

**ROME MEMORIAL HOSPITAL, INC.**

**BYLAWS**



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**ROME MEMORIAL HOSPITAL, INC.**

**BYLAWS**

**ARTICLE I**

**MEMBERSHIP, PURPOSES AND DEFINITIONS**

**1.1 MEMBERSHIP**

1.1.1 The sole corporate member of the Corporation shall be Greater Rome Affiliates, Inc. which shall act hereunder as such member by duly authorized resolution of its Board of Directors and which shall communicate its actions to this Board through its President or other duly authorized officer.

**1.2 PURPOSES**

1.2.1 The purposes of the Corporation are to operate Rome Memorial Hospital and to provide general hospital and other health care services, including but not limited to the following:

1.2.2 Provide and manage facilities, personnel and services designed to diagnose and treat Hospital patients. Patient care will be provided without regard to age, race, creed, color, sex, sexual orientation, national origin, military status, disability, predisposing genetic characteristics, or marital status.

1.2.3 Provide facilities and services to best serve the needs of patients; to improve the standards of health care in the community; and to assure the quality of patient care.

1.2.4 Conduct education related to health care and the promotion of health.

1.2.5 Manage, operate and participate in activities which promote the health of the community.

### 1.3 DEFINITIONS

- 1.3.1 **"Allied Health Personnel"**: Appropriately licensed specialists in a health-related field, such as nurse practitioners and physician assistants, who have been granted privileges by the Board to attend patients in the Hospital, but who are not members of the Medical Staff.
- 1.3.2 **"Board of Trustees" or "Board"**: The governing body of the Corporation. Wherever the term "Trustee" is used in the Bylaws, it means a member of the Board of Trustees.
- 1.3.3 **"Chairperson"**: The individual elected by the Board to serve as the Chairperson of the Board.
- 1.3.4 **"Corporation"**: Rome Memorial Hospital, Inc.
- 1.3.5 **"Dentist"**: An individual who is licensed to practice dentistry in New York State.
- 1.3.6 **"Executive Committee"**: The Executive Committee of the Board, unless specific reference is made to the Executive Committee of the Medical Staff.
- 1.3.7 **"Ex-Officio"**: Service as a member of a body by virtue of an office or position held, and unless otherwise expressly provided, without voting rights.
- 1.3.8 **"Hospital"**: Rome Memorial Hospital.
- 1.3.9 **"Medical Staff"**: The Medical Staff of the Hospital, comprised of all licensed physicians, dentists and podiatrists who have been granted privileges by the Board to attend patients in the Hospital.
- 1.3.10 **"Physician"**: An individual licensed to practice medicine and surgery in New York State.
- 1.3.11 **"Podiatrist"**: An individual licensed to practice podiatry in New York State.
- 1.3.12 **"President"**: The individual appointed by the Board to serve as the President and to

act on its behalf as Chief Executive Officer (CEO) in the overall management of the Corporation.

1.3.13 “Sole Member”: Greater Rome Affiliates, Inc., the sole corporate member of the Corporation.

## ARTICLE II

### MEETINGS

#### 2.1 ANNUAL MEETING OF SOLE MEMBER

2.1.1 The annual meeting of the Sole Member shall be held each year at a date, time and place designated by the Board of Directors of the Sole Member, for the purpose of the appointment of Trustees by the Sole Member and transacting other business as may come before said Board of Directors.

#### 2.2 ANNUAL MEETING OF BOARD OF TRUSTEES

2.2.1 The annual meeting of the Board of Trustees shall occur as soon as practicable following the annual meeting of the Sole Member for the purposed of electing officers and transacting other business as may come before the Board.

#### 2.3 REGULAR MEETINGS

2.3.1 Regular meetings of the Board shall be held no less than quarterly at the Hospital or other location specified by the Board. If such meetings are held according to a fixed schedule, as determined by the Chairperson, no special notice shall be required, otherwise Trustees shall be given at least three (3) days notice.

#### 2.4 SPECIAL MEETINGS

2.4.1 Special meetings of the Board:

- 1) may be called by the Chairperson; or

2) must be called upon the request of one-third (1/3) of the Trustees.

## **2.5 NOTICE OF SPECIAL MEETINGS**

2.5.1 Trustees shall be given at least three days prior notice of a special meeting. The Notice shall specify the time and place of the meeting and the agenda. Such notice may be waived in writing and the waiver document shall become part of the record of the meeting.

## **2.6 QUORUM AND VOTING**

2.6.1 The “whole number” means the total number of Trustees excluding any Trustee disqualified from voting. A majority of the whole number shall constitute a quorum for the transaction of business for the Board. The vote of a majority of Trustees present at the time of the vote, if a quorum is present, shall constitute the act of the Board. A majority of the Trustees present, whether or not a quorum exists, may adjourn a meeting.

## **2.7 MINUTES**

2.7.1 The Secretary is responsible for insuring that a written record of all Board proceedings is maintained. The minutes will reflect all business conducted, including findings, conclusions and recommendations and reflects the actual vote taken on all motions.

