

Kaweah Delta Health Care District Bylaws

Article I The District and Its Mission

- Section 1** Kaweah Delta Health Care District is a community venture, operating under the authority granted through the California Health and Safety Code as a health care district. {California Health and Safety Code – Division 23 – Sections 32000-32499.4} The purpose of the District is to provide quality health care within defined areas of expertise. It is the intent of the District that no person shall be denied emergency admission or emergency treatment based upon ability to pay. It is further the intent of the District that no person shall be denied admission or treatment based upon race, color, national origin, ethnic, economic, religious or age status or on the basis of gender or sexual preference. The medical welfare of the community and its particular health needs will be fulfilled to the capacity of the District's financial limitations.
- Section 2** Kaweah Delta Health Care District operates under the authority of California Health and Safety Code for a health care district. As such, Kaweah Delta Health Care District is publicly owned and operates as a public entity.
- Section 3** As permitted by law, the District may, by resolution of the Board, conduct any election by all-mailed ballots pursuant to Division 4 (commencing with Section 4000) of the California Elections Code.
- Section 4** The Mission of Kaweah Delta Health Care District is: Health is our passion. Excellence is our focus. Compassion is our promise.
- Section 5** The Vision of Kaweah Delta Health Care District is: To be your world-class healthcare choice, for life.
- Section 6** The Pillars of Kaweah Delta Health Care District are:
1. Achieve outstanding community health
 2. Deliver excellent service
 3. Provide an ideal work environment
 4. Empower through education
 5. Maintain financial strength
- Section 7** The mission, vision, and pillars of the District support the safety and quality of care, treatment, and service. {Joint Commission Standard LD.02.01.01}
- Section 8** The Code of Conduct of Kaweah Delta Health Care District is a commitment to ethical and legal business practices, integrity, accountability, and excellence. The Code of Conduct is a founding document of the Compliance Program, developed to express Kaweah Health's understanding and obligation to comply with all applicable laws and regulations. {Joint Commission Standard LD.04.01.01}

Article II The Governing Body

- Section 1** The Governing Body of the Kaweah Delta Health Care District is a Board of Directors constituted by the five (5) publicly elected directors, who are elected by zone, each for four (4) year terms, with two (2) being elected on staggered terms and three (3) being elected two (2) years later on staggered terms. {California Health and Safety Code 32100} The election of the directors is to conform with the applicable California Code. Notwithstanding any other provision of law, a vacancy in any elective office on the governing board of a special district shall be filled as provided in Government Code 1780. This publicly elected Governing Body is responsible for the safety and quality of care, treatment, and services, establishes policy, promotes performance improvement, and provides for organizational management and planning {Joint Commission Standard LD.1.10}.
- Section 2** The Governing Body, every ten years, using new census data, shall redraw their district lines to reflect how local populations have changed. The Governing Body is required to engage the community in the redistricting process by holding public hearings and/or workshops and doing public outreach, including to non-English speaking communities {AB 849 - The Fair and Inclusive Redistricting for Municipalities and Political Subdivisions (FAIR MAPS) Act}.
- Section 3** The Governing Body adopts the Bylaws of the organization. {California Health and Safety Code 32125}
- Section 4** The Governing Body shall establish, adopt, amend, and rescind Board Governance Policies governing the operation and oversight of the Governing Body. Administrative Policies governing District operations shall be promulgated in accordance with Board Policy BOD8 – Promulgation of Kaweah Health Policies.
- Section 5** The principal office of Kaweah Delta Health Care District is located at Kaweah Health Medical Center - Acequia Wing, Executive Offices, 400 West Mineral King Avenue, Visalia, CA 93291. Correspondence to the Board should be addressed to the Board of Directors at this address. Kaweah Health also maintains a Web site at www.kaweahhealth.org. All noticed meeting agendas and supporting materials for Board meetings and Board committee meetings can be obtained at www.kaweahhealth.org/About-Us/Board-of-Directors.
- Section 6** Duties and the Responsibilities of the Governing Body. As boards of directors have basic collective responsibilities, Board members are also entrusted with individual responsibilities as a part of Board membership. The obligations of Board service are considerable; they extend well beyond any basic expectations of attending meetings. Board members as individuals have no special privileges, prerogatives, or authority; they must meet in formal session to negotiate and make District decisions. The specific responsibilities of the Board are clustered into four areas: setting the direction for the District; establishing and supporting the structure of the District; holding the District accountable on behalf of the community; and serving as community leaders.

Considering the complexities of Board membership, a clear statement of individual Board member responsibilities adapted to the organization's needs and circumstances can serve many purposes including clarifying expectations before candidates file for a seat that is up for election on the Kaweah Delta Health Care District Board of Directors.

PRIMARY RESPONSIBILITY - This Board's primary responsibility is to develop and follow the organization's mission statement, which leads to the development of specific policies in the four key areas of:

- A. Quality Performance
- B. Financial Performance
- C. Planning Performance
- D. Management Performance

The Board accomplishes the above by adopting specific outcome targets to measure the organization's performance. To accomplish this, the Board must:

- 1) Establish policy guidelines and criteria for implementation of the mission. The Board also reviews the mission statements of any subsidiary units to ensure that they are consistent with the overall mission.
- 2) Evaluate proposals brought to the Board to ensure that they are consistent with the mission statement. Monitor programs and activities of the hospital and subsidiaries to ensure mission consistency.
- 3) Periodically review, discuss, and if necessary, amend the mission statement to ensure its relevance.

A. **QUALITY PERFORMANCE RESPONSIBILITIES** - This Board has the final moral, legal, and regulatory responsibility for everything that goes on in the organization, including the quality of services provided by all individuals who perform their duties in the organization's facilities or under Board sponsorship. To exercise this quality oversight responsibility, the Board must:

- 1) Understand and accept responsibility for the actions of all physicians, nurses, and other individuals who perform their duties in the organization's facilities.
- 2) Review and carefully discuss quality reports that provide comparative statistical data about services and set measurable policy targets to ensure continual improvement in quality performance.
- 3) Carefully review recommendations of the Medical Staff regarding new physicians who wish to practice in the organization and be familiar with the termination and fair hearing policies.
- 4) Reappoint individuals to the Medical Staff using comparative outcome data to evaluate how they have performed since their last appointment.
- 5) Appoint physicians to governing body committees and seek physician participation in the governance process to assist the Board in its patient quality-assessment responsibilities.

