

**MERIDIAN SOUTH
SURGERY CENTER**

Medical Staff

Bylaws

June 13, 2013

MERIDIAN SOUTH SURGERY CENTER
MEDICAL STAFF BYLAWS

ARTICLE I

DEFINITIONS

1. **"Center"** means the ambulatory surgery center.
2. **"Managing Board"** means the Board of Managers of the Center.
3. **"Medical Advisory Board"** mean the physician members of the Operating Committee of the Center or such other panel appointed by the Managing Board to perform the functions set forth in Article IX of these Bylaws.
4. **"Medical Staff President"** means a physician member of the Active Medical Staff elected by the Medical Advisory Board, subject to review and approval by the Managing Board. The duties and authority of the President shall be as set forth in Articles VII and VIII of these Bylaws. In the Medical Staff President's absence all duties and responsibilities of the President shall be held by the Chairman of the Managing Board.
5. **"Medical Staff"** means the organization of all duly licensed practitioners granted privileges to treat patients at the Center by the Managing Board.
6. **"Medical Director"** means the physician retained by the Center to direct the medical affairs of the Center on a day-to-day basis and the duties and responsibilities set forth in Article IV, Section 4(c); and Articles V and VI of these Bylaws. In the Medical Director's absence all duties and responsibilities set forth in Article IV, Section 4(c), Article V, VI, VII and VIII shall be held by the Medical Staff President. In the Medical Director's absence all day-to-day duties and responsibilities shall be held by the Chairman of the Managing Board.

ARTICLE II

NAME

The name of this organization shall be the Meridian South Surgery Center.

ARTICLE III

PURPOSES

The purposes of this organization are:

1. To provide quality, cost-effective care to all patients treated in a Center regardless of race, sex, creed, national origin, or ability to pay.
2. To promote the level of professional performance of all practitioners practicing in a Center through the appropriate delineation of clinical privileges that each practitioner may exercise in a Center and through an ongoing review and evaluation of each practitioner's performance.
3. To initiate and maintain rules, regulations and policies for self-government of the Medical Staff.
4. To provide a means whereby issues concerning the Medical Staff and a Center may be discussed by the Medical Staff with the management of the Center.

ARTICLE IV

MEDICAL STAFF MEMBERSHIP

1. **Nature of Medical Staff Membership**

Membership on the Medical Staff is a privilege which shall be extended only to those professionally competent physicians, dentists and podiatrists who meet and continue to meet the qualification, standards and requirements set fourth in these Bylaws.

2. **Qualifications for Membership**

- (a) Only physicians, dentists and podiatrists ("Practitioners"), with an unlimited license to practice in the State of Indiana or other similar unrestricted, unlimited permit or certification issued by the Medical Licensing Board of Indiana or the Indiana Board of Dental Examiners and who practice within a reasonable distance of the Center at which they will provide ambulatory surgery services, who have clinical privileges at a hospital within the same county (or an Indiana county adjacent to the same county) in which the Center is located, who document their background, education, training, experience and competence, their adherence to the ethics of their profession, their good reputation, and their ability to work with others, to the satisfaction of the Credentials Committee, the Medical Director and the Managing Board, shall be eligible for membership on the Medical Staff. With respect to geographic proximity requirements, the determination of reasonable distance may vary depending on the specialty of the member.

- (b) Acceptance of membership on the Medical Staff shall constitute the Medical Staff member's agreement that he or she will promptly notify the Credentials Committee and the Medical Advisory Board/Medical Director if his or her privileges at any hospital are limited, suspended or revoked for any reason, and that he or she will strictly abide by these Bylaws and the Medical Staff Rules, Regulations and Policies.
- (c) Each member of the Medical Staff, including all allied health care professionals, is required to have professional liability insurance with a minimum coverage of \$250,000 per claim and \$750,000 annual aggregate with a company licensed or approved by the State of Indiana, or such greater coverage limits as may be required to be a “qualified provider” under the Indiana Medical Malpractice Act, as amended from time to time (the “Act”); and shall satisfy all other requirements to be a “qualified provider” under the Act. Members will submit a Certificate of Insurance annually to verify compliance with this requirement.

3. **Conditions and Duration of Appointments**

- (a) Appointment to the Medical Staff by the Managing Board, upon the recommendation of the Credentials Committee and the Medical Director, shall be for two years, and may be renewed by the Managing Board upon the recommendation of the Credentials Committee and the Medical Director.
- (b) Appointment to the Medical Staff shall confer on the appointee only such clinical privileges as have been granted by the Managing Board upon the recommendation of the Credentials Committee and the Medical Director in accordance with Article VI of these Bylaws.

4. **Membership Categories of the Medical Staff**

The Medical Staff shall be divided into Active, Provisional, Temporary, Inactive Staffs and Consulting.

