

Northern Apache County Special Health Care District

Bylaws



Northern Apache County
Special Health Care District

July 1, 2013
Amended: June 19, 2014
Amended: September 6, 2017
Amended: September 4, 2019



Northern Apache County Special Health Care District

PO Box 370 ▪ St Michaels, AZ 86511 ▪ (928) 810-3800 P ▪ (928) 810-3811 F

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ARTICLE I DISTRICT NAME

The Northern Apache County Special Health Care District (District) shall be governed by a five member Board of Directors, which shall also serve and be known as the Board of Directors of the District.

ARTICLE II AUTHORITY TO OPERATE

The District shall operate at all times in accordance with applicable federal and state laws and regulatory authority, including A.R.S. § 48-5501, *et. seq.* as amended from time to time. It shall function in a manner that is consistent with the Mission, Vision, and Values of the District.

ARTICLE III DEFINITIONS

BOARD: Refers to the Board of Directors of the Northern Apache County Special Health Care District.

CHAIR: Refers to the Chairperson of the Board of Directors.

CHIEF EXECUTIVE OFFICER (CEO): Refers to the CEO of NACSHCD.

COUNTY: Refers to Apache County.

DIRECTOR: Refers to a duly-elected and/or appointed member of the Board of Directors of the District.

DISTRICT: Refers to the Northern Apache County Special Health Care District.

MEDICAL DIRECTOR: A member of the Medical Staff who fulfills the duties of Directorship as set forth in applicable Medical Staff documents, and may be subject to Board confirmation.

MEDICAL STAFF: Refers to the physicians, nurse practitioners, and physician assistants who have been appointed by the CEO and Medical Director.



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ARTICLE IV

OFFICE

The official office of the District and its Board of Directors is at the Saint Michaels Clinic, 359A West Highway 264, Post Office Box 370, Saint Michaels, AZ 2601 86511.

ARTICLE V

BOARD OF DIRECTORS

Section 1. General Powers and Duties

The policy making powers of the District shall be vested in the Board of Directors who shall act as the governing body of the District and have charge, control and governance of the property, personnel, affairs and funds of the entities owned or operated by the District, and who shall have the power and authority to do and perform all acts and functions not inconsistent with the statutes governing the District, any other provisions of these Bylaws, or applicable law.

The Board of Directors shall review reports and recommendations from the CEO and Medical Director regarding appointments, reappointments, and renewal/modification of clinical privileges for the District's Medical staff and make decisions if any thereon, at its next scheduled meeting, consistent with applicable law, accreditation authorities, and the Medical Staff documents.

The Board shall exercise all of its rights, powers, oversight and perform all of its duties including oversight corporately (that is, as a body) or by delegation approved by the Board or by delegation expressly set forth in these Bylaws. Therefore, except as expressly provided by these Bylaws or applicable law, or as specifically delegated by the Board in open meeting, no individual Board member shall exercise any rights or power of oversight of the District administration or power of oversight of the Board or perform any duties of the Board.

An individual Board Member shall have the right to request information or documents or both, concerning the business of the District, from the Chair or CEO. When a Board member makes a request for information or documents or both, concerning the business of the District, from the Chair or CEO, the Chair or CEO shall communicate such request to all other Board Members so that they may join in the request if so desired. The information or documents responsive to such request shall be provided to the requesting Board Member and all such documents or information shall be provided to every other Board Member who makes a request for them. When acting in his or her official capacity, no Board Member shall make a request for information or documents, concerning the business of the District, except as provided in this policy.



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Section 2. Other Powers, Duties and Responsibilities

A. Finance, Audit and Compliance

1. In accordance with District's Financial Policies and Procedures, the Board shall:
 - a. Monitor the integrity of the financial statements of the District as they meet applicable reporting requirements, i.e. generally accepted accounting principles (GAAP).
 - b. Monitor the independence and performance of the District's internal and external auditors and compliance system.
 - c. Monitor the preparation of capital plans, budgets, and any related documents that reflect the District's financial position.
 - d. Review with management and approve the parameters for establishing the formal budgets for each fiscal year, such budgets to include at the very least, detailed income and expense budgets, capital expenditure budget, cash flow budget, personnel budget and position control; special projects; cost analyses; and, tax requirements.
 - e. Work with management, and approve the capital structure and long-range capital financing needs of the District.
 - f. For each fiscal year, review with management and approve all plans related to funds necessary for care for uninsured and underinsured. This shall include a review of all policies relative to eligibility for programs, arrangements with sponsoring agencies, other sources of funds, and all policies related to adjustments from gross income.
2. Establish, with management, key financial ratios and operating indicators to discern trends and potential implications.
3. Review and approve proposed changes in rate structures, rates for patient services or contractual agreements and/or changes in expenses, which affect the financial goals and objectives of the District.
4. Monitor and approve the costs of all construction projects and construction contracts for new or on existing facilities.
5. Obtain a report and monitor insurance and non-clinical risk management programs at least annually.
6. Review on a quarterly basis, the activities, quality and effectiveness of the financial auditor's report, to ensure that management appropriately addresses all compliance recommendations and that ethical guidelines are followed.