## **2.8 TELEPHONE PARTICIPATION**

2.8.1 Any one or more members of the Board or any committee thereof may participate in a meeting of such Board or Committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

## ARTICLE III

### BOARD OF TRUSTEES

#### 3.1 NUMBER AND QUALIFICATIONS

3.1.1 **Number:** The Board of Trustees shall consist of not less than seven, but not more than fifteen members. The exact number of the Board, which shall include voting *ex-officio* members if any, shall be determined by resolution adopted from time to time by the Board. The requirements for composition of the Board are as follows:

3.1.2 **Qualifications:** A candidate for Trustee must be at least eighteen years of age. Trustees shall be selected for their experience, relevant areas of interest and expertise, and ability and willingness to participate effectively in fulfilling the Board's responsibilities. Selection of a Trustee is made with no restriction as to age, race, creed, sex, sexual orientation, color, national origin, military status, disability, predisposing genetic characteristics or marital status.

#### 3.2 APPOINTMENT: TERM OF OFFICE

3.2.1 **Appointment:** At its annual meeting the Sole Member shall appoint individuals to fill the positions on the Board created by those whose terms have or are about to expire.

3.2.2 **Term:** Each Trustee shall hold office for a term not to exceed three (3) years. Except as to Trustees holding office upon the effective date<sup>1</sup> of the limitation immediately following: No person shall be eligible to serve more than four (4) consecutive full three (3) year terms. The terms of office of Trustees shall be determined such that each year the terms of office of approximately one-third (1/3) of the Board shall expire. Vacancies on the Board which occur between annual

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<sup>1</sup> December 22, 2009  
{H1207969.4}

meetings may be filled by the Board and any person appointed to fill such vacancy shall serve until the expiration of the term of person who created the vacancy.

### 3.3 MEDICAL STAFF

3.3.1 **Board Member:** The Board of Trustees shall at all times include among its members at least one physician who is a member of the Medical Staff.

3.3.2 **Medical Staff President:** The President of the Medical Staff will serve as an ex-officio, nonvoting member at meetings of the Board of Trustees to represent the views and policies of the Medical Staff.

### 3.4 CHAIRPERSON: VICE CHAIRPERSON

3.4.1 **Chairperson:** The Chairperson shall preside at all meetings of the Board and the Executive Committee and is an ex-officio member with vote of all Board Committees. He or she may sign on behalf of the Corporation any documents or instruments which the Board has authorized to be executed, except where the signing and execution thereof is expressly delegated by the Board or by these Bylaws to some other officer or agent, or is required by law to be otherwise signed or executed. The Chairperson shall also perform all duties incident to the office of Chairperson and such other duties as may be prescribed by the Board from time to time.

3.4.2 **Vice Chairperson:** If so determined by resolution of the Board, there shall be a Vice Chairperson who shall perform such duties as may be assigned to him or her by the Board or the Chairperson. In the absence of the Chairperson or when, for any reason, the Chairperson is unable or refuses to perform his or her duties, the Vice Chairperson shall perform those duties with the full powers of, and subject to the restrictions on, the Chairperson.

### **3.5 GOVERNANCE**

3.5.1 Unless otherwise provided herein, the Corporation shall be governed under the authority of the Board. The business affairs of the Corporation and the operation of the Hospital shall be managed by the President under the Board's direction. The Board's responsibilities shall include the following: periodic review and amendment of these Bylaws and the review, adoption and periodic amendment of Board governance policies; approval and monitoring of the Hospital's operating and capital budget(s); implementation of effective fiscal accounting system(s); an ongoing Hospital wide quality assessment performance improvement (QAPI) program, including a written plan of implementation; provision of adequate resources to implement the Hospital's programs of service; provision for the adequacy of the physical plant; an annual self-evaluation of the Board's performance; appoint a chief executive officer who is responsible for managing the entire hospital; and, as more fully hereinafter provided in Article IV, determine, in accordance with applicable law, which categories of practitioners are eligible candidates for appointment to the Medical Staff; appoint members of the Medical Staff after considering the recommendations of the existing members of the Medical Staff; assure that the Medical Staff has, through its Bylaws, an organized structure; approve Medical Staff Bylaws and other Medical Staff Rules and Regulations; ensure that the Medical Staff is accountable to the governing body for the quality of care provided to patients; ensure the criteria for appointment and reappointment to the Medical Staff are individual character, competence, training, experience, and judgment; and ensure that under no circumstances is the accordance of Medical Staff membership or professional privileges dependent solely upon certification, fellowship or membership in a specialty body or society.

### **3.6 RESIGNATION AND REMOVAL**

3.6.1 A Trustee may resign by giving written notice to the Chairperson or Secretary. A Trustee may be removed from office by the Sole Member or by the Board for cause, providing the Trustee receives written notice of such cause and is given an opportunity to be heard.