- (a) **Active Staff**. The Active Staff shall be composed of Practitioners who have and maintain active staff privileges at a hospital within the same county (or an Indiana county adjacent to the same county) in which a Center is located. An Active Staff member may be transferred to Provisional Staff membership at any time by the Managing Board upon the recommendation of the Credentials Committee and the Medical Advisory Board/Medical Director. A Practitioner may be reappointed to Active Staff membership at the expiration of his or her initial appointment or any subsequent reappointment to Active Staff membership. All first-time applicants to the Active Staff whose applications are approved by the Managing Board pursuant to Article V, Section 2 shall be placed on the Provisional Staff for one year, at which

time the Applicant's status shall be reviewed pursuant to Subsection (b) below.

No physician may become or remain a member of the Active Staff with clinical privileges unless his or her activity in a Center is sufficient to allow the Center to monitor and evaluate the physician's professional performance, judgment and clinical skills pursuant to the procedures set forth in these Bylaws and any other quality assurance procedures existing from time to time.

- (b) **Provisional Staff.** The Provisional Staff shall be composed of Practitioners who have and maintain provisional staff privileges at a hospital within the same county (or an Indiana county adjacent to the same county) in which a Center is located as well as first-time applicants to the Active Staff, who shall be members of the Provisional Staff for at least one year after approval by the Managing Board. A Provisional staff member may be transferred to Active Staff membership by the Managing Board upon recommendation by the Credentials Committee and the Medical Advisory Board/Medical Director if the Provisional Staff member has been transferred to active staff membership at an accredited hospital. A Practitioner may be reappointed to Provisional Staff membership at the expiration of his initial appointment or any subsequent reappointment to Provisional Staff membership. After the initial 1-year Provisional period, the Credentials Committee and the Medical Advisory Board/Medical Director may recommend that the practitioner's status be changed to Active. The Managing Board will act on the recommendation.
- (c) **Consulting Staff.** The Consulting Medical Staff shall consist of practitioners who possess adequate clinical and professional expertise and have and maintain active staff privileges at a hospital within the same county (or an Indiana county adjacent to the same county) in which the Center is located. The consulting medical staff member shall be entitled to exercise such privileges as are granted pursuant to Article IV and may serve on medical staff committees and attend meetings of the medical staff.
- (d) **Temporary Staff.** The Medical Director shall have the authority to grant temporary Medical Staff membership and privileges to an appropriately licensed practitioner, who has staff privileges at a hospital within the same county (or an Indiana county adjacent to the same county) in which the Center is located once an application has been processed and primary source verifications obtained on required information. After review and consideration of the practitioner's credentials, the Medical Director may grant temporary Medical Staff membership and privileges not to exceed six (6) months.

- (e) **Inactive Staff.** Any member of the Medical Staff who has not been providing care and treatment to patients in a Center with sufficient regularity in the most recent 12-month period to allow a Center to monitor and evaluate his or her professional performance, judgment and clinical skills pursuant to the procedures set forth in these Bylaws and any other quality assurance procedures existing from time to time, will be placed on the Inactive Staff for up to one (1) year following written notice thereof by the Managing Board. Such member may request to reactivate his or her privileges as a member of the Active or Provisional Staffs at any time during the first year by submitting written notice to the Credentials Committee and initiating a reapplication request for consideration and final action by the Managing Board. A practitioner remaining on the Inactive Status for a period exceeding two (2) years will be considered to have voluntarily withdrawn Medical Staff membership.

5. **Practitioners Not Members of the Staff**

- (a) **Allied Health Practitioners.** Allied health practitioners engaged by a Medical Staff member to provide services at the Center shall be permitted to render services within the scope of his or her licensure/certification and consistent with approved duties within limitations specified in the Medical Staff Rules, Regulations and Policies. Allied health practitioners shall hold a valid license/certification within the State of Indiana for their respective profession and must have qualifications and abilities determined to be acceptable by the Credentials Committee, the Medical Advisory Board/Medical Director, and the Managing Board and be approved for practice within the Center. Such allied health practitioners, including but not limited to nurse practitioners and physician assistants, shall work in collaboration with or under the supervision of the respective Medical Staff member responsible for providing services at the Center.
- (b) **Supervised Allied Health Practitioners.** The term “Supervised Allied Health Practitioner” means a health care professional who is employed by a member of the medical Staff and provides patient care services within the Center under direct supervision of the member of the Medical Staff. Each supervised Allied Health Practitioner accompanying a Medical Staff member to provide services at the Center shall be permitted to render services under the direction and supervision of the respective Medical Staff member consistent with established qualifications and approved duties within limitations specified in the Medical Staff Rules, Regulations and Policies. Supervised allied health practitioners shall hold a valid license/certification within the State of Indiana for their respective profession if applicable and must have qualifications and abilities determined to be acceptable by the Credentials Committee, the Medical Director, and the Managing Board and be approved for practice within the Center; provided, however, in exceptional cases, an experienced allied health practitioner employed by a

physician or physician group who performs acts, duties, or function under the supervision and direction of the respective Medical Staff member that customarily fall within the specific area of practice of the employing physician or group of physicians, may be approved to provide specified services within the supervised allied health practitioner category at the Center without possessing valid licensure/certification if the individual has practiced within a similar capacity at a site of service associated with IU Health but outside of the Center and is recognized as having demonstrated education, training, and experience to support the competent practice consistent with the Center's policies and practices and under the responsibility of the Medical Staff member. Such Supervised Allied Health Practitioners, including but not limited to any registered nurse, licensed practical nurse, certified surgical technician, and surgical or medical assistant employed by a Medical Staff member shall provide services at the Center solely under the supervision, direction, and responsibility of the Medical Staff member responsible for providing services at the Center, limited to duties as approved and shall not practice independently.