- 6) Fully understand the Board's responsibilities and relationships with the Medical Staff and maintain effective mechanisms for communicating with them.
 - 7) Regularly receive and discuss malpractice data reflecting the organization's experience and the experience of individual physicians who have been appointed to the Medical Staff.
 - 8) Adopt a Performance Improvement Plan and Risk Management Plan for the District and provide for resources and support systems to ensure that the plans can be carried out.
 - 9) Regularly receive and discuss data about the Medical Staff to ensure that future staffing will be adequate in terms of ages, numbers, specialties, and other demographic characteristics.
 - 10) Ensure that management reviews and assesses the attitudes and opinions of those who work in the organization to identify strengths, weaknesses, and opportunities for improvement.
 - 11) Monitor programs and services to ensure that they comply with policies and standards relating to quality.
 - 12) Take corrective action when appropriate and necessary to improve quality performance.
- B. FINANCIAL PERFORMANCE RESPONSIBILITIES - This Board has the ultimate responsibility for the financial soundness of the organization. To accomplish this the Board must:
- 1) Annually review and approve the overall financial plans, budgets {Joint Commission Standard LD.04.01.03}, and policies for implementation of those plans and budgets on a short and long-term basis. The plan must include and identify in detail the objective of, and the anticipated sources of financing for each anticipated capital expenditure:
 - 2) Approve an annual audited financial statement prepared by a major accounting firm and presented directly to the Board of Directors. {Government Code Section 6061 & Health and Safety Code 32133}
 - 3) Approve any specific capital expenditure in excess of \$75,000, which is not included in the annual budget.
 - 4) Authorize the Chief Executive Officer to settle a claim against Kaweah Delta Health Care District not to exceed \$75,000. Authorize the Chief Compliance & Risk Officer to settle a claim against Kaweah Delta Health Care District not to exceed \$25,000.
 - 5) Approve financial policies, plans, programs, and standards to ensure preservation and enhancement of the organization's assets and resources.
 - 6) Exercising prudence with the Board in the control and transfer of funds.
 - 7) Faithfully reading and understanding the organization's financial statements and otherwise helping the Board fulfill its fiduciary responsibility.
 - 8) Monitor actual performance against budget projections and review and adopt ethical financial policies and guidelines.

- 9) Review major capital plans proposed for the organization and its subsidiaries.
- C. PLANNING PERFORMANCE RESPONSIBILITIES - The Board has the final responsibility for determining the future directions that the organization will take to meet the community's health needs. To fulfill this responsibility, the Board must:
- 1) Review and approve a comprehensive strategic plan and supportive policy statements.
 - 2) Develop long-term capital expenditure plans as a part of its long-range strategic planning.
 - 3) Determine whether or not the strategic plan is consistent with the mission statement.
 - 4) Assess the extent to which plans meet the strategic goals and objectives that have been previously approved.
 - 5) Periodically review, discuss, and amend the strategic plan to ensure its relevance for the community.
 - 6) Regularly review progress towards meeting goals in the plan to assess the degree to which the organization is meeting its mission.
 - 7) Annually meet with the leaders of the Medical Staff to review and analyze the health care services provided by Kaweah Health and to discuss long range planning for Kaweah Health.
- D. MANAGEMENT PERFORMANCE RESPONSIBILITIES - The Board is the final authority regarding oversight of management performance by our Chief Executive Officer (CEO). To exercise this authority, the Board must:
- 1) Oversee the recruitment, employment, and regular evaluations of the performance of the CEO.
 - 2) Evaluate the performance of the CEO annually using goals and objectives agreed upon with the CEO at the beginning of the evaluation cycle.
 - 3) Communicate regularly with the CEO regarding goals, expectations, and concerns.
 - 4) Periodically survey CEO at comparable organizations to assure the reasonableness and competitiveness of our compensation package (BOD4).
 - 5) Periodically review management succession plans to ensure leadership continuity.
 - 6) Ensure the establishment of specific performance policies, which provide the CEO with a clear understanding of what the Board expects and ensure the update of these policies based on changing conditions.
- E. The Board is also responsible for managing its own governance affairs in an efficient and successful way. To fulfill this responsibility, the Board should:

- 1) Maintain written conflict-of-interest policies that include guidelines for the resolution of existing or apparent conflicts of interest. {Board of Directors policy BOD.05 – Conflict of Interest}
- 2) Members of the governing body are required to complete ethics training every two years, with the requirement that they take their first training no later than a year after they start their first day of service with the district. {AB 1234}
- 3) Members of the governing body are elected by the public and, accordingly, are judged on their individual performance by the electorate.
- 4) Participate both as a Board and individually in orientation programs and continuing education programs both within the organization and externally. As such, the District shall reimburse reasonable expenses for both in-state and out-of-state travel for such educational purposes. {Board Of Directors policy BOD.06 – Board Reimbursement for Travel and Service Clubs} {California Health and Safety Code 32103}
- 5) Periodically review Board structure to assess appropriateness of size, diversity, committees, tenure, and turnover of officers and chairpersons.
- 6) Assure that each Board member understands and agrees to maintain confidentiality with regard to information discussed by the Board and its committees.
- 7) Assure that each Board member understands and agrees to adhere to the Brown Act ensuring that Board actions be taken openly, as required, and that deliberations be conducted openly, as required.
- 8) Adopt, amend, and, if necessary, repeal the articles and bylaws of the organization.
- 9) Maintain an up-to-date Board policy manual, which includes specific policies covering oversight responsibilities in the area of quality performance, financial performance, strategic planning performance, and management performance.

Review Kaweah Health's Mission, Vision & Pillar statements every two years.

Section 7 **General Expectations of the Kaweah Health Board.** Adhere to the duties and responsibilities of the Governing Body as outlined in Article II the Governing Body, Section 5 of the Kaweah Delta Health Care District Bylaws.

Knowing the organization's mission, purpose, goals, policies, programs, services, strengths, and needs.

Performing the duties of Board membership responsibly and conforming to the level of competence expected from Board members as outlined in the duties of care, loyalty, and obedience as they apply to nonprofit Board members.

Serving in leadership positions and undertaking special assignments willingly and enthusiastically.

Avoiding prejudiced judgments on the basis of information received from individuals and urging those with grievances to follow established policies and procedures through their supervisors. (All matters of potential significance should be called to the attention of the executive and the Board's elected leader as appropriate.)

Section 8 Relationship with Staff. Counseling the chief executive as appropriate and supporting them through often difficult relationships with groups or individuals.

Avoiding asking for special favors of the staff, including special requests for extensive information, without at least prior consultation with the chief executive, Board or appropriate committee chairperson.

Section 9 Avoiding Conflicts. Serving the organization as a whole rather than any special interest group or constituency. Regardless of whether or not the Board member was invited to fill a vacancy reserved for a certain constituency or organization, their first obligation is to avoid any preconception that they "represent" anything but the organization's best interests.

Avoiding even the appearance of a conflict of interest that might embarrass the Board or the organization; disclosing any possible conflicts to the Board in a timely fashion. {Board of Directors policy - BOD5 – Conflict of Interest}

Maintaining independence and objectivity and doing what a sense of fairness, ethics, and personal integrity dictate, even though not necessarily being obliged to do so by law, regulation, or custom.

Never accepting (or offering) favors or gifts from (or to) anyone who does business with the organization.

The Board shall assess the adequacy of its conflict-of-interest/confidentiality policies and procedures at least every two years. {Political Reform Act (Government Code 8100 et seq.)}

Section 10 Meetings. Preparing for and participating in Board and committee meetings, including appropriate organizational activities.

Asking timely and substantive questions at Board and committee meetings consistent with the Board member's conscience and convictions, while at the same time supporting the majority decision on issues decided by the Board.

Maintaining confidentiality of the Board's executive sessions and speaking for the Board or organization only when authorized to do so.

