
BOARD OF TRUSTEE BYLAWS

OF

THE ORTHOPAEDIC HOSPITAL OF
LUTHERAN HEALTH NETWORK

MISSION STATEMENT

Utilizing collaborative relationships with its physicians and staff, The Orthopaedic Hospital of Lutheran Health Network is dedicated to excellence in meeting the needs of the orthopaedic patients throughout the region.

DEFINITIONS

1. "Allied Health Professional" or "AHP" means an individual, other than a licensed physician or dentist, whose authority to perform specified patient care services is established by the Medical Staff based upon his/her qualifications and whose functions are delineated by members of the Medical Staff and approved by the Board.
2. "Board of Trustees" means the local governing authority appointed by the corporation exercising those prerogatives and authorities specified herein and subject to the limitations delineated herein.
3. "Chief Executive Officer" or "CEO" means the individual appointed by the Corporation to provide for the overall management of the Hospital.
4. "Corporation" means The Orthopaedic Hospital of Lutheran Health Network.
5. "Medical Staff Bylaws" means the Bylaws of the Medical Staff and the accompanying Rules and Regulations, Fair Hearing Plan and such other policies as may be adopted by the Medical Staff subject to the approval of the Board.
6. "National Practitioner Data Bank", means the entity established pursuant to the Health Care Quality Improvement Act of 1986, for the purposes of reporting adverse actions and Medical Staff malpractice information.
7. "Practitioner" means a physician, psychologist or dentist who has been granted clinical privileges at the Hospital.
8. "Trustee" means a member of the Board of Trustees.

ARTICLE I
GENERAL SCOPE

Be it resolved by the Board of Trustees of The Orthopaedic Hospital of Lutheran Health Network that the bylaws set out below shall govern the transaction of the business and affairs of the Hospital.

1.1 PURPOSE

The purposes, goals and objectives of the Board of Trustees of The Orthopaedic Hospital of Lutheran Health Network shall be to:

- 1.1(a) Support, manage and furnish facilities, personnel and services; provide diagnosis, medical, surgical and hospital care, outpatient care and other hospital and medically related services to sick, injured or disabled persons; provide well-care programs as appropriate and feasible, without regard to race, color, sex, national origin or disability;
- 1.1(b) Provide appropriate facilities and services to best serve the needs of patients;
- 1.1(c) Improve the standards of health care in the community;
- 1.1(d) Establish and promote cost-effective health care delivery including timely adaptations to meet evolving Medicare and other regulations mandating data accumulation and cost control;
- 1.1(e) Encourage educational activities related to tendering care to the sick and injured or to the promotion of health, as may be justified by the facilities, personnel, funds, or other resources that are available;
- 1.1(f) Manage or participate in, so far as hospital policy, circumstances and available funds may permit, activities designed to promote the general health of the community;
- 1.1(g) Guard against any activity in or on behalf of the Hospital having, or tending to have, an undesirable affect upon the Hospital or the services it renders;
- 1.1(h) Provide for overall institutional planning, with the participation of the Medical Staff, nursing department, and such other individuals as the Governing Body deems appropriate; and
- 1.1(i) Maintain a commitment to continued comprehensive quality assurance and quality improvement in all aspects of health care provided by the Hospital in cooperation with the Medical Staff, CEO and hospital personnel.

ARTICLE II
FISCAL YEAR

The Hospital's fiscal year shall end December 31 and begin January 1, of each subsequent year.

ARTICLE III
MEMBERSHIP & MEETINGS OF THE BOARD OF TRUSTEES

3.1 MEMBERSHIP, QUORUM & TERM

Corporation shall appoint the Board of Trustees (Board) which shall consist of ten (10) voting member, six (6) of whom shall be physicians (the Physicians Representatives), and of the Physician Representatives, at least five (5) of whom shall be members of Fort Wayne Orthopaedics, LLC, and Indiana Limited Liability Company (FWO), and the remainder of the Board of Trustees shall be non-physicians. One (1) member of the Board shall be the Hospital CEO who shall also serve as Secretary to the Board. One (1) member of the Board shall be the Chief of the Medical Staff. At least six (6) members of the Board shall be members of the Hospital's Active Medical Staff and each such physician member shall be appointed by Corporation. The Chief Operating Officer of Corporation will be an ex-officio non-voting member of the Board.