(c) Students, Residents and Fellows. Students and Residents shall not be members of the Medical Staff, not be eligible for clinical privileges and not be entitled to any of the rights, privileges, or to the hearing or appeal rights under these bylaws. Students, Residents and Fellows shall be credentialed by the sponsoring medical school or training program in accordance with provisions of a written affiliation agreement between the center and the school or program. Credentialing information shall be made available to the Center upon request and as needed by the Medical Staff in their supervisory function. In compliance with federal laws, it shall not be necessary to submit a query to the National Practitioner Data Bank prior to permitting Residents to provide services at the Center. Students, Residents and Fellows may render patient care services at the Center only pursuant to and limited by the following:

1. Applicable provisions of the professional licensure requirements of the State of Indiana.
2. A written affiliation agreement between the center and the sponsoring medical school or training program or between the Center and the supervising Physician. Such agreement shall identify the individual or entity responsible for providing professional liability insurance for amounts acceptable to the governing body.
3. The protocols established by the Medical Advisory Board, in conjunction with the sponsoring medical school or training program or supervising physician, regarding the scope of authority, mechanisms for the direction and supervision of a Student or Resident, and other conditions imposed upon a Student, Resident or Fellow by the Center or the Medical Staff.

4. Any participation by students in patient care services performed at a Center must be part of the sponsoring medical school's curriculum and shall be under the direction supervision of (i) a member of the Medical Staff who is duly authorized as teaching faculty; or (ii) by a resident who is authorized to supervise students under the direction of authorized teaching faculty.
5. Any participation by residents or fellows in procedures performed at the Center shall be under the direct supervision of a member to the Medical Staff duly authorized as teaching faculty to supervise such residents or fellows, provided such activity is part of an approved accredited residency program or fellowship training program.

6. **Meetings of the Medical Staff**

- (a) The Medical Staff shall meet at least quarterly to receive reports from standing committees of the Medical Staff. Medical Staff meetings shall provide a forum to raise issues of concern to the members of the Medical Staff, including matters related to the operation of the Centers and the organization, policies and procedures of the Medical Staff. The Chairman of the Medical Advisory Board or President of the Medical Staff shall act as presiding officer for all meetings of the Medical Staff.
- (b) The affirmative vote of a majority of the members present, in person, by proxy, or other electronic means of communication at a meeting shall be necessary for the passage of any action.

7. **Special Voting Rules**

Any action required or permitted to be taken at a meeting of the Medical Staff, or a Committee of the Medical Staff, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by the applicable percentage of members of the Medical Staff or Committee required by these Bylaws to approve such action. Such written consent may be communicated by paper or electronic means, provided it is presented to the appropriate party designed in the voting instructions. Such written consent shall be treated for all purposes as a vote at a meeting.

8. **Practitioner Response to Emergency Calls**

Any member of the medical staff who has a patient receiving medical care or having a procedure performed at Meridian South Surgery Center must respond to calls from Meridian South Surgery Center nursing staff within a reasonable period of time, based on the needs and circumstances of the patient, but in any case within thirty (30) minutes of a call.

ARTICLE V

PROCEDURE FOR APPOINTMENT AND REAPPOINTMENT

Application for Appointment/Reappointment

- (a) Application for appointment or reappointment to the Medical Staff shall be presented in writing to the IU Health Medical Staff Office, signed by the applicant, on a printed form approved and provided by the Managing Board. The application shall contain all necessary information, releases and waivers, and such additional information as the Managing Board may require. By applying for appointment or reappointment to the Medical Staff, the applicant thereby authorizes the Credentials Committee and the Medical Director, in its sole discretion, to consult with or obtain written statements from members of medical or clinical staffs with which the applicant has been associated and with others who may have information bearing on the applicant's professional competence or character. The application shall state that the applicant has received and read these Bylaws and Medical Staff Rules, Regulations and Policies and that he agrees to be bound by the terms thereof during his/her membership on the Medical Staff. Application processing and credentials review may be delegated to the IU Health Medical Staff Office pursuant to an agreement providing for assurances of confidentiality and peer review privileges.
- (b) An applicant for appointment or reappointment to the Medical Staff shall specify the clinical privileges desired.
- (c) Applications for reappointment shall be submitted to the IU Health Medical Staff Office forty-five (45) days prior to the expiration of the applicant's current appointment. When assessing an application for reappointment, the Credentials Committee and the Medical Director shall consider the applicant's professional status, performance, judgment and clinical skills as provided through the utilization, quality and peer review process and verification that the applicant holds active status at a hospital within the same county (or an Indiana county adjacent to the same county).