The Board of Directors of the Kaweah Delta Health Care District shall hold regular meetings at a meeting place within the jurisdiction of the Kaweah Delta Health Care District on the fourth Wednesday of each month, as determined by the Board of Directors each month. In the months of November and December, regular meetings shall be held on the third Wednesday of the month to accommodate holiday schedules. {California Health and Safety Code 32104}

The Board of Directors of the Kaweah Delta Health Care District may hold a special meeting of the Board of Directors as called by the President of the Board or in their absence the Vice President. In the absence of these officers of the Board a special meeting may be called by a majority of the members of the Board. A special meeting requires 24-hour notice before the time of the meeting. {Government Code 54956}

Meetings of the Board of Directors shall be noticed and held in compliance with the applicable California Code for Health Care Districts. {The Ralph M. Brown Act - Government Code 54950} Sections 32100.2 and 32106 of the California Health and Safety Code, as amended, indicate the attendance and quorum requirements for members of the Board of Directors of any health care district in the State of California. For general business the Board may operate under the rules of a small committee, however, upon the request of any member of the Governing Body immediate implementation of the Standard Code of Parliamentary Procedure (Roberts Rules of Order) shall be adopted for the procedure of that meeting. The Board of Directors is committed to conducting its business openly and transparently. Public access to board information, meeting materials, governance records, and public disclosures shall be governed by Board Policy BOD14 – Public Transparency and Disclosure, together with applicable provisions of the Ralph M. Brown Act, the California Public Records Act, and other applicable laws.

The President of the Board of Directors shall appoint the committees of the Board and shall appoint the Chairperson and designate the term of office in a consistent and systematic approach. All committees of the Governing Body shall have no more than two (2) members of the Governing Body upon the committee and both Board members shall be present prior to the Board committee meeting being called to order. All committees of the Governing Body shall serve as extensions of the Governing Body and report back to the Governing Body for action.

The President of the Board of Directors may appoint, with concurrence of the Board of Directors, any special committees needed to perform special tasks and functions for the District.

Any special committee shall limit its activities to the task for which it was appointed, and shall have no power to act, except as specifically conferred by action of the Board of Directors.

Closed sessions of the Board of Directors shall be conducted only as authorized by applicable law. Procedures governing closed sessions, confidentiality, labor negotiations, and reporting of closed session actions shall be administered in accordance with BOD15 – Closed Session and Labor Negotiations.

The Chief of Staff shall be notified and shall facilitate Medical Staff participation in any Governing Board Committee that deliberates the discharge of Medical Staff responsibility.

The Board shall provide public access to its meetings consistent with applicable law. Procedures governing meeting technology, remote participation, public

observation, accessibility, and electronic meeting practices shall be administered in accordance with Board Policy BOD16 – Board Meeting Transparency and Remote Access.

The standing committees of the Governing Body are:

A. Academic Development

The members of this committee shall consist of two (2) Board members, Chief Executive Officer (CEO), Chief Medical & Quality Officer, Designated Institutional Officer, Director of Graduate Medical Education, Director of Pharmacy, and any other members designated by the Board President.

This committee will provide Board direction and leadership for the Graduate Medical Education Program, the Pharmacy Residency Program, and achievement of Kaweah Health's foundational Pillar "Empower through Education."

B. Audit and Compliance

The members of this committee shall consist of two (2) Board members (Board President or Secretary/Treasurer shall be a standing member of this committee), CEO, Chief Financial Officer (CFO), Chief Compliance & Risk Officer, Compliance Manager, legal counsel, and any other members designated by the Board President. The Committee will engage an outside auditor, meet with them pre audit and post audit, and review the audit log of the Chief Compliance & Risk Officer. The Committee will examine and report on the manner in which management ensures and monitors the adequacy of the nature, extent and effectiveness of compliance, accounting and internal control systems. The Committee shall oversee the work of those involved in the financial reporting process including the outside auditors, to endorse the processes and safeguards employed by each. The Committee will encourage procedures and practices that promote accountability among management, ensuring that it properly develops and adheres to a compliant and sound system of internal controls, that the Chief Compliance & Risk Officer objectively assess management's accounting practices and internal controls, and that the outside auditors, through their own review, assess management and the Chief Compliance & Risk Officer's practices. This committee shall supervise all of the compliance activities of the District, ensuring that the Compliance department effectively facilitates the prevention, detection and correction of violations of law, regulations, and/or District policies. The Chief Compliance & Risk Officer will review and forward to the full Board a written Quarterly Compliance Report.

This Committee, on behalf of the Board of Directors, shall be responsible for overseeing the recruitment, employment, evaluation and dismissal of the Chief Compliance & Risk Officer. These responsibilities shall be performed primarily by the CEO and/or the CEO's designees, but final decisions on such matters shall rest with this Committee, acting on behalf of the full Board.

C. Finance / Property, Services & Acquisitions

The members of this committee shall consist of two (2) Board members, (Board President or Secretary/Treasurer will be a standing member of this committee), CEO, CFO, VP Strategy, VP Support Services, Director of Facilities, and any other members designated by the Board President.

This committee will oversee the financial health of the District through careful planning, allocation and management of the District's financial resources and performance. To oversee the construction, improvement, and maintenance of District property as well as the acquisition and sale of property which is essential for the Health Care District to carry out its mission of providing high-quality, customer-oriented, and financially strong healthcare services.

D. Governance Committee

The members of this committee shall consist of two (2) Board members, the CEO, the Board Clerk and any other members designated by the Board President.

The Governance Committee shall assist the Board of Directors in promoting effective governance through oversight of Board governance practices, bylaws, governance policies, Board education and development, committee structure, Board self-assessment, and compliance with applicable governance requirements.

The Committee serves in an advisory capacity and shall make recommendations to the Board regarding governance matters, Board effectiveness, and policy improvements.

E. Governance & Legislative Affairs

The members of this committee shall consist of two (2) Board members {Board President or the Board Secretary/Treasurer}, CEO and any other members designated by the Board President. Committee activities will include: reviewing Board committee structure, calendar, bylaws and, planning the bi-annual Board self-evaluation, and monitor conflict of interest. Legislative activities will include: establishing the legislative program scope & direction for the District, annually review appropriation request to be submitted by the District, effectively communicating and maintaining collegial relationships with local, state, and nationally elected officials.

F. Human Resources

The members of this committee shall consist of two (2) Board members, CEO, Chief Human Resources Officer, Chief Nursing Officer (CNO) and any other members designated by the Board President. This committee shall review and approve all personnel policies. This committee shall annually review and recommend changes to the Salary and Benefits Program, the Safety Program and the Workers' Compensation Program. This

committee will annually review the workers' compensation report, competency report & organizational development report.

G. Information Systems

The members of this committee shall consist of two (2) Board members, CEO, CFO, CNO, VP Digital and Information Systems, Medical Director of Informatics, and any other members designated by the Board President. This committee shall supervise the Information Systems projects of the District.

H. Marketing and Community Relations

The members of this committee shall consist of two (2) Board members and CEO, VP Strategy, Marketing Director, and any other members designated by the Board President.