A majority of the voting members of the Board shall constitute a quorum at any regular or special meeting. After a quorum has been established, the subsequent withdrawal of Trustees present to fewer than the number required for a quorum shall not affect the validity of any action taken. A Trustee shall be deemed present at a meeting if he/she participated by conference telephone, speaker telephone, or other method by which all persons participating in the meeting can hear one another at the same time.. If a quorum is not present at any meeting, those present may adjourn the meeting until such date and hour as a quorum may be had, and no further notice of the adjourned meeting shall be required.

Option 1

Each ex-officio member shall serve as a Trustee for as long as he/she retains the position in question. All other Trustees shall serve for a term of three (3) years or until his/her successor is appointed. The terms shall be staggered in order to provide continuity from year to year. Trustees may be reappointed for three (3) consecutive terms after which an absence of one (1) term is required before reappointment.

3.2 QUALIFICATIONS

Selection of Trustees shall be based on the individual's abilities and experience, without regard to race, color, sex, national origin or disability (except as such disability may impair the Trustees' ability to discharge the responsibilities herein). Willingness to give as much time as is reasonably requested is critical. Experience in community activities and the arts of managing people, money and property also are important considerations in the selection of Trustees.

3.3 REGULAR MEETINGS

The Board shall hold ten (10) regular meetings per year at a time and place designated by the Chairman of the Board. October shall be designated as the month for the Hospital's annual Board meeting.

3.4 SPECIAL MEETINGS

The Chairman of the Board may call a special meeting on his/her own initiative and shall call a special meeting at the written request of three (3) members of the Board. The Chairman shall give written notice, delivered either personally, by mail or telefax, to each member of the Board at least three (3) days before the date of the meeting, giving the time and place of the meeting. This notice shall state the business for which the special meeting has been called, and no business other than that stated in the notice shall be transacted. Meetings may be held at any time upon waiver of notice signed by all Board members. Attendance at any meeting without protest of lack of notice shall be deemed a waiver of notice.

3.5 CONFLICT OF INTEREST

The best interest of the community and the Hospital are served by Board members who are objective in the pursuit of their duties as Board members, and who exhibit that objectivity at all times. The decision making process of the Board may be altered by interests or relationships which might in any instance, either intentionally or coincidentally bear on that member's opinion or decision. Therefore, it is considered to be in the best interest of the Hospital for relationships of any Board member which may influence decisions related to the Hospital to be disclosed to all other members of the Board on a regular and contemporaneous basis.

No Board member shall use his/her position to obtain or accrue any benefit. All Board members shall at all times avoid even the appearance of influencing the actions of any employee of the Hospital or Corporation, except through his/her vote, and the acknowledgment of that vote, as a Board member for or against opinions or actions to be stated or taken by or for the Board as a whole.

Annually, on or before October 1st, each Board member shall file with the Board Secretary a written statement describing each actual or proposed relationship of that member, whether economic or otherwise, other than the member's status as a Board member and/or a member of the community, which in any way and to any degree may impact on the finances or operations of the Hospital or its staff, or the Hospital's relationship to the community. A new Board member shall file the written statement immediately upon being appointed to the Board. This disclosure requirement is to be construed broadly, and a Board member should finally determine the need for all possible disclosures of which he/she is uncertain on the side of disclosure, including ownership and control of any health care delivery organization that is related to the Hospital. This disclosure procedure will not require any action which would be deemed a breach of any state or federal confidentiality law, but in such circumstances minimum allowable disclosures should be made.

Between annual disclosure dates, any new relationship of the type described, whether actual or proposed, shall be disclosed in writing to the Board Secretary by the next regularly scheduled Board meeting. The Board Secretary will provide each Board member with a copy of each member's written disclosure at the next Board meeting following filing by the member for review and discussion by the Board.

A Trustee shall abstain from voting on any issue in which the Trustee has an interest other than as a fiduciary of the Hospital.

A breach of these provisions is deemed sufficient grounds for removal of a breaching member by the remaining members of the Board on majority vote. A willful breach of these provisions may result in loss of indemnification under Article X.