- (d) Upon receipt of the application for appointment or reappointment, the Credentials Committee and the Medical Advisory Board/Medical Director shall evaluate such other information provided by or on behalf of the applicant as it deems relevant to assess the applicant's professional performance, judgment and clinical skills. When considering applications for appointment or reappointment, the Credentials Committee and the Medical Director shall be, for purposes of peer review confidentiality and immunity from liability, a medical peer review committee.
- (e) Upon completion of its investigations and deliberations, or those of its designee, the Credentials Committee and the Medical Director shall make a written report to the Managing Board. Such report shall state the Credentials Committee and the Medical Director's recommendation that the application for Medical Staff membership and clinical privileges be accepted, rejected or deferred, in whole or in part, and shall be accompanied by the application and such other documentary evidence as the Credentials Committee and the Medical Director deems relevant. When the Credentials Committee and the Medical Director recommends that an application be deferred, it shall submit a follow-up report within thirty (30) days with a subsequent recommendation for appointment or reappointment with specified clinical privileges or for rejection for Medical Staff membership.
- (f) In the event the Managing Board recommends that an application for reappointment be rejected, the President shall promptly notify the Practitioner by certified mail, return receipt requested, pursuant to the appellate review procedure set forth in Article VIII of these Bylaws. If the affected Practitioner waives his right to a hearing pursuant to Article VIII of these Bylaws, the President shall so inform the Managing Board. This decision shall be the final decision of the Center on the matter, and the affected Practitioner shall have no right of appeal.

3. **Consideration by Managing Board**

- (a) In the event the Credentials Committee and the Medical Director recommends that an application for appointment or reappointment be accepted in whole or in part, the Managing Board shall review the Credentials Committee and the Medical Director's report and supporting documentation at its next meeting or as soon as possible thereafter. Upon consideration of the recommendation and the supporting documentation, the Managing Board shall vote whether to approve or disapprove in whole or in part the Credentials Committee and the Medical Director's recommendation as to both Medical Staff membership and clinical privileges. When considering the Credentials Committee and the Medical Director's recommendation regarding appointment or reappointment, the Managing Board shall be, for

purposes of peer review confidentiality and immunity from liability, a medical peer review committee.

- (b) In the event the Managing Board decides to approve the Credentials Committee and the Medical Director's recommendation to accept the application for appointment or reappointment in whole, the President or designee shall promptly notify the applicant in writing.
- (c) In the event the Managing Board decides to: approve the Credentials Committee and the Medical Director's recommendation to accept the application for reappointment in part; or to disapprove the Credentials Committee and the Medical Director's recommendation to accept the application for reappointment in whole or in part, the President shall promptly notify the applicant by certified mail of its decision, providing the reasons therefore, stating that the applicant has a right to a hearing on the decision, and providing a summary of the procedures and rights pertaining to the appellate review procedure set forth in Article VIII of these Bylaws.

ARTICLE VI

CLINICAL PRIVILEGES

1. Clinical Privileges Restricted

- (a) Every Medical Staff member practicing at a Center by virtue of his Medical Staff membership shall, in connection with such practice, be entitled to exercise only those clinical privileges specifically granted to him or her by the Managing Board. Applications for changes in clinical privileges shall be processed in the same manner as applications for appointment or reappointment to Medical Staff membership. All redetermination of clinical privileges shall be based upon direct observation of care provided, review of the records of the patients treated by the applicant at a Center and at other institutions, and review of the records of the Medical Staff which document the evaluation of the Medical Staff member's participation in the delivery of medical care.
- (b) Privileges granted to dentists and podiatrists shall be based on their training, experience and demonstrated competence and judgment. The scope and extent of surgical procedures that dentists and podiatrists may perform at a Center shall be specifically delineated and granted in the same manner as all other surgical privileges. All dental and podiatric patients shall receive the same basic medical appraisal as all other patients. A physician member of the Medical Staff, designated by the dentist or podiatrist, shall be responsible for the care of any medical problem that may be present at the time of admission or that may arise at any time until discharge of the dental or podiatric patient.