B. Quality

1. Provide oversight and review of quality practices within the District.
2. Engage in continuous efforts to ensure the provision of safe, quality health care services through the review of professional practices, training and experience, conduct of licensed health care providers and encourage proper utilization of health care facilities.



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3. Review relevant quality assurance, peer review, and clinical risk information from Medical Staff, clinical departments and committees.
4. All activities shall be conducted consistent with applicable law, including applicable provisions regarding immunity, confidentiality and privilege, such as, A.R.S. § 36-441 *et. seq.*, 36-445 *et. seq.*, 36-2401 *et. seq.*, and 36-2917 *et. seq.*

C. Strategic Planning

1. Review and approve the District's strategic plan.
2. Provide oversight of development and evaluation of plans for information technology, facilities plans, programmatic plans, marketing strategies and internal or external communication plans pursuant to approved annual operating budget based on county distribution of tax levy monies.
3. Review the District's mission and vision statements and approve any necessary revision or changes.
4. Provide oversight of the process for evaluating the effectiveness of the District in meeting its mission and addressing the identified health care needs based on reported disparities within the service area.
5. Concurrent with the District's Financial Management Policies and Procedures, the Board shall
 - a. Annually review the proposed operating and financial goals and objectives in relation to the strategic plan.
 - b. Ensure the strategic plan is in concert with the organization's capital plan.
 - c. Provide oversight of available needs analysis conducted in relation to the strategic plan.

Section 3. Annual Report

Pursuant to A.R.S. § 48-251, the Board of Directors shall submit an annual report to the Clerk of the Board of Supervisors of Apache County. The District is required to have the annual report audited in accordance with A.R.S. § 48-253.

Section 4. Number, Election

The Board of Directors shall consist of five (5) members, which may be from the five Northern Apache County supervisorial districts, all of whom shall have been qualified consistent with A.R.S. § 48-5501 *et. seq.*, as amended from time to time.



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Section 5. Eligibility

Pursuant to the provisions of A.R.S. § 48-5501 *et. seq.*, as amended from time to time, to be eligible to serve on the Board of Directors, a person must be qualified to represent the district in which they reside.

Section 6. Terms

The term of office for a Board of Director is established in A.R.S. 48-5503 and is four years.

Section 7. Vacancies

Vacancies occurring other than by expiration of term shall be filled by a majority vote of the remaining members of the Board of Directors in accordance with applicable law and pursuant to Board approval at a duly called Board meeting.

Section 8. Compensation

Members of the Board of Directors shall serve **without compensation**; however, each member is allowed:

- A. Necessary travel and incidental expenses actually incurred in performing official business in accordance with the District's Financial Management Policies and Procedures.
- B. Per Diem when away from the District on official business of the District. The per diem amount shall be determined in accordance with A.R.S. § 48-5505 and A.R.S. § 38-621 through A.R.S. § 38-627, as amended from time to time and in accordance with District Financial Management Policies and Procedures.
- C. Per Diem, when attending meetings of the Board of Directors, may not exceed the amount prescribed by A.R.S. § 48-5505, as amended from time to time and in accordance with District Financial Management Policies and Procedures.

Section 9. Removal from Office

Board Members may be removed from office for any basis that is provided for or permitted under Arizona law, including but not limited to A.R.S. § 12-2041, 38-291 or 38-341 *et. seq.* as amended from time to time or three (3) consecutive absences to Regular monthly meetings, may result in removal of a Board member by a vote of the majority Board of Directors.



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ARTICLE VI **OFFICERS**

Section 1. Officers

The Board of Directors shall elect a Chair and a Vice-Chair from its members. In addition, the Board may appoint a Clerk, who shall not be a member of Management and who is to be paid a staff salary and supported through the annual budget. The Board may also appoint such other officers as the Board may authorize and which are permitted by law.

