.3 GROUNDINGS FOR HEARING

7.3.1 Recommendations or Actions Triggering Right to Hearing

The following recommendations or actions shall, if deemed adverse pursuant to Section 7.3.5 of these Bylaws, entitle the affected Practitioner to a hearing:

1. Denial of initial staff appointment for a MDCR;
2. Denial of reappointment for a MDCR;
3. Suspension of staff membership for a MDCR lasting longer than 14 days;
4. Termination or revocation of staff membership for a MDCR;
5. Denial of requested advancement in staff category for a MDCR;
6. Reduction in staff category for a MDCR;
7. Denial of requested clinical privileges for a MDCR;
8. Restriction of or reduction in clinical privileges for a cumulative total of 30 days or more in any 12-month period, for a MDCR;
9. Suspension of clinical privileges for a MDCR lasting longer than 14 days;
10. Termination or revocation of clinical privileges for a MDCR; or
11. Individual requirement of consultation for a MDCR.

7.3.2 Recommendations or Actions Not Triggering Right to Hearing

There shall be no right to a hearing in situations not listed in Section 7.3.1. These situations include, but are not limited to, a warning letter of reprimand or censure, a mandatory personal appearance, a notification requirement (which may require an individual to give reasonable notice of performance of certain procedures but does not require consultation or approval or presence of a proctor prior to the individual beginning the procedure), any voluntary resignation or relinquishment of privileges, or any action based on the individual's failure to meet minimum objective

standards for membership or any specific clinical privilege that apply to all similarly situated individuals. For example, the possession of a medical license is required for membership, and there are certain required activity levels such as numbers of particular procedures per year.

7.3.3 When Necessary Facilities and Support Are Unavailable

Additionally, there shall be no right to a hearing for a Practitioner whose application for Medical Staff membership or request for an extension of clinical privileges was declined on the basis that the clinical privileges being requested are not able to be supported with available facilities or resources within the Surgery Center. Similarly, there shall be no right to a hearing if the Surgery Center makes a policy decision (*e.g.*, closing a service, or a physical plant change) that adversely affects the staff membership or clinical privileges of any Member or any other individual.

7.3.4 Exclusive Contracting

The Surgery Center may refuse to accept an application for appointment or reappointment on the basis of an exclusive professional contract that the Surgery Center has entered into for services. Upon receipt of such an application, the Medical Director shall notify the applicant in writing that the application cannot be processed because of the existence of such an exclusive contract. No applicant whose application is denied on such a basis shall be afforded any of the procedural rights set forth in Article VII of these Bylaws. Further, no Practitioner shall be afforded any of the procedural rights set forth in Article VII of these Bylaws due to the loss of the ability to perform services at the Surgery Center as a result of the Surgery Center entering into an exclusive professional contract with other Practitioners.

7.3.5 When Deemed Adverse

A recommendation or action listed in Section 7.3.1 of these Bylaws shall be deemed adverse only when it has been:

1. Recommended by the MEC; or
2. Taken by the Governing Board contrary to a favorable recommendation by the MEC under circumstances where no right to hearing existed; or
3. Taken by the Governing Board on its own initiative without benefit of a prior recommendation by the MEC.

7.4 EXHAUSTION OF REMEDIES

If any of the above adverse action is taken or recommended, the member must exhaust the remedies afforded by these procedures before resorting to legal action.

7.5 NOTICE OF REASONS/ACTION

Whenever any of the actions listed above are taken or proposed for a non-MDCR, the member shall receive a written statement of the reasons therefore. However, the Article VII sections below apply only where action was taken or proposed for a MDCR.

A Practitioner against whom an adverse recommendation or action has been taken pursuant to Section 7.3.5 of these Bylaws shall promptly be given special notice of such action. Such special notice shall be sent by the Center Representative by hand or by certified or registered mail. Such notice shall:

1. Advise the Practitioner that a professional review action has been proposed to be taken against him;
2. State the reasons for the proposed action;
3. Alert the Practitioner that he has thirty (30) days following the date of receipt of notice in which to request a hearing on the proposed action and that failure to request a hearing within thirty (30) days shall constitute a waiver of his right to a hearing on the matter;
4. Advise the Practitioner that the Surgery Center may be required pursuant to Section 805 of the California Business and Professions Code to report the proposed action, if taken; and
5. Provide a summary of his rights at such a hearing under these Bylaws.

7.6 HEARING

7.6.1 Request for a Hearing

A Practitioner shall have thirty (30) days following his or her receipt of a notice pursuant to Section 7.5 to file a written request for a hearing. A Practitioner's receipt of the notice of the proposed action shall be irrebuttably presumed four (4) days after the date of the certified or registered mailing, or, if hand-delivered, on the date of delivery. Any request for a hearing must be received by the Center Representative within the thirty (30) day timeframe. The request for a hearing

shall contain a statement, signed by the Practitioner, that the Practitioner shall maintain confidentially all documents provided to him during the fair hearing process and shall not disclose or use the documents for any purpose outside of the fair hearing process or any lawsuit directly related to the hearing process.

7.6.2 Waiver by Failure to Request a Hearing

A Practitioner who fails to request a hearing within the time and in the manner specified in Section 7.6.1 waives any right to such a hearing to which he might otherwise have been entitled. Such waiver in connection with:

1. An adverse action by the Governing Board shall constitute acceptance of that action, which shall thereupon become effective as the final decision of the Surgery Center. This decision shall be immediately effective and shall not be subject to further hearing, appellate, or judicial review.
2. An adverse recommendation by the MEC shall constitute acceptance of that recommendation, which shall thereupon become and remain effective pending the final decision of the Governing Board. The Governing Board shall consider the MEC's recommendation at its next regular meeting following waiver. In its deliberations, the Governing Board shall review all the information and material considered by the MEC and may consider all other relevant information received from any source. The Governing Board's action shall constitute the final decision of the Surgery Center. This decision shall be immediately effective and shall not be subject to further hearing, appellate, or judicial review.

The Center Representative shall promptly send the Practitioner special notice informing the Practitioner of each action taken pursuant to this Section 7.6.2 and shall notify the Governing Board of each such action. Such special notice shall be sent by hand or by certified or registered mail.

7.6.3 Number Of Hearings

Notwithstanding any other provision of these Bylaws, no Practitioner shall be entitled as a right to more than one hearing with respect to an adverse recommendation or action.

7.7 HEARING PREREQUISITES

7.7.1 Notice Of Time And Place Of Hearing

Upon receipt of a timely request for hearing, the Center Representative shall deliver such request to the Governing Board and the MEC. At least thirty (30)

days prior to the hearing, the Center Representative shall send the Practitioner special notice of the time, place, and date of the hearing. Such special notice shall be sent by hand or by certified or registered mail. The hearing date shall be not less than thirty (30) days from the date of receipt of the request for hearing. The notice of hearing shall identify the Practitioners who will comprise the Judicial Review Committee. The notice of hearing shall also contain a list by number of the specific or representative patient records (if any) in question and a list of witnesses (if any) expected to testify at the hearing at the request of the Judicial Review Committee. These lists may be amended at a later date, and the amended list of records and witnesses shall be provided to the Practitioner prior to the hearing. Nothing in this section, however, shall preclude the Judicial Review Committee, in its sole discretion, from calling additional witnesses whose testimony is determined to be relevant by the Judicial Review Committee.

7.7.2 Appointment Of Judicial Review Committee

1. A hearing occasioned by an adverse recommendation pursuant to Section 7.3.5 shall be conducted by a Judicial Review Committee appointed by the Medical Director and composed of three (3) members of the Active Medical Staff who (1) are in good standing, (2) are unbiased with respect to the subject matter of the hearing, (3) do not stand to gain any direct financial benefit from the outcome of the hearing, and (4) have not acted as an accuser, investigator, fact finder or initial decision-maker in the same matter. Knowledge of the matter involved shall not preclude a member from serving as a member of the Judicial Review Committee. If feasible, subject to the requirements of Section 7.7.3(2) below, at least one (1) of the Judicial Review Committee members should be a Practitioner practicing in the same specialty as the Practitioner who is the subject of the hearing.
2. No Practitioner in direct economic competition with the Practitioner may serve as a Judicial Review Committee member. A Practitioner shall be disqualified from serving on a Judicial Review Committee if he has participated in initiating, investigating, or making decisions regarding the underlying matter at issue. Members who serve on the Governing Board may be appointed to serve on a Judicial Review Committee only if the Medical Director determines in good faith that the number of Active Medical Staff Members otherwise eligible to participate on the Judicial Review Committee is not sufficient to constitute a Judicial Review Committee the membership of which does not overlap with the Governing Board. In such case, any member of the Governing Board who serves on a Judicial Review Committee shall be excluded from considering and voting on the matter as a member of the Governing Board.

7.7.3 Objection To Judicial Review Committee Composition

Upon receipt of notice provided in Section 7.5, the Practitioner shall have a reasonable opportunity to *voir dire* the Judicial Review Committee members and, within five (5) days after such *voir dire*, to object in writing to the participation of any members of the Judicial Review Committee. Such written objection shall be delivered by hand or by certified or registered mail to the Hearing Officer. Any objection to the composition of the Judicial Review Committee must be based on the Practitioner's reasonable and good faith belief that one (1) or more individuals selected to serve on the Judicial Review Committee are not impartial with respect to the subject matter of the hearing or the Practitioner at issue. The Hearing Officer shall, in his or her sole discretion, determine whether new Judicial Review Committee members should be appointed to replace the members to whom the Practitioner objected. If no objection is made in writing prior to the later of five (5) days after the *voir dire* or ten (10) days after the Practitioner's receipt of the notice provided pursuant to Section 7.5 if the Practitioner has not requested a *voir dire* by such time, the Practitioner shall be deemed to have waived any objection to the Judicial Review Committee's composition.

7.10 HEARING PROCEDURE

7.10.1 Personal Presence

The personal presence of the Practitioner who requested the hearing shall be required. A Practitioner who fails without good cause, as determined by the Judicial Review Committee in its sole discretion, to appear at such hearing shall be deemed to have waived his rights in the same manner and with the same consequence as provided in Section 7.5.2.

7.10.2 Presiding Officer

The Hearing Officer shall act as the presiding officer. The Hearing Officer shall act to maintain decorum and to assure that all participants in the hearing have a reasonable opportunity to present relevant oral and documentary evidence. The Hearing Officer shall be entitled to determine the order of procedure during the hearing and shall make all rulings on matters of law, procedure, and the admissibility of evidence.

7.10.3 The Hearing Officer

The Governing Board on recommendation of the MEC may appoint a Hearing Officer to preside at the hearing. The Hearing Officer may be an attorney at law qualified to preside over a quasi-judicial hearing, but an attorney regularly utilized by TSC, LLC for legal advice regarding its affairs and activities shall not be eligible to serve as Hearing Officer. The Hearing Officer shall gain no direct financial benefit from the outcome and must not act as a prosecuting Officer or as an advocate. The Hearing Officer shall endeavor to assure that all participants in

the hearing have a reasonable opportunity to be heard and to present relevant oral and documentary evidence in an efficient and expeditious manner, and that proper decorum is maintained. The Hearing Officer shall be entitled to determine the order of or procedure for presenting evidence and argument during the hearing and shall have the authority and discretion to make all rulings on questions which pertain to matters of law, procedure or the admissibility of evidence. If the Hearing Officer determines that either side in a hearing is not proceeding in an efficient and expeditious manner, the Hearing Officer may take such discretionary actions as seems warranted by the circumstances. If requested by the Judicial Review Committee, the Hearing Officer may participate in the deliberations of the Judicial Review Committee and be a legal advisor to it, but shall not be entitled to vote.

7.10.4 Notice By Practitioner

The Practitioner who requested the hearing shall be entitled to be accompanied and represented at the hearing by an attorney or other person of the Practitioner's choice. At least ten (10) days prior to the hearing, the Practitioner shall provide the name of his attorney or other representative and a list of witnesses he will call. The Practitioner shall deliver such notice by hand or by certified or registered mail to the Center Representative, who shall promptly forward a copy of such notice to the Judicial Review Committee. The Practitioner's list of witnesses may be amended at any time for good cause shown. The Judicial Review Committee shall, in its sole discretion, determine whether good cause has been shown. The MEC or the Governing Board, depending on whose recommendation or action prompted the hearing, shall appoint an individual to represent the facts in support of its adverse recommendation or action, and to examine witnesses.

7.10.5 Rights Of Parties

During a hearing, each of the parties shall, as soon as practicable,:

1. Have access to all of the information made available to the Judicial Review Committee;
2. Be afforded a reasonable time to present his case by:
 - a. Calling and examining witnesses;
 - b. Introducing exhibits;
 - c. Cross-examining any witness on any matter relevant to the issues; and
 - d. Presenting and rebutting any evidence determined by the Hearing Officer to be relevant.
3. Have the right to present a written statement at the close of the hearing; and

4. Obtain a copy of the record upon payment of any reasonable charges associated with the preparation thereof and upon signing a stipulation agreeing to maintain the record confidentially.

If the Practitioner who requested the hearing does not testify in his own behalf, he may be called and examined as if under cross-examination.

7.10.6 Access To Information and Documents

The Practitioner shall have the right to inspect and copy at his or her own expense any documentary information relevant to the action or recommendation at issue which the MEC has in its possession or under its control, as soon as practicable after the receipt of the Practitioner's request for a hearing. The MEC shall have the right to inspect and copy at its own expense any documentary information relevant to the action or recommendation at issue which the Practitioner has in his or her possession or control as soon as practicable after receipt of the MEC's request. The failure by either party to provide access to this information at least thirty (30) days before the hearing shall constitute good cause for a continuance. The right to inspect and copy by either party does not extend to confidential information referring solely to individually identifiable Practitioners, other than the Practitioner under review. The Hearing Officer shall consider and rule upon any request for access to information, and may impose any safeguards the protection of the peer review process and justice requires.

When ruling upon requests for access to information and determining the relevancy thereof, the Hearing Officer shall consider the following:

1. Whether the information sought may be introduced to support or defend the recommendation or action against the Practitioner;
2. The exculpatory or inculpatory nature of the information sought, if any;
3. The burden imposed on the party in possession of the information sought, if access is granted;
4. Any previous requests for access to information submitted or resisted by the parties to the same proceeding; and
5. Such other factors as the Hearing Officer deems appropriate.

The member shall be entitled to representation by legal counsel in any phase of the hearing, should he/she so choose, and shall receive notice of the right to obtain representation by an attorney at law. In the absence of legal counsel, the member shall be entitled to be accompanied by and represented at the hearing only by a practitioner licensed to practice in the state of California, who is not also an

attorney at law, and the MEC shall appoint a representative who is not an attorney to present its action or recommendation, the materials in support thereof, examine witnesses, and respond to appropriate questions. The MEC shall not be represented by an attorney at law if the member is not so represented.

7.10.7 Procedure And Evidence

The hearing need not be conducted strictly according to rules of law relating to the examination of witnesses or presentation of evidence. Any relevant matter upon which responsible persons customarily rely in the conduct of serious affairs, including hearsay, shall be admitted, regardless of the admissibility of such evidence in a court of law. Each party will file documentary evidence within ten (10) days in advance of the hearing. Each party shall, prior to or during the hearing, be entitled to submit memoranda concerning any issue of law or fact, and such memoranda shall become part of the hearing record. The Hearing Officer shall not allow a witness to attend the hearing and may require that a witness take an oath before testifying. A record of the hearing shall be made by use of a court reporter or an electronic recording unit. The Judicial Review Committee shall be entitled to legal counsel or other representation in all hearings and proceedings.

7.10.8 Official Notice

In reaching a decision, the Judicial Review Committee may take official notice, either before or after submission of the matter for decision, of any generally accepted technical or scientific matter relating to the issues under consideration and of any facts that may be judicially noticed by the courts of the state where the hearing is held. Parties present at the hearing shall be informed of the matters to be noticed and those matters shall be noted in the hearing record. Any party shall be given opportunity, on timely request, to request that a matter be officially noticed and to refute the officially noticed matters by evidence or by written or oral presentation of authority, the manner of such refutation to be determined by the Judicial Review Committee. The Judicial Review Committee shall also be entitled to consider all other information that can be considered, pursuant to these Bylaws, in connection with applications for appointment or reappointment to the Medical Staff and for clinical privileges.

7.10.9 Burden Of Proof

The burden of presenting evidence and proof during the hearing shall be as follows:

1. The MEC or the Governing Board, depending on whose recommendation or action prompted the hearing, shall have the initial duty to present evidence which supports the recommendation or action.

2. Initial applicants shall bear the burden of persuading the Judicial Review Committee by a preponderance of the evidence of their qualifications by producing information which allows for adequate evaluation and resolution of reasonable doubts concerning their current qualifications for Medical Staff membership and clinical privileges. Initial applicants shall not be permitted to introduce information not produced during the application process, unless the initial applicant establishes that the information could not have been produced previously in the exercise of reasonable diligence.
3. Except as provided above for initial applicants, the MEC or the Governing Board, depending on whose recommendation or action prompted the hearing, shall bear the burden of persuading the Judicial Review Committee by a preponderance of the evidence that the action or recommendation is reasonable and warranted.

7.10.10 Postponements and Extensions

Once a request for hearing is initiated, postponements and extensions of time beyond the time permitted in these bylaws may be permitted by the Hearing Officer on a showing of good cause, or on agreement of the parties

7.10.11 Presence Of Judicial Review Committee Members

Each member of the Judicial Review Committee must be present throughout the hearing and deliberations.

7.10.12 Recesses And Adjournment

The Judicial Review Committee or the Hearing Officer, upon consultation with the Judicial Review Committee, may recess the hearing and reconvene the same without additional notice for the convenience of the participants or for the purpose of obtaining new or additional evidence or consultation. Upon conclusion of the presentation of oral and written evidence, the hearing shall be closed. The Judicial Review Committee shall thereupon, at a time convenient to itself, conduct its deliberations outside the presence of the parties. The Judicial Review Committee may seek legal counsel during its deliberations and the preparation of its report. Upon conclusion of its deliberations, the hearing shall be declared finally adjourned.

7.10.13 Judicial Review Committee Report

The decision of the Judicial Review Committee shall be based on the evidence introduced at the hearing, including all logical and reasonable inferences from the evidence and the testimony. Within thirty (30) days after final adjournment of the hearing, the Judicial Review Committee shall render a decision which shall be accompanied by a report in writing and shall be delivered to the parties and to the Governing Board. If the member's membership is currently suspended however, the time for the decision and report shall be fifteen (15) days. The report shall contain a concise statement of the reasons in support of the decision including findings of fact and a conclusion articulating the connection between the evidence produced at the hearing and the conclusion reached. The decision of the Judicial Review Committee shall be subject to such rights of appeal or review as described in these bylaws. On an appeal, the Appeal Board shall give great weight to the decision of the Judicial Hearing Committee and in no event shall act in an arbitrary or capricious manner in making its decision. The Appeal Board shall decide whether there was substantial compliance with these bylaws and applicable law, whether the Judicial Hearing Committee decision was supported by the evidence based on the hearing record, and if the action was taken arbitrarily, unreasonably, or capriciously. Both the member and the MEC shall be provided a written explanation of the procedure for appealing the decision.

7.11 APPEAL

7.11.1 TIME FOR APPEAL

Within ten (10) days after receipt of the decision of the Judicial Review Committee either the member or the MEC may request an appellate review. A written request for such review shall be delivered to the Governing Board. If a request for appellate review is not made within such period, that action or recommendation shall be affirmed by the Governing Board as the final action, if it is supported by substantial evidence following a fair procedure.

7.11.2 GROUNDS FOR APPEAL

A written request for an appeal shall include an identification of the grounds for appeal and a clear and concise statement of the facts in support of the appeal. The grounds for appeal from the hearing shall be:

- (a) Substantial non-compliance with the procedures required hereunder or applicable law which has created demonstrable prejudice;
- (b) The decision was not supported by the evidence based on the hearing record or such additional information as may be permitted pursuant to Section 7.11.5, below.

7.11.3 TIME, PLACE AND NOTICE

If an appellate review is to be conducted, the Appeal Board shall, within fifteen (15) days after receipt of notice of appeal, schedule a review date and cause each side to be given notice of the time, place and date of the appellate review. The date of appellate review shall not be less than thirty (30) nor more than sixty (60) days from the date of such notice, provided however, that when a request for appellate review concerns a member whose membership has been summarily suspended, the appellate review shall be held as soon as the arrangements may reasonably be made, not to exceed fifteen (15) days from the date of the notice. The time for appellate review may be extended by the Appeal Board for good cause.

7.11.4 APPEAL BOARD

The Governing Board of TSC, LLC, or a committee thereof, shall act as the Appeal Board. Knowledge of the matter involved shall not preclude any person from serving as a member of the Appeal Board, so long as that person was not previously involved with the same matter. 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.

7.11.5 APPEAL PROCEDURE

The proceedings by the Appeal Board shall be in the nature of an appellate hearing based on the record of the hearing before the Judicial Review Committee, provided that 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 Judicial Review Committee in the exercise of reasonable diligence and subject to the same rights of cross-examination and confrontation provided at the hearing; or the Appeal Board may remand the matter to the Judicial Review Committee for the taking of further evidence and for decision. Each party shall have the right to be represented by legal counsel, or any other representative designated by that party in connection with the appeal, to present a written statement in support of his or her position on appeal and to personally appear and make oral argument. The Appeal Board may thereon conduct, at a time convenient to itself, deliberations outside the presence of the appellant and respondent and their representatives.

7.11.6 DECISION

- (a) Except as provided in Section (b), below within thirty (30) days after the conclusion of the appellate review proceedings, the Appeal Board shall affirm, modify, reverse, or remand for further review the Judicial Review Committee's decision.

- (b) Should the Appeal Board determine that the Judicial Review Committee's decisions are not supported by the evidence, the Appeal Board may modify or reverse the decision and may instead, or shall, where a fair procedure has not been afforded, remand the matter back for reconsideration, stating the purpose for the referral. If the matter is remanded to the Judicial Review Committee for further review and recommendation, the Judicial Review Committee shall promptly conduct its review and make its recommendations to the Appeal Board. This further review and the time required to report back shall not exceed thirty (30) days in duration except as the parties may otherwise agree or for good cause as jointly determined by the Appeal Board and the Judicial Review Committee.
- (c) The decision shall be in writing, shall specify the reasons for the action taken, and shall be forwarded to the MEC and the subject of the hearing. The decision shall be final.

7.12 REAPPLICATION

Following an adverse final decision by the Governing Board, the Practitioner may not reapply for appointment to the Medical Staff or for clinical privileges, whichever is applicable, for at least twenty-four (24) months after the Governing Board's final decision or in a manner that is inconsistent with the Governing Board's final decision.

7.14 EXTERNAL REPORTING REQUIREMENTS

The Surgery Center shall submit a report regarding a final adverse action to the appropriate state professional licensure board (i.e., the state agency that issued the individual's license to practice) and all other agencies as required by all applicable Federal and/or State law(s).

ARTICLE VIII. OFFICERS

8.1 OFFICERS OF THE MEDICAL STAFF

8.1.1 IDENTIFICATION

The officers of the Medical Staff shall be a president, a secretary and a chief financial officer (but may remain vacant).

8.1.2 QUALIFICATIONS

Officers must be members of the Active Medical Staff at the time of their nominations and election, and must remain members in good standing during their term of office. Failure to maintain such status shall create a vacancy in the office involved.

8.1.3 ELECTION

Officers shall be elected by the Governing Board.

8.1.4 TERM OF ELECTED OFFICE

Each officer shall serve a two (2)-year term, commencing on the first day of the Medical Staff year following his or her election. Each officer shall serve in each office until the end of that officer's term, or until a successor is appointed, unless that officer shall sooner resign or be removed from office.

8.1.5 VACANCIES IN ELECTED OFFICE

Vacancies in office occur on the death or disability, resignation, or removal of the officer, or such officer's loss of membership on the Active Medical Staff. Vacancies may be filled by appointment by the MEC until the next regular election.

8.2 MEDICAL DIRECTOR

8.2.1 SELECTION The Medical Director shall serve at the pleasure of the Governing Board as the chief officer of the Medical Staff. The Medical Director shall enter into a contract with TSC, LLC and shall be required to attain Medical Staff membership and clinical privileges as a condition of that contract. As a contractor, the Medical Director is subject to the regular personnel policies of TSC, LLC and the terms of the Medical Director contract.

8.2.2 DUTIES

The duties of the Medical Director shall include, but not be limited to:

- (a) Enforcing the Medical Staff bylaws and rules and regulations, implementing sanctions where indicated, and promoting compliance with procedural safeguards where corrective action has been requested or initiated;
- (b) Calling, presiding at, and being responsible for the agenda of all meetings of the Medical Staff;
- (c) Serving as chairman of the MEC;
- (d) Serving as an ex officio member of all other staff committees without vote, unless his or her membership in a particular committee is required by these bylaws;
- (e) Appointing, in consultation with the MEC, committee members for all standing and special Medical Staff, liaison, or multidisciplinary committees, except where otherwise provided by these bylaws and,

except where otherwise indicated, designating the chairman of these committees; and

- (f) Performing such other functions as may be assigned to the Medical Director by these bylaws, the Medical Staff, or by the MEC and Governing Board;
- (g) Interacting with the Governing Board in all matters of mutual concern within TSC, LLC.

8.2.3 TERMINATION

- (a) The Medical Director may be terminated only by the Governing Board of TSC, LLC.
- (b) The Medical Director's contract prevails over these Bylaws except that the Medical Director's contract may not be terminated for a Medical Disciplinary Cause or Reason without the hearing rights provided in Article VII.
- (c) If action is taken against the Medical Director that gives rise to a right to a hearing under Article VII, the provisions Article VII shall govern the action.