ARTICLE VII

CORRECTIVE ACTION

1. Procedure

- (a) Corrective action regarding any Medical Staff member may be requested by any member of the Medical Staff or by the Managing Board. All requests for corrective action shall be in writing, shall be made to the Medical Staff President and shall be supported by reference to the specific activities or conduct which constitutes the grounds for such request.
- (b) Grounds for requesting corrective action shall include, but not be limited to the following:
 - (i) professional conduct inconsistent with the standards or aims of the Medical Staff or disruptive to a Center;
 - (ii) unethical practices;
 - (iii) conviction of a felony;
 - (iv) failure to keep or maintain adequate records;
 - (v) violation of these Bylaws the Medical Staff Rules, Regulations and Policies; or
 - (vi) revocation or suspension of license to practice medicine, podiatry or dentistry in the State of Indiana.
- (c) Within ten (10) days of receipt of a request for corrective action, the Medical Staff President shall appoint an ad hoc committee (the "Investigation Committee") to investigate the matter. For purposes of peer review confidentiality and immunity from liability, an Investigation Committee shall be a medical peer review committee of the Medical Staff, pursuant to Article XI of these Bylaws. In the event the request for corrective action alleges incompetence in the Medical Staff member's specialty or any conduct which might be inconsistent with or harmful to good patient care and safety, the President shall designate the Patient Care Assessment Committee as the Investigation Committee. Unless constituted by the Patient Care Assessment Committee, the Investigation Committee shall consist of three (3) members of the Medical Staff who are not in direct economic competition with the applicable Medical Staff Member. Within thirty (30) days after the formation of the Investigation Committee, it shall make a written report of its investigation to the Medical Advisory Board. Prior to the making of such report, the Medical Staff member against whom corrective action has been

requested shall, if he or she so desires, have an opportunity for an interview with the Investigation Committee.

- (d) Within ten (10) days after it receives the Investigation Committee's written report, the Medical Advisory Board shall hold an informal meeting to evaluate the need for corrective action against the Medical Staff member. If, as a result of such meeting, the Medical Advisory Board decides to impose a corrective action, the affected Medical Staff member shall be entitled to the appellate review procedure set forth in Article VIII of these Bylaws.

ARTICLE VIII

APPELLATE REVIEW PROCEDURE

1. Right to Hearing

- (a) When any Medical Staff member receives notice, by certified mail, return receipt requested, of a recommendation or action that would adversely affect his status as a member of the Medical Staff or his exercise of clinical privileges, he or she shall be entitled to a hearing before an ad hoc committee of the Medical Staff (the "Appeals Committee"). For purposes of peer review confidentiality and immunity from liability, an Appeals Committee shall be a medical peer review committee of the Medical Staff, pursuant to Article XI of these Bylaws.
- (b) All hearings shall be in accordance with procedural safeguards set forth in this Article.
- (c) Grounds for hearing for Medical Staff members are as follows:
 - (i) Denial of a request for a change in Medical Staff membership categories;
 - (ii) Reductions in the category of Medical Staff membership;
 - (iii) Denial of Medical Staff appointment and reappointment;
 - (iv) Suspension of Medical Staff membership;
 - (v) Expulsion from Medical Staff membership;
 - (vi) Denial of requested privileges in whole or in part;
 - (vii) Reduction in privileges;
 - (viii) Denial of increase in privileges, in whole or in part;
 - (ix) Suspension of privileges; or

(x) Termination of privileges.

2. **Request for Hearing**

- (a) The President shall be responsible for giving prompt written notice by certified mail of an adverse recommendation or decision to any affected Medical Staff member who is entitled to a hearing or to an appellate review. Such notice shall:
- (i) inform the affected practitioner of the reasons for the recommendation or decision;
 - (ii) state that the practitioner has the right to request a hearing by an Appeals Committee within thirty (30) days of receipt of the notice; and
 - (iii) inform the practitioner of his or her rights set forth in Article VIII, Section 5 of these Bylaws.
- (b) The affected Medical Staff member shall have thirty (30) days following the date of receipt of such notice within which to make a written request to the President for a hearing by an Appeals Committee. The failure of a Medical Staff member to request in writing any hearing to which he or she is entitled by these Bylaws within said thirty (30) days period shall be deemed a waiver of his or her right to such a hearing. Once such a hearing has been waived, the adverse recommendation or decision shall become the final recommendation or decision of the Medical Staff.

3. **Timing of Hearing**

Within fourteen (14) days after receipt of a request for hearing from a Medical Staff member entitled to the same, the Medical Staff President shall schedule and arrange for such a hearing by the Appeals Committee. The Medical Staff President shall notify the Medical Staff member by certified mail of the time, place and date so scheduled, and a list of any witness expected to testify before the Appeals Committee on behalf of the Medical Advisory Board. The hearing date shall be not less than thirty (30) days from the date of the Medical Staff President's notice of an Appeals Committee hearing.

4. **Composition of Appeals Committee**

The hearing shall be conducted by an Appeals Committee consisting of at least three (3) members of the Medical Staff appointed by the President in consultation with the Medical Advisory Board, and one (1) of the members so appointed shall be designated as chairman. No Medical Staff member who has actively participated in the consideration of the adverse recommendation, or who is in direct economic competition with the affected Medical Staff member, shall be appointed a member of the Appeals Committee. The content of the Appeals Committee's report shall be decided by majority vote of those of its members who are present at the hearing.