Section 2. Election

Within thirty days after an election creating the District, the Board of Directors shall meet and organize by electing a Chair and Vice-Chair; such officers shall serve until June 30 following their election as officers. Thereafter, at the first regular meeting of the Board of Directors in June of each year, the Board of Directors shall elect its officers, all of whom shall serve a term of two years, beginning on July 1st following their election as officers and ending on June 30. An election of officers shall be held at the meeting at which this Bylaw is adopted, or if necessary to satisfy the open meeting law, at the first meeting (regular or special) of the Board of Directors following the adoption of this Bylaw. The term of office of any officers serving when this Bylaw is adopted shall end immediately upon the election of such new officers and such new officers shall serve until the next June 30. If a vacancy occurs in the office of Chair or Vice-Chair following an election of the Board of Directors, the Board of Directors shall meet no later than 30 days after the general election and at such meeting shall elect an officer to fill the vacancy, and such officer shall serve until the next June 30. All officers shall holdover until their successors are elected.

Section 3. Duties of Chair

There shall be a Chair of the Board of Directors who shall, in general, supervise and direct all of the business and affairs of the Board of Directors. Meetings of the Board of Directors are convened by the Chair, and the Chair shall preside at all meetings. The Chair may sign, with the CEO or any other proper officer authorized by the Board of Directors, any deeds, mortgages, bonds, agreements, contracts, or other documents or instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by Board of Directors' policies, or by these Bylaws, or by statute, to some other officer or agent of the District; and, in general, the Chair shall perform all duties incident to the office of the Chair and such other duties as may be prescribed by the Board of Directors from time-to-time.



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Section 4. Duties of Vice-Chair

In the absence of the Chair, or in the event of the Chair's disqualification, recusal or inability to act, the Vice-Chair shall perform the duties of the Chair, and, when so acting, shall have all the same powers and be subject to all the limits of the Chair. The Vice-Chair shall perform such other duties as, from time-to-time, may be assigned to her/him by the Chair or the Board of Directors.

Section 5. Clerk of the Board

The Clerk of the Board shall keep and certify minutes of the Board of Directors; prepare such reports or documents as may be requested by the Board of Directors; give all notices in accordance with these Bylaws or as required by law; coordinate Board orientation/continuing education and development; review and make recommendation to the Board of Directors on the budget; and, be custodian of the all Board's records.

ARTICLE VII **MEETINGS OF THE BOARD**

Section 1. Annual Meeting

The regular meeting of the Board of Directors in June shall be known as the District Annual Meeting.

Section 2. Regular Meeting

The Board of Directors shall hold monthly regular meetings until such time deemed necessary and revert to quarterly meetings.

Section 3. Special Meetings

Special Meetings of the Board of Directors may be held in a manner that is consistent with the Arizona Open Meeting Law, A.R.S. § 38-431 *et. seq.* as amended from time to time. Absent good cause, under no circumstance shall a Director request to be present telephonically for Special Meetings.

Section 4. Emergency Meetings

Emergency Meetings of the Board of Directors may be held in a manner that is consistent with the Arizona Open Meeting Law, A.R.S. § 38-431 *et. seq.* as amended from time to time.



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Section 5. Place of Meetings

All meetings of the Board of Directors shall be at the Saint Michaels or Sanders Clinic, unless otherwise specified, with proper notice to the Board, and the public.

Section 6. Quorum/Voting

A majority of the Board of Directors (three Board members) shall constitute a quorum for the transaction of business at any meeting of the Board. A concurrence of a majority of the Directors present and voting in person, or by telephonic communication, is necessary for official action. There shall be no vote by proxy. If at any meeting a quorum is not present, the meeting cannot be called to order and will be rescheduled until such date and hour as a quorum may be had or continue as a work session if needed.

Section 7. Order of Business

The order of business at any meeting of the Board of Directors shall be in accordance with the agenda for such meeting. The Clerk or designee of the Board prepares and reviews with the Chair and the CEO, the agenda of all meetings of the Board of Directors.

The following shall have the right to place an item on the agenda of any scheduled meeting of the Board of Directors: the Chair, the CEO, or any Board member, except that the Chair shall have the right to reject an item placed on the agenda. If the Chair rejects an item placed on the agenda by a single Board member, two Board members acting together shall have the right to override the Chair's rejection and place the item on the agenda of the next scheduled meeting, despite the Chair's rejection.

Section 8. Minutes of Meetings

The minutes of the Board meetings, including discussions and actions taken by the Board, shall be maintained by District Management. Meeting minutes and supporting documentation shall be made available for public inspection three working days after the meeting.