3.6 APPOINTMENT OF TRUSTEES - NOMINATING COMMITTEE

In appointing the Board of Trustees, Corporation shall give strong consideration to the nominations made by a Nominating Committee composed of the existing chairperson of the Board of Trustees, the existing Vice-Chairperson of the Board of Trustees and the CEO. The CEO shall chair the Nominating Committee.

3.7 VACANCIES

Vacancies on the Board shall be filled by Corporation after consideration of recommendations of the Board and the Nominating Committee. The CEO shall be responsible for communicating the Nominating Committee's recommendations to the Board, and the Board's recommendations to the Corporation. Thereafter the CEO shall notify the Board of the Corporation's selection to fill the vacancy. A Trustee appointed to fill a vacancy shall serve for the remainder of the term of his/her predecessor.

3.8 RESIGNATION OR REMOVAL OF TRUSTEE

A Trustee may resign at any time by tendering his/her resignation in writing to the Board. Any Trustee who has failed to attend two-thirds of the regular meetings of the Board during the calendar year, except for good cause as determined by Corporation, may be removed from the Board. Resignation or removal of a Trustee also shall constitute resignation or removal as an officer or as a member of any committee of the Board. A Trustee may be removed at any time by Corporation, with or without cause.

3.9 COMPENSATION OF TRUSTEES & COMMITTEE MEMBERS

Trustees and members of all committees of the Board shall receive no compensation for any service rendered in their capacities as Board or committee members.

3.10 RESPONSIBILITIES

The Board shall be delegated responsibilities for the functions enumerated below and related functions, subject to corporate policies, these bylaws and directives from the Corporation. The Corporation also reserves the right to intervene and participate in all matters entrusted to the Board, and to amend or replace these bylaws as further provided in Article XI herein.

The responsibilities and obligations of the Board shall include:

- 3.10(a) Assuming responsibility for Medical Staff oversight and quality care evaluation as described in Section 7.2 and 8.1 of these bylaws;

- 3.10(b) Requiring a process designed to 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, and receiving reports of quality assurance information regarding competency of care providers not subject to the privilege delineation process;
- 3.10(c) Overseeing quality of professional services as described in Article VII and VII of these bylaws;
- 3.10(d) Establishing, maintaining and supporting, through the CEO and the Medical Staff and its designated committees a comprehensive, hospital-wide program for quality assessment and improvement; receiving reports of performance improvement information on a regular basis from the Medical Staff, and assuring that all aspects of the program are performed appropriately and that administrative assistance is available to the Medical Staff;
- 3.10(e) In consultation with the MEC, the Corporation and the CEO, formulating programs for efficient delivery of care, compliance with applicable law (including Medicare regulations and other applicable regulations) and development, review and revision of policies and procedures;
- 3.10(f) Subject to recommendations from the Medical Staff and review and concurrence of the Corporation, approving the Bylaws, Rules and Regulations and Fair Hearing Plan of the Medical Staff and appointing, suspending or removing any practitioner from the Medical Staff, following the provisions of these bylaws and the Medical Staff Bylaws;
- 3.10(g) making recommendations to the CEO regarding the kinds and quality of service to be made available at the Hospital when appropriate;
- 3.10(h) Reviewing and consulting with the CEO concerning the long-range plan for the Hospital;
- 3.10(i) Overseeing of programs for continuing medical education for Medical Staff members, and appropriate inservice education programs for hospital employees, for the purpose of improving clinical and employee performance;
- 3.10(j) Acting as a liaison with the Corporation, as well as the governing bodies and management of any health care delivery organizations that are related to the Hospital, generally through the CEO and being available for consultation with the Corporation;
- 3.10(k) Ensuring systematic and effective communication with the Medical Staff, generally through the Chief of Staff, including the resolution of conflicts;
- 3.10(l) Assisting in the accreditation process, including participation in the summation conference. Assisting in maintaining compliance with current accreditation standards set by the Joint Commission on Accreditation of Health Care Organizations, in conjunction with the CEO and the Medical Staff;
- 3.10(m) Assisting the CEO in establishing medical record policies respecting composition, retention, confidentiality and other aspects of record keeping. Maintaining confidentiality with respect to the records and affairs of the Hospital, except as disclosure is authorized by the Corporation or required by law;
- 3.10(n) Protecting the economic viability of the Hospital;