8.3 ANESTHESIA DIRECTOR

8.3.1 SELECTION The Anesthesia Director shall serve at the pleasure of the Governing Board. The Anesthesia Director is a physician who has successfully completed a training program in anesthesiology accredited by the ACGME, the American Osteopathic Association or equivalent organizations. The Anesthesia Director may enter into a contract with TSC LLC and shall be required to attain Medical Staff membership and clinical privileges as a condition of that contract. As a contractor, the Anesthesia Director is subject to the regular personnel policies of TSC, LLC and the terms of the Anesthesia Director contract if a contract exists.

8.3.2 DUTIES

The duties of the Anesthesia Director shall include, but not be limited to:

- (a) Oversee the anesthesia services provided at TSC;
- (b) Approves the policies and procedures for administering the continuum of anesthesia;
- (c) Performs Anesthesia Consults as requested by the Medical Staff or Nursing Staff;

- (d) Takes appropriate action when problems in patient care and clinical performance or opportunities to improve care are identified;
- (e) Makes recommendations to the Medical Executive Committee and the Governing Board;
- (f) Participates in quality assessment and performance improvement activities and;
- (g) Serves as a member of the Medical Executive Committee.

8.3.3 TERMINATION

- (a) The Anesthesia Director may be terminated only by the Governing Board of TSC, LLC.
- (b) The Anesthesia Director's contract prevails over these Bylaws except that the Anesthesia Director's contract may not be terminated for a Medical Disciplinary Cause or Reason without the hearing rights provided in Article VII.
- (c) If action is taken against the Anesthesia Director that gives rise to a right to a hearing under Article VII, the provisions Article VII shall govern the action.

ARTICLE IX. COMMITTEES

9.1 DESIGNATION

Medical staff committees shall include but shall not be limited to the Medical Staff meeting as a committee of the whole, meetings of committees established under this Article, and meetings of ad hoc or special committees created by the MEC.

9.2 GENERAL PROVISIONS

9.2.1 TERMS OF COMMITTEE MEMBERS

Unless otherwise specified, committee members shall be elected for a term of one year, and shall serve until the end of this period or until the member's successor is elected, unless the member shall sooner resign or be removed from the committee.

9.2.2 REMOVAL

If a member of a committee ceases to be a member in good standing of the Medical Staff, or suffers a loss or significant limitation of practice privileges, fails to attend a minimum of fifty percent (50%) of scheduled meetings, or if any other good cause exists, that member may be removed by the MEC.

9.2.3 VACANCIES

Unless otherwise specifically provided, vacancies on any committee shall be filled in the same manner in which an original appointment to such committee is made; provided however, that if an individual who obtains membership by virtue of these bylaws is removed for cause, a successor may be selected by the MEC.

9.3 MEC

9.3.1 COMPOSITION

The MEC shall consist of the Medical Director and three (3) Active Medical Staff Members elected by the Active Medical Staff Members.

9.3.2 DUTIES

The duties of the MEC shall include, but not be limited to:

- (a) Coordinating and implementing the professional and organization activities and policies of the Medical Staff;
- (b) Receiving and acting on reports and recommendations from Medical Staff committees;
- (c) Recommending action to the Governing Board on matters of a medical-administrative nature;
- (d) Establishing the structure of the Medical Staff, the mechanism to review credentials and delineate individual clinical privileges, the organization of quality assurance activities, the procedures for termination of Medical Staff membership and fair hearing procedures, as well as other matters relevant to the operation of the Surgery Center.
- (e) Maintaining members' credentials files;
- (f) Reviewing the qualifications, credentials, performance and professional competence, and character of applicants and Medical Staff members and making recommendations to the Governing Board regarding staff appointments, reappointments, and corrective action:

- (g) Initiating corrective action when warranted;
- (h) Designating such committees and making appointments to those committees as may be appropriate or necessary to assist in carrying out the duties and responsibilities of the Medical Staff;
- (i) Assisting in the obtaining and maintenance of accreditation;
- (j) Designating TSC, LLC's authorized representative for National Practitioner Data Bank purposes, if applicable;
- (k) Reviewing Medical Staff bylaws and rules and regulations as needed and making recommendations for modifications to these documents as necessary;
- (l) Recommending to the Governing Board appropriate administrative policies and procedures regarding employment of personnel, fiscal concerns and the purchasing of equipment.
- (m) Recommending appointments of the Medical Staff officers to the Governing Board.
- (n) The MEC will perform the following Medical Staff functions: 1) clinical records; 2) utilization review; 3) pharmacy and therapeutics; 4) quality management; 5) allied health professionals; 6) patients' rights; 7) safety; and 8) infection control.
- (o) Reporting to the Medical Staff, at least annually, the findings and results of all Medical Staff quality management activities.

9.3.3 MEETINGS

The MEC shall meet as often as necessary, but at least quarterly and shall maintain a record of its proceedings and actions.

9.4 CLINICAL RECORDS

9.4.1 DUTIES

The duties of the MEC (or a committee duly appointed by the MEC) shall include, but not be limited to:

- (a) Reviewing and evaluating clinical records, or a representative sample, to determine whether they: (1) properly describe the condition and diagnosis, the progress of the patient, the treatment and tests provided, the results thereof, and adequate identification of individuals responsible for orders given and treatment rendered; and (2) are sufficiently complete at all times to facilitate continuity

of care and communications between individuals providing patient care services at the Surgery Center;

- (b) Reviewing and making recommendations for TSC, LLC policies, rules and regulations relating to clinical records, including completion, forms and formats, filing, indexing, storage, destruction, availability and methods of procedure enforcement;
- (c) Providing liaison between practitioners and personnel in the employ of TSC, LLC on matters relating to clinical records practices; and
- (d) Formulating procedures which assure that records are treated confidentially as required by applicable law.

9.5 UTILIZATION REVIEW

9.5.1 DUTIES

The duties of the MEC (or a committee duly appointed by the MEC) shall include, but not be limited to:

- (a) Conducting utilization review studies designed to evaluate the necessity and appropriateness of admissions to the Surgery Center, discharge practices, use of medical services and related factors which may contribute to the effective utilization of services;
- (b) Establishing a utilization review plan.
- (c) Obtaining, reviewing, and evaluating information and raw statistical data obtained or generated by TSC, LLC's case management system; and
- (d) Reviewing the resources of care provided at the Surgery Center with respect to:
 - 1. The absence of duplicative diagnostic procedures;
 - 2. The appropriateness of treatment frequency;
 - 3. The use of the least expensive alternative resources when suitable; and
 - 4. The use of ancillary services that are consistent with patient's needs.

9.6 PHARMACY AND THERAPEUTICS

9.6.1 DUTIES

The duties of the MEC (or a committee duly appointed by the MEC) shall include, but not be limited to:

- (a) Assisting in the formulation of professional practices and policies regarding the evaluation, appraisal, selection, procurement, storage, distribution, use, disposal, and all other matters relating to drugs at the Surgery Center;
- (b) Periodically developing and reviewing a formulary or drug list for use at the Surgery Center;
- (c) Evaluating clinical data concerning new drugs or preparations requested for use at the Surgery Center;
- (d) Reviewing and reporting adverse reactions to drugs;
- (e) Monitoring medication errors and referring such for corrective action, when necessary;
- (f) Evaluating the appropriateness of blood transfusions; and
- (g) Developing proposed policies and procedures for the handling and administration of blood and blood components; and
- (h) Assuring the maintenance of a current pharmacy license.

9.7 QUALITY MANAGEMENT

9.7.1 DUTIES

The duties of the MEC (or a committee duly appointed by the MEC) shall include, but not be limited to:

- (a) Recommending, for approval by the Governing Board, a written plan(s) for maintaining quality patient care at TSC, LLC;
- (b) Submitting regular confidential reports to the Governing Board on the quality of medical care provided and on quality review activities conducted;
- (c) Collecting data related to established criteria in an ongoing manner;
- (d) Periodically evaluating data to identify unacceptable or unexpected trends or occurrences that influence patient outcomes;

- (e) Evaluating the frequency, severity, and source of suspected quality problems or concerns;
- (f) Implementing measures to resolve quality problems or concerns that have been identified;
- (g) Reevaluating quality problems or concerns to determine objectively whether the corrective measures have achieved and sustained the desired result. If the problem remains, taking alternate corrective actions as needed to resolve the problem;
- (h) Incorporating findings of quality management activities into TSC, LLC's educational activities; and
- (i) Devising and implementing a procedure for the immediate transfer of patients requiring emergency medical care beyond the capabilities of the Surgery Center to a local Medicare-certified hospital and being responsible for transfer agreements to such hospitals.

9.8 ALLIED HEALTH PROFESSIONALS (AHP)

9.8.1 DUTIES

The duties of the MEC (or a committee duly appointed by the MEC) shall include but not be limited to the following:

- (a) Recommending to the Governing Board the categories of AHPs eligible to apply for AHP status and practice prerogatives at the Surgery Center;
- (b) Establishing procedures regarding:
 - (1) The mechanism for evaluating the qualifications and credentials of AHPs;
 - (2) The minimum standards of training, education, character, and competence of AHPs eligible to apply to perform services;
 - (3) Identification of services which may be performed by an AHP, or category of AHPs, as well as any applicable terms and conditions thereon;
 - (4) The professional responsibilities of AHPs who have been determined eligible to perform services.
- (c) Conducting appropriate monitoring, supervision, and evaluation of AHPs who perform services, provided that:

- (1) AHPs not employed by TSC, LLC will be directly supervised by the operating surgeon they are employed by; and
- (2) AHPs employed by TSC, LLC will be evaluated by the nurse manager.

9.9 PATIENTS' RIGHTS

9.9.1 DUTIES

The duties of the MEC (or a committee duly appointed by the MEC) shall include, but not be limited to:

- (a) Formulating procedures which are available to patients and staff which require that:
 - (1) Patients are treated with respect, consideration, and dignity;
 - (2) Patients are provided appropriate privacy during interviews, examinations, treatment, and consultation;
 - (3) Patients are provided, to the degree known, complete information concerning their diagnosis, treatment, and prognosis. When a patient does not wish to receive the information, the information is provided to a surrogate decision-maker;
 - (4) Patients are given the opportunity to participate in decisions involving their health care; and
 - (5) Patients are provided with information regarding advance directives.
- (b) Providing information to patients and staff concerning:
 - (1) Patient conduct and responsibilities;
 - (2) Services available at the Surgery Center;
 - (3) Provision for after-hour and emergency care;
 - (4) Fees for services and payment policies; and
 - (5) Methods for expressing grievances and suggestions to TSC, LLC.
- (c) Insuring that marketing or advertising regarding the competence and capabilities of TSC, LLC is not misleading to patients.

9.10 SAFETY

9.10.1

The duties of the MEC (or a committee duly appointed by the MEC) shall include, but not be limited to the following:

- (a) Assuring that the Surgery Center has the necessary personnel, equipment, and procedures to handle medical and other emergencies that may arise in connection with services sought or provided;
- (b) Providing periodic instruction to all personnel in the proper use of safety, emergency, and fire-extinguishing equipment;
- (c) Providing a comprehensive emergency plan to address internal and external emergencies, including evacuation and drill procedures;
- (d) Assuring that personnel trained in cardiopulmonary resuscitation and the use of cardiac emergency equipment are present at the Surgery Center during hours of operation;
- (e) Assuring that provisions are made to reasonably accommodate disabled individuals;
- (f) Assuring that the Surgery Center is clean and properly maintained;
- (g) Assuring that a system exists for the proper identification, management, handling, transport, treatment, and disposal of hazardous materials and wastes; and
- (h) Assuring that appropriate emergency and other equipment and supplies are maintained, periodically tested and readily accessible.

9.11 INFECTION CONTROL

The duties of the MEC (or a committee duly appointed by the MEC) shall include, but not be limited to, the following:

- (a) Establishing a program for identifying and preventing infections, and maintaining a sanitary environment;
- (b) Devising and implementing procedures to minimize sources and transmission of infection, including adequate surveillance techniques; and
- (c) Maintaining an ongoing log of reported incidents of infection.

9.12 AD HOC COMMITTEES

Special or ad hoc committees may be created by the MEC to assist with investigations or to perform other specified tasks. The chairman and members of such committees shall be appointed by, and may be removed by the Medical Director in consultation with the MEC.

ARTICLE X. MEETINGS

10.1 MEDICAL STAFF MEETINGS

10.1.1 ANNUAL MEETING

There shall be an annual meeting of the Medical Staff. Except as otherwise specified in these bylaws, the Medical Director may establish the times for the holding of the annual meeting. The MEC shall present reports on actions taken during the preceding year and on other matters of interest and importance to the members. Notice of this meeting shall be given to the members at least five (5) days prior to the meeting.

10.2 COMMITTEE MEETINGS

10.2.1 REGULAR MEETINGS

The Medical Director shall make every reasonable effort to ensure that meeting dates are disseminated to the members with adequate notice.

10.3 QUORUM

10.3.1 STAFF MEETINGS

The presence of fifty percent (50%) of the total members of the Active Medical Staff at any regular or special meeting in person or through written ballot shall constitute a quorum for the purpose of amending these bylaws or the rules and regulations of the Medical Staff. The presence of thirty-three (33%) of such members shall constitute a quorum for all other actions.

10.3.2 COMMITTEE MEETINGS

A quorum shall consist of thirty-three percent (33%) of the voting members of a committee but in no event less than three (3) voting members.

10.4 MANNER OF ACTION

Except as otherwise specified, the action of a majority of the members present and voting at a meeting at which a quorum is present shall be the action of the group. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of members, if any action taken is

approved by at least a majority of the required quorum for such meeting, or such greater number as may be specifically required by these bylaws. Committee action may be conducted by telephone conference. Valid action may be taken without a meeting by a committee if it is acknowledged by a writing setting forth the action so taken which is signed by at least two-thirds (2/3) of the members entitled to vote.

10.5 MINUTES

Except as otherwise specified herein, minutes of meetings shall be prepared and retained. They shall include, at minimum, a record of the attendance of members and the vote taken on action items. A copy of the minutes shall be signed by the presiding officer of the meeting and forwarded to the MEC.

10.6 ATTENDANCE REQUIREMENTS

10.6.1 Each member is encouraged to attend officially called meetings. There are no meeting attendance requirements.

10.6.2 Whenever apparent or suspected deviation from standard clinical practice or disruptive behavior is alleged, seven (7) days advance special notice shall be given and shall include a statement of the issue involved and that the practitioner's appearance at a meeting is mandatory. Such a meeting shall be limited to the members of the committee. Failure of a practitioner to appear at any such meeting with respect to which he/she was given such special notice shall, unless excused by the committee on a showing of good cause, result in a recommendation to the MEC for corrective action, to include, but not be limited to, an automatic suspension of all or a portion of the practitioner's clinical privileges. Such suspension shall remain in effect until the matter is resolved by subsequent action of the committee, the MEC or the Governing Board. At the discretion of the chairman, when a Medical Staff member's practice or conduct is scheduled for discussion at a regular committee meeting, the member may be required to attend.

ARTICLE XI. CONFIDENTIALITY OF INFORMATION

11.1 GENERAL

Records and proceedings of all Medical Staff committees having the responsibility for evaluation and improvement of quality of care rendered in this surgery center, including, but not limited to, meetings of the Medical Staff as a committee of the whole, meetings of committees, and meetings of special or ad hoc committees created by the MEC and including information regarding any member of applicant to this Medical Staff shall, to the fullest extent permitted by law, be confidential.

11.1.1 CONFIDENTIALITY

The following applies to records of the Medical Staff and its committees responsible for the evaluation and improvement of patient care:

- (a) The records of the Medical Staff and its committees responsible for the evaluation and improvement of the quality of patient care rendered at the Surgery Center shall be maintained as confidential.
- (b) Access to such records shall be limited to duly appointed persons and committees of the Medical Staff for the sole purpose of discharging Medical Staff responsibilities and subject to the requirement that confidentiality be maintained.
- (c) Information which is disclosed to the Governing Board of TSC, LLC -- in order that the Governing Board may discharge its lawful obligations and responsibilities -- shall be maintained by the Governing Board as confidential.
- (d) Information contained in the credentials file of any member may be disclosed to any Medical Staff or professional licensing board, or as required by law. However, any disclosure outside of the Medical Staff shall require the authorization of the MEC.
- (e) A Medical Staff member shall be granted access to his/her own credentials file, subject to the following provisions:
 - (1) Timely notice of such shall be made by the member to the MEC.
 - (2) The member may review, and receive a copy of, only those documents provided by or addressed personally to the member.
 - (3) The review by the member shall take place during normal work hours, with a designee of the MEC present.
 - (4) In the event a Notice of Charges is filed against a member, access to his/her own credentials file shall be governed by Section 7.9.5.

11.1.2 MEMBER'S OPPORTUNITY TO REQUEST CORRECTION / DELETION OF AND TO MAKE ADDITION TO INFORMATION IN FILE

- (a) When a member has reviewed his/her file as provided under Section 11.1.1(e) he/she may address to the MEC a written request for correction or deletion of information in his/her credentials file.

Such request shall include a statement of the basis for the action requested.

- (b) The MEC shall review such request within a reasonable time and shall decide whether or not to make the correction or deletion requested.
- (c) The member shall be notified promptly, in writing, of the decision of the MEC.
- (d) In any case, a member shall have the right to add his/her credentials file, on written request to the MEC, a statement responding to any information contained in the file.

ARTICLE XII. ADOPTION AND AMENDMENTS OF BYLAWS, RULES AND REGULATIONS

12.1 RULES AND REGULATIONS

The Medical Staff shall initiate and adopt such rules and regulations as it may deem necessary for the proper conduct of its work and shall periodically review and revise its rules and regulations to comply with current Medical Staff practice. Recommended changes to the rules and regulations shall be submitted to the MEC for review and evaluation prior to presentation for consideration by the Medical Staff as a whole under such review or approval mechanism as the Medical Staff shall establish. Following adoption such rules and regulations shall become effective following approval of the Governing Board which approval shall not be withheld unreasonably, or automatically within thirty (30) days if no action is taken by the Governing Board. Applicants and members of the Medical Staff shall be governed by such rules and regulations as are properly initiated and adopted. If there is a conflict between the bylaws and the rules and regulations, the bylaws shall prevail. The mechanism described herein shall be the sole method for the initiation, adoption, amendment, or repeal of the Medical Staff rules and regulations.

12.2 BYLAWS

On the request of the MEC or on timely written petition signed by at least ten percent (10%) of the members of the Medical Staff in good standing who are entitled to vote, consideration shall be given to the adoption, amendment, or repeal of these bylaws. Such action shall be taken at a regular or special meeting provided (1) written notice of the proposed change was sent to all members on or before the last regular or special meeting of the Medical Staff, and such changes were offered at such prior meeting and (2) notice of the next regular or special meeting at which action is to be taken included notice that a bylaw change would be considered. Both notices shall include the exact working of the existing bylaw language, if any, and the proposed change(s).

12.2.1 ACTION ON BYLAW CHANGE

If a quorum is present for the purpose of enacting a bylaw change, the change shall require an affirmative vote of fifty-one percent (51%) of the members voting in person or by written ballot.

12.2.2 APPROVAL

Bylaw changes adopted by the Medical Staff shall become effective immediately following approval by the Governing Board, which approval shall not be withheld unreasonably. If approval is withheld, the reasons for doing so shall be specified by the Governing Board in writing, and shall be forwarded to the MEC.

These revised Bylaws were approved by the MEC on _____, and were sent to all Medical Staff members on _____ and were approved on _____. The Governing Board approved them on _____.

Annual Review of the Bylaws:

The Medical Executive Committee met on _____ and approved the Bylaws. The Governing Board met on _____ and approved the Bylaws. The Bylaws will be reviewed and approved annually and upon any changes.

**TRUCKEE SURGERY CENTER, LLC
MEDICAL STAFF
RULES & REGULATIONS**

TABLE OF CONTENTS
MEDICAL STAFF
RULES & REGULATIONS
TRUCKEE SURGERY CENTER
LAST REVIEW: NOVEMBER 2025

GENERAL RULES AND REGULATIONS 2

Admission and Discharge of Patients.....2

Orders.....2

Consents3

The Medical Record.....3

Allied Health Professional.....5

Access to Credentials Files.....5

Responding To Committee Inquiries5

ANESTHESIA RULES AND REGULATIONS 6

General Organization6

Pre-Anesthesia6

Local Anesthesia.....7

Immediate Postoperative Period7

SURGERY RULES AND REGULATIONS..... 8

General Organization8

Privileges8

General Rules and Regulations.....8

Conduct of Care.....8

Pathology8

Dentists and Oral Surgeons9

Podiatry.....9

GENERAL RULES AND REGULATIONS

The Medical Staff shall adopt such Rules and Regulations as may be necessary for the proper conduct of its work. Such Amendments shall become effective when approved by the Medical Executive Quality Committee and Board of Managers.

Admission and Discharge of Patients

- A. Admission: only members of the medical staff, with admitting privileges, may admit a patient to the surgery center.
- B. Medical Management: All patients entering Truckee Surgery Center, including those for pediatric and dental care, must have a medical staff physician responsible for the overall medical management of the patient, including the performance, and recording in the medical record, of an admission history and physical examination, and when indicated, the patient's ability to undergo surgery and anesthesia.
- C. Exceptions: Truckee Surgery Center shall accept all outpatients for care and treatment except patients whose conduct would present a problem regarding their own or other patient's safety, care and comfort.
- D. Responsibility: A member of the medical staff shall be responsible for the medical care and treatment of each patient in Truckee Surgery Center and the prompt completeness and accuracy of the medical record.
- E. Patient Safety: The admitting physician shall be held responsible for giving such Information as may be necessary to assure the protection of the patient from self-harm and to assure the protection of others whenever his/her patient might be a source of danger from any cause whatsoever.
- F. AMA Discharges: Patients shall be discharged or transferred only on the written order of the attending physician. Should a patient leave Truckee Surgery Center against the medical advice of the attending physician, or without proper discharge, a notation of the incident shall be made in the patient's medical record. The patient should sign the appropriate release. If this release is not obtainable, the circumstances shall be documented in the medical record. Refer to the operational policy on AMA and patient elopement for additional information regarding required notification to law enforcement and requesting a well fare check.
- G. Transfer/Discharges: No patient shall be transferred or discharged for purposes of affecting a transfer from Truckee Surgery Center to another health facility, unless arrangements have been made in advance to such health facilities. A transfer or discharge shall not be carried out if, in the opinion of the patient's physician, such a transfer or discharge would be detrimental to the patient.
- H. Minors/Discharge: A minor shall be discharged only to the custody of his/her parents or legal guardian, unless such parent or guardian shall direct otherwise in writing. This shall not include emancipated minors.
- I. Deaths: In the event of a death In Truckee Surgery Center, the deceased shall be pronounced dead within a reasonable time by the attending physician or his physician designee. The body shall not be released until such entry has been made and signed In the medical record of the deceased by a member of the medical staff. Policies with respect to the release of the bodies shall conform to local law.

Orders

- A. Treatment Orders: All orders for treatment and diagnostic studies shall be in writing. (Written by the physician or a verbal/telephone order written by an RN or LVN)

1. The above named individuals may only receive and record orders within their scope of practice.
 2. All verbal orders shall be signed by the person to whom the order was dictated and following the name of the physician dictating the order and shall be authenticated within 48 hours. Verbal orders may be received only from members of the medical staff with clinical privileges to do so and not from an office or clinic receptionist or nurse.
 3. Faxed orders with physician signatures may be accepted. Original faxes will be kept in the patient's medical record.
- B. Time/Date: All Truckee Surgery Center orders shall be dated and timed. In addition, all Truckee Surgery Center personnel shall record the time when the order was transcribed.
- C. Order Writing: All physicians' orders shall be written clearly, legibly and completely. Orders which are illegible or improperly written will not be carried out until rewritten and/or understood by the nurse.
- D. Take Home Drugs: No drugs supplied by Truckee Surgery Center shall be taken from the surgery center.

Consents

- A. No operation will be performed without the informed consent of the patient or his legal guardian except in documented emergencies. Appropriate informed consent for all anticipated procedures must be on the chart prior to surgery.
- B. Informed Consent: It is the responsibility of the physician performing the procedure to obtain informed consent and to explain the potential risks and complications of the impending procedure and anesthesia. No preoperative medication will be given and the patient will remain in the preoperative area until the consent has been completed.
- C. Content: The consent form must state the name of the physician and the name of the procedure or treatment. The physician is responsible to obtain the informed consent and it will be signed when the patient has been advised in simple terms of the risks, benefits and alternatives to surgical treatments or procedures.
- D. Consent Manual: The Medical Staff of Truckee Surgery Center has adopted the California Hospital Association's Consent Manual to serve as operating policy governing all matters of consents.
- E. Physicians shall see that one parent or guardian signs the consent for minors. The consent of both parents is recommended whenever possible.
- F. A sterilization consent will be signed on all patients undergoing sterilization procedures as required by the Consent Manual.