5. **Conduct of Hearing**

- (a) There shall be at least a majority of the members of the Appeals Committee present when the hearing takes place and no member may vote by proxy.
- (b) An accurate written record of the hearing will be kept and made available to the affected Medical Staff member upon payment of a reasonable charge.
- (c) The personal presence of the Medical Staff member for whom the hearing has been scheduled will be required. A Medical Staff member who fails without good cause to appear and proceed at such hearing will be deemed to have waived his or her rights to such a hearing and to have accepted the adverse recommendation or decision involved and the same shall thereupon become and remain in effect.
- (d) Postponement of hearings beyond the time set forth in these Bylaws may be made for cause with the approval of the Appeals Committee. Granting of such postponements shall be in the sole discretion of the Appeals Committee.
- (e) The affected Medical Staff member shall be entitled to be accompanied at the hearing by an attorney or other person of the affected Medical Staff member's choice. The affected Medical Staff member may call, examine, and cross-examine witnesses, present relevant evidence, and submit a written statement at the close of the hearing.
- (f) The chairman of the Appeals Committee or his or her designee shall preside over the hearing to determine the order of procedure during the hearing, to assure that all participants in the hearing have a reasonable opportunity to present relevant oral and documentary evidence, and to maintain decorum. The chairman may designate a hearing officer, who may, but need not be, a lawyer, to conduct the hearing. The hearing

officer may advise the Appeals Committee, but may not vote unless he or she is a Medical Staff member initially appointed to the Appeals Committee.

- (g) The hearing need not be conducted according to the rules of law relating to the examination of witnesses or presentation of evidence. Any relevant evidence upon which responsible persons customarily rely in the conduct of serious affairs may be considered, regardless of the existence of any common or statutory law which may make such evidence inadmissible over objection in a civil or criminal action. The Medical Staff member for whom the hearing is being held and the Medical Advisory Board or other person whose action or recommendation adversely affects that Medical Staff member shall, prior to or during the hearing, be entitled to submit memoranda concerning any issue of procedure or fact and such memoranda shall become a part of the hearing record and may be considered as evidence.
- (h) The Medical Advisory Board, when its action or recommendation has prompted the hearing, shall appoint one of its members or some other Medical Staff member to represent it at the hearing, to present the facts in support of its adverse recommendation and to examine the witnesses. The affected Medical Staff member shall have the burden of proving that the adverse recommendation or decision lacks any basis in fact.
- (i) The Appeals Committee may, without special notice, recess the hearing and reconvene the same for the convenience of participants or for the purpose of obtaining new or additional evidence or for consultation. Upon conclusion of the presentation of oral or written evidence, the hearing shall be closed. The Appeals Committee will thereupon, at a time convenient to itself, conduct its deliberation in private. Within fifteen (15) days after final adjournment of the hearing, the Appeals Committee shall make a written report and shall forward the same together with the hearing record and all other documentation to the Medical Advisory Board. The report shall be sent to the affected Medical Staff member at the same time as it is forwarded to the Medical Advisory Board.
- (j) Each such report by an Appeals Committee shall contain a recommendation as to whether the original recommendation or decision adverse to the affected Medical Staff member should be affirmed, reversed, or modified. Unless it concludes that the affected Medical Staff member has met his burden of proving that the original recommendation or decision lacked any basis in fact, the Appeals Committee shall recommend affirmance of that original recommendation or decision.

6. **Final Decision**

The recommendation of the Appeals Committee shall be the final decision on the matter unless, within ten (10) days from its receipt of that recommendation, the affected Medical Staff member or the Medical Advisory Board makes a written request to the Managing Board to review that recommendation. At its sole discretion, the Managing Board may agree to review the Appeals Committee's recommendation. If it agrees to conduct such a review, the Managing Board shall consider the record of the hearing and may consider any other information it deems relevant. After such consideration, the Managing Board may affirm, reverse, or modify the Appeals Committee's recommendation, which affirmance, reversal or modification shall immediately constitute the final decision on the matter. Alternatively, the Managing Board may remand the matter for reconsideration by the Appeals Committee, with any instructions to the Appeals Committee with respect to such reconsideration which the Managing Board chooses to include. If the Managing Board refuses the request to review the Appeals Committee's recommendation, that recommendation shall constitute the final decision on the matter as of the time of such refusal. A failure of the Managing Board to respond within thirty (30) days of receiving a request for review of the Appeals Committee recommendation shall constitute a refusal by the Managing Board to review that recommendation.

ARTICLE IX

MEDICAL ADVISORY BOARD

1. **Composition**

The Medical Advisory Board shall consist of those physicians serving as members of the Operating Committee of the Center or such other panel appointed by the Managing Board to perform the functions set forth in this Article IX. Recommendations and decisions of the Medical Advisory Board shall be determined by majority vote of its members.