- 3.10(o) In cooperation with the CEO, approving an annual operating budget; developing a long-term capital expenditure plan for at least a three (3) year period, including the year of the operating budget, and implementation of that plan;
- 3.10(p) Conducting an annual evaluation of its own activities and performance; and an annual evaluation of the CEO; and communicating same to the appropriate corporate officer;
- 3.10(q) Establishing mechanisms to assure that all patients with the same health care problem are receiving the same level of care in the Hospital;
- 3.10(r) Designating particular individuals or departments responsible for evaluating and monitoring quality of care in particular patient services. When the Hospital provides a patient care service for which there is no designated department, establishing an appropriate monitoring and evaluation process;
- 3.10(s) Performing any other functions designated listed in these bylaws but not specifically referred to in this section.

3.11 MINUTES OF MEETINGS

The Secretary or his/her designee shall keep regular minutes of Board proceedings and such minutes shall be placed in the minute book of the Board. The minutes shall be available to all members of the Board. Committees of the Board shall maintain separate minutes of their proceedings. All such minutes shall be confidential to the extent permitted by law.

3.12 PARLIAMENTARY PROCEEDINGS

All meetings will be conducted using parliamentary procedures. When there is doubt or dispute, reference will be made to the most recent edition of Roberts' Rules of Order.

ARTICLE IV
OFFICERS OF THE BOARD

4.1 OFFICERS

The officers of the Board shall be a Chairman, a Vice-Chairman and a Secretary. The Chairman and Vice-Chairman shall be appointed by Corporation (after considering recommendations of the Nominating Committee and the Board) at the annual Board meeting for a one (1) year term. The CEO shall serve as Secretary for as long as he/she holds the position of CEO. The Chairman and Vice-Chairman shall hold office until their successors are appointed.

4.2 DUTIES

4.2(a) Chairman

The Chairman shall call and preside at all regular and special meetings and shall be ex-officio, a member of all committees with voting privileges. He/She shall have such duties and responsibilities as shall be delegated to him/her by these bylaws, and by Corporation, from time to time.

4.2(b) Vice-Chairman's Duties

The Vice-Chairman shall act as Chairman in the absence of the Chairman. He/She shall perform such additional duties as may be assigned to him/her by the Chairman or the Board.

4.2(c) Secretary's Duties

The duties of the Secretary shall be to:

- (1) Act as custodian of all records and reports of the Board and be responsible for the preparation and keeping of the minutes of all meetings of the Board;
- (2) Give proper notice of all Board meetings according to the provisions of these bylaws;
- (3) Assure that an answer is rendered to all official Board correspondence; and
- (4) Perform such other duties as ordinarily pertain to the office.

4.3 VACANCIES

A vacancy in any office because of death, resignation or removal, except in the office held by the CEO, shall be filled by the Corporation for the unexpired term of such office in accordance with the provisions of Section 3.6 and 3.7.

4.4 RESIGNATION OR REMOVAL OF OFFICER

An officer may resign at any time by tendering his/her resignation in writing to the Chairman. The resignation will become effective immediately upon receipt. An officer may be removed at any time with or without cause by the Corporation or by a vote of not less than two-thirds of the whole number

of Trustees at any meeting of the Board.

ARTICLE V
COMMITTEES OF THE BOARD OF TRUSTEES

5.1 APPOINTMENT OF COMMITTEES

The Chairman of the Board after consultation with Corporation or its designee may appoint and authorize any standing or special committees as he/she deems necessary, consistent with these bylaws. The Board shall have the authority to designate ad hoc committees as it deems necessary to address specific issues. At any time such additional committee is designated, such committee shall consist of at least three (3) members of the Board including the CEO. In addition, if a quality of care issue is involved, at least one (1) member of the Medical Staff shall serve on such special committee.