The Medical Record

- A. Responsibility/Content: The admitting physician shall be responsible for a complete and legible medical record for each patient. This record shall contain current and pertinent information including Identification of the patient; admission history and physical exam; consultations; diagnostic records; operative reports; pathology findings; final diagnosis; and discharge condition.
- B. Preoperative Requirements: All surgical patients must have a history and physical examination, appropriate lab and diagnostic tests and appropriate consultations prior to surgery. If the history and physical has been dictated but is not on the chart, the physician must indicate this and complete a note with pertinent physical findings, history and admitting diagnosis.
- C. Admission History and Physical: An admission history and physical examination shall be recorded by the attending physician on or before the day of surgery, and include all pertinent findings.
 1. When a complete history has been recorded and a physical examination performed within a week prior to the patient's surgery at Truckee Surgery Center, or when a patient is readmitted within thirty days of the last admission for the same or a related condition,

- a legible copy of these reports may be used in the medical record. In such instances, an interval admission note must be written addressing changes in the history or physical condition of the patient.
2. An acceptable history and physical includes: chief complaint; details of present illness; relevant past social and family history; review of systems; pertinent physical findings; current physical assessment; treatment plan.
 3. If the history and physical was performed by a physician other than the physician performing the procedure, that physician must document his/her preoperative findings by way of dictated report or progress note prior to commencement of surgery.
- D. Preoperative/Operative Note: The surgeon should record and authenticate a preoperative diagnosis prior to surgery in the medical record. An operative note must be written in the progress notes immediately after surgery and shall specify the type of operation performed and contain any other pertinent information.
- E. Operative Report: Operative reports will include a detailed account of the findings during the procedure and the details of the surgical technique. Operative reports will be dictated within twenty-four hours following surgery and the report promptly signed by the physician and made part of the medical record. Reports not dictated within twenty-four hours of the procedure will be ground for temporary restriction of privileges.
- F. Abbreviations: Abbreviations from the Stedman's Abbreviations, Acronyms, & Symbols are considered current. A copy of this book is kept in the Post Anesthesia Care Unit and available on the Intranet. Addendums will be kept with the book as required. In addition to Stedman's Abbreviations Truckee Surgery Center has a list of abbreviations commonly used by providers on schedule request forms. This list is only to be used to decipher scheduling requests and will not be permitted to use in the medical record.
- G. Release of Information: Written consent of the patient is required for release of medical information to persons not otherwise authorized to receive the information.
- H. Removal of Records: All medical records are the property of Truckee Surgery Center and may be removed from the surgery center's safekeeping only in accordance with a court order, subpoena or statute. Any physician removing charts from the surgery center will be immediately suspended.
- I. Access to Medical Records: When a patient is readmitted to the surgery center, previous records will be available for the use of the admitting physician and anesthesiologist. Physicians shall not be allowed access to the medical records of other physician's patients unless:
- a. It is an authorized study and research project approved by the Medical Executive Quality Committee.
 - b. They have been directed by the Medical Executive Quality Committee to review the medical record of another physician's patients.
 - c. They are actively involved in the patient care.
 - d. And/or the patient signs a release form.
- J. Permanent File: The medical record will not be permanently filed until it is completed by the responsible physician.
- K. Suspension for Incomplete Medical Records: All medical records will be completed within thirty days of surgery/procedure.
- L. Admissions While on Temporary Suspension: If a member of the medical staff has been notified according to established policies for delinquent records by a phone call from the Administrator and the physician has a surgery scheduled during the described period of suspension, the physician will be contacted at 9:00am the working day before the scheduled admission and asked to complete the medical records in question by 2:00pm or the procedure will be cancelled. The physician will be responsible for informing the patient regarding the cancellation. If the patient arrives at Truckee Surgery Center, the patient will be asked to contact his/her physician.
- M. Alteration of a Medical Record: Unwanted entries should be lined through, signed and dated. Corrections should be entered in the record chronologically, signed and dated. Do not remove or obliterate entries or documents.
- N. Inappropriate Chart Notes: Physicians are restricted from writing interpersonal comments that

reflect upon the personality, Integrity or competence of any other physician in the patient record. Physicians who do so will be considered in violation of the Rules and Regulations and could be suspended from the Medical Staff.

- O. Laboratory Tests Performed Outside Truckee Surgery Center: outside lab, test results may become part of the medical record only if such tests are performed in labs that have been certified by the College of American Pathologists or their equivalent or licensed through the Clinical Laboratories Improvement Act of 1967. Lab results not performed in such facilities may be referred to in the admission history and physical or progress notes.

Allied Health Professional

While not qualified for membership on the Medical Staff, allied health professionals may practice in Truckee Surgery Center under the following conditions:

- A. Each person shall have sufficient training, experience and demonstrated competence to:
 - a. Exercise judgment within their area of competence.
 - b. Participate directly in the management of patients under the supervision or direction of a member of the medical staff, within the limits established by the medical staff and consistent with state law. Entries to the medical record by allied health professionals will be countersigned by the physician.
- B. Each person will be under direct supervision of an attending physician. They may carry out their activities in conformity with Medical Staff Bylaws, Rules and Regulations and upon direct order of the attending physician.
- C. Approval to practice in Truckee Surgery Center within the guidelines established above will be contingent upon recommendation of the Medical Executive Quality Committee and Board of Managers.

Access to Credentials Files

Each member in good standing of the medical staff of Truckee Surgery Center may have access to his credentials file. This review must be requested In advance and must be accomplished in the presence of the Medical Director or his/her designee. No member of the Medical Staff will be allowed access to the information contained in another staff member's file unless it is within the scope of committee activity related to peer review or privileging functions.

Responding To Committee Inquiries

Medical staff members must respond within one month to a request from the Medical Executive Quality Committee, which has mailed return receipt requested, or be suspended from the staff until said response has been received or current medical staff appointment has expired.

ANESTHESIA RULES AND REGULATIONS

General Organization

Anesthesia is that membership of the medical staff that primarily concerns itself with the anesthesiology aspects of surgical and medical care, diagnosis and treatment.

Pre-Anesthesia

- A. **Preoperative Visit:** The preoperative visit will be conducted by an anesthesiologist scheduled for the case prior to the scheduled surgery at which time there shall be a disclosure of the plan of anesthesia, the surgical procedure anticipated, the possible risk and possible complications and completion of the pre-anesthetic evaluation. It is expected that the anesthesiologist will make every effort to contact the patient by phone prior to the scheduled surgery day to decrease unexpected delays due to patient questions, complications, or additional required testing. Except in emergency cases, this evaluation will be recorded prior to the patient's transfer to the operating room. The choice of specific anesthetic agent or technique will be left to the discretion of the anesthesiologist.
- B. **Preoperative Evaluation:** The preoperative evaluation will be documented in the patient's medical record and will include at least the following:
 - Pertinent history and physical exam
 - Airway examination
 - Choice of anesthesia
 - Other anesthesia experience
 - Potential anesthetic problem
 - Date and time of visit
 - ASA Classification for anesthetic risk
- C. **Preoperative Medication:** Preoperative medications may be ordered by the anesthesiologist.
- D. **Responsibilities During Surgery:** It is the responsibility of the anesthesiologist and the circulating nurse to identify the patient prior to entering the operating room and ascertain that the medical record contains the appropriate informed consent forms for the contemplated surgical procedures. The anesthesiologist is always directly responsible to the patient.
 - a. As a physician, the anesthesiologist is expected to use drugs he/she may deem advisable in a given situation.
 - b. The anesthesiologist is in complete charge of all emergency procedures except those relating directly to surgery.
 - c. When appropriate, the IV fluids are started preoperatively in the pre-operative area by the nurse or anesthesiologist.
- E. **Presence of Anesthesiologist:** The anesthesiologist shall be in constant attendance during the entire procedure and a record of all events taking place during the induction, maintenance and emergence from anesthesia, including the dosage and duration, shall be maintained. This is not to preclude the induction of regional anesthesia in a designated holding area where continuous monitoring is available and used.

Local Anesthesia

- A. **Definition:** Local anesthesia is defined as anesthetizing a specific area causing insensibility to pain.
- B. **Responsibility:** If no anesthesiologist is present in the operating room, the surgeon will be responsible for the administration of the local anesthesia.
- C. **Drug and Equipment Availability:** All usual drugs and necessary resuscitation equipment will be available and the physician in charge will be knowledgeable and proficient in their use.
- D. **Monitoring of Patient:** During local anesthesia, in the absence of an anesthesiologist, vital signs will be monitored and recorded by a Registered Nurse. Medications may be given by the nurse on the order of a physician.

Immediate Postoperative Period

The surgeon, anesthesiologist and the PACU nurse share the responsibility for patients in the PACU.

- A. The anesthesiologist will be responsible for the assessment of the post-anesthetic patient. He/she will determine the stability of the patient upon completion of the procedure and closely monitor the patient throughout the recovery period.
- B. The anesthesiologist will remain available in the surgery center until the patient's condition is stable.
- C. Discharge from the Recovery Room is to be by direct order from the anesthesiologist.
- D. The patient's post-anesthesia status will be documented by the anesthesiologist in the medical record, dated and timed.

SURGERY RULES AND REGULATIONS

General Organization

Composition: Surgery is that membership of the medical staff which concerns itself with the surgical aspect of the diagnosis and treatment of disease and. may include physicians with privileges in the following specialties: Dentistry and Oral Surgery, General Surgery, Ophthalmology, Orthopedics, Gynecology, Otolaryngology, Plastic and Reconstructive Surgery, Podiatry, Urology and Pain Management

Privileges

Proctoring: Proctors are to be arranged by the applicant from members of the medical staff who have been granted the requested privileges. The proctoring physician is expected to complete a written record of the assessment.

General Rules and Regulations

- A. Scheduling: Procedures may only be scheduled by members of the medical staff and in compliance with Truckee Surgery Center guidelines.
- B. Provisional Surgical Privileges: Surgeons not yet approved for medical staff membership may be granted provisional surgical privileges.
- C. Assistant Surgeons: It is the responsibility of the operating surgeon to arrange an appropriate assistant for cases at his/her discretion.
- D. Outpatient Surgery: All patients must have their preoperative diagnostic tests completed the day prior to the scheduled procedure.
- E. Surgery Start Time: Surgeons must be in the operating room and ready to begin at the scheduled time, unless there is a reasonable excuse for delay. A delayed case time may be assigned at the discretion of the anesthesiologist and the Circulating Nurse.

Conduct of Care

- A. Visitors: See Operational Policy regarding visitors.
- B. Wound Infections: It is requested that each surgeon or office nurse/representative report the presence of wound infections to the QAPI/IC Coordinator.

Pathology

- A. Composition: Pathology is that membership of the Medical Staff, which primarily concerns itself with the anatomical pathology, surgical pathology and clinical pathology of medical care. Members shall be fully trained or Board Certified Clinical and Anatomical Pathologists.
- B. Tissue and Foreign Objects: Tissues removed shall be delivered to the pathologist at the discretion of the surgeon and within the guidelines of the pathologists and operational policy entitled "Specimen Collection" A report of the pathologist's findings shall be filed in the medical record. The tissue will be the property of the surgery center/pathologist. Slides of tissue blocks may be made available to outside facilities at a doctor's request for review on a loan basis.

Dentists and Oral Surgeons

- A. Medical Appraisal: A patient admitted for dental care shall receive the same basic medical appraisal as patients admitted for other surgical procedures.
- B. Responsibility: A patient admitted for dental care is a dual responsibility involving the dentist and the patient's primary care provider or cardiologist.
- C. Dentists Responsibilities:
 - a. A detailed dental history addressing necessity and appropriateness of care.
 - b. A detailed description of the examination of the oral cavity and preoperative diagnosis.
 - c. A complete operative report, describing the findings and technique. In cases of teeth extractions, the dentist must report the number of teeth and fragments will be sent to the pathologist for examination.
 - d. Progress notes must be relevant to the oral condition.
- D. Primary care/Cardiologist Responsibilities:
 - a. Medical history pertinent to the patient's general health, including consultation requirements. Within 30 days of the planned procedure, completed by the patients primary care or cardiologist.
 - b. Medical Clearance, completed by the patient's primary care provider or cardiologist, for the patient to be admitted to the facility for the planned procedure.
 - c. A physical examination to determine the patient's condition prior to anesthesia and surgery, completed by the patient's primary care or cardiologist.
- E. Anesthesia Responsibilities:
 - a. A pre-anesthesia evaluation
 - b. Treatment of any medical condition present on admission or that occurs during the patient's stay at Truckee Surgery Center.
- F. Discharge: The discharge of the dental patient will be on written order of the dentist member or the responsible physician member of the Medical Staff
- G. History and Physical Requirements for Oral Surgeons: Physician responsibilities as described in the first two physician responsibilities above may be waived for qualified oral surgeons who, after appropriate monitoring, have been granted privileges to perform complete history and physical examinations on their patients.

Podiatry

- A. Medical Appraisal: A patient admitted for podiatric care shall receive the same basic medical appraisal as patients admitted for other surgical procedures.
- H. Responsibility: A patient admitted for podiatric care is a dual responsibility involving the Podiatrist and the patient's primary care provider or cardiologist.
- I. Podiatrist's Responsibilities:
 - a. A detailed podiatric history addressing necessity and appropriateness of care.
 - b. A detailed description of the examination of the foot and preoperative diagnosis.
 - c. A complete operative report, describing the findings and technique.
 - d. Progress notes must be relevant to the podiatric condition.
- J. Primary care/Cardiologist Responsibilities:
 - a. Medical history pertinent to the patient's general health, including consultation requirements. Within 30 days of the planned procedure, completed by the patients primary care or cardiologist.
 - b. Medical Clearance, completed by the patient's primary care provider or cardiologist, for the patient to be admitted to the facility for the planned procedure.
 - c. A physical examination to determine the patient's condition prior to anesthesia and surgery, completed by the patient's primary care or cardiologist.
- K. Anesthesia Responsibilities:
 - a. A pre-anesthesia evaluation
 - b. Treatment of any medical condition present on admission or that occurs during the

patient's stay at Truckee Surgery Center.

- L. Discharge: The discharge of the podiatry patient will be on written order of the Podiatrist member or the responsible physician member of the Medical Staff

**AMENDED AND RESTATED
OPERATING AGREEMENT**

OF

TRUCKEE SURGERY CENTER, LLC

**AMENDED AND RESTATED
OPERATING AGREEMENT
OF
TRUCKEE SURGERY CENTER, LLC**

This Amended And Restated Operating Agreement (this “**Agreement**”) of Truckee Surgery Center, LLC, a California limited liability company (the “**Company**”), is entered into as of June 3, 2019 (the “**Effective Date**”), and revised as of October 16, 2024 by and among the Company and Tahoe Forest Hospital District, a California local health care district (the “**District**”).

RECITALS

A. On January 12, 2010 (the “**Formation Date**”), Articles of Organization for the Company were filed with the California Secretary of State. Truckee Surgery Center, Inc. (the “**Corporation**”) were the Members of the Company as of the Formation Date and the District later gained majority share purchased through Truckee Surgery Center, LLC.

B. On or about December 15, 2010, the Corporation adopted the prior Operating Agreement of the Company (the “**Prior Operating Agreement**”).

C. Effective October 25, 2018, the District purchased all of the Membership Interests of the Corporation in the Company, and became the sole Member of the Company.

D. District, as a general partner then sold a 1% ownership interest to Dr. Jeff Dodd.

D. Section 15.13 of the Prior Operating Agreement provides that the Prior Operating Agreement may be amended by Members holding at least two-thirds (2/3’s) of the issued and outstanding Units of the Company.

E. At the time of this original Agreement, the District held one hundred percent (100%) of the outstanding Units of the Company.

NOW, THEREFORE, the District by this Agreement wishes to set forth this Amended and Restated Operating Agreement for the Company under the laws of the State of California upon the terms and subject to the conditions of this Agreement

**ARTICLE I
DEFINITIONS**

When used in this Agreement, the following terms shall have the meanings set forth below: “**Act**” means the California Beverly-Killea Limited Liability Company Act, as amended
from time to time.

“**Adjusted Capital Account**” shall mean, with respect to any Member, such Member’s Capital Account, adjusted as follows:

(a) credit to such Capital Account any Capital Contributions that the Member is unconditionally obligated to make and any amounts that a Member is deemed obligated to contribute pursuant to the penultimate sentence of both Regulations Section 1.704-2(g)(1) and Regulations Section 1.704-2(i)(5); and

(b) debit to such Capital Account the items described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

“**Affiliate**” of a specified Person shall mean a Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified. As used in this definition, the term “**control**” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such specified Person, whether through ownership of voting securities, by contract or otherwise.

“**Agreement**” means this Operating Agreement, as amended from time to time.

“**Ambulatory Surgical Center**” shall mean any clinic or health facility (as defined under Section 1200 or 1250 of the California Health and Safety Code, respectively) owned by the Company and operated for the primary purpose of performing surgery on an outpatient basis and either: (i) operating under a license from the California Department of Health Services or the California Department of Public Health (or any successor agency); or (ii) lawfully operating without a license.

“**Articles**” means the Articles of Organization filed with the California Secretary of State on January 12, 2010, as amended or restated from time to time.

“**Available Cash Flow**” means all cash funds of the Company in excess of such amounts that the Board, in its reasonable discretion, determines are appropriate to hold in reserve, in light of the Company’s debts and other obligations coming due and its contemplated capital investment and replacement, but not, in any event, in an amount in excess of ninety (90) days cash on hand (with “**days cash on hand**” as of any time meaning the quotient obtained by dividing the Company’s cash and cash equivalents as of such time by the Company’s “average daily expenses,” with “**average daily expenses**” being the quotient obtained by dividing (a) the Company’s aggregate operating expenses for the fiscal year most recently, as reflected on the Company’s accrual method financial statements for such year, by (b) the number of days in such year).

“**Board**” shall have the meaning given to such term in Section 10.1 hereof.

“**Capital Account**” means, with respect to any Member, the account maintained by the Company for such Member in accordance with Section 7.6 of this Agreement.

“**Capital Contribution**” means, in respect of any Member, all money and other property contributed by such Member to the capital of the Company.

“**Code**” means the Internal Revenue Code of 1986, as amended, or any corresponding provisions of succeeding law in effect at such time.

“**Company**” shall have the meaning given to such term in the opening paragraph of this Agreement.

“**Company Minimum Gain**” shall have the meaning given to the term “partnership minimum gain” in Section 1.704-2(d) of the Regulations, treating the Company as a partnership.

“**Facility**” shall mean, collectively, all properties, tangible and intangible, collectively comprising the Ambulatory Surgical Center operated by the Company at 10770 Donner Pass Road, Suite 201, Truckee, California, 96161, and any other Ambulatory Surgical Center that the Company may operate in the future.

“**Fiscal Year**” shall have the meaning given to such term in Section 14.3.

“**Manager**” shall have the meaning given to such term in Section 10.1.

“**Material Breach**” shall have the meaning given to such term in Section 11.3.

“**Member**” means the District and each other Person admitted to the Company as a “member,” as that term is defined in the Act. “**Members**” refers to all such Persons, collectively.

“**Member Minimum Gain**” shall have the meaning give to the term “partner nonrecourse debt minimum gain” in Section 1.704-2(i) of the Regulations, treating the Company as a partnership and a Member as a partner.

“**Member Nonrecourse Deductions**” shall have the meaning given to the term “partner nonrecourse deductions” in Regulations Section 1.704-2(i), treating the Company as a partnership and a Member as a partner.

“**Nonrecourse Deductions**” shall have the meaning given to such term by Section 1.704-2(b)(1) of the Regulations, treating the Company as a partnership.

“**Person**” means an individual, trust, estate, corporation, partnership, limited partnership, limited liability company, unincorporated association, governmental unit or other entity or association.

“**Physician**” shall a person licensed under California law as a physician and surgeon or otherwise lawfully able to perform the services of a licensed physician and surgeon in California.

“**Profits**” and “**Losses**” means, for each Fiscal Year, an amount equal to the Company’s taxable income or loss for such Fiscal Year, determined in accordance with Code Section 703(a) (but, for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be aggregated each year into a single amount of taxable income or loss), with the following adjustments:

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of “Profits” and “Losses” shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition of “Profits” and “Losses” shall be subtracted from such taxable income or loss;

(c) If there is a:

(1) distribution of Company property (other than money) to a Member,
or

(2) a contribution to the capital of the Company by a new or existing Member or there is a distribution of Company property to a Member in consideration for the issuance or redemption of a Unit or Units, other than a de minimis amount in either case;

then, to the extent and in the manner reasonably determined by the Board, the Company shall restate the value of each and every item of Company property on the books and records of the Company to equal the fair market value thereof as of such date, and the unrealized gain or loss that would have been realized had the property been sold at fair market value in a taxable transaction shall be allocated among the Members as though there had been a taxable transaction and otherwise in accordance with Section 1.704-1(b)(2)(iv)(e) and (f) of the Treasury Regulations;

(d) If the book value of any item of Company property differs from the Company’s adjusted tax basis in such item of property, whether as a result of the contribution of property, a revaluation of the Company property pursuant to Paragraphs (c) or (d) of this definition of “Profits” and “Losses” or otherwise, items of income, gain, loss, depreciation, and other deductions respecting such item of property shall be calculated for purposes of determining Profits or Losses with respect to the Book Value of such property in a manner consistent with Section 1.704-1(b)(2)(iv)(g) of the Treasury Regulations; and

(e) Any items which are specially allocated pursuant to Section 9.3 hereof shall not be taken into account in computing Profits or Losses.

“**Regulations**” means the income tax regulations promulgated under the Code and codified at Title 26 of the Code of Federal Regulations, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

“**Supermajority Approval**” shall mean, with respect to any matter to come before the Board for decision, the approval of not less than two-thirds (2/3’s) of the Managers then in office.

“**Territory**” means and includes the Counties of Placer and Nevada in the State of California and the County of Washoe in the State of Nevada, and any other county in which the Company owns and operates an Ambulatory Surgical Center.

“**Unit**” shall have the meaning given to such term in ARTICLE VI.

ARTICLE II ORGANIZATION

2.1 Formation and Purpose of Agreement. The Company was formed by the filing of its Articles in the office of the California Secretary of State. The Company and its sole Member hereby enter into this Agreement for the purpose of replacing the Prior Operating Agreement with this Agreement. As of the Effective Date, the Prior Operating Agreement is terminated, is replaced in its entirety by this Agreement, and has no further force or effect. In consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the rights and obligations of the parties and the administration and termination of the Company shall be governed by this Agreement, the Articles and the Act. To the extent that any provision of this Agreement is inconsistent with the Articles, the Articles shall control, and, to the extent that any provision of this Agreement is inconsistent with the Act, but not the Articles, the provisions of this Agreement shall control to the extent permitted by the Act.

2.2 Name. The name of the Company is "Truckee Surgery Center, LLC." The business of the Company shall be conducted under that name or such other name as the Board may determine in accordance with ARTICLE X.

ARTICLE III PRINCIPAL PLACE OF BUSINESS

3.1 Principal Place of Business. The principal place of business of the Company is located at 10770 Donner Pass Road, Suite 201, Truckee, California, or at such other place as the Board may from time to time designate pursuant to ARTICLE X.

3.2 Agent for Service of Process. The Board shall designate an individual or other legally qualified person to serve as agent for service of process for the Company, to serve at the pleasure of the Board, provided that there always shall be one person who has been so designated.

ARTICLE IV BUSINESS

4.1 Business. The Company is organized and shall be operated for the purpose of owning and lawfully operating the Facility as a Medicare-certified and/or accredited ambulatory surgery center that principally performs musculoskeletal surgery and related anesthesia services, all consistent with the purposes of the District of furthering the health care of the community. For this purpose, the Facility shall be deemed to principally perform musculoskeletal surgery and related anesthesia services during a given period of time if 80% or more of the procedures performed at the Facility during such period consist of any combination of orthopedic surgery, spinal surgery, hand surgery, podiatric surgery or anesthesia or pain management procedures. However, notwithstanding the foregoing statement of purposes, the Company, in fulfilling such purposes, may engage in, undertake and perform any and all acts and do all things that a limited liability company organized under the Act may lawfully engage consistent with this Agreement and the Articles. Any references herein to any Ambulatory Surgery Center other than the Facility

is not intended, and shall not be construed, to indicate or imply any an intent on the part of the parties hereto to acquire, develop or otherwise own another Ambulatory Surgery Center.

4.2 Compliance With Laws. The Members shall cause the Company and all of their relationships and dealings with the Company at all times to comply, to the extent applicable, with all laws, including, without limitation, all laws governing the ownership of interests in the Company by its Members, the operations and activities of public agencies of the State of California, the so-called Anti-Kickback Statute and the so-called Stark Act. If legal counsel to the Company determines, or if a Member, based on the advice of its legal counsel, determines either that the Company, or any aspect of its operations or activities, fails to comply with law or causes any Member to fail to comply with law, then any Member may provide notice of the same to all Members, and the Members thereupon shall in good faith-meet and confer and use commercially reasonable best efforts to find and implement a mutually satisfactory remedy to such noncompliance. If, after good faith efforts, the Members are unable to find a mutually satisfactory remedy to such noncompliance, any Member (the “**Electing Member**”) may, by notice to the other Members, elect to cause the Company to redeem the Units then held by the Electing Member pursuant to the procedures specified in Section 11.3(a), provided, that the non-Electing Members, by vote of a majority of the Units outstanding other than the Units then held by the Electing Member, may thereupon elect to dissolve the Company pursuant to ARTICLE XII hereof, rather than redeem the Units of the. Electing Member. An election to cause the dissolution of the Company shall be effective only if notice to such effect is given to all Members within sixty (60) days of the Electing Member’s notice of election to cause the redemption of its Units.

ARTICLE V TERM

The Company’s existence commenced on the date of the filing of the Articles and shall continue indefinitely until liquidated and dissolved pursuant to ARTICLE XII of this Agreement.

ARTICLE VI MEMBERSHIP INTERESTS; UNITS

The interest of a Member: (i) in the Profits and Losses of the Company; (ii) in distributions of Company money and other property (except upon liquidation); and (iii) in exercising voting rights shall be represented by units (“**Units**”), all as provided in greater detail below. There shall be no fixed number of Units, and the Board may issue additional Units from time to time.

ARTICLE VII CAPITAL CONTRIBUTIONS: CAPITAL ACCOUNTS; ADDITIONAL MEMBERS

7.1 Member Capital Contributions and Ownership. Each Member’s Capital Contribution, Ownership of Units and percentage interest in the Company are set forth in Exhibit A attached hereto, which Exhibit A shall be revised to reflect any additional Members and any additional Capital Contributions made by Members.