2. **Duties**

GENERAL RESPONSIBILITIES

The general responsibilities of the Medical Advisory Board shall be:

- (a) To represent and act on behalf of the Medical Staff, subject to such limitations as may be imposed by these Bylaws or the Operating Agreement of the Company;
- (b) To implement policies and rules and regulations of the Medical Staff;
- (c) To provide liaison between the Medical Staff and the Managing Board;

- (d) To elect a physician member of the Active Medical Staff to serve as Medical Staff President every two years, subject to review and approval by the Managing Board.
- (e) To hold meetings of the medical staff at least quarterly, and maintain permanent minutes of such meetings;
- (f) To recommend action to the Medical Staff President;
- (g) To periodically review, or arrange to review all information available regarding the performance and clinical competence of Medical Staff members and other practitioners with clinical privileges at the Center, and as a result of such reviews, to make recommendations for reappointments, renewals or changes in clinical privileges and the revision of Center policies;
- (h) To ensure professionally ethical conduct and competent clinical performance on the part of Medical Staff members;
- (i) To establish policies and procedures for approval by the Managing Board that specify, without limitation: (a) types of anesthesia to be administered at each Center and procedures for each; (b) personnel permitted to administer anesthesia; (c) safety rules to be followed; (d) safety training required of personnel; and (e) that an anesthesiologist shall be responsible for screening all patient's pertinent notes during and at the end of anesthesia;
- (j) To make recommendations on policies, procedures and standards regarding admission of patients and acceptable surgical procedures to be followed;
- (k) To establish an Infection Control Committee and a Tissue Committee;
- (l) To establish a Utilization Review Committee;
- (m) To establish a Credentials Committee;
- (n) To establish Medical Staff departments and committees as required;
- (o) To establish and maintain a system for the proper collection, storage and use of patient records, and review, on a regular basis, the completeness of medical records; and
- (p) To designate an individual responsible for pharmaceutical services at the Center.

RESPONSIBILITIES AS A PATIENT CARE ASSESSMENT COMMITTEE

Acting as a Quality/Patient Care Assessment Committee, the Medical Advisory Board responsibilities shall include:

- (a) the evaluation and improvement of the quality of health care service at the Center;
- (b) the determination of whether health care services were performed in compliance with applicable standards of care;
- (c) the determination of whether a health care service provider's actions call into question his/her fitness to provide health care services;
- (d) the evaluation and assistance of health care providers impaired or allegedly impaired, by reason of alcohol, drugs, physical disability, mental instability or otherwise; and
- (e) such other activities as may be required pursuant to applicable law.

3. Meetings

The Medical Advisory Board shall meet on a regular basis, but not less than quarterly. The Medical Advisory Board, and any committees thereof, shall maintain permanent minutes of its meetings.

ARTICLE X

STANDING COMMITTEES

The standing committees may permit a committee member to participate in a meeting by, or conduct a meeting through the use of, any means of communication by which all committee members participating may simultaneously hear each other during the meeting. A committee member participating in a meeting by such means shall be considered present in person at the meeting.

1. Infection Control and Tissue Committee

- (a) The Infection Control and Tissue Committee shall consist of, but is not limited to, at least one member of the Medical Staff, the Infection Preventionist, and a representative from the nursing staff. Duly licensed physicians with special expertise in infection control and anatomical pathology, who are not on the Medical Staff, may act as consultants on the committee. The chairman of the Infection Control and Tissue Committee shall be chosen by the members of the Infection Control Committee.

(b) The duties of the Infection Control and Tissue Committee shall be as follows:

- i) to oversee the program for surveillance, prevention and control of infections, and to promote preventative and corrective programs designed to minimize infection hazards and develop infection control programs for all activities within the Centers; and
- ii) to develop policies and procedures with respect to surgical pathology services performed in connection with surgery conducted at the Centers, including policies regarding tissue specimens for which pathologic evaluation shall be required, and procedures addressing appropriate labeling, packaging and examination of specimens and reporting and charting of examination results.
- iii) the Infection Control and Tissue Committee shall meet as often as is reasonably necessary, but not less than quarterly, commencing from the approval date of these Bylaws.

2. **Utilization Review Committee**

(a) The Utilization Review Committee shall consist of at least three duly licensed physicians, none of whom have a financial interest in the Center, and were not professionally involved in the care of the patient whose care is being reviewed.

(b) The duties of the Utilization Review Committee shall be as follows:

- i) the development of a utilization review plan that is appropriate to the Center, which shall include provisions for the review of the medical necessity of surgery;
- ii) the dissemination of the utilization review plan to all members of the Medical Staff; and
- iii) the implementation of the utilization review plan, including periodic reviews, reports and recommendations to the Medical Advisory Board.

(c) The Utilization Review Committee shall meet as often as is reasonably necessary.

C. **Credentials Committee**

1. The Credentials Committee shall consist of at least one duly licensed physician.

2. Duties of the Credentials Committee shall be to make recommendations, based upon a review of the credentials of applicants, regarding Medical Staff membership and clinical privileges, to the Medical Advisory Board, for final action by the Managing Board.
3. The Credentials Committee shall meet as often as is reasonably necessary, but not less than quarterly.

ARTICLE XI

CONFIDENTIALITY AND IMMUNITY FROM LIABILITY

1. Medical Peer Review Committees

For purposes of peer review confidentiality and immunity from liability, the Medical Advisory Board, and any board, panel, committee or subcommittee designated or established under these Bylaws which is responsible for, or engaged in peer review activities shall be a medical peer review committee of the Medical Staff. In addition, to the extent that members of the Medical Staff and their administrative assistants are responsible for, or engaged in, medical peer review activities under these Bylaws, such activities are performed on behalf of the Medical Advisory Board and the activities of such individuals are hereby deemed to be activities of a medical peer review committee.