### **3.7 ATTENDANCE REQUIREMENTS**

3.7.1 Failure of a Trustee to attend three consecutive meetings of the Board may be grounds for removal from the Board unless the absence is excused by formal action of the Board. The Board may vote to excuse the absent members at the beginning of each meeting.

### **3.8 COMPENSATION OF TRUSTEES**

3.8.1 Trustees shall not receive compensation, but may receive reimbursement for travel and associated out-of-pocket expenses, to be audited by the Board and paid as are other expenses of the Corporation.

### **3.9 CONFIDENTIALITY**

3.9.1 The discussions, actions, minutes and records of the Governing Body, Medical Staff, its departments and committees are strictly confidential and will not be disclosed to individuals or groups within or outside of the Hospital or its Sole Member, except as is required or permitted by law. Failure to maintain this confidentiality may subject a member of the Board of Trustees to be removed under these bylaws.

### **3.10 ORIENTATION AND EDUCATION: SELF EVALUATION**

#### **3.10.1 Orientation and Education**

Upon appointment to the Board, Trustees are required to participate in a formal orientation program. Trustees are required to avail themselves of continuing

educational opportunities. A written record of orientation and continuing education programs presented to the Board shall be maintained by the Secretary.

### 3.10.2 Self-Evaluation

The Board shall conduct an annual self-evaluation of its performance and shall formulate a plan of corrective action if necessary.

## ARTICLE IV

### OFFICERS

#### 4.1 OFFICERS

The officers of the Corporation shall be a President, a Secretary, and a Treasurer, and such other officers as the Board of Trustees may elect or appoint, including without limitation additional Assistant Secretaries and Assistant Treasurers. The President shall serve as Chief Executive Officer (see Article III, Section 4.5.1).

#### 4.2 ELECTION AND TENURE

The Board shall elect the Chairperson, Vice Chairperson (if any) and the officers of the Corporation other than the President at its annual meeting and, except as otherwise provided in Section 4.3, each shall hold office for a one year term and until his/her successor is elected. The Chairperson, Vice Chairperson, Secretary and Treasurer must be selected from among the Trustees of the Corporation.

#### 4.3 RESIGNATION AND REMOVAL

##### 4.3.1 Resignation

Any officer may resign at any time by giving written notice to the Chairperson or the Secretary. Such resignation shall become effective on the date of receipt thereof or at such later time as may be specified therein.

#### 4.3.2 **Removal**

Any elected or appointed officer or agent may be removed by the Board whenever in its judgment the best interests of the Corporation will be served thereby. Removal shall be without prejudice to the contract rights, if any, of the person so removed.

#### 4.4 **VACANCIES**

A vacancy in any office at any time may be filled by the Board for the unexpired portion of the term.

#### 4.5 **DUTIES OF OFFICERS**

##### 4.5.1 **President/Chief Executive Officer**

The Board shall select and appoint a qualified hospital administrator to serve as the President (who shall also serve as the Chief Executive Officer) and to be its direct executive representative in the management of the Hospital. The President/Chief Executive Officer shall be given the necessary authority and held responsible for the management of the Hospital in all its departments subject only to the policies enacted by the Board or any Committees to which the Board has delegated power for such action. He or she shall be an *ex-officio* nonvoting member of the Board and all Committees, an *ex-officio* nonvoting member of all organizations that are associated or affiliated with the Hospital and an *ex-officio* nonvoting member, of all Medical Staff committees including the Medical Staff Executive Committee. He or she shall act as the duly authorized representative of the Board in all matters except those in which the Board has formally designated some other person or group to act.

##### 4.5.2 **Secretary**

The Secretary shall provide for the keeping of minutes of all meetings of the Board, and if specifically requested, any or all Board Committees, and shall assure that such

minutes are filed with the records of the Corporation. He or she shall give or cause to be given appropriate notices in accordance with these Bylaws or as required by law; shall act as custodian of all corporate records and reports and of the corporate seal, assuring that it is affixed, when required by law, to documents executed on behalf of the Corporation; shall perform all duties incident to the office and such other duties as may be assigned from time to time by the Chairperson or the Board; and may delegate any duties to any elected or appointed Assistant Secretary or a Recording Secretary.

#### 4.5.3 **Treasurer**

The Treasurer shall keep or cause to be kept correct and accurate accounts of the properties and financial transactions of the Corporation and in general perform all duties incident to the office and such other duties as may be assigned from time to time by the Chairperson or the Board. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety as the Board shall determine. The Treasurer may delegate any of his or her duties to any duly elected or appointed Assistant Treasurers.

## ARTICLE V

### **BOARD COMMITTEES**

#### 5.1 **STANDING, SPECIAL OR AD HOC COMMITTEES**

Except as otherwise provided in these Bylaws, the Chairperson shall appoint the chairperson and members of each standing and special committee, which may include persons from outside the Board of Trustees with the concurrence of the Board. The standing committees are the Executive/Governance Committee, the Finance/Audit Committee, Strategic Planning Committee,

Corporate Compliance Committee and the Quality Council. Special committees, such as a Nominating Committee, may be established by the Chairperson, with the concurrence of the Board. Upon completion of the task for which created, a special committee shall stand discharged. There shall be a Medical Liaison Committee which shall not be a standing or special committee, but which shall meet on an *ad hoc* basis. Minutes of all meetings of standing, special and *ad hoc* committees shall be made available to the Board.