This committee shall oversee marketing and community relations activities in the District in order to increase the community's awareness of available services and to improve engagement with the population we serve. Additionally, create a brand that builds preference for Kaweah Health in the minds of consumers and creates a public image that instills trust, confidence, and is emblematic of Kaweah Health's mission and our vision to become "world-class." Further develops and fosters a positive perception that will attract the highest caliber of employees and medical staff.

I. Patient Experience

The members of this committee shall consist of two (2) Board members and the CEO, CNO, Director of Patient & Community Experience and any other members designated by the Board President.

This committee will work with the patient experience team and leadership to develop a patient experience strategy to ensure that patient experiences are meeting the Mission and Vision of Kaweah Health and its foundational Pillar "Deliver excellent service".

J. Population Health & Community Committee

The members of this committee shall consist of two (2) Board members and the CEO, Chief Ambulatory Officer, Director of Population Health, Community Members and Medical Staff. Population Health & Community Committee shall assist the Board of Directors in providing oversight of the District's population health strategy, community health improvement initiatives, community benefit activities, health equity efforts, and partnerships that advance the health and well-being of the communities served by the District.

The Committee serves in an advisory capacity and shall make recommendations to the Board regarding community health priorities, population health initiatives, and related policies and strategic objectives.

K. Quality Council

The members of this Committee shall consist of two (2) Board members, CEO or designate, CNO, Chief Medical and Quality Officer (CMQO), Chief of Staff of the Medical Staff, chair of the Professional Staff Quality Committee (Prostaff), Medical Directors of Quality and Patient Safety, Director of Quality and Patient Safety, Director of Risk Management, and members of the Medical Staff as designated by the Board.

This Committee shall review and recommend approval of the annual Quality Improvement (QI) plan and Patient Safety plans to the Board of Directors, determine priorities for improvement, monitor key outcomes related to Quality Focus Team activities, evaluate clinical quality, patient safety, and patient satisfaction, monitor and review risk management activities and outcomes, evaluate the effectiveness of the performance improvement program, foster commitment and collaboration between the District and Medical Staff for continuous improvement, and review all relevant matters related to Quality within the institution, including Performance Improvement, Peer Review, Credentialing/Privileging and Risk Management.

L. Strategic Planning

The members of this Committee shall consist of two (2) Board members, CEO, VP Strategy, all Executive Team members, Medical Staff Officers, Immediate past Chief of Staff along with other members of the Medical Staff as designated by the Board and the CEO.

This Committee shall review the budget plan, review the strategic plan and organize objectives, review changes or additions to service lines.

The Strategic Planning Committee will provide oversight and forward to the full Board the following reports:

1. Review of the Strategic Plan Annually
2. Strategic Plan initiatives progress and follow-up bi-monthly to full Board.

M. Independent Committees

The following independent committees may have Board member participation:

1. Cypress Company, LLC
2. Graduate Medical Education Committee (GMEC)
3. Joint Conference
4. Kaweah Health Hospital Foundation
5. Quail Park {All entities}
6. Retirement Plans' Investment Committee
7. Sequoia Integrated Health, LLC
8. Sequoia Surgery Center, LLC
9. Sequoia Regional Cancer Center – Medical & Radiation, LLC
10. (TKC Development, LLC

- The Board President shall serve as General Manager for TKC Development, LLC.

11. Central Valley Health Care Alliance - JPA

N. Medical Affairs

- 1) A member of the Board, as appointed by the President, shall also serve on the following Medical Staff Committees:
 - a) Joint Conference Committee - This committee shall regularly meet to discuss current issues/concerns with Medical Staff, Board, and Administration.
 - b) Credentials Committee - The Board shall participate in this committee to observe the Medical Staff process.

Section 11 Compensation

Pursuant to California Health and Safety Code Section 32103, members of the Board of Directors shall serve without compensation except as expressly authorized by the Governing Body.

The the Board of Directors may, by resolution adopted by a majority vote of the members of the Board, authorize compensation not to exceed the amounts the amounts permitted by law, including but not limited to:

- A. Not to exceed two hundred dollars (\$200) per regular or special Board meeting;
- B. Not to exceed one hundred dollars (\$100) per each Board Committee meeting;
- C. Not to exceed fifty dollars (\$50) per Community Advisory Committee meeting;
- D. Not to exceed seven (7) meetings a calendar month for purposes of compensation to each member of the Board of Directors.

Commencing July 1, 2025, if the District compensates its members for more than five ((5) meetings in a calendar month, the Board of Directors shall annually adopt a written policy describing, based on a finding supported by substantial evidence, why more than five meetings per month are necessary for the effective operation of the District.

All compensation and expense reimbursement for members of the Board of Directors shall be administered in accordance with the Board of Directors Policy BOD9. (Board Compensation and Expense Reimbursement Policy), as may be amended from time to time. In the event of any inconsistency between this Section and BOD9, the provisions of applicable law and duly adopted Board resolution shall control.

Each member of the Board of Directors shall be entitled to his or her or their actual necessary travel and incidental expenses incurred in the performance of official business of the District as approved by the Board. For purposes of this section, the determination of whether a Director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with

Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

The Board Clerk shall maintain official records of Board-approved compensation, attendance documentation, meeting verification, reimbursement requests, and supporting records required for compliance with BOD9, audit standards, and applicable law.

Section 12 The Governing Body Bylaws:

The Governing Body Bylaws and any changes thereto may be adopted at any regular or special meetings by a legally constituted quorum of the Governing Body. All portions of Governing Body Bylaws must be in compliance with applicable California Code, which is the ruling authority.

Any member of the Governing Body may request a review for possible revision of the Bylaws of the organization.

The Governance Board Committee and the Governing Body shall review the Bylaws and recommend appropriate changes annually.

Section 13 Members of the Governing Body shall exercise oversight responsibilities consistent with Board Policy, (Board Policy BOD13- Board Oversight and Accountability) and annually sign the Board Bylaws, which outline the duties and responsibilities of the Governing Body members including but not limited to adherence to the Board policies and the Brown Act.

Section 14 Members of the Governing Body are publicly elected. The members of the Governing Body are expected to participate actively in the functions of the Governing Body and its committees and to serve the constituency who elected them. Notwithstanding any other provision of law, the term of any member of the board of directors shall expire if he or she is absent from three consecutive regular meetings, or from three of any five consecutive meetings of the board and the board by resolution declares that a vacancy exists on the board. {California Health and Safety Code 32100.2}

Section 15 The Board of Directors shall maintain policies governing Director orientation, continuing education, governance development, and Board self-evaluation. Such activities shall be administered in accordance with Board Policies BOD1 (Orientation of New Board Member), BOD 19 (Board Self-Evaluation), and BOD 20 (Board Education and Continuing Education). All members of the Board of Directors shall be provided with current copies of the District Bylaws and the Medical Staff Bylaws and any revisions of these Bylaws.

Article III Officers of the Board

Section 1 The offices of President, Vice President, and Secretary/Treasurer shall be selected at the first regular meeting in December of a non-election year of the District. To hold the office of President, Vice President, or Secretary/Treasurer, a Board member must have at least one year of service on the Board of Directors.

These officers shall hold office for a period of two (2) years or until the successors have been duly selected (or in the case of an unfulfilled term, appointed) and qualified. The officer positions shall be by election of the Board itself.