2. Confidentiality

- (a) To the extent provided by law, the proceedings, records, reports, findings, recommendations, evaluations, opinions, deliberations or other actions by a medical peer review committee in its discharge of the medical peer review functions set forth in these Bylaws and any information provided to such peer review committee by witnesses or other individuals are confidential, are not subject to subpoena or discovery, and may not be introduced into evidence in any judicial or administrative proceeding.
- (b) This confidentiality provision shall not prevent the transmission of appropriate information to the Managing Board to enable it to comply with its legal duties and responsibilities, nor shall this confidentiality provision prevent the transmission of appropriate information to any other committees or individuals within the Medical Staff to enable them to comply with their legal duties and responsibilities.

3. **Immunity from Liability**

The following shall be express conditions to any person's application for, or any Medical Staff member's exercise of clinical privileges at, a Center or on this Medical Staff:

- (a) That any act, communication, report, recommendation, or disclosure, with respect to any such practitioner, performed or made in good faith and with a reasonable belief that said action was warranted in connection with or in furtherance of medical peer review functions at the request of an authorized representative of this Medical Staff or any other health facility for the purpose of achieving and maintaining quality patient care in this or any other health care facility shall be confidential and privileged to the fullest extent permitted by law.
- (b) That such privilege shall extend to members of the Medical Staff, the Medical Advisory Board, to other practitioners who supply information, and to third parties who supply information to any of the foregoing authorized to receive, release, or act upon the same. For purposes of this Article XI, Section 3, the term "third parties" means both individuals and organizations from which information has been requested by an authorized representative of the Medical Staff or the Company.
- (c) That there shall be, to the fullest extent permitted by law, absolute immunity from civil liability arising from any act, communication, report, recommendation or disclosure referred to in this Article XI, Section 3.
- (d) That such immunity shall apply to all acts, communications, reports, recommendations, or disclosures performed or made in connection with this or any other health care institution's activities related, but not limited to:
 - (i) applications for appointment or clinical privileges;
 - (ii) periodic reappraisals for reappointment of clinical privileges;
 - (iii) corrective action including summary suspension;
 - (iv) hearings and reviews;
 - (v) medical care evaluations;
 - (vi) utilization reviews; and

- (vii) committee activities related to quality patient care and interprofessional conduct.
- (e) That the acts, communications, reports, recommendations and disclosures referred to in this Article XI, Section 3 may relate to a practitioner's professional qualifications, clinical competence, character, mental or emotional stability, physical condition, ethics, or other matters that may directly or indirectly have an effect on patient care.
- (f) That, in furtherance of the foregoing, each applicant and/or Medical Staff member shall execute, upon request of the President, a written release in accordance with the tenor and import of this Article XI, Section 3 in favor of the individuals and organizations specified herein.

ARTICLE XII

RULES, REGULATIONS AND POLICIES

1. Rules, Regulations and Policies of the Medical Staff

- (a) The Medical Advisory Board shall adopt, at any meeting, such Rules, Regulations and Policies as may be necessary to implement more specifically the general principles found in these Bylaws. Such Rules, Regulations and Policies shall relate to the proper conduct of Medical Staff organizational activities, as well as embody the level of practice that is required of each practitioner at the Center. Such Rules, Regulations and Policies shall be part of these Bylaws. Copies of the Bylaws, Rules, Regulations and Policies, as in effect from time to time, shall be made available to all Medical Staff members and other practitioners having delineated clinical privileges.
- (b) The Rules, Regulations and Policies of the Medical Staff shall become effective when approved by the Managing Board.

2. Amendments to Rules, Regulations and Policies

- (a) The Rules, Regulations and Policies of the Medical Staff may be amended at any meeting of the Medical Advisory Board.
- (b) Such amendments shall become effective when approved by the Managing Board.

ARTICLE XIII

AMENDMENTS TO BYLAWS

- 1. These Bylaws may be amended at any meeting of the Medical Advisory Board.

2. Such an amendment shall be effective when approved by the Managing Board.

ARTICLE XIV

ADOPTION

The Medical Staff, by action of the Medical Advisory Board, shall adopt these Bylaws as are necessary as set forth for the conduct and operation of the Medical Staff upon adoption and approval by the Managing Board.

ARTICLE XV

PRECEDENCE OF COMPANY OPERATING AGREEMENT

The Operating Agreement of the Company shall take precedence over these Medical Staff Bylaws, and any provision in or amendment to the Operating Agreement of the Company inconsistent with the provisions of these Bylaws shall be deemed to amend these Bylaws to the extent necessary to conform these Medical Staff Bylaws to the Operating Agreement of the Company.

Approved by the Managing Board on the **12th** day of **June, 2013**