Section 9. Open Meetings

The Board of Directors, shall comply with all applicable provisions of A.R.S. § 38-431 *et seq.*, as amended from time to time, Arizona Open Meeting Law.



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Section 10. Executive Session

The Board of Directors, may call an Executive Session to discuss such matters as permitted under the applicable provisions of Arizona law, including but not limited to the Arizona Open Meeting Law A.R.S. § 38-431 *et. seq.*, as amended from time to time.

ARTICLE VIII **SPECIAL OR ADVISORY COMMITTEES**

Section 1. Special or Advisory Committees

By a majority vote of the Board of Directors at any meeting, open to the public, where a quorum is present, the Board may appoint special or advisory committees for such purposes as the Board directs. Such special or advisory committees shall limit their activities to the purposes for which they are impaneled and be limited in time to the task for which they are appointed. Special or advisory committees shall have only those powers as specifically conferred in writing upon them by the Board of Directors and shall report to the Board of Directors. The continuation of any special or advisory committee shall be disbanded upon the completion of its work.

Section 2. Special or Advisory Committee Membership

Unless otherwise expressly provided herein, members of a special or advisory committee shall be appointed by the Board of Directors. The Chair and Vice-Chair of a special or advisory committee, may be members of the Board of Directors. When the Chair of the special or advisory committee is not a member of the Board of Directors, the Board may appoint the Chair of the special or advisory committee. The Board of Directors may involve citizens of Northern Apache County as members to serve on a special committee who can contribute their expertise or value for the benefit of the District. In the event the Chair of a special or advisory committee shall be absent from a scheduled meeting, the Vice-Chair shall act as chair for that meeting.

Section 3. Term of Office

Members of a special or advisory committee shall serve for the term of the committee or at the will of the Board of Directors.

Section 4. Expenditures

Any expenditure of District funds by a special or advisory committee shall require prior approval of the Board of Directors, either in the annual operating budget or specific request. A special committee may make recommendations, but shall not make policy and shall not be authorized to commit expenditure of funds without prior approval of the Board of Directors.



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Section 5. Preservation of Confidential Information

Board adopted policies, federal and state laws and regulations regarding the protection of confidential, privileged or proprietary information shall apply to any and all special or advisory committees and their members, both during committee service and thereafter.

Section 6. Minutes and Report

A special or advisory committee shall record and maintain minutes of its meetings and shall report its activities to the Board of Directors as directed by the Board. A special or advisory committee shall also report to the Board of Directors on any matters requested by the Board. Official minutes, and all supporting documents related thereto, of a special or advisory committee, shall be maintained by Management.

Section 7. Quorum

Unless expressly provided otherwise by committee charter, the majority of the voting members of a special or advisory committee shall constitute a quorum, and in every case, the affirmative vote of a majority of the voting members of the committee present at each meeting in which there is a quorum shall be necessary for the passage of any action. Any action taken must be filed with the minutes of the special or advisory committee presented to the Board of Directors.

ARTICLE IX **FISCAL YEAR**

The fiscal year of the District shall commence on the first day of July of each year, and end on the thirtieth (30) day of June the following year.

ARTICLE X **BOOKS, DEPOSITORIES, BONDS, AUDITS**

Section 1. Books and Records

In accordance with the Board of Directors Financial Management Policies and Procedures, the District shall keep correct and complete books of account and shall also keep records of the actions of the District. Such records shall be open to inspection by the Board of Directors at any reasonable time during normal business hours, and shall be open to the public to the extent they are permitted under Arizona law.



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Section 2. Depositories

All funds of the District shall be deposited from time-to-time to the credit of the District with the District's Management or as otherwise permitted by Arizona law. Funds may be withdrawn only by individuals authorized, as specified in the District's Financial Management Policies and Procedures or as permitted by law and only for lawful purposes.

Section 3. Audit

In accordance with Board of Directors Annual Audit Policy and Selection of Auditors Policy, the books and records of account of the District shall be audited annually by certified public accountants, authorized to audit public entities in the State of Arizona, who have been selected by the Board of Directors.

ARTICLE XI **CHIEF EXECUTIVE OFFICER (CEO) OF NACSHCD**

Section 1. CEO Appointment

The Board of Directors shall be authorized to appoint and remove a CEO who shall be the District's direct executive representative in the management of all District entities. In the event of a vacancy in the office of CEO for any reason, the District's Medical Director shall act as temporary CEO, performing the duties and exercising the rights of the CEO, until the Board of Directors appoints another CEO to fill the vacancy or designates another individual to act as temporary CEO pending the appointment of a permanent CEO to fill the vacancy.