## **5.2 EXECUTIVE/GOVERNANCE COMMITTEE**

The Executive/Governance Committee consists of the Chairperson, the Vice Chairperson, if any, the President, the Secretary, the Treasurer and the Assistant Treasurer, if any, and, if so authorized by the Board, one (1) member of the Board of Trustees appointed by the Chairperson. The Executive/Governance Committee shall oversee the regular business of the Corporation in the intervals between meetings of the Board and, subject to prior limitations imposed by the Board or by statute, shall have the power and authority of the Board to transact all regular business of the Corporation. Actions of the Executive/Governance Committee shall be reported at the next regular meeting of the Board. Meetings of the Executive/Governance Committee shall be at the call of the Chairperson. The Executive/Governance Committee shall review the performance, compensation, and terms of employment of the President and shall authorize the execution of his/her employment agreement on behalf of the Corporation. The Executive /Governance Committee shall consult with the President concerning his/her performance, compensation and terms of employment, but the President shall be excluded from the deliberations of the Committee. The Executive/Governance Committee shall also review the performance of the Vice Presidents of the Hospital and, upon consideration of any recommendations by the President, approve their compensation.

## **5.3 FINANCE/AUDIT COMMITTEE**

The Finance/Audit Committee consists of not less than three and not more than seven

members and is responsible for general oversight of the financial affairs. Committee members shall be independent members of the Board of Trustees, as such term is defined in applicable Internal revenue services regulations. The Committee will review, advise, and report to the Board of Trustees on the investment and management of the financial resources of the Corporation and shall review the annual budget and capital plans, fund management procedures, and internal controls relating to the safeguard of financial assets. The Committee shall: (1) act as financial advisor to the Board in all financial affairs of the Corporation, including the annual operating budget, which will include all anticipated income and expenses; (2) review the proposed scope of the annual audits of the Corporation by independent auditors and identify areas of particular concern to the Board; (3) review the independent auditors' reports on the financial statements at the conclusion of the audit of the Corporation; (4) review the independent auditors' "management letters" to the Corporation and management's responses thereto; (5) review the adequacy of accounting policies and of the Corporation's internal control structures; (6) review relationships between management and the independent auditors; (7) recommend the appointment of independent auditors to the Board of Trustees; (8) review periodically the Corporation's conflicts of interest policies and oversee compliance therewith; and (9) review investment policies/procedures. The Committee shall meet at the call of the Committee Chairperson.

#### **5.4 QUALITY COUNCIL**

The Quality Council shall be chaired by a member of the Board and shall be comprised of the Chief Medical Officer and representatives of the Board, Administration, Medical Staff, Nursing and others, as determined by the Chairperson of the Board. The Council shall oversee the quality improvement activities and priorities of the Hospital, and as part of its duties, shall receive reports from the Medical Staff Performance Improvement Committee as well as other appropriate committees and departments. The Council shall meet on a regular basis, as determined by its

Chairperson or the Board, and shall report its findings and recommendations to the Board.

#### **5.5 STRATEGIC PLANNING COMMITTEE**

The Strategic Planning Committee Shall be chaired by a member of the Board and shall be comprised of representatives of the Board, Administration, Medical Staff, and Hospital staff as determined by the Chairperson of the Board. The Committee shall make recommendations to the Board of Trustees relating to overall corporate business policy, long range strategic plans and urgent corporate strategic issues. The Committee will also make recommendations relating to expansion as a regional system and exercise oversight regarding information systems and technology. The Committee shall meet on a regular basis as determined by its Chairperson and shall report its findings and recommendations to the Board.

#### **5.6 CORPORATE COMPLIANCE COMMITTEE**

The Corporate Compliance Committee shall be chaired by a member of the Board and shall be comprised of representatives of the Board, Administration, Hospital Staff, and legal counsel. The Committee is responsible for directing the duties of the Corporate Compliance Officer (CCO) and the Management Compliance Committee. Based on reports and information provided by the CCO and the Management Compliance Committee, the Corporate Compliance Committee will provide reports to the Board of Trustees on a periodic basis. The Committee will review all bi-monthly Corporate Compliance Committee meetings, review all new policies, review and approve yearly work plan, review HIPAA issues, review all external audits and self-reporting disclosures, and make recommendations to the Board as to the approval of revisions/updates to the Corporate Compliance Manual.

#### **5.7 GENERAL COMMITTEE PROVISIONS**

A Trustee shall chair each of the standing Committees. Meetings may be called by the Chairperson, the Chairperson of the Committee, or a majority of the Committees voting members.