7.2 Additional Capital Contributions; Additional Members. Subject to Section 10.1(e) hereof, in the event that the Board determines at any time (or from time to time)

that the Company requires additional funds for or in respect of its business or to pay any of its obligations, expenses, costs, liabilities or expenditures, then the Board may, in its discretion:

(i) approve additional Capital Contributions by the Members (evidenced by the issuance of additional Units, issued at their then fair market value, as established by the Board), (ii) authorize and direct the Company to borrow all or part of such additional funds; or (iii) authorize and direct the Company to sell additional Units at the fair market value thereof to such Person or Persons as the Board reasonably may determine, and admit such Persons as Members of the Company. If any Member fails to contribute its pro rata share of any such additional funds pursuant to clause (i) of this Section 7.2 (a “**Non-Contributing Member**”), each Member who has made its additional contribution shall be offered a pro rata opportunity to either:

(a) Make the additional contribution that the Non-Contributing Member failed to make and to be issued Units for such additional contribution as aforesaid;

(b) Make a loan to the Company in such amount, repayable with interest on the outstanding principal balance accruing monthly at the annual interest rate of two percentage points (2%) in excess of the Prime Rate shown in the Money Rates Section of the Wall Street Journal on the first business date of the month in which such loan is made, which loan shall be repayable prior to any distribution made with respect to Units, but only when and as the Company has Available Cash Flow therefor, provided that any such loan, if not previously repaid, shall be repaid not later than sixty (60) months from the date advanced; or

(c) Any combination of (a) and (b).

The Board may offer the opportunity to Members to make additional Capital Contributions and/or loans pursuant to the immediately preceding sentence until it has raised additional funds equal to the amount that all Non-Contributing Members failed to contribute.

7.3 Limited Liability. A Member shall not be bound by, or personally liable for, the expenses, liabilities or obligations of the Company, except as provided in the Act or as otherwise provided by applicable law. Notwithstanding the foregoing, in the event that a Member guarantees the Company’s obligations under a loan or other agreement, the Member would be liable under the guaranty according to its terms.

7.4 Withdrawal of Capital Contributions. No Member shall have the right to withdraw or reduce its Capital Contribution. No Member shall have the right to demand or receive property other than cash in return for its Capital Contribution, and no Member shall have priority over any other Member, either as to the return of Capital Contributions or as to allocations of Profits, Losses, or distributions, except as expressly provided otherwise in this Agreement.

7.5 Creation and Maintenance of Capital Account. The Company shall establish and maintain a Capital Account for each Member for the full term of the Company, which Capital Account shall be increased by such Member’s Capital Contribution and allocations of Profits and items thereof to such Member and decreased by distributions and allocations of Losses and items thereof to such Member and otherwise maintained in accordance with the capital account maintenance rules of Regulations Section 1.704-1(b)(2)(iv). In the event the Board determines that the manner in which the Capital Accounts have been maintained fails to comply with the

standards of the Regulations Section 1.704-1(b), the Board may make such modifications as the Board determines are necessary to cause the Capital Accounts to be consistent with the standards of the Regulations. In the event a Member transfers an interest in the Company in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor Member to the extent it relates to the transferred interest.

7.6 No Assessments; No Negative Capital Account Make-up. No Members shall be obligated to make any additional Capital Contributions or loans to the Company. Notwithstanding any other provision in this Agreement or any inference from any provision in this Agreement, no Member shall have an obligation to the Company, to the other Members or to third parties to restore a negative Capital Account balance during the existence of the Company or upon the dissolution or termination of the Company.

ARTICLE VIII EXPENSES OF THE COMPANY

8.1 Transactions With Members and Affiliates. Subject to Section 10.1(e)(ix), the Company may contract and otherwise transact business with Members and Affiliates of Members.

ARTICLE IX ALLOCATION OF PROFITS AND LOSSES; CASH DISTRIBUTIONS

9.1 Profits. After giving effect to the special allocations set forth in Section 9.3 for each Fiscal Year, Profits for any Fiscal Year shall be allocated as follows:

(a) First, to and among the Members in proportion to and to the extent of the amount equal to the excess, if any, of: (i) the cumulative Losses allocated to each such Member's (or such Member's predecessor in interest) pursuant to Section 9.2 for all prior Fiscal Years; over (ii) the cumulative Profits allocated to each such Member (or such Member's predecessor in interest) pursuant to this Section (a) for all prior Fiscal Years.

(b) Second, to and among the Members in proportion to the number of Units held by each.

9.2 Losses. After giving effect to the special allocations set forth in Section 9.3 for each Fiscal Year, Losses for any Fiscal Year shall be allocated as follows:

(a) First, to the extent that each Member has a positive Adjusted Capital Account balance, to and among the Members in proportion to the number of Units held by each:

(b) Second, to the extent that any Member has a positive Adjusted Capital Account balances, to and among such of the Members with a positive Adjusted Capital Account balance, to the extent thereof, in proportion to the number of Units held by each such Member; and

(c) Then, to and among all Members in proportion to the number of Units held by each.

9.3 Special Allocations. Prior to the determination or allocation of Profits or Losses in any Fiscal Year, items of income, gain, loss, expense and deduction shall be allocated to and between the Members as set forth below, to the extent applicable:

(a) Nonrecourse Deductions shall be allocated to and among the Members in proportion to the number of Units held by each.

(b) Member Nonrecourse Deductions shall be allocated to those Members who bear the economic risk of loss with respect to the liability to which such items are attributable in accordance with Section 1.704-2(i) of the Regulations.

(c) If there is a net decrease in Company Minimum Gain in any fiscal year, determined in accordance with Section 1.704-2(f) and related provisions of the Regulations, Members shall be allocated items of income or gain in the amount and in the proportions specified in such Section 1.704-2(1) and related provisions.

(d) If there is a net decrease in Member Minimum Gain in any fiscal year, each Member having a share of such Member Minimum Gain shall be allocated items of income or gain in the amount and in the proportions specified in Section 1.704-2(0(5) of the Regulations.

(e) If a Member unexpectedly receives an adjustment, allocation, or distribution described in Paragraph (4), (5) or (6) of Section 1.704-1(b)(2)(ii)(d) of the Regulations that creates or increases a deficit balance in such Member's Adjusted Capital Account (determined after first tentatively applying Section 9.2 as though this Section (e) were not applicable), then, to the extent that there are then other Members with positive Adjusted Capital Account balances, the Member with the deficit Adjusted Capital Account balance shall be allocated items of income or gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year) in an amount and manner sufficient to eliminate such excess deficit as quickly as possible, but without creating or increasing a deficit Adjusted Capital Account balance for any other Member. In the event there is an allocation of income or gain to a Member pursuant to this Section (e) in any fiscal year, then in subsequent years, to the extent possible without once again causing the application of this Section (e), income or gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such years) shall be allocated to other Members so that the net amount of Profits, Losses and other items of income, gain, loss and expense allocated to each Member equals, to the extent possible, the amounts thereof that would have been allocated to each Member pursuant to the provisions of this ARTICLE IX without regard to this Section (e).

9.4 Tax Allocations: Code Section 704(c). Except as is otherwise provided in this Section 9.4, the taxable income or loss of the Company for any taxable year, together with each item of income, gain, loss, deduction, or credit that is separately stated for income tax purposes, shall be allocated to and among the Members in the same proportions that Profits or Losses are allocated for such year, increased or decreased by items of income, gain, loss, or expense that are separately allocated pursuant to Section 9.3 of this Agreement. Notwithstanding the foregoing, in the event Company property is reflected in the Members' Capital Accounts at a value that differs from the Company's adjusted tax basis for the property, whether as a result of the contribution of property, a revaluation of Company property or otherwise, items of gain, loss, and expense derived

from the property for purposes of determining taxable income or loss shall be allocated to and among the Members for tax purposes in a manner consistent with the requirements of Section 704(c) Code and the Regulations thereunder, notwithstanding any other provision of this Agreement. Unless the Members otherwise agree, the Company shall use the method identified as the “traditional method” in the Treasury Regulations for complying with the principles of Section 704(c) of the Code,

9.5 Distributions of Available Cash Flow. Subject to ARTICLE VIII, the Company shall distribute any Available Cash Flow, as determined by the Board in its reasonable discretion, to the Members as follows:

(a) The Company shall distribute Available Cash Flow to and among the Members in proportion to the number of Units held by each at the time of distribution; provided, that if the Company sells its assets in exchange, in whole or in part, for an obligation to pay in the future, the Company shall distribute Available Cash Flow attributable to payments of principal and interest on any such note to and among the Members in proportion to the number of Units held by each at the time of the sale giving rise to such note. To the extent commercially reasonable, the Board shall cause distributions to be made pursuant to this Section (a) on a monthly basis.

(b) Notwithstanding the foregoing, except to the extent that the Company would be rendered unable to pay its obligations as they come due, the Company shall distribute cash to each Member quarterly, but not later than at such times that federal individual estimated income tax payments are due and payable, in an amount equal to one-fourth (1/4) of forty percent (40%) of the Board’s estimate of such Member’s allocable share of Company Profits for the Fiscal Year with respect to which paid. If the Board’s estimate of a Member’s allocable share of Company Profits changes from one distribution to the next, the amount distributed to the Member pursuant to this clause (b) shall be adjusted, upwards or downwards as appropriate, to offset any overages or shortfalls in prior distributions resulting from such changed estimates. The amount of any distributions otherwise required hereunder shall be offset by any distributions made pursuant to clause (a) of this Section 9.5 in the same quarter.

ARTICLE X MANAGEMENT OF THE COMPANY

10.1 Managing Board. The Managing Board exercises oversight for all ASC activities. The Managing Board assumes full legal responsibility for the determining, implementing, and monitoring policies governing the ASC’s total operation. The Managing Board has oversight and accountability for the quality assessment and performance improvement program, ensures that the facility policies and procedures are administered so as to provide quality healthcare in a safe environment, responsibility of medical staff matters including credentialing and peer review, authority over contracts, and develops and maintains a disaster preparedness plan.

(a) Except as otherwise expressly set forth herein, the business and affairs of the Company shall be managed and all Company powers shall be exercised by or under the direction of a “**Board of Managers**” (each member of such Board of Managers, a “**Manager**” and all Managers collectively, the “**Board**”), which, as a body, shall have the authority of a “**manager**,” as that term is defined in the Act.

(b) The Board shall consist of three (3) Managers. The Managers shall be as set forth on Exhibit B hereto. Subsequent Managers shall be elected by the Members.

(c) If the District is the only Member, the selection, term and removal of Managers shall be governed by this Section (c):

(i) The District shall appoint the Managers.

(ii) Each Manager shall serve for an indefinite term.

(iii) A Manager may resign at any time by notice to the other Managers. A notice of resignation shall be immediately effective, or shall take effect at such later time as may be specified in the notice of resignation.

(iv) The District may at any time remove any Manager. A notice of removal shall be immediately effective, or shall take effect at such later time as may be specified in the notice of removal.

(v) In the event of a vacancy in the office of a Manager, whether due to removal, resignation, death or other cause, the District may appoint a Manager to succeed to the office of such Manager.

(d) If there are Members other than or in addition to the District, the selection, term and removal of Managers shall be governed by the provisions of this Section 10.1:

(i) The Members shall elect the Managers by cumulative voting, whereby: (A) each Member shall have a number of votes equal to the product of the number of Units held by the Member multiplied by seven (7); (B) a Member may combine and cast votes for Board nominees in any way the Member determines to be appropriate (including the casting of fractional votes); and (C) the three (3) nominees receiving the highest numbers of votes shall be the Managers.

(ii) Each Manager shall serve an indefinite term commencing immediately following his or her election as Manager and continuing until his or her resignation, death or the election of his or her successor. There shall be no limit as to the length of time a person may serve as Manager or as to the number of times a person may be elected or re-elected as Manager.

(iii) A Manager may resign at any time by notice to such effect to the other Managers. A notice of resignation shall be immediately effective, or shall take effect at such later time as may be specified in the notice of resignation.

(iv) Any Member having voting power sufficient to elect at least one Manager in an election in which three (3) Managers are to be elected may call an election for Managers, by notice to the Chair and the other Members. Within three (3) business days of the receipt of a notice of resignation or a call for election, the Chair shall schedule an election for Managers by notice to the Members (provided that if the Chair has resigned, the Member holding the largest number of Units shall schedule the election and shall simultaneously with notice thereof appoint a person to serve as Secretary of Elections, who shall thereupon carry out all acts otherwise to be performed by the Chair relative to the election until a Chair is appointed). The election shall be scheduled to take place not less than seven (7) nor more than fifteen (15) business days after the notice of resignation or call for election. At any election of Managers, the Members shall elect or re-elect three (3) Managers. Within five (5) business days of receipt of the notice of election, each Member having sufficient voting power to elect at least one (1) Manager shall submit to the

Chair a slate of nominees equal in number to the number of Managers that the Member has the power to elect. No later than two (2) days prior to the election, the Chair shall distribute a written ballot to each Member containing the names of all nominees duly submitted. The written ballot shall contain: (A) a space next to each nominee's name where a Member can enter the number of votes the Member desires to vote for a Member; and (B) a certification to be signed by the Member voting (or the Chief Executive Officer of a Member other than an individual) certifying that the votes reflected on the ballot are in fact the votes of the Member.

(e) The Board shall meet at least quarterly. At any meeting at which a quorum is present, the vote of a majority of the Managers present and voting shall constitute the act and decision of the Board, provided, that the Board may approve the following matters only by Supermajority Approval:

(i) A sale of all or substantially all of the assets of the Company, including the filing of any petition or amended petition in bankruptcy (or state law insolvency proceeding) having as its objective the liquidation of the Company;

(ii) A merger or consolidation of the Company;

(iii) Close or relocate any Ambulatory Surgical Clinic or open a new Ambulatory Surgical Clinic or other location at which health care services are rendered;

(iv) Change the purposes of the Company to include the conduct of any business or activity other than the conduct of an Ambulatory Surgical Clinic;

(v) Call for additional Capital Contributions, but only if the dollar amount of the call, when added to the dollar amount of all calls for additional Capital Contributions in the prior twelve (12) months, exceeds One Hundred Thousand Dollars (\$100,000);

(vi) Approve the transfer of Units, issue new Units 'or admit a new Member;

(vii) Dissolve the Company;

(viii) Enter into any transaction with a Member, Manager or Affiliate of either, or with any officer of any Member, Manager or Affiliate of either, including the payment of any compensation or perquisite or other economic benefit of any kind whatsoever, directly or indirectly, provided, that Supermajority Approval shall not be required for: (A) any loan, sale or other transaction otherwise expressly provided for or permitted herein without Supermajority Approval; or (B) the reimbursement of expenses reasonably incurred by a Member, Manager or Affiliate of either, or officer of a Member, Manager or Affiliate of either, in the conduct of Company business, so long as pursuant to rules and procedures adopted with Supermajority Approval; and

(ix) Pay any compensation or perquisite or other economic benefit of any kind whatsoever to any officer of the Company, provided, that no Administrator appointed pursuant to Section 10.4 shall be regarded as an officer.

(f) The presence of a majority of the Managers then serving shall constitute a quorum for the transaction of business.

(g) Meetings of the Board may be called at any time by any Manager. Meetings of the Board may be held at any place within the Territory selected by the Manager calling the meeting. Notice of the time and place of meetings of the Board shall be given to each Manager pursuant to Section 15.1 at least five (5) business days prior to the time of the holding of a meeting. The Chair shall prepare and update, as necessary a Schedule of the notice addresses of all Managers and distribute copies of the same to the Managers. Notice of a meeting shall specify the general purpose of the meeting and, if any Manager present at a meeting so demands, no other business may be conducted at the meeting. Any shareholder of the Corporation and any officer of the District shall be entitled to attend meetings of the Board and, upon notice to the Chair to such effect, to receive notices of meetings of the Board given pursuant to this Section (g) and Section 15.1.

(h) The Board may meet, and any Manager may participate in a meeting, regardless of how held, by means of conference telephone or similar communications equipment, so long as all Managers participating in the meeting can hear and be heard by all other Managers participating in the meeting. Participation by means of conference telephone or similar such other equipment shall constitute attendance in person at such meeting.

(i) Except as otherwise provided in Section 10.4, concerning the appointment of Administrators, and Section 10.6, concerning the adoption of budgets, any action required or permitted to be taken at a meeting of the Board may be taken without a meeting provided that a consent or consents in writing, setting forth the action so taken, shall be signed by a majority of all Managers then in office, provided that any action that can be taken by the Board only with Supermajority Approval may be taken by written consent only if signed by Managers constituting a Supermajority Approval. Action taken by written consent under this section is effective when the requisite number of Managers have signed the consent, unless the consent expressly specifies a subsequent effective date.

10.2 Member Voting; Limitations on the Authority of Members. Except for the authority to appoint Managers and to exercise such other power and authority as are reserved to the Members by law or by this Agreement, no Member, in the capacity of a Member, shall have authority to direct, supervise or control the business and affairs of the Company, to represent the Company before third parties or to bind the Company to any contract or other commitment. Each Member shall indemnify the Company and hold it harmless from and against any and all costs, damages, claims and liabilities incurred by the Company as a result of the unauthorized action of such Member. Except as otherwise expressly provided herein whenever any matter is subject to the approval, consent or vote of the Members, the vote of a Member holding (or Members collectively holding) a majority of the issued and outstanding Units shall constitute the vote, consent or approval of the Members. A Member may exercise its voting power by written consent signed by the Member or, as to any Member that is an entity, by its chief executive officer (or person holding a comparable office). Notwithstanding the foregoing, except as otherwise set forth herein (including the rights of a non-Breaching Member or Members to cause a dissolution of the Company pursuant to the provisions of Section 11.3(b)), the Members may approve an amendment of the Articles or this Operating Agreement, or any matter that requires a Supermajority Approval

of the Board to be effective, only if approved by a Member or Members holding at least two-thirds (2/3's) of the issued and outstanding Units.

10.3 Chair, Other Officers. The Board shall designate one of the Managers to serve as Chair. The Board may, but need not, appoint one or more other officers, with such titles and with such standing or special authority as the Board may delegate (provided that an Administrator shall for no purposes hereof be deemed an officer). Any such officers other than the Chair may, but need not, be Managers. The Chair shall preside at all meetings of the Board at which he or she is present and, in the absence of a Board determination to the contrary, the Chair shall have general authority to sign agreements, instruments and other documents in the name and on behalf of the Company and to bind the Company thereto. In the event the Chair will not attend one or more meetings of the Board, the Chair shall have authority to designate another Manager to serve as vice Chair and preside at such meetings. Notwithstanding any other provision of this Agreement, the authority of the Chair and all other officers appointed by the Board shall be subject at all times to the supervision, direction and control of the Board. The Chair and all other officers appointed by the Board shall serve at the pleasure of the Board and the Board may remove and terminate the status of any officer of the Company, as such, at any time, subject to such rights, if any, of any such officer under any contract he or she may have with the Company.

10.4 Administrator. For each Ambulatory Surgical Center, the Board shall appoint an Administrator who shall be a full time employee of the Company, provided that a single individual may serve as Administrator for more than one Ambulatory Surgical Center, and provided further that the Board may only appoint an Administrator at a duly convened meeting of the Managers and only after affording each Manager present at the meeting a reasonable opportunity to express his or her views on the matter. The Administrator shall have general authority and responsibility for the day-to-day management of each Ambulatory Surgical Center as to which he or she has been appointed, subject always to the supervision, direction and control of the Board. In addition, in the event that the Board appoints one or more officers and delegates authority to one or more of such officers that overlaps or conflicts with the authority delegated to the Administrator, the Administrator's exercise of such authority shall at all times be subject to the supervision, direction and control of the officer or officers having such overlapping or conflicting authority. Day-to-day management shall include, but is not necessarily limited to:

(a) Responsibility and authority to enter into contracts on behalf of the Company unless the Company's obligations under such a contract exceeds \$10,000 in any twelve (12) month period, or is a payor contract, in which the Administrator shall not enter into such contract without Board approval (notwithstanding the foregoing, the Board hereby approves and assumes the assignment and continuation of the agreements listed on Exhibit 10.4);

(b) Subject to the Company's employment policies and procedures, the responsibility and authority to hire, train, supervise, and discharge all non-Physician employees working for the Company;

(c) Responsibility and authority to promulgate and administer surgery scheduling policies and guidelines;

(d) Such other activities as are customarily delegated to the senior executive of an ambulatory surgical center; and

(e) Regularly reporting to the Board on the performance of management responsibilities.

10.5 Quality Committee. The Board shall establish and maintain and designate the membership of (except as otherwise set forth below) a Quality Committee, which shall have general day-to-day oversight of clinical operations at the Facility (subject always to the supervision, direction and control of the Board). The members of the Quality Committee shall consist of: (i) at least two (2) surgeons each of whom shall: (A) be appointed by the Board; (B) be board certified in orthopedic surgery; and (C) maintain active staff privileges at the Facility and at the District's acute care hospital; (ii) one (1) anesthesiologist or nurse anesthetist who shall: (A) be appointed by the Board; and (B) maintain an active anesthesia practice in the Territory and active staff privileges at the Facility; (iii) one (1) member appointed by the Corporation; and (iv) one (1) member appointed by the District. A majority of the members of the Quality Committee shall constitute a quorum for the conduct of business. Meetings of the Quality Committee may be set to occur at a regular time and place established by the Committee (and such regular meetings shall require no further notice) and may also be called by any member of the Quality Committee under the same general provisions as set forth herein for calling meetings of the Board, except that such notice need not specify the purpose of the meeting. Among the committee's responsibilities shall be:

(a) Oversight of medical staff matters, including credentialing and peer review.

(b) Development and implementation of quality improvement and utilization management policies and procedures for Board approval, and implementation of such approved policies and procedures;

(c) Review and make recommendations relating to changes in services to be provided at the Facility;

(d) Advising and making recommendations to the Board on equipment needs, and specification of equipment to be purchased by the Company, subject to approved budgets;

(e) Development of scheduling policies and guidelines, including assignment of surgical blocks, for Board approval; and

(f) Regularly reporting to the Board on the performance of the committee's oversight of clinical operations.

10.6 Budgets. The Board, in consultation with the Administrator or Administrators, shall prepare and adopt an annual budget for the Company (the "**Annual Budget**") for each Fiscal Year. No later than thirty (30) days prior to the first day of the period covered by such budget, an Annual Budget for such year shall be presented to the entire Board for review, comment and approval. Notwithstanding any other provision hereof, the Board shall approve an Annual Budget only at a duly convened meeting and only after first affording each Manager present a reasonable

opportunity to express his or her views on the matter. Each Annual Budget shall cover both operating expenses and capital expenditures, and shall include, at a minimum, the following:

- (a) A projected annual income statement (accrual method) on a month-by-month basis;
- (b) A description of any proposed capital expenditures, including projected dates for commencement and completion of the foregoing;
- (c) A description of the proposed investment of any funds of the Company which are (or are expected to become) available for investment; and
- (d) A description, including the identity of the recipient (if known) and the amount and purpose of all fees and other payments proposed or expected to be paid for services rendered to the Company by third parties and which the Board anticipates will exceed \$10,000 as to any one recipient in the applicable Fiscal Year.

10.7 Tax Matters Member. The Board shall designate a Member to serve as the “**Tax Matters Member**.” Except as specifically set forth in this Section 10.7, all rights and powers delegated to the Tax Matters Member by the Code shall be exercised only after approval by the Board pursuant to Section 10.1. Without approval by the Board, the Tax Matters Member shall have the following duties and authority with respect to the Company:

- (a) Furnish the name, address, profits interest and taxpayer identification number of each Member to the IRS;
- (b) Keep each Member and Manager informed of the administrative and judicial proceedings for the adjustment of any item required to be taken into account by a Member for income tax purposes; and
- (c) Within five (5) days of receiving a notice of a Company audit by the IRS, forward a copy of such notice to each Member and each Manager.

The Company shall indemnify and reimburse the Tax Matters Member for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Members and against any and all loss, liability, cost or expense, including judgments, fines, amounts paid in settlement and attorneys’ fees and expenses, incurred by the Tax Matters Member in any civil, criminal or investigative proceeding in which the Tax Matters Member is involved or threatened to be involved solely by virtue of being Tax Matters Member, except such loss, liability, cost or expense arising by virtue of the Tax Matters Member’s gross negligence, fraud, malfeasance, breach of fiduciary duty or intentional misconduct, or that is not authorized by the Board as required by this Agreement. The payment of all such expenses shall be made before any distributions are made.

10.8 Medical Director. The Corporation shall use best efforts to locate and identify a duly licensed and qualified physician to serve as Medical Director for the Company in accordance

with the form of agreement referenced in Sections 6.6 and 7.10 of the Transfer Agreement, with such changes and modifications thereto as the Board of Managers determine to be appropriate.

**ARTICLE XI
TRANSFER OF UNITS IN THE COMPANY;
REDEMPTION OF UNITS**

11.1 Transfer of Units. Unless allowed elsewhere in this Agreement, a Member may not sell, assign or otherwise transfer any or all of the Units owned by it or any interest in a Unit, unless each of the requirements set forth below is met, and any sale, assignment or other transfer of a Unit in violation of this Section 11.1 shall be null and void and of no force or effect, and shall not be recognized by the Company as having any effect whatsoever.

(a) The Board, with Supermajority Approval, shall have approved and consented in writing to the sale, assignment or transfer of a Unit, which consent and approval may be granted, conditioned, delayed or withheld in the Board's reasonable discretion, except that, without such consent and approval: (i) a Member may transfer Units to a Person so long as such Person is wholly owned by the transferring Member, and such Person agrees to be bound by all of the provisions of this Agreement and such additional provisions, if any, that the non-transferring Member reasonably may require in order not to result in loss of any the rights, powers and authority of the non-Transferring Member hereunder; (ii) the Corporation may distribute Units to its shareholders so long as the shareholders agree to be bound by all of the provisions of this Agreement and such additional provisions, if any, that the District reasonably may require in order not to result in loss of any rights, powers and authority of the District hereunder; and (iii) the District and the Corporation may transfer Units to each other.

(b) Notwithstanding the preceding sentence, any purported sale, assignment, or transfer of any Unit or the admission of any Person as a substituted Member that would, in the opinion of counsel to the Company, result in any of the following shall be impermissible unless approved by all the Managers:

- (i) A termination of the Company within the meaning of the Code;
- (ii) A violation of any applicable federal or state law; or
- (iii) The sale, assignment or transfer of any Unit to, or the admission of, any Person involuntarily excluded or suspended from participation in any federal or state healthcare program, such as Medicare or Medicaid.