Section 2 The duties and responsibilities of the Governing Body President are:

- A. Adhere to the duties and responsibilities of the Governing Body as outlined in Article II - The Governing Body of the Kaweah Delta Health Care District Bylaws.
- B. Keep the mission of the organization at the forefront and articulate it as the basis for all Board action.
- C. Understand and communicate the roles and functions of the Board, committees, Medical Staff, and management.
- D. Understand and communicate individual Board member, Board leader, and committee chair responsibilities and accountability.
- E. Act as a liaison between the Board, management, and Medical Staff.
- F. Plan agendas.
- G. Preside over the meetings of the Board.
- H. Preside over or attend other Board, Medical Staff, and other organization meetings.
- I. Enforce Board and hospital bylaws, rules, and regulations (such as conflict of interest and confidentiality policies).
- J. Appoint Board committee chairs and members in a consistent and systematic approach.
- K. Act as a liaison between and among other Boards in the healthcare system.
- L. Direct the committees of the Board, ensuring that the committee work plans flow from and support the hospital and Board goals, objectives, and work plans.
- M. Provide orientation for new Board members and arrange continuing education for the Board.
- N. Ensure effective Board self-evaluation.
- O. Build cohesion among the leadership team of the Board President, CEO, and Medical Staff leaders.
- P. Lead the CEO performance objective and evaluation process.

Section 3 The duties and responsibilities of the Governing Body Vice President are:

- A. Adhere to the duties and responsibilities of the Governing Body as outlined in Article II - The Governing Body of the Kaweah Delta Health Care District Bylaws.

- B. The Vice President shall act as President in the absence of the President or the Secretary/Treasurer in the absence of the Secretary/Treasurer, and so acting shall have all the responsibility and authority of that position.

Section 4 The Secretary/Treasurer shall act as the Secretary for the Board of Directors of Kaweah Delta Health Care District and in so doing shall:

- A. Adhere to the duties and responsibilities of the Governing Body as outlined in Article II the Governing Body of the Kaweah Delta Health Care District Bylaws.
- B. Maintain minutes of all meetings of the Board of Directors;
- C. Be responsible for the custody of all records and for maintaining records of the meetings;
- D. Be assured that an agenda is prepared for all meetings.
- E. Will be custodian of all funds of Kaweah Delta Health Care District as well as the health care facilities operated by the District.
- F. Will assure that administration is using proper accounting systems; that this is a true and accurate accounting of the transactions of the District; that these transactions are recorded and accurate reports are regularly reported to the Board of Directors.
- G. In conjunction with the Board Audit and Compliance Committee shall see that a major accounting firm provides ongoing overview and scrutiny of the fiscal assets of the District and shall further assure that an annual audit is prepared by a major accounting firm and presented directly to the Board of Directors.

Article IV The Medical Staff

Section 1 The Governing Body shall appoint the Medical Staff composed of licensed physicians, surgeons, dentists, podiatrists, clinical psychologists, and all Allied Health Practitioners (including Physician Assistants, Nurse Practitioners and Nurse Midwives) duly licensed by the State of California. {California Health and Safety Code of the State of California, Section 32128} The Governing Body, upon consideration of the recommendations of the Medical Staff coming from the Medical Executive Committee, through the Credentials Committee, affirms or denies appointment and privileges to the Medical Staff of Kaweah Delta Health Care District in accordance with the procedure for appointment and reappointment of the medical staff as provided by the standards of the Joint Commission on Accreditation of Healthcare Organizations. {Joint Commission Standard MS.01.01.01} The Board of Directors shall reappoint members to the Medical Staff every two (2) years, as set forth in the Medical Staff Bylaws. The Governing Body requires that an organized Medical Staff is established within the District and that the Medical Staff submits their Bylaws, Rules and Regulations and any changes thereto, to the Governing Body for approval.

- Section 2** Members of the Medical Staff are eligible to run in the public election for membership on the Governing Body in the same manner as other individuals.
- Section 3** The Chief of Staff of Kaweah Delta Health Care District shall be notified and invited to each regular monthly meeting of the Governing Body and the Chief of Staff's input shall be solicited with respect to matters affecting the Medical Staff.
- Section 4** The Chief of Staff of Kaweah Delta Health Care District shall be invited to all meetings of the Governing Body at which credentialing decisions are made concerning any member of the Medical Staff of Kaweah Health Medical Center or at which quality assurance reports are given concerning the provision of patient care at Kaweah Health Medical Center. Quality assurance reports shall be made to the Board periodically. Credentialing decisions shall be scheduled on an as-needed basis. The Chief of Staff shall be encouraged to advise the Board on the content and the quality of the presentations, and to make recommendations concerning policies and procedures, the improvement of patient care and/or the provision of new services by the District.
- Section 5** The District has an organized Medical Staff that is accountable to the Governing Body. {Joint Commission Standard LD.01.05.01} The organized Medical Staff Executive Committee shall make recommendations directly to the Governing Body for its approval. Such recommendations shall pertain to the following:
- A. the structure of the Medical Staff;
 - B. the mechanism used to review credentials and delineate clinical privileges;
 - C. individual Medical Staff membership;
 - D. specific clinical privileges for each eligible individual;
 - E. the organization of the performance improvement activities of the Medical Staff as well as the mechanism used to conduct, evaluate, and revise such activities;
 - F. the mechanism by which membership on the Medical Staff may be terminated;
 - G. the mechanism for fair hearing procedures.
- Section 6** The Governing Body shall act upon recommendations concerning Medical Staff appointments, re-appointments, termination of appointments, and the granting or revision of clinical privileges within 120 days following the regular monthly meeting of the Governing Body at which the recommendations are presented through the Executive Committee of the organized Medical Staff. The Secretary of the Board of Directors or the Chief Executive Officer shall mail notice of the action or decision to the affected applicant or medical staff member with the time specified in the applicable bylaw or rule (California Health & Safety Code 32151).
- Section 7** The Governing Body requires that only a member of the organized Medical Staff with admitting privileges at Kaweah Health Medical Center may admit a patient to Kaweah Health Medical Center and that such individuals may practice only within the scope of the privileges granted by the Governing Body and that each

patient's general medical condition is the responsibility of a qualified physician of the Medical Staff.

Section 8

The Governing Body requires, as outlined in Resolution 2207, that members of the organized Medical Staff, as a condition of appointment or reappointment and to maintain admitting and clinical privileges, and all Advanced Practice Providers, as a condition of appointment or reappointment and to maintain clinical privileges, to obtain and maintain at all times, continuous coverage that meets or exceeds the standards set forth below:

Coverage Limits: At least \$1 million per claim and at least \$3 million annual aggregate, with a deductible or self-insured retention of not more than \$100,000; and

Rating and Financial Strength: Maintains an A.M. Best Rating of at least A, and a Financial Strength Category ("FSC") of at least VII (\$50 million to \$100 million); and;

Admitted Carriers: An insurance company on the List of Admitted Insurers published by the California Department of Insurance, which can be accessed here:

https://interactive.web.insurance.ca.gov/apex_extprd/f?p=144:10:11467228532262::NO::; or

Non-Admitted/Surplus Line Insurers: An insurance company that meets the criteria identified in paragraphs 1 and 2, and is on the List of Approved Surplus Line Insurers ("LASLI") published by the California Department of Insurance, which can be accessed here: <https://www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm#MP; or>

Federal Tort Claims Act: An insurance fund that meets the criteria identified in paragraph 1 and 2 and is administered under the Federal Tort Claims Act for federal employees, when the Kaweah Health Medical Staff member or Advanced Practice Provider Staff is so covered (for example, as a result of their employment with Family Health Care Network).