Section 2. CEO Performance

The CEO shall be solely responsible to the Board of Directors for the proper performance of the duties of the Office of CEO, and shall hold office at the will of said Board, subject to any written contract.

Section 3. Enforcement Duties

The CEO is responsible for the enforcement of all NACSHCD bylaws, rules and regulations, polices, and other controlling documents for the proper conduct and operation of the District and NACSHCD, which have been promulgated or approved by the Board of Directors, and until such have been promulgated, the CEO shall have the authority to make and enforce all necessary rules, regulations, and policies for the proper conduct and operation of the District and NACSHCD. In



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all cases of dispute in authority or uncertainty as to the meaning of NACSHCD bylaws, policies, or rules and regulations, the decision of the CEO shall be accepted until a ruling shall have been rendered by the Board of Directors.

Section 4. CEO Duties and Responsibilities

Subject to these Bylaws, Board of Director's policies and other controlling documents and directives, the CEO shall:

- A.** Have the necessary authority to manage and direct all the business and affairs of the District and any District entity.
- B.** Act as the duly authorized representative of the Board of Directors in all matters in which the Board has not formally designated any other person to act.
- C.** In accordance with the District's Procurement Policies and Procedures, sign contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors, expressly reserved to the Board of Directors, or shall be required by law to be otherwise signed or executed.
- D.** Act for and on behalf of the Board of Directors with reference to Medical Staff appointments, reappointments, and privileges when the Board of Directors is unable to do so due to a lack of a quorum, and submit such actions to the Board of Directors at its next scheduled meeting for appropriate acknowledgement, including ratification.
- E.** In the event of a declared national or state disaster, grant disaster privileges to qualified health care professionals in a manner that is consistent with Medical Staff Practices.
- F.** Consistent with the Medical Staff documents, such as the Credentials Policy, terminate temporary clinical privileges of any health care professional.
- G.** Serve as the official channel of communications and liaison between the Board of Directors and all staff.
- H.** Have the authority to appoint special advisory groups to provide input, advice and guidance to the CEO on any matter identified by the CEO or the Board of Directors. If and where applicable, the CEO shall consult with the Medical Director relative to such appointments.
- I.** Establish a plan of organization of personnel and others concerned with the operation of the District and shall directly, or through delegation, select, employ, control and discharge all



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personnel authorized by the budget and position control, subject to applicable rules of the merit system.

- J.** Devise a succession of Delegation of Authority with the District Management staff to act on behalf of the CEO during periods of her/his planned absence from the District or in emergent situations.
- K.** Attend all meetings of the Board of Directors.
- L.** Represent the District at county, local, Tribal, state, and national agencies and organizations, and meetings in the community.
- M.** Perform all applicable duties prescribed by the District enabling legislation, federal and state laws and regulations, and standards of accrediting bodies.
- N.** Conserve the physical and financial assets of the District and maintain the financial integrity.
- O.** Perform all duties incident (official Position Description) to the Office of the CEO and such other duties as may be prescribed by the Board of Directors from time-to-time.
- P.** Avoid any actions or activities that violate any laws, regulations, Board Bylaws or policies, NACSHCD policies, or other controlling documents, or which places the organization in a vulnerable position or at significant financial risk.

ARTICLE XII **MEDICAL STAFF**

Section 1. Organization, Appointments, Hearings

- A.** The Board of Directors shall organize the physicians, other duly authorized professional and clinical practitioners granted practice privileges in the District's clinics into a Medical Staff under the District Policies and Procedures as approved by the Board of Directors, which shall not be in conflict with these Bylaws or other controlling documents of the District. Each member of the Medical Staff shall have appropriate authority and responsibility for the care of her/his patients, subject to such limitations as are contained in applicable state and federal licensing laws and regulations, these Bylaws and in District Policies and Procedures, and subject, further, to any limitations attached to such member's appointment.
- B.** No physician or other professional and clinical practitioner shall be permitted to practice in a District clinic or to treat, consult or attend any patient in a District clinic who is not a member



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of the Medical Staff, unless otherwise specifically permitted by these Bylaws or by provisions of the District Policies and Procedures.