Notice of meetings may be given at any time and in any manner reasonably designed to inform the members of the time and place of the meeting. A majority of members of a Committee shall constitute a quorum for the transaction of business, and a vote of a majority of members present at the time of the vote, if a quorum is present, shall constitute the act of the Committee. Committees shall keep minutes and report to the Board. Except as provided as to the Executive Committee, Committees shall be empowered only to make recommendations. Committees may hold joint meetings to discuss matters of common interest. In such meetings, a majority of the total members of the Joint Committee shall constitute a quorum.

#### **5.8 MEDICAL LIAISON COMMITTEE**

The Medical Liaison Committee shall be an *ad hoc* committee composed of four members of the Board of Trustees and four members of the Medical Staff and shall meet on an as needed basis. The Medical Liaison Committee will meet on the call of the Chairperson of the Board of Trustees or the President of the Medical Staff. Members shall be selected by the Chairperson of the Board and the President of the Medical Staff. The chairmanship of the committee for each meeting will be selected from among which of either the Board or Medical Staff which called for the meeting. The CEO and the Chief Medical Officer will be *ex-officio*, non-voting members of the Medical Liaison Committee. The Medical Liaison Committee will constitute a forum for interaction or liaison between and among the Board of Trustees, the Medical Staff and Administration on such matters as may be referred by the Board of Trustees or the Medical Executive Committee. Recommendations of the Committee shall be forwarded to the Medical Executive Committee and the Board for any final action.

#### **5.9 HOSPITAL OPERATIONS COMMITTEES**

Hospital Operations Committees may be established for the purpose of meeting regulatory requirements, operational improvements, or other activity requested by the Board of Trustees (e.g.

Safety, Infection Control, Pharmacy and Therapeutics Committees).

## ARTICLE VI

### MEDICAL STAFF

#### 6.1 ORGANIZATION AND APPOINTMENTS

##### 6.1.1 Medical Staff Function

In accordance with applicable New York State laws and regulations, the Board of Trustees shall ensure that the Medical Staff is accountable to the Board for the quality of care provided to patients of the Hospital, and that members of the Medical Staff and Allied Health Personnel abide by these Bylaws and all Hospital rules and regulations. The Medical Staff shall be organized under, and shall function according to, its Bylaws, Rules and Regulations, as same are approved by the Board. In the case of any conflict between such Medical Staff Bylaws, Rules or Regulations and the rules and regulations of the Hospital or these Bylaws, a meeting of the Medical Liaison Committee will be called.

##### 6.1.2 Appointments

The Board shall appoint physicians, dentists and podiatrists to the Medical Staff, shall appoint Allied Health Personnel and shall grant clinical privileges. The Executive Committee of the Medical Staff shall make recommendation to the Board regarding Medical Staff and Allied Health Personnel appointments, membership and clinical privileging.

##### 6.1.3 Medical Staff and Allied Health Personnel Qualifications

Criteria for selection shall be as stated in the Medical Staff Bylaws, Rules and Regulations and shall include individual character, clinical competence, education,

experience and judgment.

6.1.4 **Board Authority: Assessment of Hospital Needs**

The Board of Trustees may deny, withhold or terminate an appointment or deny, withhold, terminate or diminish clinical privileges for cause. Although an open staff policy shall generally prevail, consideration of appointment or reappointment, as the case may be, and the granting of clinical privileges may, in the discretion of the Board, also involve the following criteria:

The availability of health care professionals presently on the Medical Staff or serving as Allied Health Personnel sufficient to serve the current or foreseeable needs of the Hospital's patients, as well as the availability of sufficient Hospital facilities, personnel and support services to accommodate the clinical privileges requested by the applicant and those currently held by members of the Medical Staff or Allied Health Personnel, as the case may be. In applying this criteria the Board shall consider, among other factors, the extent to which granting clinical privileges will have an adverse impact on the quality of care furnished to patients of the Hospital including, but not limited to, the ability of the Medical Staff and Hospital to conduct adequate peer review of members of the Medical Staff and Allied Health Personnel.

6.1.5 **Medical Staff Leadership**

The Medical Staff shall operate as a part of the Hospital through its clinical departments and through its committees. The head of each such department and any such committee, as well as all Medical Staff officers, are responsible and accountable to the Board of Trustees for the discharge of those duties and responsibilities delegated to it by the Board, the Medical Staff Bylaws, the Rules and

Regulations of the Medical Staff, policies and procedures of the Hospital and these Bylaws. The head of each clinical department shall be a member of that department qualified by training, experience and administrative ability for the position. The selection of department heads shall be made by the Medical Staff, subject to the approval of the Board.

The Chairperson of all committees will be appointed by the President of the Medical Staff, with the counsel of the Chief Medical Officer and subject to approval by the Medical Executive Committee. In approving the selection of department heads the Board shall apply such criteria as it may establish from time to time, including the aforesaid qualities of training, experience and administrative ability and a demonstrated willingness to actively participate in the improvement of quality of care, including peer review, and to cooperate with other members of the Medical Staff, the Board and the Hospital Administration.