Section 9

The Governing Body holds the Medical Staff responsible for the development, adoption, and annual review of its own Medical Staff Bylaws, Rules and Regulations that are consistent with Kaweah Health policy, applicable codes, and other regulatory requirements. Neither the Medical Staff nor The Governing Body may make unilateral amendments to the Medical Staff Bylaws or the Medical Staff Rules and Regulations.

The Medical Staff Bylaws and the Rules and Regulations adopted by the Medical Staff, and any amendments thereto, are subject to, and effective upon, approval of the Governing Body, such approval not to be unreasonably withheld.

Section 10

The Medical Staff is responsible for establishing the mechanism for the selection of the Medical Staff Officers, Medical Staff Department Chairpersons, and Medical Staff Committee Chairpersons.

This mechanism will be included in the Medical Staff Bylaws.

- Section 11** The Governing Body requires the Medical Staff and the Management to review and revise all department policies and procedures as often as needed. Such policies and procedures must be reviewed at least every three (3) years.
- In adherence with Title 22 {70203}, Policies relative to medical service {those preventative, diagnostic and therapeutic measures performed by or at the request of members of the organized medical staff} shall be approved by the governing body as recommended by the Medical Staff.
- In adherence with Title 22 {70213}, Nursing Service Policies for patient care shall be developed, maintained and implemented by nursing services; policies which involve the Medical Staff shall be reviewed and approved by the Medical Staff prior to implementation.
- Section 12** Individuals who provide patient care services (other than District staff members), but who are not subject to the Medical Staff privilege delineation process, shall submit their credentials to the Interdisciplinary Practice Committee of the Medical Staff which shall, via the Executive Committee, transmit its recommendations to the Governing Body for approval or disapproval.
- Section 13** The quality of patient care services provided by individuals who are not subject to Medical Staff privilege delineation process, shall be included as a portion of the District's Performance Improvement program.
- Section 14** The Governing Body specifies that under the privacy regulations of the Health Insurance Portability and Accountability Act (HIPAA), the Medical Staff and the District are in an Organized Health Care Arrangement (OHCA). The OHCA is a clinically integrated care setting in which individuals receive health care from more than one provider and the providers hold themselves out to the public as participating in a joint arrangement. The Medical Staff is in an OHCA with the District for care provided at District facilities. This joint arrangement is disclosed to the patients in the Notice of Privacy Practices given to patients when they access care at any of the District's facilities. Nothing in the OHCA or otherwise, is intended to, and does not alter the independent relationship between the District and health care providers who have privileges with District.

Article V Joint Committees

- Section 1** The President of the Governing Body or a member of the Board appointed by the President shall participate, along with the CEO, in the Joint Conference Committee, which is a committee of the Medical Staff. This committee shall serve as a systematic mechanism for communication between members of the Governing Body, Administration, and members of the Medical Staff. Specifically, issues which relate to quality of patient care shall be regularly addressed. Additionally, other matters of communication which are of importance to maintaining a sound working relationship between the Governing Body and the Medical Staff shall be discussed. The minutes, if any, shall be kept by the organized Medical Staff under the direction of its President. The proceedings and records of this committee are protected by Section 1157 of the evidence Code.

Article VI Chief Executive Officer

- Section 1** The Governing Body shall be solely responsible for appointment or dismissal of the Chief Executive Officer. {Board of Directors policy – BOD2 – Chief Executive Officer (CEO) Transition}. The terms and conditions of employment of the Chief Executive Officer shall be established through an Employment Agreement approved by the Board of Directors in accordance with Board Policy BOD10— Executive Employment Agreement. Any severance benefits or post-employment compensation shall be governed by Board Policy BOD11- CEO Severance and Compensation.
- Section 2** The Governing Body shall assure that the Chief Executive Officer is qualified for their responsibilities through education and/or experience. {Board of Directors policy – BOD3 – Chief Executive Officer (CEO) Criteria}
- Section 3** The Chief Executive Officer shall act on behalf of the Governing Body in the overall management of the District.
- Section 4** In the absence of the Chief Executive Officer, an Executive Team member designated by the Chief Executive Officer or by the President of the Governing Body shall assume the responsibilities of this position. The Governing Body retains final authority to name the person to act during the absence or incapacity of the Chief Executive Officer.
- Section 5** Annually the Governing Body shall meet in Executive session to monitor the performance of the Chief Executive Officer. The conclusions and recommendations from this performance evaluation will be transmitted to the Chief Executive Officer by the Governing Body. The evaluation process shall be conducted in accordance with Board Policy BOD12 – Chief Executive Officer Performance Evaluation.
- Section 6** Compensation of the Chief Executive Officer shall be determined by the Board of Directors in accordance with Board Policy BOD4 – Executive Compensation, applicable law, and all regulatory requirements.
- Section 7** The Chief Executive Officer shall have the authority to appoint, employ, supervise, and discharge all District employees. The appointment and removal of the Chief Compliance Officer and the Board Clerk shall be subject to approval by the Board of Directors upon the recommendation of the Chief Executive Officer. Employment of all other personnel shall be within the authority of the Chief Executive Officer and subject to budget authorization granted by the Board of Directors.
- Section 8** The Chief Executive Officer shall organize, and have the authority to reorganize the administrative structure of the District, below the level of CEO, subject to the limitations set forth in Section 6 above. The District’s organizational chart shall reflect that the Chief Compliance & Risk Officer and Board Clerk having direct, solid-line reporting relationships to the Board (functional) and to the CEO (administrative).

- Section 9** The Chief Executive Officer shall report to the Board at regular and special meetings all significant items of business of Kaweah Delta Health Care District and make recommendations concerning the disposition thereof.
- Section 10** The Chief Executive Officer shall submit regularly, in cooperation with the appropriate Committee of the Board, periodic reports as required by the Board.
- Section 11** The Chief Executive Officer shall attend all meetings of the Board when possible and shall attend meetings of the various Committees of the Board when so requested by the Committee chairperson.
- Section 12** The Chief Executive Officer shall serve as a liaison between the Board and the Medical Staff. The Chief Executive Officer shall cooperate with the Medical Staff and secure like cooperation on the part of all concerned with rendering professional service to the end that patients may receive the best possible care.
- Section 13** The Chief Executive Officer shall make recommendations concerning the purchase of equipment and supplies and the provision of services by the District, considering the existing and developing needs of the community and the availability of financial and medical resources.
- Section 14** The Chief Executive Officer shall keep abreast and be informed of new developments in the medical and administrative areas of hospital administration.
- Section 15** The Chief Executive Officer shall oversee the physical plants and ground and keep them in a good state of repair, conferring with the appropriate Committee of the Board in major matters, but carrying out routine repairs and maintenance without such consultation.
- Section 16** The Chief Executive Officer shall supervise all business affairs such as the records of financial transactions, collections of accounts and purchase and issuance of supplies, and be certain that all funds are collected and expended to the best possible advantage.
- Section 17** The Chief Executive Officer shall supervise the preservation of the permanent medical records of the District and act as overall custodian of these records.
- Section 18** The Chief Executive Officer shall keep abreast of changes in applicable laws and regulations and shall insure that a District compliance program, appropriate educational programs, and organizational memberships are in place to carry out this responsibility.
- Section 19** The Chief Executive Officer shall be responsible for assuring the organization's compliance with applicable licensure requirements, laws, rules, and regulations, and for promptly acting upon any reports and/or recommendations from authorized agencies, as applicable.
- Section 20** The Chief Executive Officer will ensure that the business of the District is conducted openly and transparently, as required by law.
- Section 21** The Chief Executive Officer will oversee the activities of the District's Community Relations Committees to ensure meaningful participation of community members and communication of the input and recommendation from the committee to the Board and to organization's management.