- C.** All applications for appointment to the Medical Staff shall be in writing on prescribed forms designated by the District, and shall be presented to the Medical Director and CEO. They shall contain full information, including but not limited to the applicant's education, licensure, practice, previous experience, past and current health status, professional liability history, privileges desired, any unfavorable history with regard to licensure and hospital privileges. It shall also signify the applicant's agreement to abide by these Bylaws, and the policies of the Board of Directors. Appointments to the Medical Staff by the CEO or Board of Directors shall confer on the appointee only such privileges as granted in accordance with the action of the Board of Directors and as provided by these Bylaws and the District Policies and Procedures.
- D.** Unless expressly permitted otherwise by these Bylaws, all appointments to the Medical Staff shall be made by the CEO with approved acknowledgement by the Board of Directors, and shall be for a period as specified in the District Policies and Procedures for the applicable staff category.
- E.** The Board of Directors reserves the right to cancel an appointment previously made or to refuse to renew an appointment to the Medical Staff in a manner consistent with the District Policies and Procedures. Except as set forth in ARTICLE XII, Section 2, when an appointment is not to be made or renewed, or when privileges have been, or are proposed to be, reduced, suspended, or terminated, the Medical Staff member shall be afforded the opportunity of a hearing in accordance with the District Policies and Procedures.
- F.** With reference to medical staff appointments and credentialing, the CEO shall have the authority to act for and on behalf of the Board of Directors with reference to Medical Staff appointments, reappointments, and privileges when the Board of Directors is unable to do so due to a lack of a quorum, and submit such actions to the Board of Directors at its next scheduled meeting for ratification.
- G.** When a physician or other professional and clinical practitioner employed or contracted by the District is required to maintain membership in the Medical Staff as a condition of employment or engagement by the District, termination of such practitioner's privileges shall be effective on such date as such practitioner ceases to perform the duties for which engaged by the District.
- H.** While the Board has the final decision regarding the appointment, reappointment or termination of appointment, or the granting or curtailment of clinical privileges to the Medical Staff, when the Board of Directors does not concur with a Medical Staff



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recommendation relative to Medical Staff appointment, reappointment or termination of appointment, or the granting or curtailment of clinical privileges, the Board will comply with the due process and fair hearing provisions in the District Policies and Procedures, relating thereto.

- I. Neither the Board of Directors nor the Medical Staff may unilaterally amend the District Policies and Procedures. The Bylaws and District Policies and Procedures of the Medical Staff shall be reviewed by the Medical Staff no less than annually, and any changes proposed shall be acted upon by the Board of Directors within sixty (60) days of submission.

Section 2. Practitioners Employed By or Under Contract with NACSHCD

- A. The Board of Directors shall have the authority to authorize its CEO, to enter into contracts or employment relationships with practitioners for the performance of health care provider and professional services including certain physician-administrative services.
- B. If a question concerning clinical competence arises that may affect the practitioner's staff appointment or clinical privileges during the term of the contract or employment, that question shall be processed in the same manner as would pertain to any Medical Staff appointee holding clinical privileges. If a modification of privileges or appointment resulting from such action is sufficient to prevent the practitioner from performing her/his duties, the contract shall automatically terminate.
- C. Clinical privileges or staff appointment granted to practitioners employed by or under contract with the District shall be valid only during the term of the contract or employment. In the event that the contract or employment expires or is terminated, the clinical privileges and appointment shall automatically expire at the time the contract or employment expires or terminates. This expiration of clinical privileges and appointment or the termination or expiration of the contract or employment, shall not entitle the practitioner to any hearing or appeal, unless there is a specific provision to the contrary in the contract or employment agreement. In the event that only a portion of the practitioner's clinical privileges are covered by the contract or employment, only that portion shall be affected by the expiration or termination of the contract or employment.
- D. Specific contractual or employment terms shall in all cases be controlling in the event of an actual or apparent conflict with the provisions of the Bylaws.

Section 3. Medical Care and Its Evaluation

The Medical Staff shall be responsible to the Board of Directors for the quality of medical care in the District.



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- A. The Medical Staff shall conduct continuing review and appraisal of the quality and safety of professional care in the District, devise and implement corrective actions, and shall report such activities to the CEO and Board of Directors.
- B. The Medical Staff shall conform its practices, as individual members of the Medical Staff, to meet the standards of regulatory and accrediting agencies, federal and state laws and regulations.
- C. The Medical Staff shall make recommendations to the Board of Directors through the CEO, concerning:
 - 1. Appointments and alterations of staff status
 - 2. Granting of clinical privileges
 - 3. Disciplinary actions
 - 4. Such matters as may be referred to it by the Board of Directors or CEO
 - 5. Where authorized pursuant to these Bylaws or District Policies and Procedures.
- D. The Medical Staff may make recommendations to the Board of Directors, regarding any matter not referenced in Section 3.