(c) The transferring Member and its purchaser, assignee or transferee must execute and deliver to the Company such instruments of transfer and assignment with respect to such transaction as are in form and substance satisfactory to the Managers, including, without limitation, the written acceptance and adoption by such transferee of the provisions of this Agreement.

(d) Such transferee or Member must pay the Company a transfer fee which is sufficient to pay all reasonable expenses of the Company in connection with such transaction.

11.2 Substituted Members. Any purchaser, assignee or transferee of a Unit in accordance with the provisions of Section 11.1 may become a substituted Member within the meaning of the Act only if:

(a) The Board, with Supermajority Approval, has consented in writing to such Person becoming a substituted Member, which consent may be granted, conditioned, delayed or withheld in the Board's sole, absolute and arbitrary discretion;

(b) Such Person executes and delivers such agreements, instruments and other documents that the Company may deem necessary or advisable to effect the admission of such Person as a substituted Member, including, without limitation, the written acceptance and adoption by such Person of the provisions of this Agreement;

(c) Such Person pays a transfer fee to the Company which is sufficient to cover all reasonable expenses connected with the admission of such Person as a substituted Member within the meaning of the Act.

Upon satisfaction of these conditions, the Board shall take any other steps which, in the opinion of the Board, are reasonably necessary to admit such Person as a substituted Member under the Act.

11.3 Redemption of Units. A Member shall have the right to cause the Company to redeem the Units of another Member as follows:

(a) If there is a transfer or issuance of shares of the Corporation in violation of the Shareholders Agreement, as the same is being amended in accordance with the Transfer Agreement (an "**Unapproved Transfer**"), and the Corporation fails to redeem the shares acquired by the transferee in the Unapproved Transfer within sixty (60) days of the District's notice to the Corporation of the Unapproved Transfer, the District shall have the right to cause the Company to redeem a portion of the Units then held by the Corporation. The number of Units that will be subject to redemption shall be the product of (i) the ratio that the number of shares involved in the Unapproved Transfer bears to the total number of shares of the Corporation outstanding as of the date of the Unapproved Transfer, multiplied by (ii) the number of Units then held by the Corporation. For example, if 10% of the outstanding shares of the Corporation are involved in an Unapproved Transfer and the Corporation at that time owns 49 Units out of a total of 100 outstanding Units, the District shall have the right to cause a redemption of 10% of the Units held by the Corporation, or 4.9 Units. Notwithstanding the foregoing, the Corporation's failure to redeem shares acquired by a transferee in an Unapproved Transfer shall not be deemed a breach of this Agreement for purposes of Section (b). In the event of an Unapproved Transfer, the District shall exercise its rights hereunder, if at all, within sixty (60) days after the Corporation's failure to redeem the shares acquired by the transferee in the Unapproved Transfer. The redemption price of each Unit repurchased by the Corporation pursuant to this Section (a) shall be fair market value, as determined pursuant to Section (c), payable in accordance with the terms and conditions set forth in Section (c).

(b) If a Material Adverse Event (as defined below) occurs with respect to a Member (the "**Breaching Member**"), any non-Breaching Member shall have the right to cause

the Company to redeem all of the Units then held by the Breaching Member by notice given to the Breaching Member and any other Members within sixty (60) days of the date that the non-Breaching Member first becomes aware of the Material Adverse Event, provided, that if, a Member or Members holding not less than a majority of the issued and outstanding Units, without regard to any Units then held by the Breaching Member, determine, either before or within thirty (30) days after the issuance of such a notice of redemption, to dissolve the Company, then, in lieu of a redemption of Units as aforesaid, the Company shall be dissolved pursuant to Section 12.1. In the event of a redemption of Units under this Section (b), the redemption price shall be sixty percent (60%) of fair market value, as determined pursuant to Section (c), payable in accordance with the terms and conditions set forth in Section (c). Notwithstanding any other provision hereof, the occurrence of a Material Adverse Event with respect to any shareholder of the Corporation shall not, in and of itself, be deemed a Material Adverse Event as to the Corporation, provided that the involuntarily exclusion or suspension of a shareholder of the Corporation from participation in any federal or state healthcare program, such as Medicare or Medicaid, shall constitute a Material Adverse Event as to the Corporation, unless such shareholder's ownership of shares in the Corporation is entirely terminated within sixty (60) days of such involuntary exclusion or suspension. For purposes of this Section (b), a "Material Adverse Event" shall mean and include each of the following:

(i) Any sale, assignment or transfer (or purported sale, assignment or transfer) of Units in violation of this Agreement;

(ii) The involuntary exclusion or suspension of a Member from participation in the Medicare program;

(iii) The conviction of a felony;

(iv) A breach of this Agreement and failure to cure such breach within thirty (30) days of notice of such breach given to the Breaching Member by any non-Breaching Member, or such longer period as may reasonably be required to cure such breach, but only so long as the breach is one that may be cured and the Breaching Member promptly commences and diligently prosecutes such cure; or

(v) The filing of a petition for relief under the Bankruptcy Code that is not dismissed within ninety (90) days of filing.

(c) For purposes of this Section 11.3, fair market value shall be determined by appraisal by an appraiser or appraisers knowledgeable in the valuation of ambulatory surgical centers. The Members shall endeavor to agree upon an appraiser to determine fair market value, but in the event the Members are unable to agree upon an appraiser within thirty (30) days after a Member's notice of exercise of its rights under this Section 11.3, then any Member may, upon notice to the other Member, select an appraiser and the other Member also may, upon notice to the first Member given within thirty (30) days of the first Member's notice, select another appraiser. If one appraiser has been selected, that appraiser shall determine fair market value. If one appraiser is selected, the Company and the Members each may have separate written communications with the appraiser, provided that the party making a written communication shall provide a copy of the same to the other parties, but no party otherwise shall separately communicate with the Appraiser

without the other parties being present. If two appraisers have been selected and both make a determination of fair market value within sixty (60) days of the date of the second notice appointing an appraiser, then fair market value shall be the average of the two appraisals so long as the lower valuation is within ten percent (10%) of the higher valuation and, if not, then the two appraisers shall, as soon as practicable, appoint a third appraiser whose sole function shall be to select which of the first two appraisals most closely approximates fair market value. Each Member shall bear the fees and expense of any appraiser selected by it, and one-half of the costs and expenses of any third appraiser appointed. Payment for the redemption price of Units redeemed pursuant to this Section 11.3 shall be made as follows: twenty percent (20%) on the initial payment date (the “**Initial Payment Date**”), which shall be within ninety (90) days after determination of the Redemption Price, and the remainder in four equal installments each payable on the first and following anniversaries of the Initial Payment Date, with interest on the outstanding principal balance accruing at the Prime Rate shown in the Money Rates Section of the Wall Street Journal on the first business date of the month in which the Initial Payment Date occurs. Notwithstanding payment of the redemption price in installments as aforesaid, the effective date of redemption hereunder shall be the Initial Payment Date, with all rights, powers and interests of a Member with respect to the Units being redeemed hereunder terminating as of the Initial Purchase Date. Notwithstanding any other provision hereof, in the event of a redemption or redemptions of Units pursuant to Sections (a) and/or (b), the Company shall have no obligation to make aggregate payments in redemption of Units in any year in excess of seven and one-half percent (7.5%) of the Company’s cash collections in such year. In any year in which redemption payments are owing to a former Member or Members, the Board shall determine if the foregoing limit is likely to apply based on the Board’s estimates of likely cash collections, and the Board shall provide for the reduction of redemption payments otherwise payable in such year so as not to exceed seven and one-half percent (7.5%) of the Board’s estimates of cash collections. If payments are so restricted in any year, payments owing to each former Member in such year shall be reduced pro rata, based on the ratio that the aggregate redemption payments otherwise owing to each former Member bears to the aggregate redemption payments owing to all such former Members. If redemption payments are so reduced in any year, the Board shall cause a determination to be made of actual cash collections in such year within thirty (30) days of year end, and if actual cash collections in such year exceed the Board’s estimate for purposes of this Section (c), the Board shall, promptly after such determination is made, cause additional payments to be made to the former Member or Members whose payments were reduced, but not more than seven and one-half percent (7.5%) of the excess of actual cash collections over the Board’s estimate, or the amount of the reductions, if less. Any reduction in payments made in a year pursuant to this Section (c) shall be deferred to the following year or years, until such amounts can be paid without exceeding seven and one-half (7.5%) of cash collections pursuant to this Section (c).

11.4 Buyout of Jeff Dodd. Notwithstanding anything else herein to the contrary, if the legal requirements of physician ownership are no longer necessary, if the Company dissolves or closes down, or anytime upon demand of Buyer, Tahoe Forest Hospital District, a California local health care district, shall buy out Buyer’s interest in the Company for Buyer’s initial investment in the Company (\$5,000.00) plus 0.666% interest, compounded monthly (approximately 8% APR), calculated from the date of this Agreement.

ARTICLE XII
DISSOLUTION AND WINDING UP OF THE COMPANY

12.1 Dissolution of the Company. The Company will be dissolved upon the occurrence of any of the following events:

(a) The sale, exchange or other transfer of all or substantially all of the assets of the Company;

(b) The Supermajority Approval of the Board and consent of a Member or Members holding two-thirds of the outstanding Units;

(c) The decision of a non-Electing Member or Members to dissolve the Company pursuant to Section 4.2 following an election of the Electing Member to cause a redemption of its Units;

(d) The determination of a non-Breaching Member or Members holding a majority of the outstanding Units (without regard to Units held by a Breaching Member) pursuant to Section 11.3(b); or

(e) The entry of a decree of judicial dissolution pursuant to Corporations Code Section 17351 or the issuance of a certificate of dissolution pursuant to Corporations Code Section 17356.

12.2 Winding Up of the Company. Upon the dissolution of the Company, the Board shall take full account of the Company's assets and liabilities, and the assets shall be liquidated as promptly as is consistent with obtaining the fair value thereof. Provided that each Member is given an equal and fair opportunity to bid on the purchase of Company assets, nothing herein shall be deemed to preclude the sale of any, or of all or substantially all of the assets of the Company to a Member or Members, provided that the same is consistent with obtaining the fair value thereof, or the most favorable price reasonably obtainable by the Company under the circumstances. During the dissolution and winding up of the Company, Profits and Losses shall be allocated among the Members as provided in ARTICLE IX. The proceeds from the sale or other disposition of the Company's assets shall be applied to payment of all Company debts, obligations and liabilities (or creating adequate reserves therefor), and the remaining proceeds shall be distributed to the Members in accordance with their ending positive Capital Account balances after all allocations and any other Capital Account adjustments for the Fiscal Year are made.

12.3 Certificate of Dissolution. Upon the dissolution and commencement of the winding up of the Company, the Board shall cause a Certificate of Dissolution to be executed on behalf of the Company and filed with the Secretary of State. After all debts, liabilities, and obligations have been paid and discharged (or adequate provision made therefore) and all of the assets have been distributed to the Members, the Board shall cause a Certificate of Cancellation to be executed on behalf of the Company and filed with the Secretary of State. The Members and the Managers, as necessary, shall execute, acknowledge and file any and all other instruments necessary or appropriate to reflect the dissolution of the Company.

ARTICLE XIII
BOOKS OF ACCOUNT, ACCOUNTING, REPORTS,
FISCAL YEAR, BANKING AND TAX ELECTION

13.1 Books of Account. The Company's books and records (including a current list of the names and addresses of all Members) and an executed copy of this Agreement, as currently in effect, shall be maintained at the principal office of the Company, and each Member shall have access thereto at all reasonable times. The books and records shall be kept by the Company using a recognized and appropriate method of accounting consistently applied as selected by the Board. The Company shall also keep adequate federal income tax records using an appropriate method of accounting applied on a consistent basis.

13.2 Financial Reports. As soon as reasonably practicable after the end of each Fiscal Year, but not later than one hundred twenty (120) days after the end of each Fiscal Year, the Board shall cause to be prepared and delivered to each Member an unaudited balance sheet of the Company as of the last day of such Fiscal Year and unaudited statements of income or loss of the Company for such year. In addition, the Company will make available to the Members as soon as is practicable unaudited quarterly summaries of its operations. All such financial statements shall be prepared on the basis of such method of accounting, consistently applied, as the Board shall determine. The Company shall also furnish to each Member not later than the last day of the month immediately preceding that in which a Member is obligated to file a federal income tax return whatever information may be necessary for such Member to file such return. The Company will also make available to each Member a copy of all state and/or local tax returns that are filed by the Company. The Company will make available to the Members any audited balance sheet of the Company, if one has been prepared.

13.3 Fiscal Year. The fiscal year of the Company shall end on such date that the Board shall determine.

13.4 Tax Election. Upon the transfer of an interest in the Company or in the event of a distribution of the Company's property, the Company may, but is not required to, elect pursuant to Code Section 754 to adjust the basis of the Company's property as allowed by Sections 734(b) and 743(b) thereof.

13.5 Tax Returns. The Board shall file or cause to be filed with the appropriate taxing federal, state and local tax authorities all returns, reports and other documentation lawfully required of the Company within the times prescribed by law (including any extensions) for such filings. Tahoe Forest Hospital District, a California local health care district, and Company shall pay for and be jointly and severally liable for Jeff Dodd's tax preparation costs incurred in conjunction with Jeff Dodd's ownership interest in the Company. Further, in the event that Jeff Dodd incurs a tax liability as a result of owning a membership interest in the Company, Tahoe Forest Hospital District and Company shall pay for and be jointly and severally liable for Jeff Dodd's tax liability resulting from Buyer's ownership interest in the Company.

ARTICLE XIV
LIABILITY AND INDEMNIFICATION

14.1 Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Manager, officer of the Company or Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member, Manager or officer of the Company. Except as otherwise expressly required by law, a Member shall have no liability in excess of (a) the amount of its Capital Contributions, (b) its share of any assets and undistributed Profits, (c) its obligation, if any, in writing signed by the Member to make any other payments, and (d) the amount of any distributions wrongfully or erroneously distributed to the Member.

14.2 Exculpation. No Member, officer of the Company or Manager shall be liable to the Company or any other Member, officer of the Company or Manager for any loss, damage or claim incurred by reason of any act or omission performed or omitted in good faith on behalf of the Company and in a manner reasonably believed by the Member, officer of the Company or Manager to be within the scope of authority conferred on the Member, officer of the Company or Manager by this Agreement, except that the foregoing shall not exclude or limit any Person's liability for willful misconduct. A Member, officer of the Company or Manager shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Member, officer or Manager reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid.

14.3 Duties and Liabilities of Covered Persons.

(a) If and to the extent that, at law or in equity, a Member, officer of the Company or Manager has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Member, such Member, officer or Manager acting under this Agreement shall not be liable to the Company or to any other Member for its good faith reliance on the provisions of this Agreement.

(b) Unless otherwise expressly provided herein, (i) whenever a conflict of interest exists or arises between or among the Company, and any one or more Members, Managers or officers of the Company, or (ii) whenever this Agreement or any other agreement contemplated herein or therein provides that a Member, Manager or officer of the Company shall act in a manner that is, or provides terms that are, fair and reasonable to the Company or any Member, then the Member, Managers or officer of the Company shall resolve such conflict of interest, taking such action or providing such terms, under the principles set forth in Section 8.1 regarding contracts with Affiliates.

(c) Whenever in this Agreement a Member, Manager or officer of the Company is permitted or required to make a decision (i) in its "discretion" or under a grant of similar

authority or latitude without any further guidance, the Person shall exercise such discretion in the same manner as a reasonable business person under the same or similar circumstances, or (ii) in its “good faith” or under another express standard, the Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Agreement or other applicable law.

14.4 Indemnification. To the fullest extent permitted by applicable law, each Member, Manager and the officer of the Company shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Person by reason of any act or omission performed or omitted by such Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Person by this Agreement, except that no Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Person by reason of willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 14.4 shall be provided out of and to the extent of Company assets only, and no Person other than the Company shall have any personal liability on account thereof.

14.5 Expenses. To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Member, Manager or officer of the Company in defending any claim, demand, action, suit or proceeding (other than one brought by the Company) arising by reason of the fact that the Person is or was a Member, Manager or officer of the Company shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the covered person to repay such amount if it shall be determined that the covered person is not entitled to be indemnified as authorized in Section 14.4 hereof.

14.6 Indemnity of Jeff Dodd. Notwithstanding any other term herein, the Company and Tahoe Forest Hospital District, a California local health care district, shall jointly and severally hold Buyer harmless from, and protect, defend, and indemnify Jeff Dodd from any and all civil, criminal, or administrative penalties, allegations, claims, damages, or causes of action arising out of or related to Jeff Dodd’s ownership interest in the Company, including, but not limited to, those risks identified on Exhibit “B” DISCLOSURE STATEMENT attached to the Membership Interest Purchase Agreement executed between the parties.

14.7 Insurance. The Company may purchase and maintain insurance, to the extent and in such amounts as the Board shall, in its sole discretion, deem reasonable, on behalf of the Members, the Managers, officers of the Company and such other Persons as the Board shall determine, against any liability that may be asserted against or expenses that may be incurred by any such Person in connection with the activities of the Company or such indemnities, regardless of whether the Company would have the power to indemnify such Person against such liability under the provisions of this Agreement. The Managers and the Company may enter into indemnity contracts with any Persons and adopt written procedures pursuant to which arrangements are made for the advancement of expenses and the funding of obligations under Section 14.5 hereof and containing such other procedures regarding indemnification as are appropriate.

14.8 Ancillary Agreements. Notwithstanding anything to the contrary herein, the terms of agreements between a Member or its Affiliate and the Company regarding the duties and

obligations to be performed under such agreements and the indemnification provided for therein shall control with respect to such duties and obligations over the terms of this Agreement, including, without limitation, the terms of this ARTICLE XVI relating to indemnification, advancement of expenses, and exculpation of Members (e.g., a Member providing management services under a Management Agreement shall be responsible to the Company without reference to the exculpation provisions of this ARTICLE XVI).

ARTICLE XV MISCELLANEOUS

15.1 Notices. Except as otherwise provided in this Agreement, any notice, payment, demand, request or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be duly given by the applicable party if given to the applicable party at its address or facsimile number set forth below:

If to the Company: Truckee Surgery Center, LLC
10770 Donner Pass Road, Suite 201
Truckee, California 96161

If to the District: Tahoe Forest Hospital District
10121 Pine Avenue
Truckee, California 96161
Attn: Matt Mushet

or to such other address as the applicable party may from time to time specify by written notice to the Company; and

Any such notice shall, for all purposes, be deemed to be given and received:

(a) If given by facsimile, when the facsimile is transmitted to the party's facsimile number specified above and confirmation of complete receipt is received by the transmitting party during normal business hours on any business day or on the next business day if not confirmed during normal business hours;

(b) If by hand, when delivered;

(c) If given by nationally recognized and reputable overnight delivery service, the business day on which the notice is actually received or delivery refused by the party as evidenced by a receipt from such delivery service; or

(d) If given by certified mail, return receipt requested, postage prepaid, five business days after posted with the United States Postal Service.

15.2 Section Captions. Section and other captions contained in this Agreement are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

15.3 Severability. Every provision of this Agreement is intended to be severable. If any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

15.4 Waiver of Action for Partition. Each Member irrevocably waives during the term of the Company and during the period of its liquidation following any dissolution, any right to maintain any action for partition with respect to any of the assets of the Company.

15.5 Counterpart Execution. This Agreement may be executed in one or more counterparts all of which together shall constitute one and the same Agreement.

15.6 Parties in Interest. Except as otherwise provided in this Agreement, this Agreement shall be binding upon the parties hereto and their successors, heirs, devisees, assigns, legal representatives, executors and administrators.

15.7 Compliance with Laws. The Members agree that all business activities and operations of the Company shall conform, and shall continue to conform, with applicable provisions of law including the Ethics in Patient Referral Act, 42 U.S.C. Section 1395nn *et seq.*, and the Anti-Kickback Statute, 42 U.S.C. Section 1320a-7b(b) and any similar California statutes, rules and regulations, including, but not limited to California Business and Professions Code § 650, *et seq.* and California Welfare and Institutions Code § 14107.2.

15.8 Construction of Pronouns. The feminine or neuter of the words “he,” “his” and “him” used herein shall be automatically deemed to have been substituted for such words where appropriate to the particular Person, Manager or Member.

15.9 Integrated Agreement. This Agreement, including the Exhibits, constitutes the entire understanding and agreement among the Members in their capacity as Members with respect to the Company, and there are no agreements, understandings, restrictions, representations or warranties among the parties relating thereto other than those set forth herein or herein provided for.

15.10 Time is of the Essence. Time is of the essence to this Agreement and to each and all of its provisions.

15.11 Legal Counsel. The Company may benefit from legal services provided by legal counsel to one or more of its Members. Such benefits, no matter how direct, exclusive and intended, shall not cause any Member legal counsel to have any attorney-client relationship with the Company and shall not give rise to any obligation on behalf of the Company to pay a Member’s legal fees. The Members are each sophisticated business organizations who have agreed to this Section 15.11 out of each Member’s desire to (a) avoid the expense, inexperience, inefficiency and burden of engaging entirely separate counsel to provide legal services to the Company, and (b) maintain a relationship with their own legal counsel that is untainted by conflicts of interest, so that such counsel may advise them of their rights and duties respecting the other Members and the Company, notwithstanding that such counsel may have provided legal services that directly, exclusively and intentionally benefited the Company. Nothing herein shall prevent the Company from engaging separate and independent counsel when and as determined to be appropriate by the Board.

15.12 No Conflict. Each Member represents and warrants to the Company and to the other Member that such Member will not be in breach of any agreement, contract, decree, judgment or any other item binding such Member by reason of entering into this Agreement or fulfilling such Member's duties under this Agreement or as a Member. Each Member indemnifies and holds harmless, and will defend, the Company, each other Member, and the agents of either, from and against any cost, damage, loss or expense (including but not limited to actual attorneys' fees) arising from the inaccuracy of any of the representations and warranties set forth in this Section 15.12.

15.13 Amendment. This Agreement may be amended only by a written instrument approved by the unanimous written consent of all Members.

ARTICLE XVI DISPUTE RESOLUTION PROCESS

16.1 Overall Scope. Except as otherwise expressly provided, this ARTICLE XVI shall apply to all disputes between the Members under this Agreement, including, without limitation, any dispute as to the existence or alleged existence of a breach of this Agreement for purposes of Section 11.3 hereof.

16.2 Purpose and Interpretation. It is the Members' intent that their disputes be resolved in an efficient and timely manner, and to limit the disruption and expense involved in resolving disputes, so that they may cooperatively contribute to improving healthcare delivery and controlling health care costs. Accordingly, in interpreting and applying the provisions of this ARTICLE XVI, the Members, and any Court of competent jurisdiction shall be guided by, and endeavor to support, the Members' agreement and goal to engage in as streamlined an approach to dispute resolution as possible given the nature of the dispute between them.

16.3 Meet and Confer. In the event of any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity hereof, the Members agree to meet and confer for a period of thirty (30) days (or such longer period as is mutually agreed upon) promptly upon a written request by any Member to resolve such dispute claim or controversy. At each meet and confer meeting, each Member shall be represented by persons with authority to finally resolve the dispute. Meet and Confer discussions and all documents prepared for those discussions such as agendas, spreadsheets, chronologies and the like shall not be subject to discovery, offered as evidence or admitted in evidence in any proceeding for any purpose. It is the Members' intent that their meet and confer proceedings be frank and open, and that they be protected to at least the same degree as they would be if they were conducted through a mediator and subject to California Evidence Code Division 9, Chapter 2; as well as California Evidence Code sections 1152 and 1154. The failure to conduct a meet and confer shall not be grounds to dismiss an action initiated by any Member(s) to resolve any dispute, but it shall constitute grounds to stay the action proceedings until, in the discretion of the Court, the meet-and-confer process is complete.

16.4 Binding Arbitration. If the parties are not able to resolve their dispute, claim or controversy pursuant to the above meet and confer process within forty-five (45) days of the initial request under Section 16.3, or within a time frame mutually agreed upon by the Parties, then either

party may, by notice to such effect to the other party, submit the dispute, claim or controversy to binding arbitration before a retired judge or attorney arbitrator with at least 10 years of experience with the arbitration held in Truckee, California. The parties shall have the right to conduct discovery in accordance with the provisions of Section 2020 *et seq.* of the California Code of Civil Procedure. The arbitrator shall apply the substantive laws of the State of California applicable to contracts negotiated, executed and performed entirely within its borders. Either party shall have the right to appeal decisions of the arbitrator on questions of law to the Superior Court. Judgment on the Award may be entered in any court having jurisdiction. This clause shall not preclude the parties from seeking equitable relief from a court of appropriate jurisdiction. The arbitrator may, in the Award, allocate all or part of the costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party.

[Remainder of Page Intentionally Left Blank]
[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first above written.

“DISTRICT”

“COMPANY”

TAHOE FOREST HOSPITAL DISTRICT

TRUCKEE SURGERY CENTER, LLC

By:
Print

By: Print Name:

Name: Louis

Louis

Ward

Ward

Title:

CEO

Title:

President

its authorized
signatory

its authorized
signatory

“JEFF DODD”

Jeffrey Dodd, M.D.

By: Print

Name: Jeffrey Dodd

5798700.2

Signature Page

EXHIBIT A

**SCHEDULE OF MEMBERS, CAPITAL CONTRIBUTIONS,
UNIT OWNERSHIP, AND PERCENTAGE INTERESTS**

Name	Capital Contributions	Units	Percentage Interests
Tahoe Forest Hospital District	[Add TFHD contributions]	99	99%
Jeff Dodd		1	1%

EXHIBIT B

**BOARD OF
MANAGERS**

Tahoe Forest Hospital District CEO

Tahoe Forest Hospital District CFO

Tahoe Forest Hospital District COO

Dr. Jeffrey Dodd



Origination N/A
 Last N/A
 Approved
 Last Revised N/A
 Next Review N/A

Owner Heidi Fedorchak
 Nurse Manager
 Department Environment of Care

Water Management Plan, EOC 2501

RISK:

The lack of a Water Management Plan (WMP) opens the potential for exposing the patients, visitors, and staff of Truckee Surgery Center (TSC) to opportunistic waterborne pathogens, particularly *Legionella spp.*

POLICY:

Truckee Surgery Center's (TSC) policy and social responsibility is to manage and mitigate the risk of exposure to opportunistic waterborne pathogens in building water systems, particularly *Legionella spp.*, via the procedures outlined in this WMP. This policy complies with all State and Federal water management regulations for healthcare facilities.