Recall of a Medical Staff Officer, or an at-large member of the Medical Executive Committee, or committee chairperson may be initiated for a specified cause (i.e. failure to properly discharge their responsibilities, professional misconduct, abusive behavior or behavior disruptive of Hospital operations or inability to discharge their duties due to physical or mental impairment, etc.), by the Board of Trustees. Recall will be considered at a special meeting of the Medical Staff. In accordance with the Medical Staff Bylaws such vote shall occur as soon as reasonably practical but in any event within thirty (30) days of the recall request of the Board of Trustees. In the event the Medical Staff fails to vote within such thirty (30) days, the Board of Trustees may recall the officer or member by a vote of two-thirds (2/3) of the entire board. No recall officer or at-large member will have any procedural rights under

Article 11 of the Medical Staff Bylaws.

**6.1.6 Administrative/Employed Physicians**

Physicians, dentists, podiatrists and Allied Health Personnel serving the Hospital in administrative positions or otherwise employed by the Hospital requiring appointment to the Medical Staff or as Allied Health Personnel, as the case may be, achieve appointment by the same procedures of application, review and appointment applicable to other appointees. However, the Medical Staff does not have authority to hire or terminate employment of such physicians, dentists, podiatrists or Allied Health Personnel, and the termination of such employment is governed solely by the terms of such individual's employment agreement and does not affect the exercise of clinical privileges or entitle the individual to the procedural rights under Article 11 of the Medical Staff Bylaws.

**6.1.7 Contract Physicians Providing Professional Services**

The Board of Trustees, after consultation with and advice from the Medical Executive Committee may designate hospital facilities/services, subject to exclusive contractual arrangements with qualified practitioners. The practitioners providing specified professional services pursuant to a contract with the Hospital must meet the same membership qualifications as any other applicant or member. Contract practitioners must meet the general qualifications as set forth in the Medical Staff Bylaws 4.5-11.

**6.1.8 Medical Staff Bylaws and Organization**

The Medical Staff shall have Bylaws and Rules and Regulations consistent with these Bylaws, which enable the Medical Staff to carry out its responsibilities. Medical Staff Bylaws and Rules and Regulations may be recommended by the

Medical Staff, but must be approved by the Board. The Board retains the right to rescind any authority or procedures delegated to the Medical Staff. Medical Staff Bylaws shall be reviewed periodically by the Medical Staff, amended as necessary, and approved by the Board. The Medical Staff, through its Executive Committee, shall make recommendations to the Board regarding the structure of the Medical Staff, the procedures used to review credentials and to delineate clinical privileges, the procedures by which membership on the Medical Staff may be terminated, and procedural rights under fair hearing procedures.

6.1.9 **Chief Medical Officer**

The Board of Trustees shall appoint a person to the position of Chief Medical Officer in consultation with the Medical Executive Committee. The Chief Medical Officer must become and remain a member of the Medical Staff. The Board of Trustees will establish the responsibilities of the Chief Medical Officer in conformity with all applicable state laws and regulations. The Board of Trustees will consult with the President of the Medical Staff as part of its annual review of the Chief Medical Officer. The Chief Medical Officer is responsible for ensuring the Medical Staff is organized pursuant to standards adopted and approved by the Board of Trustees and that the Medical Staff, as organized, functions according to its Bylaws and Rules and Regulations, as they may be adopted and amended from time to time and as approved by the Board of Trustees. Such responsibility shall be carried out, to the extent practicable, through the officers of the Medical Staff. The Chief Medical Officer shall also have the responsibility for monitoring the conduct and performance of members of the Medical Staff to ensure that they comply with professional standards established by the Medical Staff and approved by the Board of Trustees.

The Chief Medical Officer shall be an *ex-officio* nonvoting member of the Medical Executive Committee and an *ex-officio*, non-voting member of all other Medical Staff Committees.

The Chief Medical Officer shall make reports to the Board of Trustees through the President, on a regular basis and at such times as specifically requested by the Board of Trustees. Such reporting shall include: Medical Staff appointments and credentialing, monitoring the clinical performance and professional assessment of members of the Medical Staff, evaluation of clinical services and medical education programs, quality assurance programs, incident reports, requests for corrective actions against or investigations of members of the Medical Staff and matters relative to maintaining liaison between the Board of Trustees and the Medical Staff.

## **6.2 QUALITY OF CARE AND SUPPORT**

The Medical Staff, through its Executive Committee, shall make recommendations to the Board regarding Quality Improvement activities of the Medical Staff as well as the process used to oversee, evaluate and revise such activities. The Board shall require the Medical Staff to have a procedure for reviewing the quality of patient care provided by members of the Medical Staff and all other individuals who provide patient care and services. The Board, through the President, shall be responsible for providing the Medical Staff with the administrative assistance necessary to conduct Quality Improvement activities in accordance with the Hospital's Quality Improvement Plan. The nature and the frequency of submission of required reports shall be in accordance with the Hospital's Quality Improvement Plan.