5.2 CONFLICT RESOLUTION COMMITTEE

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The conflict Resolution Committee shall provide an ongoing process for managing conflict among leadership groups. Said Committee shall consist of two members of the Organized Medical Staff are selected by the Medical Executive Committee (and may not be members of the Board), two non-physician Board members who are selected by the Board Chair, and the CEO. The Committee shall meet as needed, specifically when a conflict arises that, if not managed, could adversely affect patient safety or quality of care. When such a conflict arises, the Committee shall meet with the involved parties as early as possible to resolve the conflict, gather information regarding the conflict, work the parties to manage and when possible, to resolve the conflict, and to protect the safety and quality care.

5.3 TERM OF OFFICE

Each member of a committee shall continue in office until the next annual meeting of the Board or until his/her successor is appointed, unless the committee of which he/she is a member shall be sooner terminated by the Board or until the sooner of death, resignation or removal of such member as a committee member or Trustee.

5.4 COMMITTEE MEETINGS & MINUTES

Meetings of any committee of the Board may be called by the Chairman of such committee by giving notice of such meeting, setting forth its time and place and delivered personally or by mail, facsimile, telegram or cablegram to the residence or place of business of each member at least two (2) days prior to such meeting. Unless otherwise provided in these bylaws, a majority of the members of any committee shall constitute a quorum for the transaction of business. After a quorum has been established at a committee meeting, the subsequent withdrawal of committee members present to fewer than the number required for a quorum shall not affect the validity of any action taken. The committee shall maintain written minutes that reflect business conducted by the committees. The minutes shall be available for review by the Board.

5.5 RESIGNATION OR REMOVAL OF COMMITTEE MEMBERS

A member of any committee of the Board may resign at any time by tendering his/her resignation in writing to the Chairman of the Board. Resignation as a Trustee shall also constitute resignation as a member of any committee of the Board. The Board by a majority vote may remove any member from a committee of the Board, with or without cause.

ARTICLE VI
CHIEF EXECUTIVE OFFICER

6.1 APPOINTMENT OF CHIEF EXECUTIVE OFFICER

The CEO shall be selected and employed by Corporation, after consultation with the Board, and shall be its direct executive representative in the management of the Hospital. The CEO shall have the authority to, and be held responsible for, administering the Hospital in all of its activities, subject only to such policies as may be adopted and such orders as may be issued by Corporation. He/She shall act as the authorized representative of the Board and Corporation if Corporation has not formally designated some other person for that specific purpose. Corporation, through the CEO, shall be solely responsible for the selection of key management personnel for the operation of the Hospital.

6.2 CHIEF EXECUTIVE OFFICER'S PERFORMANCE

The Board of Trustees shall provide to Corporation an annual evaluation of the CEO's performance. The evaluation shall be submitted in such form as may be designated by Corporation.

6.3 CHIEF EXECUTIVE OFFICER'S RESPONSIBILITY

The authority and duties of the CEO shall include responsibility for the following:

- 6.3(a) Carrying out all policies as established by Corporation;
- 6.3(b) Establishing, reviewing, and where appropriate, adjusting charges within the framework of policies established by Corporation;
- 6.3(c) Negotiating and finalizing professional, consultant and service contracts in accordance with corporate policy;
- 6.3(d) Developing a plan of organization of the personnel and others concerned with the operation of the Hospital, including establishing and managing such non-Medical Staff departments as necessary;
- 6.3(e) Selecting, employing, controlling and discharging employees and developing and maintaining personnel policies and practices for the Hospital;
- 6.3(f) Maintaining physical properties in a good state of repair and operating condition;
- 6.3(g) Supervising business affairs to ensure that funds are collected and expended to the best possible advantage;
- 6.3(h) Preparing capital budgets for review with the Board and approval of Corporation;
- 6.3(i) Cooperating with the Medical Staff and others concerned with the rendering of professional services, to the end that optimal achievable care may be rendered to patients, and identifying the proper mix of programs and services of the Hospital;
- 6.3(j) Presenting to the Board and Corporation, periodic reports reflecting the activities of the Hospital and the impact of new medical, legal, regulatory and community developments;