OBJECTIVES:

1. Mitigate and prevent contamination of the facility's water system.
2. Regularly test and monitor the facility's water supply.
3. Protect TSC's patients, visitors, and staff from waterborne pathogens and contaminated water supplies.
4. Maintain a plan to prevent, control, and investigate infections.
5. Comply with all State and Federal water management regulations for healthcare facilities.

WATER MANAGEMENT TEAM (WMT):

The Water Management Team is comprised of both members from Truckee Surgery Center and Tahoe Forest Hospital District (TFHD).

Name	Position	Email	Role
Dylan	TFHD Director,	dcrosby@tfhd.com	Project Administrator

Crosby	Facilities Management		
Cameron Delano	TFHD Manager, Construction & Facilities Management	cdelano@tfhd.com	Program Manager
Svetlana Schopp	TFHD Preventionist Infection Control	sschopp@tfhd.com	Outbreak investigation / Public Health Reporting
Ed Schrader	TFHD Chief Engineer, Facilities Management	eschrader@tfhd.com	Routine Monitoring
Maureen Blankenship	TFHD Administrative Coordinator, Facilities Management	mblankenship@tfhd.com	Testing Coordinator
Martha Carrillo-Garcia	TFHD Manager, Environmental Services	mcarrillo@tfhd.com	EVS Staff Education
Myra Tanner	TFHD Environment of Care Coordinator, Facilities Management	mtanner@tfhd.com	Regulation & Reporting
Anthony Lavin	TFHD Environment of Care Assistant Facilities Management	alavin@tfhd.com	Regulation and Reporting
Heidi Fedorchak, RN	Truckee Surgery Center Nurse Manager	heidi@truckeesurgerycenter.com	Outbreak investigation/ Public Health Reporting/ Staff Education/ Regulation & Reporting

ABOUT LEGIONELLA:

1. *Legionella* & Legionellosis:

1. *Legionella* is a gram-negative bacteria found in freshwater environments and the cause of legionellosis (i.e., Legionnaires' disease, Pontiac fever).
2. *Legionella* and *Legionella spp.* refer to the species (*spp.*) of *Legionella* as a whole.
3. *Legionella pneumophila* serogroup 1 (Lp1) is the most common species of *Legionella*, accounting for over 80% of all human cases, but many other species and subtypes have been documented.
4. Legionellosis occurs when *Legionella spp.* enters the lungs via water droplets (aerosolization) containing concentrations of the bacteria.
 - a. While most healthy people exposed to *Legionella spp.* do not develop illness, many individuals at higher risk for infection include:
 - i. Persons with weakened immune systems

- ii. Those with chronic lung conditions
- iii. Persons 50 years of age or older
- iv. Former and current smokers
- v. Those with underlying illnesses such as diabetes or liver failure

b. Illness classifications

i. Legionnaire's disease

- a. Symptoms – fever, cough, shortness of breath, evidence of pneumonia.
- b. Incubation in 2-10 days with an average of 5-6 days.

ii. Pontiac fever

- a. Symptoms – fever, chills, fatigue, headache, but no respiratory symptoms or evidence of pneumonia.
- b. Incubation in 24-72 hours.

iii. Extra-pulmonary infection

- a. These types of cases are rare. Symptoms and incubation are variable.

2. Conditions that promote the growth of *Legionella*:

1. Water temperatures between 68° - 122°F
 - a. The optimal temperature for *Legionella* growth is 95°F° - 115°F
2. A water pH range of 5.0 – 8.5
 - a. In 2019, the average Tahoe Donner Public Utility District (TDPUD) municipal water pH was 8.1, ranging from 7.8 to 8.4.
3. Stagnant or low water flow
4. Sediment in water systems
5. Biofilm in water systems
 - a. Biofilm is a layer of bacteria and other microbes that grows on and adheres to surfaces.
 - b. These micro-organisms (e.g., algae, *Pseudomonas*) provide haven and nutrients essential for *Legionella spp.* survival and growth.
6. Water systems that can incubate and transmit *Legionella* include:
 - a. Decorative fountains or water features
 - b. Commercial plumbing systems
 - c. Ice Machines
 - d. Hot water tanks
 - e. Cooling towers

- f. Shower heads
- g. Sink faucets

3. Diagnosis and Treatment

1. There are numerous ways to confirm a legionellosis diagnosis, including:

a. *Urine Antigen*

- i. Advantage – Same-day results.
- ii. Disadvantage – Only detects Lp1.

b. *Culture*

- i. Advantage – Detects all species and subgroups.
- ii. Disadvantage – Slow results (>5 days); technically difficult.

c. *Serology*

- i. Advantage – Able to detect species and serogroups other than Lp1
- ii. Disadvantage – Requires a paired sera collected at the acute onset to two weeks and three to six weeks later.

d. *Direct Fluorescent Antibody (DFA)*

- i. Advantage – Able to detect species and serogroups other than Lp1; can be performed on pathologic specimens such as lung tissue.
- ii. Disadvantage – Technically challenging; reagents may not be readily available.

e. *Polymerase Chain Reaction (PCR)*

- i. Advantage – Able to detect species and serogroups other than Lp1; can be performed on pathologic specimens such as lung tissue.
- ii. Disadvantage – Assays vary by laboratory and may not be available in the United States.

2. According to the CDC, the preferred diagnostic test for legionellosis is a culture of lower respiratory secretions and a urinary antigen test.

- a. The best practice is to obtain the culture and urine samples before administering antibiotics. However, antibiotics should not be delayed to facilitate sample collection.

4. National Trends

In the United States, the rate of reported legionellosis has increased five-fold since 2000. The number of cases per 100,000 persons has increased from under 0.5 to nearly 2.5. The CDC reports that legionellosis is likely to be underreported, so the figures above probably underestimate the actual number of cases.

INVENTORY OF SYSTEM COMPONENTS:

1. Water Quality

1. Source

a. TDPUD Municipal Water

- i. The 100% groundwater supply is pumped from local deep wells in the Martis Valley Groundwater Basin.

b. Incoming Water Quality

- i. TDPUD municipal water is tested weekly for microbial quality. In addition, natural filtration protects municipal groundwater from surface water contamination, providing high-quality water.
 - a. In 2022, the average municipal water pH was 8.1, ranging from 8.0 to 8.2.
 - b. As of 2024, municipal water quality meets all State and Federal drinking water standards.

c. Municipal Water Treatment Process

- i. TDPUD municipal water is treated with chlorine and tested for residual 40-50 times monthly. The average level for residual chlorine is 0.37 ppm. The Maximum Contamination Level (MCL) is 4 ppm.
 - a. Weekly tests for microbial quality.

d. Emergency Supply

- i. Source
 - a. One 5-gallon jug of commercially bottled water located in the TSC mens locker room.

2. System Description

1. Water Use

a. Dietary

- i. Drinking & Food Prep
- ii. Ice Machines
- iii. Drinking Fountains
- iv. Dish washing

b. Showers, Eyewash, Sinks, & Toilets

c. EVS

- i. Cleaning
- ii. Laundry
- iii. Sanitization

- d. Clinical
 - i. Sterile Processing Department
 - ii. Surgery
- e. Fire Sprinklers
- f. Chill Water

2. *Water Users*

- a. Facility Population & Bed Count
 - i. Truckee Surgery Center is an ambulatory surgery center consisting of 2 operating suites, 2 pre-operative beds and 3 post-operative beds.

3. *System Details*

- a. TSC Entry Point- Donner Pass Road; 1.5 inch pipe located in the Truckee Surgery Center Environmental Services closet.
- b. See Water Flow Diagrams, Annex 1, for detailed municipal water distribution to TSC building water systems.
- c. Control Points
 - i. General fixtures (sinks, showers, etc.)
 - ii. The facility contains no known dead legs or infrequent or low-flow sources.
 - iii. Ice machines
 - iv. Regular treatment and monitoring of building water system.
 - a. Heating hot water
 - b. Domestic hot water
 - c. Domestic cold water
 - v. Surgery Humidifiers
 - vi. SPD (sterilizers and Ultrasonic Machine)
 - vii. Eyewash/emergency shower
 - viii. Water Softener System
 - ix. Reverse Osmosis System
 - x. Water booster (located in housekeeping closet)
 - xi. Closed loop systems
 - a. Fire Sprinklers
 - b. HVAC heating hot water glycol loop

PROCEDURE:

A. Water Infection Control Risk Assessment (WICRA)

1. Hazard Identification

- a. The WMT has identified the hazards within the building water system that may affect water quality and promote the growth of opportunistic waterborne pathogens, particularly *Legionella spp.*

2. Environmental Risk Analysis

- a. The WMT has reviewed and quantified the hazards in the building water system and calculated the risk associated with each hazard. Each hazard is assigned a numerical level of risk based on the likelihood and consequence of it occurring. All hazards are reviewed individually.

3. Potential Hazards & Events

- a. Low-flow and stagnant water.
- b. Aerosolization
- c. Municipal water failure.
- d. Backflow failure.
- e. Contamination of building water systems.
- f. *Legionella* cases detected.

4. Review

- a. The WICRA is evaluated annually and updated per facility and regulation changes.

5. Attachments

- a. The WICRA for the current year is attached at the end of this policy.

B. Maintenance and Monitoring

1. Operational Monitoring

a. Preventative Maintenance Schedule

- i. All TSC facility water systems are inspected, maintained, and repaired regularly per manufacturer recommendations. The primary water system components that are tested and maintained via this schedule are as follows:
 - a. Backflow preventers are inspected annually.
 - b. Water quality is tested annually.
 - c. Chlorine residual testing is performed weekly unless otherwise indicated.
 - d. Closed loop building systems are monitored and treated continuously.

- e. Heating Hot Water Boilers are continually monitored.
- f. Domestic water heaters are tested and maintained monthly.
- g. Ice machine is maintained weekly and biannually per manufacturer instructions.
- h. Routine flushing of fixtures in limited-use areas.
 - i. Emergency eyewash stations are flushed weekly.
 - ii. Drinking fountains are flushed at minimum weekly.
- i. Reverse Osmosis System, supplying humidifiers only, is monitored and tested weekly.
- j. Water Softener is monitored and tested weekly.
- k. SPD
 - i. Ultrasonic Machine is drained and cleaned daily during regular business hours.

2. *Verification Monitoring*

- a. Building water system is tested weekly for appropriate residual chlorine levels.
- b. Building system water quality is tested annually.

C. Mitigation Measures

1. *Summary*

- a. It is TSC's responsibility to ensure patients and staff have clean water to meet their needs.

2. *Emergency Water Supply*

- a. Five gallon jug of water on site.

3. *Building Water System Contamination*

- a. The following procedures shall be followed in the event the building water system is contaminated:
 - i. Isolate contamination source/risk.
 - ii. Don proper respiratory protection such as N95 or higher based on circumstances.
 - iii. Cancel all surgeries/procedures until risk is mitigated.
 - iv. Flush the system until sufficient residual chlorine is detected.

4. *Diagnosis and Treatment*

- a. If a patient has suspected Legionella exposure, Infection Preventionist will work with attending physician and Public Health to arrange testing and

evaluation.

PLAN REVIEW:

The Water Management Team reports to the Medical Executive Quality Committee (MEQC) and Governing Board to:

- A. Report control data and testing results semi-annually or as needed.
- B. Provide Water Management Plan updates as needed.
- C. The MEQC and Governing Board will review and approve the Water Management Plan annually.

References:

- Truckee Donner Public Utility District (TDPUD) Annual Consumer Confidence Report (Water Quality Report) Truckee System located at <https://www.tdpud.org/departments/water/water-quality>
- CDC Legionella Guidelines, Standards, and Laws located at <https://www.cdc.gov/legionella/resources/guidelines.html>

Attachments

 [Water System Diagram TSC.pdf](#)

 [WICRA 6.23.25.pdf](#)

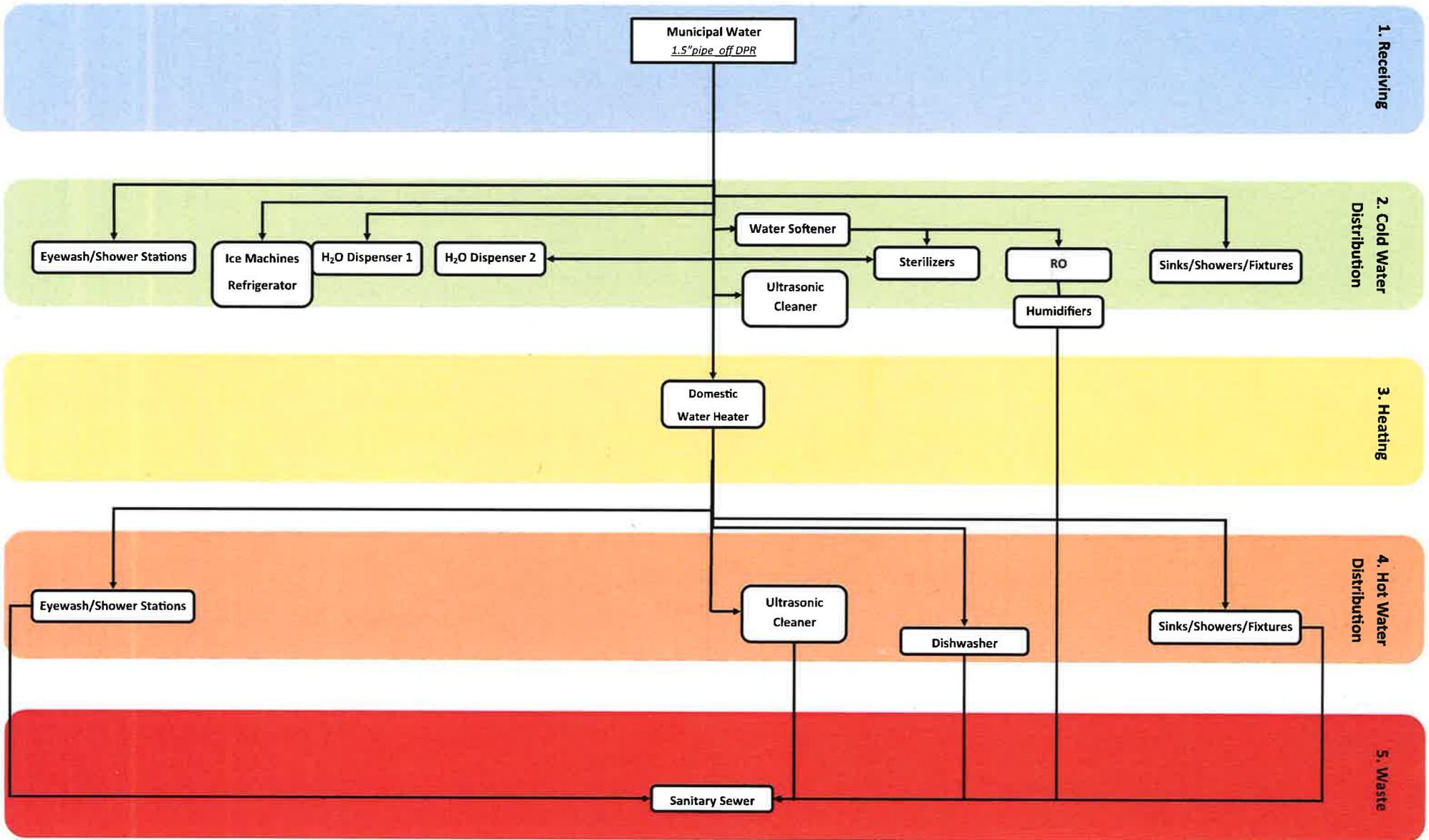
Approval Signatures

Step Description

Approver

Date

Water System Diagram — Truckee Surgery Center



Water Infection Control Risk Assessment (WICRA) for Healthcare Settings

Facility Name: Truckee Surgery Center

Assessment Location: Truckee Surgery Center

Performed By (names): Cameron Delano, Heidi Fedorchak, Svetlana Schopp

Assessment Date: 06/23/25

WMP Team Role(s) (check all that apply):

- | | | | |
|---|--|---|--|
| <input checked="" type="checkbox"/> Hospital Epidemiologist/Infection Preventionist | <input checked="" type="checkbox"/> Facilities Manager/Engineer | <input type="checkbox"/> Environmental Services | <input type="checkbox"/> Compliance/Safety Officer |
| <input type="checkbox"/> Risk/Quality Management Staff | <input type="checkbox"/> Infectious Disease Clinician | <input type="checkbox"/> Consultant | |
| <input type="checkbox"/> Equipment/Chemical Acquisition/Supplier | <input checked="" type="checkbox"/> Other (please specify): TSC RN Manager | | |

Location	Water Source	Modes of Transmission	Patient Susceptibility Highest = 4 High = 3 Moderate = 2 Low = 1	Patient Exposure High = 3 Moderate = 2 Low = 1 None = 0	Current Preparedness Poor = 3 Fair = 2 Good = 1	Total Risk Score = Patient Susceptibility x Patient Exposure x Preparedness	Comments
Patient waiting area	Drinking fountains	Ingestion, Splashing Aerosolization	3	1	2	6	Planning to remove both water fountains this fiscal year
Patient waiting area & Pre/Post patient restroom	Handwashing sink	Direct Contact/splashing	3	2	2	12	
Patient waiting area & Pre/Post patient restroom	Toilet	Toilet plume aerosol	3	2	2	12	Advise patient to put the toilet lid down before flushing the toilet
Pre/Post-operative area	Eye wash station	Splashing Aerosolization	3	1	2	6	Perform weekly checks/flushes before/after patients occupancy
Pre/Post-operative nurse's station & Post-Op nurse's station	Handwashing sink	Splashing Aerosolization	3	2	2	12	
SPD decontamination room	Instrument washing sinks & eye washing station	Splashing Aerosolization	3	0	2	0	

Water Infection Control Risk Assessment (WICRA) for Healthcare Settings (continued)

Location	Water Source	Modes of Transmission	Patient Susceptibility	Patient Exposure	Current Preparedness	Total Risk Score	Comments
			Highest = 4 High = 3 Moderate = 2 Low = 1	High = 3 Moderate = 2 Low = 1 None = 0	Poor = 3 Fair = 2 Good = 1	= Patient Susceptibility x Patient Exposure x Preparedness	
SPD decontamination room	Instrument washing sinks & eye washing station	Splashing Aerosolization	3	0	2	0	
SPD Decontamination room	Ultrasound cleaner	Splashing Aerosolization	3	0	2	0	
Breakroom	Kitchen sink	Splashing Aerosolization	3	0	2	0	
Staff women & men restrooms	Handwashing sink	Splashing Aerosolization	3	0	2	0	
Staff women & men restrooms	Toilet	Toilet plume aerosol	3	0	2	0	
Soiled utility room	Floor sink	Splashing Aerosolization	3	0	2	0	

**Truckee Surgical Center
Administrator
November 25, 2025**

Overview

Duffy Group is providing this Statement of Work document to outline our recruiting model, and to develop a customized strategy for Truckee Surgical Center to recruit a Administrator. As an hourly based recruiting organization, we customize each project based on our client's specific needs and the agreed upon strategy.

We recognize that Truckee Surgical Center is in need of a new Administrator. We will source candidates matching the educational and experience requirements listed on the job description as well as what is learned during the intake call with stakeholders.

Our Process

Our process was designed to provide flexibility and add value to every recruitment task. We begin with an in-depth situation assessment to understand the job requirements and responsibilities and, just as importantly, the culture and personality of the organization. Then we act with a sense of urgency, knowing that our clients want and need to get their positions filled in a timely manner. Ultimately, only the most targeted candidates are presented for final consideration.

Along the way, each step in the process can be utilized as a sole solution for your organization or coupled together as a holistic approach to recruitment, competitive intelligence gathering as well as workforce planning. The disciplined recruiting process we follow is designed to provide flexibility and value to every client recruitment task and need. The steps are:

- **Strategy Development**
 - Assess situation
 - Sharpen focus to drive success
 - Develop customized strategy
- **Recruitment Research**
 - Uncover "hidden" talent
 - Go well beyond job boards
 - Get the right people in front of you
- **Position Promotion**
 - Generates candidate enthusiasm
 - Sells the opportunity
 - Provides understanding of the role, company and culture
- **Candidate Evaluation**
 - Comprehensive background research
 - Customized in-depth interviews
 - Detailed profiles
- **Presentation and Report**
 - Report on all candidates researched – valuable for future searches
 - Well beyond a list of names – contact information included
 - Includes market data such as compensation

Our Guarantee

- We talk to potential candidates who are currently in the stated position or those who's next logical career step would advance them to this position.
- Provide factual information, as provided by candidates, relating to their employment history and relevant work experience.
- Act and think like an extension of your team.
- We will provide you a short list of thoroughly vetted candidates who we believe best meet your requirements, where possible.

Your Role

In today's economy, it is more challenging than ever to identify and lure good talent. Our experience shows that projects are most successful when we work in close partnership with the hiring manager. Additionally, our clients positively impact their search when they:

- Spend the time up front with the Duffy Practice Leader to develop and refine the strategy.
- Respond as quickly as possible to inquiries from the Duffy Practice Leader during the search process. Conversely, we will respond immediately to your inquiries as well. We are committed to helping you get the most for your investment in our services.
- Contact potential candidates within three days; qualified candidates disappear. They have many choices and we want their choice to be you!
- Keep the Duffy Practice Leader in the loop as the process moves forward so we can assist with the prospects "behind the scenes" in order for you to yield the most from the research.

Fee Schedule

Our flexible pricing model enables clients to buy services needed. Our services will be performed at an hourly rate of \$175.00.

We Appreciate this Opportunity!

From the moment you engage Duffy Group, you begin maximizing your recruitment resources. As a virtual extension of your human resources team, our experienced professionals focus on delivering value in every aspect of the process. Talent gaps, especially at the professional level, restrict your organization's productivity and bottom-line on a daily basis. We understand the importance of quality candidates and an effective process that provides a solid return-on-investment.

Additional Terms and Conditions

Any payments required to be made by Truckee Surgical Center that are not timely made, or that are reversed or dishonored, shall bear interest from the date due until paid at a per annum rate equal to the prime rate of interest announced from time to time plus six percent. If any payments required to be made by Truckee Surgical Center are not timely received, Duffy Group shall have the right to cease performance of the services, without liability to Truckee Surgical Center. The prevailing party in any proceeding or litigation between the parties arising as a result of any breach or dispute under this Agreement shall be entitled to receive from the other party an award of its reasonable attorneys' fees incurred in connection with such proceeding or litigation. In any dispute arising out of this Agreement, neither party will be liable to the other for incidental, consequential, special, indirect or contingent damages (including loss of goodwill, sales, or profits). The total liability of Duffy Group (including its agents and employees) on any claim, whether in contract, tort (including negligence) or otherwise arising out of, connected with or resulting from the performance, delivery, or use of the services shall not exceed the

compensation received by Duffy Group for services during the sixty days preceding the accrual of the claim. Any action against Duffy Group permitted under this Agreement and not brought within twelve months after the cause of action accrued shall be deemed barred. This Agreement does not constitute, and nothing contained in this Agreement shall be constructed to create, a partnership or joint venture between the parties; Duffy Group is acting solely as an independent contractor to Truckee Surgical Center. This Agreement will be enforced under the substantive laws of the State of Arizona. Truckee Surgical Center irrevocably consents to jurisdiction and venue in the United States District Court for the District of Arizona and the Superior Court of the State of Arizona, Maricopa County.

Your investment in our expertise provides a unique path to recruiting the right people for your organization. We are happy to present our services to you and look forward to the opportunity of working with you on this project.

Sincerely,



Melissa Barker
Vice President Practice Development

Billing Contact Details

Billing Email Address: _____

Billing Phone: _____

Billing Portal Website (if applicable): _____

Acceptance and Authorization

By: _____

Title: _____
Truckee Surgical Center

Date: _____

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This statement of work and any attachments are confidential and may be protected by legal privilege. If there is any litigation to enforce or interpret any provision or right of this document, the prevailing party in the litigation is entitled to an award of all taxable and non-taxable costs, actual attorneys' fees, and others expenses (through trial and appeal) against the unsuccessful party.

