

**BOARD OF TRUSTEES MEETING MINUTES  
SEPTEMBER 16, 2020**

**Members present via Zoom:** Cindy Yulich (Chair), Larry McElwain (Vice-Chair), Bob Moody (Treasurer), Beth Llewellyn (Secretary), Tom Sloan, Pat Miller, Jim Brooke, Dr. Marc Scarbrough, Rob Chestnut, Dr. Lee Reussner, Dr. Jim Mandigo, Russ Johnson, Sheryle D’Amico, Traci Hoopingarner, Janette Kirkpatrick, Deb Cartwright, Brian Bradfield, Colleen Browne, Michael Williams, Rebecca Smith, Jared Abel and Andy Ramirez (Hospital Counsel)

**Other attendees via Zoom:** Danae Johnson, Christine Reed, Amy Northrop, Autumn Bishop, Dr. Sherri Vaughn, Chad Lawhorn (LJ World), Shannon Kimball (community member).

**Call to Order**

The meeting was called to order at 8:30 a.m.

**Opening Statement**

The following opening statement was read by Danae Johnson, Director – Executive Administration:

“Good morning. Thank you for joining the LMH Health Board of Trustees meeting. Before we get started, we’d like to outline a few important procedural details for this meeting:

- LMH Health Board of Trustees welcomes community feedback on policies and issues affecting its clinics and the hospital. In order to ensure time is used efficiently, we will not take public comments during the meeting. However, comments may be shared with board members in a number of different ways, including the comments section of our webpage, by emailing trustees@lmh.org, by calling 785-505-6138, or by contacting individual trustees with the contact information listed on our website at lmh.org.
- During the meeting, each meeting participant will identify themselves using their first and last name prior to commenting.
- Roll call will be taken for voting on each item requiring board action.
- If members of the public wish to obtain meeting materials, please email trustees@lmh.org or call 785-505-6138.
- We may be having an executive session at this meeting. At the appointed time, and if needed, the Board Chair will call for a motion to enter into executive session. This motion will include the time that the open session of the meeting will resume. Executive session is reserved for Trustees and Hospital Executives only. Everyone else will be asked to leave the meeting during executive session and is welcome to return to the meeting when open session resumes.”

**Approval of Agenda and Consent Agenda**

The agenda for the September 16, 2020 meeting and consent agenda (see below) were presented for review with approval requested.

- The following were presented for approval as part of the consent agenda:
  - September 16, 2020 Meeting Agenda
  - Board of Trustees Meeting Minutes, August 19, 2020
  - Conflict Resolution Policy
  - Second Quarter 2020 Bond Report and Certification Letter
  - Medical Executive Committee recommendations:

**MEDICAL STAFF & ALLIED HEALTH PROFESSIONAL STAFF - New Appointments:**

**Victor Castro, MD** (Active Admitting; Surgery) – Initial appointment 9/16/2020 not to exceed 2 years.

**Jennifer Hawasli, MD** (Active Admitting; Surgery) – Initial appointment 9/16/2020 not to exceed 2 years.

**Elizabeth Hechler, DDS** (Active Admitting; Surgery) – Initial appointment 9/16/2020 not to exceed 2 years.  
**James Frencher, MD** (Consulting; Tele-Radiology) – Initial appointment 9/16/2020 not to exceed 2 years.

**MEDICAL & LMH EMPLOYEE/ALLIED HEALTH PROFESSIONAL STAFF – Reappointments:**

**Thomas Alderson, MD** (Active Admitting; Medicine) – Reappointment 10/1/20 not to exceed 2 years.  
**Lakshmi Duvvur, MD** (Active Admitting; Medicine) – Reappointment 10/1/20 not to exceed 2 years.  
**Robert Holcomb, MD** (Consulting; Pediatrics) – Reappointment 10/1/20 not to exceed 2 years.  
**Malana Kuiper, MD** (Active Non-Admitting; Pediatrics) – Reappointment 10/1/20 not to exceed 2 years.  
**Sanjeev Kumar, MD** (Active Admitting; Medicine) – Reappointment 10/1/20 not to exceed 2 years.  
**Lindsey Malloy-Walton, DO** (Consulting; Pediatrics) – Reappointment 10/1/20 not to exceed 2 years.  
**Mark Molos, MD** (Consulting; Pediatrics) – Reappointment 10/1/20 not to exceed 2 years.  
**Christopher Penn, MD** (Active Admitting; Medicine) – Reappointment 10/1/20 not to exceed 2 years.  
**Kelly Schmidt, APRN** (Allied Health; Medicine) – Reappointment 10/1/20 not to exceed 2 years.  
**Karen Solcher, APRN** (Allied Health; Medicine) – Reappointment 10/1/20 not to exceed 2 years.