- 6.3(k) Attending all meetings of the Board and to the extent feasible committees thereof, serving as Secretary to the Board, and providing orientation for new Board members;
- 6.3(l) Serving as liaison officer and conveying all communications among Corporation, the Board, the Medical Staff, the AHP Staff and hospital personnel;
- 6.3(m) Being responsible for assuring that the Hospital is in conformity with the requirements of planning, regulatory and inspecting agencies; reviewing, advising and acting promptly upon the reports of such agencies;
- 6.3(n) With the assistance of the Board and individual Trustees as appropriate, promoting hospital functions and programs in the community;
- 6.3(o) Regularly attending recognized educational programs in hospital administration in order to remain knowledgeable about the major trends in health care, including hospital management;
- 6.3(p) Querying the National Practitioner Data Bank and reporting adverse actions to the Data Bank as required by law; and
- 6.3(q) Performing other duties as may be necessary in the best interest of the Hospital.

ARTICLE VII
CREDENTIALLED PRACTITIONERS

7.1 MEDICAL STAFF APPOINTMENTS & CLINICAL PRIVILEGES

- 7.1(a) The Board shall appoint a Medical Staff and see that they are organized into a responsible administrative unit and adopt such bylaws and rules and regulations for government of their practice in the Hospital as the Board deems to be to the greatest benefit of patients within the Hospital. In the case of the individual patients, those appointed to the Medical Staff shall have full authority and responsibility for the care of patient's subject only to such limitations as the Board may formally impose and to the bylaws and rules and regulations for the Medical Staff as adopted by the Board. The Medical Staff shall adhere to the highest ethical principles of the medical profession.
- 7.1(b) All applications for appointment to the Medical Staff shall be in writing and addressed to the CEO in such form as determined by the Hospital and more specifically described in the Medical Staff Bylaws. The application shall be complete and with required information relating to education, licensure, practice, previous hospital experience, professional liability coverage and any history relative to licensure, malpractice experience and/or hospital privileges.
- 7.1(c) At its next regular meeting after receipt of a completed application and a recommendation from the Medical Staff concerning an applicant for Medical Staff appointment, the Board shall act in the matter unless further investigation requires that action be postponed to a later meeting, as provided in the following paragraph.
- 7.1(d) At any time in its consideration of such recommendation, the Board may, in its absolute discretion, defer final determination by referring the matter to a committee of its choice for further consideration. Any such referral shall state the reasons therefor, shall set a time limit within which a subsequent recommendation to the Board shall be made, and may include a directive that an additional meeting be conducted to clarify issues which are in doubt. At its next regular meeting after receipt of such subsequent recommendation, the Board shall act in the matter.
- 7.1(e) Appointments to the Medical Staff shall not exceed two (2) years, renewable by the Board of Trustees before the end of the appointment upon formal application.
- 7.1(f) The Board shall delegate to the Medical Staff the responsibility and authority to investigate and evaluate all matters relating to Medical Staff and AHP membership status, clinical privileges and corrective action, and shall require that the Medical Staff adopt and forward to it specific written recommendations with appropriate supporting documentation that will allow the Board to take informed action. Such delegation, however, does not relieve the Board of its responsibilities in appointing members of the Medical Staff and overseeing the MEC in the appointment and delineation of functions, responsibilities and prerogatives of AHPs.
- 7.1(g) Final action on all Medical Staff matters shall be taken by the Board or the Corporation after considering the Medical Staff recommendation, except that the Board shall act on its own initiative if the Medical Staff fails to adopt and submit recommendations within the time periods required by the Medical Staff Bylaws. Board action without a staff recommendation shall be based on the same kind of documented investigation and evaluation of current ability, judgment and character as is required for Medical Staff recommendations.

- 7.1(h) The CEO shall make available to each applicant for staff membership a copy of the Medical Staff Bylaws, including the Medical Staff Rules and Regulations and Fair Hearing Plan. The applicant shall sign a statement on the application form declaring that he/she has received and reviewed those documents and that he/she specifically agrees:
- (i) to obligate himself/herself, as an appointee to the Medical Staff, to provide continuous care and supervision as needed to all hospital patients for whom he/she has responsibility;
 - (ii) to abide by all such bylaws, policies and directives of the Hospital and its Medical Staff as shall be in force during the time he/she is appointed to the Medical Staff of the Hospital; and
 - (iii) To accept committee assignments and such other duties and responsibilities as shall be assigned to him/her by the Board and the Medical Staff.