Section 22 The Chief Executive Officer shall perform any special duties assigned or delegated to them by the Board.

Article VII Chief Compliance Officer

Section 1 The Chief Compliance Officer shall have the authority to:

- A. Communicate directly with the Board Chair, the Board of Directors or any committee of the Board concerning matters within the scope of the Compliance Program;
- B. Schedule an executive session with the Board when the Chief Compliance Officer determines a matter requires confidential discussion;
- C. Attend all Board meetings during consideration of compliance matters unless otherwise directed by the Board; and
- D. Escalate compliance concerns directly to the Board when necessary to fulfill the responsibilities of the office.

Section 2 The Chief Compliance Officer shall support the Audit and Compliance Committee in fulfilling its compliance responsibilities.

Section 3 The Chief Compliance Officer shall have a dual reporting relationship. The Chief Compliance Officer shall report directly to the Board of Directors for monitoring and auditing to evaluate risks, ensure controls and working and prevent non-compliance. One purpose of this direct reporting relationship is to ensure objective internal investigations and autonomy in decision-making. The Chief Compliance Officer shall report directly to the Chief Executive Officer for day-to-day administrative matters and strategic alignment.

Article VIII Board Administration

Section 1 The Board of Directors shall have a Board Clerk who shall serve as the official clerk of the Board and custodian of the Board's official records. The Board Clerk shall support the Board of Directors in fulfilling its governance responsibilities and shall perform the duties prescribed by these Bylaws, applicable law, and Board policy.

Section 2 The Board Clerk shall report administratively to the Chief Executive Officer or the Chief Executive Officer's designee for matters relating to employment, compensation, and day-to-day administration.

For matters relating to Board governance, official Board records, meeting administration, and compliance with applicable laws governing meetings of the Board, the Board Clerk shall function under the direction of the Board of Directors through the Board Chair.

Nothing in this Article shall be construed to diminish the authority of the Chief Executive Officer over District operations except as expressly provided herein.

Section 3 The Board Clerk shall:

- A. Maintain records demonstrating compliance with all required Board member education and training, including ethics training required by Government Code Section 53235 (AB 1234), Senate Bill 827, Brown Act education, cybersecurity awareness, and other governance education required by law or Board policy.
- B. Maintain records of Board members' Statements of Economic Interests (Form 700), Conflict of Interest disclosures, oaths of office, committee assignments, and terms of office.
- C. Coordinate compliance with the District's Conflict of Interest Code and governance disclosure requirements applicable to the Governing Body.
- D. Coordinate Board elections, appointments, vacancies, oaths of office, seating of newly elected Directors, and related governance activities in accordance with applicable law.
- E. Coordinate candidate orientation and provide governance information to newly elected Directors following certification of election results.
- F. Maintain the official governance calendar, including Board meetings, committee meetings, Board education, policy reviews, Board evaluations, election cycles, and governance filing deadlines.
- G. Coordinate required Board reporting, notices, and filings with governmental agencies as required by law.
- H. Coordinate compliance with Board Policies and applicable laws relating to language accessibility for public meeting notices, agendas, and related governance documents, in accordance with Board Policy BOD17 -Language Access for Public Meeting Notices and Agendas. To ensure Board meeting notices, agendas, and postings comply with the Ralph M. Brown Act and other applicable open meeting laws.
- I. Coordinate attendance and registration for governance conferences, educational programs, and Board development activities, and maintain records of Director participation.
- J. Maintain records of Board member acknowledgments of the Bylaws, Board Policies, Code of Conduct, confidentiality requirements, and other governance documents.
- K. Serve as the official custodian of the Board's governance records, including Bylaws, Board Policies, Board directives, resolutions, committee charters, governance manuals, and historical governance documents.
- L. Certify official Board records and actions when required by law or Board action.

M. Perform such other governance-related duties as may be assigned by the Governing Body or required by law.

N. Monitor changes in federal and state laws, regulations, and governance best practices affecting the Governing Body and coordinate updates to the Board Chair, Chief Executive Officer, legal counsel, and Board Policies or Bylaws as appropriate.

O. Serve as the official custodian and designated recipient for all claims submitted against the District under the California Government Claims Act (Government Code Section 900 et seq.), ensuring timely date-stamping, logging, and transmission of claims to appropriate District departments and legal counsel in accordance with law and District policy (BOD7).

P. Serve as the official custodian of Board records and the designated intake point for Public Records Act (Government Code Section 7920.000 et seq.) ensuring timely logging, tracking, and coordination with the Chief Executive Officer, Legal Counsel, and other responsible departments for response in accordance with law and District policy AP116.

Section 4 The Board Clerk shall have direct access to the Board Chair regarding matters involving Board governance, meeting administration, maintenance of official Board records, and compliance with Board procedures.

The Board Clerk may communicate directly with the Board of Directors regarding procedural or governance matters when necessary to fulfill the responsibilities of the office.

Section 5 In carrying out responsibilities relating to the official records and proceedings of the Board, the Board Clerk shall exercise professional judgment consistent with applicable law, these Bylaws, and Board policy.

The Board Clerk shall maintain the integrity of the official records of the Board and shall not alter, withhold, or destroy official Board records except as authorized by law or by formal action of the Board of Directors.

Section 6 In the temporary absence or incapacity of the Board Clerk, the Chief Executive Officer may designate an Acting Board Clerk to perform the duties of the office until the Board Clerk returns or a successor is confirmed by the Board.

Article IX Legal Counsel

Section 1 The Board of Directors shall retain legal counsel to provide legal advice and representation to the District and the Board of Directors in accordance with applicable law. The Board's governance responsibilities regarding the appointment, oversight, independence, evaluation, and use of legal counsel shall be governed by Board Policy BOD18 – Legal Counsel, as may be amended from time to time.

Section 2 The Board of Directors recognizes that timely access to legal counsel is essential to fulfilling its fiduciary, governance, and oversight responsibilities.

Access to and communications with legal counsel shall be conducted in accordance with the District's Administrative Policy AP.57 – Access to Legal Counsel, as amended from time to time. The Board expects all Directors, officers, and employees to adhere to the requirements and procedures established in AP.57.