Section 4. Conflict Resolution

Resolution of conflict and the adjudication of any disciplinary matter relating to the Medical Staff, or any member thereof, shall be conducted consistent with District Policies and Procedures.

Section 5. Representation at Meetings of Board of Directors

The Medical Director shall attend the meetings of the Board of Directors to report on the activities of the Medical Staff.

ARTICLE XIII **BOARD COUNSEL**

The Board of Directors may retain competent legal counsel as it deems necessary for the proper guidance of the District. Such counsel shall not be an elected member of the Board of Directors nor have any conflict of interest. Only the Board may select, employ, evaluate and discharge the Board counsel.



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ARTICLE XIV **PHILANTHROPIC FOUNDATIONS**

The Board of Directors may authorize the creation and operation of philanthropic support of organizations or foundations, whose purpose is consistent with and in furtherance of the District's mission and is dedicated to health care and District related activities, in which the District has a significant voice in policy and/or management. Such organizations must qualify as (1) exempt organizations under 501(c)(3) of the Internal Revenue Code of 1954, as amended, (2) non-private foundations by virtue of and as defined by Sections 509(a)(1) or (2) of the Internal Revenue Code of 1954, as amended or the corresponding provision of any applicable state or federal law, or (3) as an Arizona not-for-profit corporation. The Articles of Incorporation and Bylaws of any such corporation shall be approved by the Board of Directors of the District. Any such organization shall make a quarterly report and such other reports as may be requested to the Board of Directors.

ARTICLE XV **NON-DISCRIMINATION CLAUSE**

No discrimination shall be exercised by the Board of Directors or by any person subject to its jurisdiction against or in favor of any person because of race, color, national origin, religion, disability, sexual orientation or age in the admission, treatment, or participation in any of its health care programs, services and activities, any employment matters, or any person doing business with the District, pursuant to federal, state or local laws, including without limitation A.R.S. § 48-5541.01.

ARTICLE XVI **CONFLICTS OF INTEREST**

Each member of the Board of Directors, its officers or members of any special or advisory committee, shall comply with all federal and state conflict of interest laws, including but not limited to the provisions of A.R.S. § 38-501 *et. seq.* and NACSHCD's Code of Conduct and Ethics. In addition, any such person who has such a conflict of interest shall make such conflict known on the records and in the minutes of the Board and shall refrain from voting upon or participating in any such matter. If, at any time, a Director, officer or committee member develops a potential conflict of interest, such potential conflict shall be disclosed in accordance with the NACSHCD Code of Conduct and Ethics.



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ARTICLE XVII **PATIENTS' RIGHTS, ORGANIZATIONAL ETHICS AND COMPLIANCE**

The Board of Directors shall adopt and maintain polices on Patients' Rights and Code of Conduct and Ethics for the District in recognition of its responsibilities to its patients (and the patient's health care decision-maker), staff, physicians, and the community it serves.

The Board shall respect patient confidentiality, including confidentiality of privacy and security (including patient's rights to access to protective services). The Board of Directors shall also adopt and maintain a policy on Compliance to guide District business practices in a lawful and ethical manner.

It is also the responsibility of the Board of Directors and District Management, medical staff, contractors, volunteers and employees to provide services and conduct their activities in a manner consistent with the District mission statement and policies, its policy regarding Patient Rights and Organizational Ethics and the confidentiality coverage under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)–Privacy Rule its compliance program and standards of conduct.

ARTICLE XVIII **INDEMNIFICATION**

Section 1. Indemnification

Each person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, administrative or investigative and whether formal or informal (hereinafter, a "proceeding"), by reason that she/he is or was a Director, officer, employee, volunteer or agent of the District, or is or was serving at the request of the District as a director, officer, employee or agent where the basis of such proceeding is alleged action in an official capacity as a Director, officer, employee or agent within the scope of conduct, shall be indemnified, defended, and held harmless by the District to the fullest extent authorized by Arizona law, as the same exists or may hereafter be amended against all expense, liability and loss (including reasonable attorneys' fees, judgments, fines, excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to serve in the capacity that initially entitled such person to indemnification hereunder and shall inure to the benefit of his heirs, executors and administrators; provided, however, that the District shall indemnify, defend, and hold harmless any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person, only if such proceeding (or part thereof) was authorized by the Board.



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The right to indemnification conferred in this Section 1 shall be a contract right and shall include the right to be paid or reimbursed by the District the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that if the law so requires, the payment of expenses incurred by a Director, officer, employee or agent in his/her capacity as such in advance of the final disposition of a proceeding shall be made only upon delivery to the District of an undertaking, together with security reasonably acceptable to the District by or on behalf of such person, to repay all amounts so advanced if it shall ultimately be determined that such person is not entitled to be indemnified under this Section or otherwise.