No appointment or reappointment shall take effect until such a statement has been signed by the individual concerned.

- 7.1(i) The terms and conditions of membership status and clinical privileges and the procedure to be followed in acting on same, shall be as specified in the Medical Staff Bylaws or as more specifically defined in the notice of individual appointment.
- 7.1(j) The Board shall make final decisions on all requests for corrective action, and shall otherwise participate in the corrective action process as described in the Medical Staff Bylaws.
- 7.1(k) No aspect of membership status nor specific clinical privileges shall be limited or denied to a practitioner on the basis of sex, race, creed, color, or national origin, or on the basis of any other criterion unrelated to quality patient care at the Hospital, to professional qualifications, to the hospital's purposes, needs and capabilities, or to community needs. Members of the Medical Staff who also have hospital administrative responsibilities shall be required to meet the same requirements and qualifications for membership on the Medical Staff as do practitioners who do not have an administrative relationship to the Hospital.

All administrative relationships with members of the Medical Staff and others who are not members of the Medical Staff shall be reduced to written agreement between the individual practitioner and the Hospital. These administrative relationships may be terminated by the CEO following the same procedures utilized for other hospital employees, unless the written agreement provides another method of termination. Should the written agreement provision for termination conflict with the general procedures utilized for other employees, the written agreement shall control.

7.2 MEDICAL STAFF GOVERNANCE

The Board shall adopt bylaws and rules and regulations establishing the organization and government of the Medical Staff. The bylaws and rules and regulations shall be developed by the Medical Staff, but shall be effective only upon approval by the Board and the Corporation. The power of the Board or the Corporation to adopt or amend Medical Staff Bylaws and Rules and Regulations shall be

conditioned upon the Medical Staff's failure to keep current, update or make necessary modifications to its bylaws in a manner that will allow for the maximum possible achievement of the purposes and objectives of the Medical Staff.

The Corporation retains the right to rescind any authority or procedures delegated to the Medical Staff, and to recommend amendment or replacement of the Medical Staff Bylaws as necessary for the operation of the Hospital.

The Medical Staff shall review and revise all Medical Staff Rules and Regulations, and, as applicable, departmental policies and procedures, when warranted, provided that such review shall occur at least every two (2) years. The Medical Staff shall recommend changes in such policies and procedures for approval by the Board and the Corporation.

7.3 CATEGORIES OF STAFF MEMBERSHIP

The Medical Staff shall be organized into the categories of Active Staff, Courtesy Staff, Consulting Staff, Honorary Staff, Emergency Staff and Provisional Staff. The prerogatives and responsibilities of each staff category shall be outlined in the Medical Staff Bylaws.

7.4 ALLIED HEALTH PERSONNEL (AHP)

The Board may approve specific clinical privileges for individuals who are not part of the Medical Staff, but who may render patient care services within the Hospital setting.

Each member of the AHP shall be assigned and made accountable to the appropriate clinical section of the Medical Staff, although such assignment will not constitute membership on the Medical Staff.

All applications for appointment to AHP status shall be in writing and addressed to the CEO of the Hospital on such forms as determined by the Hospital. The application shall be processed in the same manner as Medical Staff applications.

The terms and conditions of AHP status, and of the exercise of clinical privileges, shall be as specified in the appropriate section of Medical Staff Bylaws or as more specifically defined in the notice of individual appointment. AHPs shall not be entitled to the procedures set forth in the Fair Hearing Plan. They shall, however, be entitled to an appearance before a Medical Staff committee designated within the Medical Staff Bylaws, as well as a written appeal to the Board in the event of an adverse action.

ARTICLE VIII
MEDICAL CARE EVALUATION

8.1 BOARD RESPONSIBILITY FOR THE QUALITY OF PROFESSIONAL SERVICES

After considering the recommendations of the Medical Staff and the other health care professionals providing patient care services, the Board shall implement specific review and evaluation activities to assess, preserve and improve the overall quality and efficiency of patient care in the Hospital. The Board, through the CEO, shall provide whatever administrative assistance is reasonably necessary to support and facilitate activities contributing to continuous quality assessment and improvement.