Truckee Surgery Center
Statement of Revenue and Expenses
For the Three Months Ended September 30, 2025

Ordinary Income/Expense	Actual	Budget	Variance
Income			
Patient Revenue			
Private Pay	0	7,500.00	(7,500.00)
Commercial & Government Payors	371554.29	432,000.00	(60,445.71)
Medical Record Copy Fee	15	12.50	2.50
Total Patient Revenue	<u>371569.29</u>	<u>439,512.50</u>	<u>(67,943.21)</u>
Refunds			
Insurance Refund	(1,534)	(625.00)	(909.00)
Patient Refund	-2378.94	(4,500.00)	2,121.06
Total Refunds	<u>-3912.94</u>	<u>(5,125.00)</u>	<u>1,212.06</u>
Total Income	<u>367656.35</u>	<u>434,387.50</u>	<u>(66,731.15)</u>
Gross Profit	367656.35	434,387.50	(66,731.15)
Expense			
Sales Tax			
Service Fee	7,118.48	10,500.00	(3,381.52)
Purchased Services	2,045.00	3,750.00	(1,705.00)
Bad Debt	13,713.40	21,600.00	(7,886.60)
Billing Fee:			
Billing Fee - Other	12,184.87	25,920.00	(13,735.13)
Total Billing Fee	<u>12,184.87</u>	<u>25,920.00</u>	<u>(13,735.13)</u>
Collection Agency Reimbursement			
Collection Agency Reimbursement - Other	3,773.03	2,197.50	1,575.53
Total Collection Agency Reimbursement	<u>3,773.03</u>	<u>2,197.50</u>	<u>1,575.53</u>
General Office			
Document Destruction	209.01	350.00	(140.99)
Dues and Subscriptions	2,900.14	3,000.00	(99.86)
Office Supplies	3,754.71	3,000.00	754.71
Postage and Delivery	120.86	180.00	(59.14)
Printing and Reproduction	1,558.55	1,125.00	433.55
General Office - Other	119.53	400.00	(280.47)
Total General Office	<u>8,662.80</u>	<u>8,055.00</u>	<u>607.80</u>
Liability Gen'l, Prof Insurance	1,713.21	1,713.25	(0.04)
Licenses and Permits	880.00	600.00	280.00
Linen	6,565.39	10,987.75	(4,422.36)
Medical Supplies Total:			
Implants-Tissue Products			
Gas Medical	4,830.89	9,669.28	(4,838.39)
Implants	35,940.55	91,858.25	(55,917.70)
Instrument Expense	378.27	600.00	(221.73)
Medical Supplies	49,657.41	91,858.25	(42,200.84)
Pharmacy	7,126.40	16,921.30	(9,794.90)
Patient Nutrition	493.85	483.45	10.40
Medical Supplies Total - Other	(28.12)	200.00	(228.12)
Total Medical Supplies Total	<u>98,399.25</u>	<u>211,590.53</u>	<u>(113,191.28)</u>
Other Expenses			
Advertising & Promotion	1,220.80		
Bank Charges	311.06	250.00	61.06
Cleaning Supplies	-	60.00	(60.00)
Educational	1,262.99	3,500.00	(2,237.01)
Equipment Rental/Lease	726.12	550.00	176.12
Meals & Entertainment	-	375.00	(375.00)
Merchant Fees	2,165.46	3,296.25	(1,130.79)
Travel	1,906.97	1,750.00	156.97
Total Other Expenses	<u>6,372.60</u>	<u>9,781.25</u>	<u>(3,408.65)</u>
Payroll Expenses			
Voluntary Benefits	661.60	500.00	161.60
Basic Employee Life AD&D	78.50	120.00	(41.50)
Health Insurance:			
Health	58,692.60	65,895.83	(7,203.23)

Dental	2,916.88	4,409.81	(1,492.93)
Vision	358.69	542.70	(184.01)
Total Health Insurance Total	61,968.17	70,848.34	(8,880.17)
Employee Benefit	1,061.99	800.00	261.99
Payroll Taxes	18,483.13	27,865.00	(9,401.87)
Retirement Contribution	4,963.40	5,705.00	(741.60)
Service Fee	100.00	100.00	-
Wages	229,536.93	309,832.88	(80,295.95)
Work Comp	2,189.49	2,312.50	(123.01)
Payroll Expenses - Other	1,517.40	1,500.00	17.40
Total Payroll Expenses	320,560.61	419,603.72	(99,043.11)
Professional Fees			
Consulting	500.00	500.00	-
Pension Fees	125.00	700.00	(575.00)
Transcription Services	603.13	879.00	(275.87)
Total Professional Fees	1,228.13	2,079.00	(850.87)
Rent & CAM	46,476.12	47,918.50	(1,442.38)
Repairs:			
Building/Equipment Repairs	2,063.18	6,000.00	(3,936.82)
Instrument Refurbishing	-	450.00	(450.00)
Instrument Repairs	-	750.00	(750.00)
Maintenance-Preventative	9,635.00	13,750.00	(4,115.00)
Flood Damage- Surrounding Tenant	37,643.77	-	37,643.77
Total Repairs	49,341.95	20,950.00	28,391.95
Taxes			
Property	13,551.24	9,000.00	4,551.24
State	-	1,700.00	(1,700.00)
Total Taxes	13,551.24	10,700.00	2,851.24
Utilities			
Alarm Monitor	283.23	350.00	(66.77)
Cable	133.94	200.00	(66.06)
Gas and Electric	11,315.15	13,750.00	(2,434.85)
Medical Waste	-	300.00	(300.00)
Total Utilities	11,732.32	14,600.00	(2,867.68)
Depreciation Expense	45,411.90	40,762.50	4,649.40
Total Expense	649,730.30	863,309.00	(213,578.70)
Net Ordinary Income	(283,294.75)	(428,921.50)	145,626.75
Other Income/Expense			
Other Income:			
Interest Income	67.89	5.00	62.89
Total Other Income	67.89	5.00	62.89
Other Expense			
Amortization Expense	32619.24	32,619.25	(0.01)
Total Other Expense	32619.24	32,619.25	(0.01)
Net Other Income	(32,551.35)	(32,614.25)	62.90
Net Income	(315,846.10)	(461,535.75)	145,689.65

Truckee Surgery Center LLC
Balance Sheet
 As of September 30, 2025

	Sep 30, 25	Jun 30, 25
ASSETS		
Current Assets		
Checking/Savings		
US Bank	106,119.96	54,670.03
Petty Cash	201.80	201.80
Total Checking/Savings	106,321.76	54,871.83
Accounts Receivable		
Accounts Receivable		
Allowance for Doubtful Accounts	-132,751.58	-119,038.18
Accounts Receivable - Other	466,135.85	448,918.44
Total Accounts Receivable	333,384.27	329,880.26
Total Accounts Receivable	333,384.27	329,880.26
Other Current Assets		
Other Receivable	5,093.78	5,093.78
Prepaid Expense		
Franchise Tax Prepaid	13,600.00	13,600.00
Preventative Maint	1,704.16	316.98
Worker's Comp	6,568.51	8,758.00
Prepaid Expense - Other	23,021.79	18,961.40
Total Prepaid Expense	44,894.46	41,636.38
Total Other Current Assets	49,988.24	46,730.16
Total Current Assets	489,694.27	431,482.25
Fixed Assets		
Computer/Office Equipment	7,051.91	7,051.91
Furniture & Fixtures	3,087.00	3,087.00
Instruments	27,033.53	27,033.53
Leasehold Improvements	1,053,714.97	1,053,714.97
Machinery & Equipment	100,996.66	95,609.86
Surgical & Medical Equipment	976,172.39	976,172.39
Accumulated Depreciation	-1,049,805.63	-1,004,393.73
Goodwill	3,914,333.00	3,914,333.00
Accumulated Amortization	-3,816,474.86	-3,783,855.62
Total Fixed Assets	1,216,108.97	1,288,753.31
Other Assets		
Rent Deposit	20,256.00	20,256.00
Total Other Assets	20,256.00	20,256.00
TOTAL ASSETS	1,726,059.24	1,740,491.56
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable	3,063,969.40	2,957,826.29
Total Accounts Payable	3,063,969.40	2,957,826.29
Credit Cards		

Truckee Surgery Center LLC
Balance Sheet
 As of September 30, 2025

	<u>Sep 30, 25</u>	<u>Jun 30, 25</u>
BankCard	-412.01	1,341.06
Total Credit Cards	-412.01	1,341.06
Other Current Liabilities		
Due to TFH	2,140,257.17	1,910,257.17
Compensated Absenses	45,682.42	67,496.89
Payroll Liabilities	3,666.60	13,112.44
Pension Payable	-1,715.95	0.00
Total Other Current Liabilities	<u>2,187,890.24</u>	<u>1,990,866.50</u>
Total Current Liabilities	<u>5,251,447.63</u>	<u>4,950,033.85</u>
Total Liabilities	5,251,447.63	4,950,033.85
Equity		
Tahoe Forest Hospital		
Tahoe Forest Hospital Equity	<u>2,986,307.79</u>	<u>2,986,307.79</u>
Total Tahoe Forest Hospital	2,986,307.79	2,986,307.79
Truckee Surgery Center Inc		
Truckee Surgery Cntr Inc Equity	<u>604,650.70</u>	<u>604,650.70</u>
Total Truckee Surgery Center Inc	604,650.70	604,650.70
Retained Earnings	-6,800,500.78	-5,317,094.89
Net Income	<u>-315,846.10</u>	<u>-1,483,405.89</u>
Total Equity	<u>-3,525,388.39</u>	<u>-3,209,542.29</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,726,059.24</u></u>	<u><u>1,740,491.56</u></u>

October 2025 End of Month Summary



Truckee Surgery Center

Overview

- Total charges for October were \$954,377.
- Net collections for October were \$65,477.
- Total cases for October were 41.

Payer Mix

Charges

- Contracted was the largest billed payer in October with \$ 590,977 accounting for 62% of total charges.
- Medicare was the second largest billed payer in October \$ 211,170 accounting for 22% of total charges.

Payment

- Contracted was the largest payer in October with \$ 25,516 accounting for 39% of total payments.
- Medicare was the second largest payer in October with \$ 17,095 accounting for 26% of total payments.

Top 10 Procedures by Volume

CPT Code	Description	Volume	Charges
29826	Surgical Arthroscopy Sho W/Coracoacrm Ligm Rls	7	\$ 81,032
64493	Njx Dx/Ther Agt Pvrt Facet Jt Lmbr/Sac 1 Level	6	\$ 34,728
29827	Surgical Arthroscopy Shoulder W/Rotator Cuff Rpr	4	\$ 115,764
64494	Njx Dx/Ther Agt Pvrt Facet Jt Lmbr/Sac 2Nd Level	4	\$ 23,152
29881	Arthrs Kne Surg W/Meniscectomy Med/Lat W/Shvg	3	\$ 48,621
64718	Neuroplasty &/Transposition Ulnar Nerve Elbow	3	\$ 31,257
64721	Neuroplasty &/Transpos Median Nrv Carpal Tunne	3	\$ 31,257
26055	Tendon Sheath Incision	3	\$ 24,309
64483	Njx Aa&/Strd TfrmI Epi Lumbar/Sacral 1 Level	3	\$ 17,364
64484	Njx Aa&/Strd TfrmI Epi Lumbar/Sacral Ea Addl	3	\$ 17,364

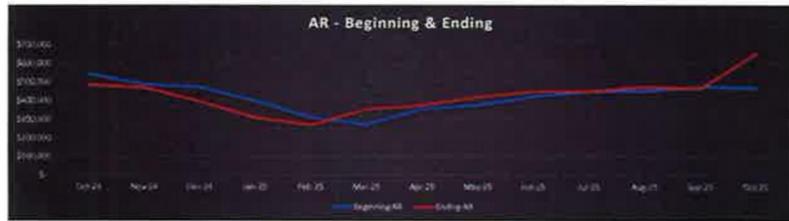
Truckee Surgery Center
Practice Summary
October 2025 EOM Report



Report Name: Practice Summary
Report Month: October 2025

Practice Summary

	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	TMT
Beginning AR	\$ 544,895	\$ 487,493	\$ 472,136	\$ 397,120	\$ 309,817	\$ 271,084	\$ 354,364	\$ 374,922	\$ 419,930	\$ 448,918	\$ 451,151	\$ 474,319	\$ 466,136	
Charges	\$ 797,382	\$ 663,826	\$ 1,095,582	\$ 570,291	\$ 202,474	\$ 966,266	\$ 951,738	\$ 986,315	\$ 1,016,032	\$ 1,048,294	\$ 516,992	\$ 762,772	\$ 954,377	\$ 9,734,959
Gross Collections	\$ 190,562	\$ 140,534	\$ 161,955	\$ 124,137	\$ 52,141	\$ 143,252	\$ 103,788	\$ 95,917	\$ 142,505	\$ 130,847	\$ 114,517	\$ 105,178	\$ 65,477	\$ 1,380,249
Refunds	\$ 1,050	\$ -	\$ 1,000	\$ -	\$ 6,599	\$ -	\$ 2,179	\$ -	\$ -	\$ 110	\$ 2,244	\$ 134	\$ -	\$ 12,267
Net Collections	\$ 189,512	\$ 140,534	\$ 160,955	\$ 124,137	\$ 45,542	\$ 143,252	\$ 101,609	\$ 95,917	\$ 142,505	\$ 130,737	\$ 112,273	\$ 105,044	\$ 65,477	\$ 1,367,982
Credit Adjustments	\$ 665,272	\$ 538,649	\$ 1,009,643	\$ 533,457	\$ 195,666	\$ 739,733	\$ 829,570	\$ 845,390	\$ 844,538	\$ 915,324	\$ 381,551	\$ 665,912	\$ 700,766	\$ 8,200,199
Ending AR	\$ 487,493	\$ 472,136	\$ 397,120	\$ 309,817	\$ 271,084	\$ 354,364	\$ 374,922	\$ 419,930	\$ 448,918	\$ 451,151	\$ 474,319	\$ 466,136	\$ 654,270	
Cases	38	45	50	26	20	33	37	57	47	43	32	40	41	471
CPT Codes	40	46	78	55	20	50	78	93	65	75	48	51	67	726
Avg CPT per Case	1.05	1.02	1.56	2.12	1.00	1.52	2.11	1.63	1.38	1.74	1.50	1.28	1.63	1.54
Avg Charge per Case	\$ 20,984	\$ 14,752	\$ 21,912	\$ 21,934	\$ 10,124	\$ 29,281	\$ 25,723	\$ 17,304	\$ 21,618	\$ 24,379	\$ 16,156	\$ 19,069	\$ 23,277	\$ 20,669
3 Mo. Gross Charges/Day	\$ 28,118	\$ 26,109	\$ 28,409	\$ 25,886	\$ 20,759	\$ 19,323	\$ 23,561	\$ 32,270	\$ 32,823	\$ 33,896	\$ 28,681	\$ 25,867	\$ 24,824	\$ 26,867
Days in AR	17.34	18.08	13.98	11.97	13.06	18.34	15.91	13.01	13.68	13.31	16.54	18.02	26.36	
3 Mo. Gross Charges/Day	\$ 28,118	\$ 26,109	\$ 28,409	\$ 25,886	\$ 20,759	\$ 19,323	\$ 23,561	\$ 32,270	\$ 32,823	\$ 33,896	\$ 28,681	\$ 25,867	\$ 24,824	
Days in AR	17.34	18.08	13.98	11.97	13.06	18.34	15.91	13.01	13.68	13.31	16.54	18.02	26.36	
"Avg Days to Bill"	7.12	6.19	8.89	6.48	6.08	6.83	14.11	7.59	7.63	7.55	5.48	7.31	5.06	



Truckee Surgery Center
Aging by Payer
October 2025 EOM Report



Report Name: Aging by Payer
Report Month: October 2025

Aging by Payer

Financial Class	CURRENT	30 DAYS	60 DAYS	90 DAYS	120 DAYS	150 Days	180 Days	Credit	TOTAL	% Total
CONTRACTED	\$ 106,462	\$ 73,725	\$ 47,206	\$ 26,833	\$ 34,691	\$ 29,123	\$ 154,153	\$ (14,174)	\$ 458,019	70%
MEDICARE	\$ 11,201	\$ -	\$ -	\$ -	\$ 9,838	\$ -	\$ 1,525	\$ (8,756)	\$ 13,807	2%
NON CONTRACTED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
SELF PAY	\$ 848	\$ 7,678	\$ 492	\$ 1,976	\$ 6,051	\$ 5,140	\$ 23,052	\$ (12,125)	\$ 33,113	5%
WORKERS COMP	\$ 93,972	\$ -	\$ -	\$ 4,002	\$ -	\$ 43,393	\$ 12,263	\$ (4,298)	\$ 149,332	23%
Insurance Total	\$ 211,634	\$ 73,725	\$ 47,206	\$ 30,835	\$ 44,529	\$ 72,516	\$ 167,940	\$ (27,228)	\$ 621,158	95%
Patient Total	\$ 848	\$ 7,678	\$ 492	\$ 1,976	\$ 6,051	\$ 5,140	\$ 23,052	\$ (12,125)	\$ 33,113	5%
Combined Total	\$ 212,482	\$ 81,403	\$ 47,698	\$ 32,811	\$ 50,580	\$ 77,656	\$ 190,993	\$ (39,353)	\$ 654,270	100%
Previous Month Total	\$ 48,885	\$ 70,721	\$ 42,144	\$ 47,751	\$ 89,907	\$ 31,203	\$ 165,939	\$ (30,415)	\$ 466,136	100%

Truckee Surgery Center
 TTM Cases by Provider
 October 2025 EOM Report



Report Name: TTM Cases by Provider
 Report Month: October 2025

TTM Cases by Provider

Physician	Specialty	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25
Alpert, Ricki A	ANS - Anesthesia	0	0	0	0	0	0	0	0
Bany, Tenille	ANS - Anesthesia	0	0	0	0	0	0	0	0
Condon, David	POD - Podiatry	0	1	0	0	0	0	0	0
Dodd, Jeffrey S	ORT - Orthopaedics	12	12	8	5	6	8	12	11
Foley, John V	ORT - Orthopaedics	0	0	0	0	0	0	0	0
Gannam, Camille	DEN - Dental	0	0	0	0	0	0	0	0
Ganong, Alison	PAI - Pain Mgmt	8	5	12	9	9	8	13	15
Gustafsson, Matthew H	DEN - Dental	0	0	0	1	0	0	1	2
Haeder, Paul R	ORT - Orthopaedics	0	0	0	0	0	0	0	0
Hagen, Jonathan T	ORT - Orthopaedics	8	6	10	2	4	5	2	16
Hoff, Stephen R	ENT - Ear Nose Throat	0	0	0	0	0	1	0	0
Jernick, Michael	ORT - Orthopaedics	0	5	7	3	0	5	2	6
Lan, Jie	ANS - Anesthesia	0	0	0	0	0	0	0	0
Luscomb, Thomas A	ANS - Anesthesia	0	0	0	0	0	0	0	0
Naftulin, Brian	URO - Urology	2	3	3	0	0	0	0	0
Ringnes, Andrew P	ORT - Orthopaedics	6	12	7	6	1	6	7	7
Saaremets, Alar	ANS - Anesthesia	0	0	0	0	0	0	0	0
Stanec, John M	ANS - Anesthesia	0	0	0	0	0	0	0	0
Taylor, Peter J	OBG - Obstetrics/Gynecology	0	0	0	0	0	0	0	0
Unassigned	No Speciality	0	0	0	0	0	0	0	0
Voss, Justin C	ANS - Anesthesia	0	0	0	0	0	0	0	0
Wainstein, Mark A	URO - Urology	2	1	3	0	0	0	0	0
Ward, Justin T	ANS - Anesthesia	0	0	0	0	0	0	0	0
Watson, Jeffrey B	ENT - Ear Nose Throat	0	0	0	0	0	0	0	0
Zissimos, Anthony	ORT - Orthopaedics	0	0	0	0	0	0	0	0
Total		38	45	50	26	20	33	37	57

Physician	Specialty	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	TTMT	Monthly Average
Alpert, Ricki A	ANS - Anesthesia	0	0	0	0	0	0	0
Bany, Tenille	ANS - Anesthesia	0	0	0	0	0	0	0
Condon, David	POD - Podiatry	0	0	0	0	0	1	0
Dodd, Jeffrey S	ORT - Orthopaedics	11	9	5	8	7	102	9
Foley, John V	ORT - Orthopaedics	0	0	0	0	0	0	0
Gannam, Camille	DEN - Dental	0	0	0	0	0	0	0
Ganong, Alison	PAI - Pain Mgmt	11	12	13	9	7	123	10
Gustafsson, Matthew H	DEN - Dental	1	0	0	2	0	7	1
Haeder, Paul R	ORT - Orthopaedics	0	0	0	0	0	0	0
Hagen, Jonathan T	ORT - Orthopaedics	13	10	3	10	10	91	8
Hoff, Stephen R	ENT - Ear Nose Throat	0	0	0	0	0	1	0
Jernick, Michael	ORT - Orthopaedics	3	4	5	2	4	46	4
Lan, Jie	ANS - Anesthesia	0	0	0	0	0	0	0
Luscomb, Thomas A	ANS - Anesthesia	0	0	0	0	0	0	0
Naftulin, Brian	URO - Urology	0	0	0	0	0	6	1
Ringnes, Andrew P	ORT - Orthopaedics	8	7	6	9	13	89	7
Saaremets, Alar	ANS - Anesthesia	0	0	0	0	0	0	0
Stanec, John M	ANS - Anesthesia	0	0	0	0	0	0	0
Taylor, Peter J	OBG - Obstetrics/Gynecology	0	0	0	0	0	0	0
Unassigned	No Speciality	0	0	0	0	0	0	0
Voss, Justin C	ANS - Anesthesia	0	0	0	0	0	0	0
Wainstein, Mark A	URO - Urology	0	0	0	0	0	4	0
Ward, Justin T	ANS - Anesthesia	0	0	0	0	0	0	0
Watson, Jeffrey B	ENT - Ear Nose Throat	0	1	0	0	0	1	0
Zissimos, Anthony	ORT - Orthopaedics	0	0	0	0	0	0	0
Total		47	43	32	40	41	471	39

Truckee Surgery Center
TTM Charges by Provider
October 2025 EOM Report



Report Name: TTM Charges by Provider
Report Month: October 2025

TTM Charges by Provider

Physician	Specialty	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25
Alpert, Ricki A	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bany, Tenille	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Condon, David	POD - Podiatry	\$ 14,333	\$ -	\$ -	\$ 7,166	\$ -	\$ -	\$ -	\$ -
Dodd, Jeffrey S	ORT - Orthopaedics	\$ 89,609	\$ 182,667	\$ 314,377	\$ 228,994	\$ 53,250	\$ 188,217	\$ 242,209	\$ 263,280
Foley, John V	ORT - Orthopaedics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gannam, Camille	DEN - Dental	\$ -	\$ -	\$ (126,423)	\$ -	\$ -	\$ -	\$ -	\$ -
Ganong, Alison	PAI - Pain Mgmt	\$ 83,880	\$ 74,970	\$ 166,126	\$ 93,204	\$ 75,123	\$ 113,260	\$ 162,162	\$ 164,959
Gustafsson, Matthew H	DEN - Dental	\$ 55,125	\$ -	\$ -	\$ 28,940	\$ -	\$ -	\$ 1,425	\$ 115,760
Haeder, Paul R	ORT - Orthopaedics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hagen, Jonathan T	ORT - Orthopaedics	\$ 300,500	\$ 158,210	\$ 215,021	\$ 93,884	\$ -	\$ 441,130	\$ 201,191	\$ 285,807
Hoff, Stephen R	ENT - Ear Nose Throat	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,576	\$ -	\$ -
Jernick, Michael	ORT - Orthopaedics	\$ 64,387	\$ 35,280	\$ 284,127	\$ 42,998	\$ -	\$ 84,981	\$ 182,570	\$ 46,304
Lan, Jie	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Luscomb, Thomas A	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Naftulin, Brian	URO - Urology	\$ 13,230	\$ 19,845	\$ 19,845	\$ -	\$ -	\$ -	\$ -	\$ -
Ringnes, Andrew P	ORT - Orthopaedics	\$ 163,088	\$ 186,239	\$ 202,664	\$ 75,105	\$ 74,101	\$ 127,702	\$ 162,181	\$ 110,206
Saaremets, Alar	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stanec, John M	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taylor, Peter J	OBG - Obstetrics/Gynecology	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	No Speciality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Voss, Justin C	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wainstein, Mark A	URO - Urology	\$ 13,230	\$ 6,615	\$ 19,845	\$ -	\$ -	\$ -	\$ -	\$ -
Ward, Justin T	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Watson, Jeffrey B	ENT - Ear Nose Throat	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Zissimos, Anthony	ORT - Orthopaedics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		\$ 797,382	\$ 663,826	\$ 1,095,582	\$ 570,291	\$ 202,474	\$ 966,266	\$ 951,738	\$ 986,315

Physician	Specialty	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	TTMT	Monthly Average	Average Charge Per Case
Alpert, Ricki A	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Bany, Tenille	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Condon, David	POD - Podiatry	\$ -	\$ -	\$ -	\$ -	\$ 7,166	\$ 7,166	\$ 597	\$ 7,166
Dodd, Jeffrey S	ORT - Orthopaedics	\$ 210,451	\$ 286,721	\$ 48,620	\$ 289,329	\$ 85,663	\$ 2,393,778	\$ 199,481	\$ 23,468
Foley, John V	ORT - Orthopaedics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Gannam, Camille	DEN - Dental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (126,423)	\$ (10,535)	N/A
Ganong, Alison	PAI - Pain Mgmt	\$ 81,032	\$ 216,364	\$ 181,744	\$ 98,396	\$ 98,975	\$ 1,526,315	\$ 127,193	\$ 12,409
Gustafsson, Matthew H	DEN - Dental	\$ 2,590	\$ -	\$ -	\$ -	\$ 109,972	\$ 258,687	\$ 21,557	\$ 36,955
Haeder, Paul R	ORT - Orthopaedics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Hagen, Jonathan T	ORT - Orthopaedics	\$ 427,808	\$ 143,705	\$ 72,352	\$ 73,586	\$ 236,085	\$ 2,348,780	\$ 195,732	\$ 25,811
Hoff, Stephen R	ENT - Ear Nose Throat	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,576	\$ 965	\$ 11,576
Jernick, Michael	ORT - Orthopaedics	\$ 55,891	\$ 130,873	\$ 47,280	\$ 130,531	\$ 56,147	\$ 1,096,981	\$ 91,365	\$ 23,834
Lan, Jie	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Luscomb, Thomas A	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Naftulin, Brian	URO - Urology	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,690	\$ 3,308	\$ 6,615
Ringnes, Andrew P	ORT - Orthopaedics	\$ 238,259	\$ 237,060	\$ 166,996	\$ 170,930	\$ 367,535	\$ 2,118,978	\$ 176,581	\$ 23,809
Saaremets, Alar	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Stanec, John M	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Taylor, Peter J	OBG - Obstetrics/Gynecology	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Unassigned	No Speciality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Voss, Justin C	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Wainstein, Mark A	URO - Urology	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,460	\$ 2,205	\$ 6,615
Ward, Justin T	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Watson, Jeffrey B	ENT - Ear Nose Throat	\$ -	\$ 33,571	\$ -	\$ -	\$ -	\$ 33,571	\$ 2,798	\$ 33,571
Zissimos, Anthony	ORT - Orthopaedics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Total		\$ 1,016,032	\$ 1,048,294	\$ 516,992	\$ 762,772	\$ 954,377	\$ 9,734,959	\$ 811,247	\$ 20,669