Section 3 Communications between legal counsel and the Board of Directors shall be afforded the protections of the attorney-client privilege and attorney work-product doctrine to the fullest extent permitted by law.

Article X The Health Care District Guild

Section 1 The Governing Body recognizes the Kaweah Delta Health Care District Guild, a separate non-profit organization, in support of the staff and patients of the District.

Section 2 The Chief Executive Officer is charged with effecting proper integration of the Guild within the framework of the District.

Article XI Performance Improvement (PI)

Section 1 The Governing Body requires that the Medical Staff and the Health Care District staff implement and report on the activities and mechanisms for monitoring and evaluating the quality of patient care, for identifying and resolving problems, and for identifying opportunities to improve patient care within the District.

Section 2 The Governing Body, through the Chief Executive Officer, shall support these activities and mechanisms.

Section 3 The Governing Body shall adopt a Performance Improvement Plan and Risk Management Plan for the District and shall provide for resources and support systems to ensure that the plans can be carried out.

Section 4 The Governing Body requires that a complete and accurate medical record shall be prepared and maintained for each patient; that the medical record of the patient shall be the basis for the review and analysis of quality of care. The Governing Body holds the organized Medical Staff responsible for self-governance with respect to the professional work performed in the hospital and for periodic meetings of the Medical Staff to review and analyze at regular intervals their clinical experience. Results of such a review will be reported to the Governing body at specific intervals defined by the Board.

Section 5 The quality assurance mechanisms within any of the District's facilities shall provide for monitoring of patient care processes to assure that patients with the same health problem are receiving the same level of care within the District.

Article XII Conflict of Interest

Section 1 The Administration Policy Manual of Kaweah Delta Health Care District and the Board of Directors Policy Manual contain written Conflict of Interest Policies {Administrative Policy AP23 and Board of Directors Policy BOD5}. These policies require the completion and filing of Economic Interests disclosing financial interests that may be materially affected by official actions and require designated officials and staff members to disqualify themselves from participating in decisions when required to avoid a conflict of interest.

The requirements of these policies are in addition to the provisions of the California Political Reform Act (Government Code section 87100 et. seq.), Government Code Sections 87300-87313, and other applicable federal and state laws pertaining to conflict of interest; and nothing herein is intended to modify or abridge the provisions of the policies of Kaweah Delta Health Care District which apply to:

- A. members of the Governing Body,
- B. Executive leadership,
- C. employees who occupy designated positions identified in Exhibit "A" of the District Conflict of Interest Code.

Section 2 Each member of the Governing Body, designated executives, and designated employees must timely file Statement of Economic Interests (Form 700) in accordance with the California Political Reform Act, Government Code Sections 87300-87313, and the District's Conflict of Interest Code.

Section 3 Members of the Governing Body shall complete all ethics education and training required by applicable California Law, including Government Code Section 53235 and any successor statutes, including the requirements established by Senate Bill 827, within the prescribed timeframes. The District shall maintain records demonstrating compliance with these training requirements.

Section 4 The Board shall assess the adequacy of its Conflict of Interest Policy (BOD 5), Administrative Policy AP23 (Conflict of Interest), and the District's Conflict of Interest Code at least every even-numbered year, or more frequently as required by law, to ensure continued compliance with the California Political Reform Act, regulations of the Fair Political Practices Commission (FPPC), and other applicable state laws. c

Section 5 In carrying out their fiduciary responsibilities, members of the Governing body shall avoid not only actual conflicts of interest and, whenever reasonably possible, avoid circumstances that could create the appearance of impropriety or diminish the public's confidence in the integrity of the District's governance.

Article XIII Indemnification of Directors, Officers, and Employees

Section 1 Actions other than by the District. The District shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding (other than an action by or in the right of the District to procure a judgment in its favor) by reason of the fact that such person is or was a director,

officer or employee of the District, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if that person acted in good faith and in a manner that the person reasonably believed to be in the best interest of the District and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of that person was unlawful. The termination by any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in the manner that the person reasonably believed to be in the best interests of the District person's conduct was unlawful.

Section 2 Actions by the District. The District shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action by or in the right of the District to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, or employee of the District, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of that action, if such person acted in good faith, in a manner such person believed to be in the best interest of the District and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under a similar circumstance.

No indemnification shall be made under this Section:

- A. with respect to any claim, issue or matter as to which such person has been adjudged to be liable to the District in their performance of such person's duty to the District, unless and only to the extent that the court in which that proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which the court shall determine;
- B. of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval;
- C. of expenses incurred in defending a threatened or pending action that is settled or otherwise disposed of without court approval.

Section 3 Successful defense by director, officer, or employee. To the extent that a director, officer or employee of the District has been successful on the merits in defense of any proceeding referred to in Section 1 or Section 2 of this Article X, or in defense of any claim, issue or matter therein, the director, officer or employee shall be indemnified as against expenses actually and reasonably incurred by that person in connection therewith.

Section 4 Required approval. Except as provided in Section 3 of this Article, any indemnification under this Article shall be made by the District only if authorized in the specific case, upon a determination that indemnification of the officer, director or employee is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 2 and 3 of this Article X, by one of the following:

- A. a majority vote of a quorum consisting of directors who are not parties to the proceeding; or
- B. the court in which the proceeding is or was pending, on application made by the District or the officer, director or employee, or the attorney or other person rendering services in connection with the defense, whether or not such other person is opposed by the District.

Section 5 Advance of expenses. Expenses incurred in defending any proceeding may be advanced by the District before the final disposition of the proceeding upon receipt of an undertaking by or on behalf of the officer, director or employee to repay the amount of the advance unless it shall be determined ultimately that the officer, director or employee is entitled to be indemnified as authorized in this Article.

Section 6 Other contractual rights. Nothing contained in this Article shall affect any right to indemnification to which persons other than directors and officers of this District may be entitled by contract or otherwise.

Section 7 Limitations. No indemnification or advance shall be made under this Article except as provided in Section 3 or Section 4, in any circumstance where it appears:

- A. that it would be inconsistent with the provision of the Articles, a resolution of the Board, or an agreement in effect at the time of accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred, or other amounts were paid, which prohibits or otherwise limits indemnification; or
- B. that it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 8 Insurance. If so desired by the Board of Directors, the District may purchase and maintain insurance on behalf of any officer, director, employee or agent of the corporation, insuring against any liability asserted against or incurred by the director, officer, employee or agent in that capacity or arising out of the person's status as such, whether or not the District would have the power to indemnify the person against that liability under the provisions of this Article.

If any article, section, sub-section, paragraph, sentence, clause or phrase of these Bylaws is for any reason held to be in conflict with the provisions of the Health and Safety Code of the State of California, such conflict shall not affect the validity of the remaining portion of these Bylaws.

These Bylaws for Kaweah Delta Health Care District are adopted, as amended, this 22nd day of July 2026.

Tom Francis

President
Kaweah Delta Health Care District

Michelle

Vice President
Kaweah Delta Health Care District

Janna Schol

Board Member
Kaweah Delta Health Care District

Dean B. Leighton, M.D.

Secretary/Treasurer
Kaweah Delta Health Care District

[Signature]

Board Member
Kaweah Delta Health Care District