Section 2. Non-exclusively of Rights

The right to indemnification and the advancement and payment of expenses conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any law (common or statutory), the enabling legislation, these Bylaws or any agreement, and should be read as being in addition to and in excess of any available insurance held by the District.

Section 3. Insurance

The District shall maintain insurance, at its expense and in reasonably sufficient amounts to protect itself and any person who is or was serving as a Director, officer, employee, volunteer, or agent of the District or is or was serving at the request of the District against any liability asserted against and incurred by that person in such District capacity, or arising out of his/her status as such, and who was acting in furtherance of District business.

Section 4. Savings Clause

If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the District shall nevertheless indemnify, defend and hold harmless each Director, officer, employee, volunteer, or agent of the District, as to cost, charges, and expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, administrative or investigative to the full extent permitted by any applicable portion of this Article and these Bylaws that shall not have been invalidated and to the full extent permitted by applicable law.

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ARTICLE XIX **MISCELLANEOUS**

Section 1. Patients' Right and Grievance

The Board of Directors pursuant to 42 C.F.R. § 482.13(a) (2) Conditions of Participation: Patients' Rights, delegates its responsibility for the effective operation of the grievance process, conflict resolution process or grievances to the District's Management.

Section 2. Contracts

Only the Board of Directors or the CEO or others expressly authorized and delegated such authority by the Board of Directors as defined by the District's Financial Management and Procurement Policies and Procedures, may enter into any contractual arrangement or execute any instrument in the name of and on behalf of the District for any approved budget line items.

Section 3. Checks, Drafts, Credit Cards, Etc.

All checks, drafts, credit cards or other orders for the payment of money, and all notes or other evidences of indebtedness issued in the name of the District, shall be signed by those individuals authorized by the Board of Directors and in such manner as expressly permitted by the Board of Directors and as specifically defined in the District's Financial Management and Procurement Policies and Procedures.

Section 4. Gifts

The Board of Directors may accept on behalf of the District any contribution, gift, bequest, or devise for and consistent with the general purposes, or for and consistent with any specific purposes of the District pursuant to A.R.S. § 48-5541

Section 5. Loans

No loan, guaranty, or other form of security shall ever be made to, or provided by, the District for the benefit of any of its Directors, officers, employees, or agents. If the members of the Board of Directors vote or assent to such actions, those members assenting to or participating in such action shall be held, jointly and severally, and personally liable to the District for the amount of such action and all costs and expenses related thereto.

Section 6. Annual Report

The CEO shall cause an annual report to be submitted to the Board of Directors.



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Section 7. Notice

- A. Effective Date:** Any notice required or permitted to be given pursuant to the provisions of the enabling legislation, these Bylaws, other controlling documents, or applicable law, shall be in writing, shall be sufficient and effective as of the date personally delivered or if sent by mail, on the date deposited with the United States Postal Service, prepaid and addressed to the recipient at the recipient's last known address as shown in the records of the District.
- B. Waiver of Notice:** Whenever any notice is required as stated in Section 9.A. above, a waiver thereof in writing signed by the persons entitled to such notice whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. The attendance of a member of the Board of Directors at any meeting shall constitute a waiver of notice of such meeting, except where a member attends a meeting for the purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE XX **RULES OF ORDER**

All meetings of the Board of Directors and its committees shall be conducted in accordance with the most recent edition of Robert's Rules of Order, unless there is a conflict with the open meeting laws.

ARTICLE XXI **AMENDMENTS**

These Bylaws may be amended by an affirmative vote of a super majority of eighty percent (80%) of the voting members of the Board of Directors. A full statement of a proposed amendment shall be submitted to the Board of Directors at least two weeks prior to the meeting at which the proposed amendment is scheduled to be voted upon. The Bylaws shall be reviewed at least annually and amendments to the Bylaws may be proposed by any member of the Board of Directors, the CEO, or District's legal counsel.

ARTICLE XXII **DISSOLUTION AND DISPOSITION OF ASSETS**

Dissolution of this District shall be in accordance with and subject to the provisions of A.R.S. § 48-5507 and of any other jurisdictions in which the District is doing business or which regulates the affairs, conduct and management of this District.



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Amendment approved by the Board of Directors on this 4th day of September, 2019.

By: _____

Chair-NACSHCD Board of Directors

Date