Truckee Surgery Center
TTM Collections by Provider
October 2025 EOM Report



Report Name: TTM Collections by Provider
Report Month: October 2025

TTM Collections by Provider

Physician	Specialty	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25
Alpert, Ricki A	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bany, Tenille	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Condon, David	POD - Podiatry	\$ 2,608	\$ -	\$ -	\$ -	\$ 3,039	\$ -	\$ -	\$ -
Dodd, Jeffrey S	ORT - Orthopaedics	\$ 61,704	\$ 38,896	\$ 33,887	\$ 37,687	\$ 9,524	\$ 15,782	\$ 14,329	\$ 28,483
Foley, John V	ORT - Orthopaedics	\$ -	\$ (900)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gannam, Camille	DEN - Dental	\$ (1,050)	\$ -	\$ -	\$ -	\$ 270	\$ 270	\$ 270	\$ 270
Ganong, Alison	PAI - Pain Mgmt	\$ 7,445	\$ 5,331	\$ 7,056	\$ 11,797	\$ 670	\$ 9,313	\$ 4,954	\$ 11,979
Gustafsson, Matthew H	DEN - Dental	\$ 29,322	\$ -	\$ (819)	\$ 1,157	\$ (232)	\$ -	\$ 444	\$ 1,620
Haeder, Paul R	ORT - Orthopaedics	\$ -	\$ -	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -
Hagen, Jonathan T	ORT - Orthopaedics	\$ 31,251	\$ 75,769	\$ 43,095	\$ 22,337	\$ 18,562	\$ 96,491	\$ 39,634	\$ 20,470
Hoff, Stephen R	ENT - Ear Nose Throat	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 485	\$ 2,108	\$ -
Jernick, Michael	ORT - Orthopaedics	\$ 13,599	\$ 412	\$ 19,017	\$ 32,180	\$ 10,317	\$ 11,632	\$ 12,353	\$ 9,427
Lan, Jie	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Luscomb, Thomas A	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Naftulin, Brian	URO - Urology	\$ 1,760	\$ 5,383	\$ 5,742	\$ (702)	\$ (836)	\$ 1,915	\$ -	\$ -
Ringnes, Andrew P	ORT - Orthopaedics	\$ 37,104	\$ 14,529	\$ 48,961	\$ 16,900	\$ 4,206	\$ 5,670	\$ 24,089	\$ 23,668
Saaremts, Alar	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stanec, John M	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taylor, Peter J	OBG - Obstetrics/Gynecology	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	No Specialty	\$ 2,095	\$ (100)	\$ 2,917	\$ (2,917)	\$ 21	\$ 1,695	\$ 3,423	\$ -
Voss, Justin C	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wainstein, Mark A	URO - Urology	\$ 3,736	\$ 1,213	\$ 1,092	\$ 5,698	\$ -	\$ -	\$ 6	\$ -
Ward, Justin T	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Watson, Jeffrey B	ENT - Ear Nose Throat	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Zissimos, Anthony	ORT - Orthopaedics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		\$ 189,512	\$ 140,534	\$ 160,955	\$ 124,137	\$ 45,542	\$ 143,252	\$ 101,609	\$ 95,917

Physician	Specialty	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	TTMT	Monthly Average	Average Cash Per Case
Alpert, Ricki A	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Bany, Tenille	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Condon, David	POD - Podiatry	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,039	\$ 253	\$ 3,039
Dodd, Jeffrey S	ORT - Orthopaedics	\$ 36,581	\$ 16,335	\$ 23,031	\$ 40,483	\$ 16,170	\$ 311,187	\$ 25,932	\$ 3,051
Foley, John V	ORT - Orthopaedics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (900)	\$ (75)	N/A
Gannam, Camille	DEN - Dental	\$ 270	\$ 270	\$ -	\$ -	\$ -	\$ 1,620	\$ 135	N/A
Ganong, Alison	PAI - Pain Mgmt	\$ 11,978	\$ 9,911	\$ 34,384	\$ 7,863	\$ 6,820	\$ 122,057	\$ 10,171	\$ 992
Gustafsson, Matthew H	DEN - Dental	\$ 4,226	\$ -	\$ 330	\$ (200)	\$ 67	\$ 6,592	\$ 549	\$ 942
Haeder, Paul R	ORT - Orthopaedics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8	\$ 1	N/A
Hagen, Jonathan T	ORT - Orthopaedics	\$ 32,931	\$ 69,657	\$ 15,985	\$ 17,180	\$ 17,020	\$ 469,133	\$ 39,094	\$ 5,155
Hoff, Stephen R	ENT - Ear Nose Throat	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,593	\$ 216	\$ 2,593
Jernick, Michael	ORT - Orthopaedics	\$ 18,333	\$ 6,547	\$ 7,743	\$ 12,354	\$ 11,224	\$ 151,539	\$ 12,628	\$ 3,294
Lan, Jie	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Luscomb, Thomas A	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Naftulin, Brian	URO - Urology	\$ -	\$ 243	\$ -	\$ -	\$ 771	\$ 12,516	\$ 1,043	\$ 2,086
Ringnes, Andrew P	ORT - Orthopaedics	\$ 45,260	\$ 27,775	\$ 27,804	\$ 20,307	\$ 19,643	\$ 278,809	\$ 23,234	\$ 3,133
Saaremts, Alar	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Stanec, John M	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Taylor, Peter J	OBG - Obstetrics/Gynecology	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Unassigned	No Specialty	\$ (7,073)	\$ -	\$ -	\$ 6,308	\$ (6,308)	\$ (2,035)	\$ (170)	N/A
Voss, Justin C	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Wainstein, Mark A	URO - Urology	\$ -	\$ -	\$ -	\$ -	\$ 71	\$ 8,079	\$ 673	\$ 2,020
Ward, Justin T	ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Watson, Jeffrey B	ENT - Ear Nose Throat	\$ -	\$ -	\$ 2,996	\$ 749	\$ -	\$ 3,745	\$ 312	\$ 3,745
Zissimos, Anthony	ORT - Orthopaedics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Total		\$ 142,505	\$ 130,737	\$ 112,273	\$ 105,044	\$ 65,477	\$ 1,367,982	\$ 113,999	\$ 2,904

Truckee Surgery Center
Specialty Analysis
October 2025 EOM Report



Report Name: Specialty Analysis
Report Month: October 2025

Specialty Analysis

Specialty	Cases	%	TTMT %	Charges	%	TTMT %	Payments	%	TTMT %
ANS - Anesthesia	0	0%	0%	\$ -	0%	0%	\$ -	0%	0%
DEN - Dental	0	0%	1%	\$ 109,972	12%	1%	\$ 67	0%	1%
ENT - Ear Nose Throat	0	0%	0%	\$ -	0%	0%	\$ -	0%	0%
OBG - Obstetrics/Gynecology	0	0%	0%	\$ -	0%	0%	\$ -	0%	0%
ORT - Orthopaedics	34	83%	70%	\$ 745,430	78%	82%	\$ 64,056	98%	88%
PAI - Pain Mgmt	7	17%	26%	\$ 98,975	10%	16%	\$ 6,820	10%	9%
POD - Podiatry	0	0%	0%	\$ -	0%	0%	\$ -	0%	0%
Unassigned	0	0%	0%	\$ -	0%	0%	\$ (6,308)	-10%	0%
URO - Urology	0	0%	2%	\$ -	0%	1%	\$ 842	1%	2%
Total	41	100%	100%	\$ 954,377	100%	100%	\$ 65,477	100%	100%



Truckee Surgery Center
 TTM Cases by Specialty
 October 2025 EOM Report



Report Name: TTM Cases by Specialty
 Report Month: October 2025

TTM Cases by Specialty

Specialty	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25
ANS - Anesthesia	0	0	0	0	0	0	0	0
DEN - Dental	0	0	0	1	0	0	1	2
ENT - Ear Nose Throat	0	0	0	0	0	1	0	0
OBG - Obstetrics/Gynecology	0	0	0	0	0	0	0	0
ORT - Orthopaedics	26	35	32	16	11	24	23	40
PAI - Pain Mgmt	8	5	12	9	9	8	13	15
POD - Podiatry	0	1	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0	0	0
URO - Urology	4	4	6	0	0	0	0	0
Total	38	45	50	26	20	33	37	57

Specialty	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	TTMT	Monthly Average
ANS - Anesthesia	0	0	0	0	0	0	0
DEN - Dental	1	0	0	2	0	7	1
ENT - Ear Nose Throat	0	1	0	0	0	2	0
OBG - Obstetrics/Gynecology	0	0	0	0	0	0	0
ORT - Orthopaedics	35	30	19	29	34	328	27
PAI - Pain Mgmt	11	12	13	9	7	123	10
POD - Podiatry	0	0	0	0	0	1	0
Unassigned	0	0	0	0	0	0	0
URO - Urology	0	0	0	0	0	10	1
Total	47	43	32	40	41	471	39

Truckee Surgery Center
 TTM Charges by Specialty
 October 2025 EDM Report



Report Name: TTM Charges by Specialty
 Report Month: October 2025

TTM Charges by Specialty

Specialty	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25
ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEN - Dental	\$ 55,125	\$ -	\$ (126,423)	\$ 28,940	\$ -	\$ -	\$ 1,425	\$ 115,760
ENT - Ear Nose Throat	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,576	\$ -	\$ -
OBG - Obstetrics/Gynecology	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORT - Orthopaedics	\$ 617,584	\$ 562,396	\$ 1,016,190	\$ 440,981	\$ 127,351	\$ 841,430	\$ 788,151	\$ 705,596
PAI - Pain Mgmt	\$ 83,880	\$ 74,970	\$ 166,126	\$ 93,204	\$ 75,123	\$ 113,260	\$ 162,162	\$ 164,959
POD - Podiatry	\$ 14,333	\$ -	\$ -	\$ 7,166	\$ -	\$ -	\$ -	\$ -
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
URO - Urology	\$ 26,460	\$ 26,460	\$ 39,690	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 797,382	\$ 663,826	\$ 1,095,582	\$ 570,291	\$ 202,474	\$ 966,266	\$ 951,738	\$ 986,315

Specialty	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	TTMT	Monthly Average	Average Cash Per Case
ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
DEN - Dental	\$ 2,590	\$ -	\$ -	\$ -	\$ 109,972	\$ 132,264	\$ 11,022	\$ 18,895
ENT - Ear Nose Throat	\$ -	\$ 33,571	\$ -	\$ -	\$ -	\$ 45,147	\$ 3,762	\$ 22,574
OBG - Obstetrics/Gynecology	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
ORT - Orthopaedics	\$ 932,410	\$ 798,359	\$ 335,248	\$ 664,376	\$ 745,430	\$ 7,957,917	\$ 663,160	\$ 24,262
PAI - Pain Mgmt	\$ 81,032	\$ 216,364	\$ 181,744	\$ 98,396	\$ 98,975	\$ 1,526,315	\$ 127,193	\$ 12,409
POD - Podiatry	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,166	\$ 597	\$ 7,166
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
URO - Urology	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,150	\$ 5,513	\$ 6,615
Total	\$ 1,016,032	\$ 1,048,294	\$ 516,992	\$ 762,772	\$ 954,377	\$ 9,734,959	\$ 811,247	\$ 20,669

Truckee Surgery Center
TTM Collections by Specialty
October 2025 EOM Report



Report Name: TTM Collections by Specialty
Report Month: October 2025

TTM Collections by Specialty

Specialty	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25
ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEN - Dental	\$ 28,272	\$ -	\$ (819)	\$ 1,157	\$ 38	\$ 270	\$ 714	\$ 1,890
ENT - Ear Nose Throat	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 485	\$ 2,108	\$ -
OBG - Obstetrics/Gynecology	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORT - Orthopaedics	\$ 143,657	\$ 128,706	\$ 144,967	\$ 109,105	\$ 42,609	\$ 129,575	\$ 90,405	\$ 82,048
PAI - Pain Mgmt	\$ 7,445	\$ 5,331	\$ 7,056	\$ 11,797	\$ 670	\$ 9,313	\$ 4,954	\$ 11,979
POD - Podiatry	\$ 2,608	\$ -	\$ -	\$ -	\$ 3,039	\$ -	\$ -	\$ -
Unassigned	\$ 2,035	\$ (100)	\$ 2,917	\$ (2,917)	\$ 21	\$ 1,695	\$ 3,423	\$ -
URO - Urology	\$ 5,496	\$ 6,596	\$ 6,834	\$ 4,996	\$ (836)	\$ 1,915	\$ 6	\$ -
Total	\$ 189,512	\$ 140,534	\$ 160,955	\$ 124,137	\$ 45,542	\$ 143,252	\$ 101,609	\$ 95,817

Specialty	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	TTMT	Monthly Average	Average Cash Per Case
ANS - Anesthesia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
DEN - Dental	\$ 4,496	\$ 270	\$ 330	\$ (200)	\$ 67	\$ 8,212	\$ 684	\$ 1,173
ENT - Ear Nose Throat	\$ -	\$ -	\$ 2,996	\$ 749	\$ -	\$ 6,339	\$ 528	\$ 3,169
OBG - Obstetrics/Gynecology	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
ORT - Orthopaedics	\$ 133,105	\$ 120,313	\$ 74,563	\$ 90,324	\$ 64,056	\$ 1,209,776	\$ 100,815	\$ 3,688
PAI - Pain Mgmt	\$ 11,978	\$ 9,911	\$ 34,384	\$ 7,863	\$ 6,820	\$ 122,057	\$ 10,171	\$ 992
POD - Podiatry	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,039	\$ 253	\$ 3,039
Unassigned	\$ (7,073)	\$ -	\$ -	\$ 6,308	\$ (6,308)	\$ (2,035)	\$ (170)	N/A
URO - Urology	\$ -	\$ 243	\$ -	\$ -	\$ 842	\$ 20,595	\$ 1,716	\$ 2,059
Total	\$ 142,505	\$ 130,737	\$ 112,273	\$ 105,044	\$ 65,477	\$ 1,367,982	\$ 113,999	\$ 2,904

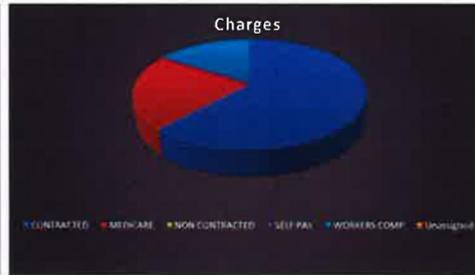
Truckee Surgery Center
Payer Analysis
October 2025 EOM Report



Report Name: Payer Analysis
Report Month: October 2025

Payer Analysis

Financial Class	Cases	%	TTMT%	Charges	%	TTMT %	Payments	%	TTMT %
CONTRACTED	20	49%	53%	\$ 590,977	62%	68%	\$ 25,516	39%	60%
MEDICARE	17	41%	36%	\$ 211,170	22%	23%	\$ 17,095	26%	10%
NON CONTRACTED	0	0%	0%	\$ -	0%	0%	\$ 357	1%	0%
SELF PAY	0	0%	4%	\$ -	0%	-1%	\$ 10,107	15%	16%
WORKERS COMP	4	10%	7%	\$ 152,230	16%	10%	\$ 12,402	19%	14%
Unassigned	0	0%	0%	\$ -	0%	0%	\$ -	0%	1%
Total	41	100%	100%	\$ 954,377	100%	100%	\$ 65,477	100%	100%



Truckee Surgery Center
 TTM Cases by Payer
 October 2025 EOM Report



Report Name: TTM Cases by Payer
 Report Month: October 2025

TTM Cases by Payer

Financial Class	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25
CONTRACTED	21	35	31	12	11	16	17	29
MEDICARE	14	8	13	12	8	13	12	21
NON CONTRACTED	0	0	0	0	0	0	0	0
SELF PAY	2	0	3	1	0	1	5	0
WORKERS COMP	1	2	3	1	1	3	3	7
Unassigned	0	0	0	0	0	0	0	0
Total	38	45	50	26	20	33	37	57

Financial Class	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	TTMT	Monthly Average
CONTRACTED	23	17	18	22	20	251	21
MEDICARE	18	20	13	13	17	168	14
NON CONTRACTED	0	0	0	0	0	0	0
SELF PAY	3	2	0	3	0	18	2
WORKERS COMP	3	4	1	2	4	34	3
Unassigned	0	0	0	0	0	0	0
Total	47	43	32	40	41	471	39

Truckee Surgery Center
 TTM Charges by Payer
 October 2025 EOM Report



Report Name: TTM Charges by Payer
 Report Month: October 2025

TTM Charges by Payer

Financial Class	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25
CONTRACTED	\$ 599,638	\$ 470,337	\$ 931,369	\$ 388,493	\$ 104,777	\$ 734,348	\$ 754,368	\$ 520,464
MEDICARE	\$ 137,261	\$ 189,079	\$ 216,641	\$ 127,504	\$ 77,559	\$ 171,907	\$ 147,595	\$ 272,041
NON CONTRACTED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SELF PAY	\$ 5,358	\$ -	\$ (119,129)	\$ 7,486	\$ (700)	\$ 2,130	\$ 23,149	\$ -
WORKERS COMP	\$ 55,125	\$ 4,410	\$ 66,701	\$ 46,808	\$ 20,838	\$ 57,881	\$ 26,626	\$ 193,810
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 797,382	\$ 663,826	\$ 1,095,582	\$ 570,291	\$ 202,474	\$ 966,266	\$ 951,738	\$ 986,315

Financial Class	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	TTMT	Monthly Average	Average Charge Per Case
CONTRACTED	\$ 758,072	\$ 564,540	\$ 295,888	\$ 489,596	\$ 590,977	\$ 6,603,228	\$ 550,269	\$ 26,308
MEDICARE	\$ 164,382	\$ 312,953	\$ 169,590	\$ 191,007	\$ 211,170	\$ 2,251,428	\$ 187,619	\$ 13,401
NON CONTRACTED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
SELF PAY	\$ 2,590	\$ 8,152	\$ -	\$ 2,292	\$ -	\$ (74,030)	\$ (6,169)	\$ (4,113)
WORKERS COMP	\$ 90,988	\$ 162,649	\$ 51,514	\$ 79,877	\$ 152,230	\$ 954,333	\$ 79,528	\$ 28,069
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Total	\$ 1,016,032	\$ 1,048,294	\$ 516,992	\$ 762,772	\$ 954,377	\$ 9,734,959	\$ 811,247	\$ 20,669

Truckee Surgery Center
 TTM Collections by Payer
 October 2025 EOM Report



Report Name: TTM Collections by Payer
 Report Month: October 2025

TTM Collections by Payer

Financial Class	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25
CONTRACTED	\$ 145,651	\$ 100,621	\$ 114,981	\$ 70,298	\$ 22,311	\$ 109,432	\$ 53,744	\$ 60,263
MEDICARE	\$ 7,073	\$ 14,619	\$ 12,881	\$ 4,718	\$ 6,922	\$ 10,420	\$ 5,336	\$ 8,035
NON CONTRACTED	\$ -	\$ -	\$ 107	\$ -	\$ -	\$ -	\$ 162	\$ -
SELF PAY	\$ 28,763	\$ 11,085	\$ 25,237	\$ 23,230	\$ 7,967	\$ 23,401	\$ 42,367	\$ 10,772
WORKERS COMP	\$ 8,025	\$ 14,210	\$ -	\$ 25,891	\$ 8,342	\$ -	\$ -	\$ 16,847
Unassigned	\$ -	\$ -	\$ 7,749	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 189,512	\$ 140,534	\$ 160,955	\$ 124,137	\$ 45,542	\$ 143,252	\$ 101,609	\$ 95,917

Financial Class	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	TTMT	Monthly Average	Average Cash Per Case
CONTRACTED	\$ 64,800	\$ 71,563	\$ 79,602	\$ 46,447	\$ 25,516	\$ 819,577	\$ 68,298	\$ 3,265
MEDICARE	\$ 19,854	\$ 10,792	\$ 17,081	\$ 4,086	\$ 17,095	\$ 131,840	\$ 10,987	\$ 785
NON CONTRACTED	\$ -	\$ -	\$ -	\$ -	\$ 357	\$ 626	\$ 52	N/A
SELF PAY	\$ 21,793	\$ 14,755	\$ 3,091	\$ 27,711	\$ 10,107	\$ 221,515	\$ 18,460	\$ 12,306
WORKERS COMP	\$ 36,059	\$ 33,627	\$ 12,500	\$ 26,800	\$ 12,402	\$ 186,676	\$ 15,556	\$ 5,490
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,749	\$ 646	N/A
Total	\$ 142,505	\$ 130,737	\$ 112,273	\$ 105,044	\$ 65,477	\$ 1,367,982	\$ 113,999	\$ 2,904

**Truckee Surgery Center
Top 10 Procedures by Volume
October 2025 EOM Report**



Report Name: Top 10 Procedures by Volume

Report Month: October 2025

Top 10 Procedures by Volume - Current Month

CPT Code	Description	Volume	Charges
29826	Surgical Arthroscopy Sho W/Coracoacrm Ligm Rls	7	\$ 81,032
64493	Njx Dx/Ther Agt Pvrt Facet Jt Lmbr/Sac 1 Level	6	\$ 34,728
29827	Surgical Arthroscopy Shoulder W/Rotator Cuff Rpr	4	\$ 115,764
64494	Njx Dx/Ther Agt Pvrt Facet Jt Lmbr/Sac 2Nd Level	4	\$ 23,152
29881	Arthrs Kne Surg W/Meniscectomy Med/Lat W/Shvg	3	\$ 48,621
64718	Neuroplasty &/Transposition Ulnar Nerve Elbow	3	\$ 31,257
64721	Neuroplasty &/Transpos Median Nrv Carpal Tunne	3	\$ 31,257
26055	Tendon Sheath Incision	3	\$ 24,309
64483	Njx Aa&/Strd Tfrml Epi Lumbar/Sacral 1 Level	3	\$ 17,364
64484	Njx Aa&/Strd Tfrml Epi Lumbar/Sacral Ea Addl	3	\$ 17,364

Prior Month

CPT Code	Description	Volume	Charges
64483	Njx Aa&/Strd Tfrml Epi Lumbar/Sacral 1 Level	7	\$ 40,516
29881	Arthrs Kne Surg W/Meniscectomy Med/Lat W/Shvg	6	\$ 97,242
64493	Njx Dx/Ther Agt Pvrt Facet Jt Lmbr/Sac 1 Level	5	\$ 28,940
64484	Njx Aa&/Strd Tfrml Epi Lumbar/Sacral Ea Addl	3	\$ 17,364
29827	Surgical Arthroscopy Shoulder W/Rotator Cuff Rpr	2	\$ 57,882
29824	Surgical Arthroscopy Shoulder Dstl Claviculc	2	\$ 27,784
20680	Removal Implant Deep	2	\$ 23,152
29826	Surgical Arthroscopy Sho W/Coracoacrm Ligm Rls	2	\$ 23,152
26055	Tendon Sheath Incision	2	\$ 16,206
64494	Njx Dx/Ther Agt Pvrt Facet Jt Lmbr/Sac 2Nd Level	2	\$ 11,576

**Truckee Surgery Center
Top 10 Procedures by Gross Chg
October 2025 EOM Report**



Report Name: Top 10 Procedures by Gross Charges

Report Month: October 2025

Top 10 Procedures by Gross Charges - Current Month

CPT Code	Description	Volume	Charges
29827	Surgical Arthroscopy Shoulder W/Rotator Cuff Rpr	4	\$ 115,764
29826	Surgical Arthroscopy Sho W/Coracoacrm Ligm Rls	7	\$ 81,032
29807	Surgical Arthroscopy Shoulder Repair Slap Lesion	2	\$ 57,882
29881	Arthrs Kne Surg W/Meniscectomy Med/Lat W/Shvg	3	\$ 48,621
64493	Njx Dx/Ther Agt Pvrt Facet Jt Lmbr/Sac 1 Level	6	\$ 34,728
64718	Neuroplasty &/Transposition Ulnar Nerve Elbow	3	\$ 31,257
64721	Neuroplasty &/Transpos Median Nrv Carpal Tunne	3	\$ 31,257
23430	Tenodesis Long Tendon Biceps	1	\$ 30,098
29823	Surgical Arthroscopy Shoulder Xtnsv Dbrdmt 3+	1	\$ 28,941
29828	Surgical Arthroscopy Shoulder Biceps Tenodesis	1	\$ 28,941

Prior Month

CPT Code	Description	Volume	Charges
29881	Arthrs Kne Surg W/Meniscectomy Med/Lat W/Shvg	6	\$ 97,242
29827	Surgical Arthroscopy Shoulder W/Rotator Cuff Rpr	2	\$ 57,882
23515	Open Tx Clavicular Fracture Internal Fixation	1	\$ 43,990
64483	Njx Aa&/Strd Tfrml Epi Lumbar/Sacral 1 Level	7	\$ 40,516
23430	Tenodesis Long Tendon Biceps	1	\$ 30,098
29828	Surgical Arthroscopy Shoulder Biceps Tenodesis	1	\$ 28,941
64493	Njx Dx/Ther Agt Pvrt Facet Jt Lmbr/Sac 1 Level	5	\$ 28,940
29824	Surgical Arthroscopy Shoulder Dstl Claviculc	2	\$ 27,784
20680	Removal Implant Deep	2	\$ 23,152
29826	Surgical Arthroscopy Sho W/Coracoacrm Ligm Rls	2	\$ 23,152

Administrator Update Q4 2025

Operations:

- Q3 Volume
 - July: 43
 - August: 32
 - September: 40
 - **Total: 115**
 - *2024 Q3 total: 129*
 - Ortho: 79
 - Pain: 34
 - Dental: 2

- Meeting with new urology office manager to explore opportunities for future cases.
- Ironshore claims have been finalized.
- We are in our window for ACHC Survey.
- Blue Cross Insurance negotiations are in progress