## ARTICLE VII

### 7.1 HOSPITAL STAFF

The Board of Trustees, through the Hospital's quality improvement program, shall assure that all individuals who provide patient care services, but who are not subject to the Medical Staff privilege delineation process, are competent to provide such services.

## ARTICLE VIII

### 8.1 INDEMNIFICATION AND INSURANCE

The Corporation shall indemnify and save harmless any Trustee or officer against the reasonable expense, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, or threatened action, in which such Trustee or officer is made a party, or threatened to be made a party, by reason of (1) acting as such Trustee or officer of the Corporation, or (2) serving another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, providing such person was a Trustee or officer of the Corporation and so served said other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise at the request of the Corporation.

Indemnification shall likewise apply to any sums actually paid by way of settlement of any actual or threatened action, or in satisfaction of any judgment rendered against such Trustee or officer. Indemnification in any case, however, shall apply only when such Trustee or officer acted in good faith for a purpose which he or she reasonably believed to be in the best interests of the Corporation or, in the case of service for any other corporation, partnership, joint venture, trust, employee benefit plan or otherwise enterprise, not opposed to the best interests of the Corporation, and in the case of criminal actions or proceedings, in addition had no reasonable cause to believe

the conduct was unlawful. Indemnification shall not apply when a judgment or other final adjudication adverse to the Trustee or officer establishes that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled. The Corporation is authorized to purchase insurance for indemnification of its Trustees and officers to the maximum extent permitted by the laws of the State of New York.

## ARTICLE IX

### CONFLICTS OF INTEREST

#### 9.1 PURPOSE

The purpose of the conflicts of interest policy is to protect the Hospital's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Trustee of the Hospital. This policy is intended to supplement but not replace any applicable state laws or regulations governing conflicts of interest.

#### 9.2 DEFINITIONS

##### 9.2.1 Interested Person

Any Trustee, corporate officer, key employee, Medical Staff member or member of a Committee with Board-delegated powers who has a duality of interest or who has a direct or indirect financial interest, as defined below, is an interested person. If a person is an interested person with respect to any entity in the Rome Memorial Hospital health care corporate system, of which the Hospital is a part, he or she is an interested person with respect to all entities in the corporate system.

### 9.2.2 **Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

- (a) An ownership or investment interest in any entity with which the Hospital has a transaction or arrangement;
- (b) A compensation arrangement with the Hospital or with any entity or individual with which the Hospital has a transaction or arrangement; or
- (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Hospital is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. A financial interest is not necessarily a conflict of interest. Under this Section 9.2.2, a person who has a financial interest may have a conflict of interest only if the Board or Committee decides that a conflict of interest exists.

### 9.2.3 **Duality of Interest**

A person has a duality of interest if the person is (a) a director, trustee or officer of another corporation, firm, association or other entity with which the Hospital has or is contemplating a transaction or arrangement; or (b) is likely to gain a significant personal benefit if such transaction or arrangement is approved.

## 9.3 **PROCEDURES**

### 9.3.1 **Duty to Disclose and Addressing Conflicts of Interest**

In connection with any actual or possible conflicts of interest, an interested person

must disclose the existence and nature of his or her interest to the Trustees and members of Committees with Board-delegated powers considering the proposed transaction or arrangement.

The interested person is required to make a prompt, full and frank disclosure of the nature and extent of his or her interest and any relevant material facts known to him or her about the transaction or arrangement which might reasonably be construed to be adverse to the Hospital's interest. Such disclosure must be made to the Board or committee thereof, prior to its acting on such transaction or arrangement, irrespective of whether such interest was disclosed as part of the annual disclosure process. In the event of uncertainty as to whether a conflict of interest exists, after disclosure of the interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board or committee meeting while the interest is discussed and voted upon. The remaining Board or committee members shall decide by majority vote if a conflict of interest exists. If the remaining Board or committee members determine that a conflict of interest exists, the following procedures shall be followed for addressing the conflict of interest:

- (a) The chairperson of the Board or Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (b) After exercising due diligence, the Board or Committee shall determine whether the Hospital can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

(c) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or Committee shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the Hospital's best interest and for its own benefit and whether the transaction is fair and reasonable to the Hospital and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

No Trustee shall vote, or be counted in determining the quorum for any vote, or participate in the deliberations (other than to present factual information or to respond to questions) or use his or her personal influence on any transaction or arrangement concerning which such Trustee has a conflict of interest. Subject to the foregoing, the Trustee shall be excused from that portion of the meeting at which the transaction or arrangement is discussed and voted upon.

### 9.3.2 **Violations of the Conflicts of Interest Policy**

(a) If the Board or Committee has reasonable cause to believe that an interested person has failed to disclose an actual or possible conflict of interest, it shall inform the person of the basis for such belief and the Board or Committee shall then afford the person an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the response of the person and making such further investigation as may be warranted in the circumstances, the Board or Committee determines that the person has in fact failed to disclose an actual or possible conflict of interest, it shall take

appropriate disciplinary and corrective action which may include removal from the Board or Committee.