8.2 MEDICAL RECORDS

In order to facilitate the Medical Staff's review and appraisal of the quality and efficiency of the medical care rendered in the Hospital, the Board will assure that the Medical Staff will have access to the services of the Medical Records Department and to any other administrative or technical assistance deemed appropriate.

8.3 PROFESSIONAL ACCOUNTABILITY TO THE BOARD

The Medical Staff and the other health care professional staffs providing patient care services shall conduct, and be accountable to the Board for conducting activities that contribute to the preservation and improvement of the quality and efficiency of patient care provided in the Hospital. These activities shall include these functions:

- 8.3(a) Providing effective mechanisms to monitor and evaluate the quality of patient care and the clinical performance of individuals with delineated clinical privileges within the Hospital;
- 8.3(b) Ongoing review, evaluation and monitoring of patient care practices through a systematic process of overall quality assessment and improvement;
- 8.3(c) Delineation of clinical privileges for Medical Staff members, commensurate with individual credentials and demonstrated ability and judgment, and assignment of patient care responsibilities to other health care professionals consistent with individual qualification and demonstrated ability;
- 8.3(d) Establishing a process designed to assure that all individuals responsible for the assessment, treatment, or care of patients are competent in the following, as appropriate to the ages of the patients served:
 - (i) the ability to obtain information and interpret information in terms of the patients' needs;
 - (ii) a knowledge of cognitive, physical and emotional growth and development in the particular age group treated; and
 - (iii) an understanding of the range of treatment needed by the patients.
- 8.3(e) Providing continuing professional education, shaped primarily by the needs identified through the review and evaluation activities;

- 8.3(f) Reviewing utilization of the hospital's resources to provide for their allocation to patients in need of them;
- 8.3(g) Reviewing the competency of care providers who are not subject to the Medical Staff privilege delineation process; and reporting to the governing body of findings with regard to such care providers; and
- 8.3(h) Such other measures as the Board may, after receiving and considering the advice of the Medical Staff, the other professional services, and the CEO, deem necessary for the preservation and improvement of the quality and efficiency of patient care.

8.4 DOCUMENTATION

The Board shall consider and act upon the findings and recommendations from the required review, evaluation, and monitoring activities. All findings and recommendations shall be in writing, signed by the persons responsible for conducting the review activities, and supported and accompanied by documentation upon which the Board can take informed action.

ARTICLE IX
INDEMNIFICATION

Each member of the Board now or hereafter serving as such, shall be indemnified by Corporation against any and all claims and liabilities to which he/she has or shall become subject by reason of serving or having served as such Trustee, or by reason of any action alleged to have been taken, omitted, or neglected by him/her as such Trustee; and Corporation shall reimburse each such person for all legal expenses reasonably incurred by him/her in connection with any such claim or liability, provided, however, that no such person shall be indemnified against, or be reimbursed for any expense incurred in connection with any claim or liability arising out of his/her own willful misconduct, bad faith, malice or gross dereliction of duty.

ARTICLE X
REVIEW, AMENDMENT & REPLACEMENT

These bylaws shall be reviewed by the Board and Corporation as needed, but at least every two (2) years, and shall be dated to indicate the time of the last review.

These bylaws may be amended by affirmative vote of two-thirds majority of the members of the Board, providing a full presentation of such proposed amendment shall have been published in the notice of meeting, and provided the amendments are approved in writing by Corporation. Corporation reserves the right to amend or replace these bylaws as necessary for the operation of the Hospital in the event of a change in circumstances or emergency so dictating. Corporation thereafter promptly will consult with the Board on permanent amendments to these bylaws (if any) necessary to meet the change of conditions, policy, or continuing emergency.

ARTICLE XI
ADOPTION & EXECUTION

These Bylaws shall not be effective until they have been approved by the Corporation and the Board. The signatures set forth below signify that the foregoing Bylaws are the duly adopted Board of Trustees Bylaws of the Hospital.

APPROVED:

The Orthopaedic Hospital of Lutheran Health Network
BOARD OF TRUSTEES:

By: _____
Chairman of the Board

_____ Date