#### **9.4 RECORDS OF PROCEEDINGS**

The minutes of the Board and all Committees with Board-delegated powers shall contain:

- 9.4.1 The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present and the Board's or Committee's decision as to whether a conflict of interest in fact existed.
- 9.4.2 The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement and a record of any votes taken in connection therewith.

#### **9.5 COMPENSATION COMMITTEE**

- 9.5.1 A voting member of the Board, or of any Committee whose jurisdiction includes compensation matters, and who receives compensation, directly or indirectly, from the Hospital for services is precluded from voting on matters pertaining to that member's compensation.
- 9.5.2 A Physician who receives compensation, directly or indirectly, from the Hospital, whether an employee or independent contractor, is precluded from membership on any Committee whose jurisdiction includes compensation matters.
- 9.5.3. A Physician who is a voting member of the Board and receives compensation, directly or indirectly, from the Corporation for services is precluded from discussing and voting on matters pertaining to that member's and other Physicians'

compensation. No Physician, either individually or collectively, is prohibited from providing information to the Board regarding Physician compensation.

## **9.6 CONTINUING DUTY: COMPETITIVE INTERESTS**

9.6.1 In recognition of the continuing duty of Trustees to discharge their fiduciary responsibilities to the Hospital even after their service on the Board has ended whether by expiration of term, resignation or otherwise, no Trustee may directly or indirectly acquire an interest in or undertake a business opportunity, or assist another to do so, which said business opportunity is in competition with or otherwise antagonistic to the Hospital, by utilizing material information which such Trustee obtained while serving on the Board.

9.6.2 No person who has an ownership or investment interest in, or is an officer, director or key employee of, a business entity or venture which is, or potentially may be, in direct competition with the Hospital shall be eligible to serve as a Trustee.

## **9.7 ANNUAL STATEMENTS**

9.7.1 Each Trustee, corporate officer and member of a Committee with Board-delegated powers shall annually sign a statement which affirms that such person:

- Has received a copy of the conflicts of interest policy;
- Has read and understands the policy;
- Has agreed to comply with the policy; and
- Understands that the Hospital is a charitable organization and that in order to maintain its federal tax-exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

## **9.8 PERIODIC REVIEWS**

9.8.1 To ensure that the Hospital operates in a manner consistent with its charitable

purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. To ensure that transactions and arrangements involving the Hospital are in compliance with applicable state and federal laws, rules and regulations, such reviews may be conducted as part of a comprehensive Hospital compliance review process.

9.8.2 The periodic reviews shall at a minimum include the following:

- Whether compensation arrangements and benefits are reasonable and are the result of arm's length bargaining.
- Whether acquisitions of Physician practices and other provider services result in inurement or impermissible private benefit.
- Whether partnership and joint venture arrangements and arrangements with management service organizations and physician hospital organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Hospital's charitable purposes and do not result in inurement or impermissible private benefit.
- Whether agreements to provide health care and agreements with other health care providers, employees, and third party payors further the Hospital's charitable purposes and do not result in inurement or impermissible private benefit.

9.8.3 In conducting the periodic reviews the Hospital may, but need not, use outside advisors. Use of such outside experts shall not relieve the Board of its responsibility for ensuring that such reviews are conducted.

## ARTICLE X

### MISCELLANEOUS PROVISIONS

#### 10.1 AMENDMENTS TO BYLAWS

These Bylaws may be amended by affirmative vote of two-thirds of the whole number of the Board at any regular or special meeting, provided that a full statement of proposed amendments is mailed to the members at least three (3) days in advance of the meeting, and further provided that any amendment adopted by the Board may be amended or repealed by the Sole Member. Bylaws may also be adopted or amended by the Sole Member and any such Bylaw may not be amended or repealed by the Board.

#### 10.2 PROCEDURES

The Board and its Committees may adopt rules and procedures consistent with these Bylaws.

#### 10.3 BYLAWS REVIEW

These Bylaws shall be reviewed by the Board of Trustees on a periodic basis but no less than biannually.

#### 10.4 BYLAWS REVISION HISTORY

**ADOPTED: DECEMBER 28, 1994**

**AMENDED: SEPTEMBER 24, 1996**

**AMENDED: APRIL 29, 1997**

**AMENDED: JUNE 24, 1999**

**AMENDED: JUNE 27, 2001**

**AMENDED: OCTOBER 22, 2002**

**AMENDED: NOVEMBER 1, 2005**

**AMENDED: DECEMBER 18, 2007**

**AMENDED: MARCH 31, 2009**

**AMENDED: AUGUST 25, 2009**

**REVIEWED, REVISED & APPROVED: DECEMBER 22, 2009**

**AMENDED: AUGUST 17, 2011**

  
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LYNN G. REESE, SECRETARY