**FOCUSED PRACTITIONER PRACTICE EVALUATIONS:**

**Byron Decamp, MD** – Vascular Surgery – Initial  
**Patrick Harper, MD** – Anesthesia/Pain Management – Initial  
**Lynley Holman, MD** – OB/GYN – For privilege addition of “da Vinci Robotic Laparoscopic Surgery”  
**James Huston, MD** – Orthopedic Surgery – For privilege addition of “MAKO for Partial and Total Knee.”  
**Byron Decamp, MD** – Vascular Surgery – Initial  
**Logan Kracht, MD** – OB/GYN – Initial  
**David Robbins, MD** – Cardiology – Initial  
**Evan Shawn, MD** – Internal Medicine – Initial  
**Kathy Ramirez, APRN** – Urology – For privilege addition of “Surgical Tech/First Assist”

**PRIVILEGE &/or STATUS CHANGES & RESIGNATIONS:**

**Ryan Brittingham, DDS** (Active Admitting; Surgery) – Resignation effective 8/19/2020  
**Rebecca Boyer, Dental Assistant** (AHP; Surgery) – Resignation effective 8/19/2020  
**Jeffrey Mincher, MD** (Active Non-Admitting; Family Practice) – Resignation effective 8/3/2020  
**John Papagiannis, MD** (Consulting; Pediatrics/Cardiology) – Resignation effective 7/17/2020  
**Julie Pletcher, APRN** (LMH Employee; Cardiology) – Resignation effective 8/7/2020  
**Ashley Smith, MD** (Consulting; Tele-Psychiatry) – Resignation effective 8/31/2020  
**David Goering, MD** (Active Admitting; Internal Medicine/Hospitalist) – Status change to Active Non-Admitting effective 9/1/2020. Transferring to the Internal Medicine Group.  
**Krista Whitney, MD & Lindsey McDaniel, MD** (Active Admitting; Pediatrics) – Requests privilege addition of “Circumcisions.”

Russ Johnson, President and CEO, requested to modify the agenda and add a discussion on the Contract Approval Policy before the Updates to Bylaws topic.

Pat Miller, Trustee, requested that the Conflict Resolution Policy be removed from the consent agenda for further discussion. Motion was raised to approve agenda and consent agenda with the removal of the Conflict Resolution Policy.

MOTION to approve the agenda and consent agenda with requested modifications.  
Made by Rob Chestnut,

Seconded by Pat Miller.  
Motion carried.

### **Conflict Resolution Policy**

- Pat Miller and Colleen Browne, VP and Chief People Officer, reviewed proposed changes to the Conflict Resolution Policy, which included edits that would create consistency in the terms used in the policy.

MOTION to approve the Conflict Resolution Policy with proposed changes.  
Made by Bob Moody,  
Seconded by Pat Miller.  
Motion carried.

### **Chairperson of the Board Report**

- No report.

### **Chief of Staff Report**

- No report.

### **CEO Report**

- Russ Johnson, President and CEO, reported on the opening of LMH Health West. This project was an embodiment of the Destination Health vision, which will serve the community for years to come. On opening day, 400 patients were seen at LMH West. Mr. Johnson shared that the project is significant with respect to our assets, balance sheet and expenditures. The project stayed within the original construction completion date and budget, ending up about half a percent under budget. Mr. Johnson expressed his appreciation for Karen Shumate, who acted as the owner's representative, and Brian Bradfield for leadership on this project; Michael Williams and the entire IT staff; Sheryle D'Amico for the clinic division transition; and to Tom Wells and Jared Abel.
- **Chief Medical Officer:** LMH Health is designing a new executive role for a Chief Medical Officer (CMO). Four physicians – Drs. Jodi Palmer, Scott Solcher, Jon Heeb and Hal Taylor - are working with Russ on developing this role. The position will be defined over the next 30 days and the team will connect with medical staff interested in this role. It will be a 50/50 clinical and leadership role.
- **Destination Health Update:** Jared Abel, AVP Strategy & Service, and Amy Northrop, Director of Communications, Marketing & Community Relations, updated the Board on progress of Destination Health milestones for 2020.
- **Updates to Bylaws:** Andy Ramirez, hospital counsel, presented proposed updates to the Board of Trustees' bylaws that he worked on with a sub-committee of the board. Discussion followed about updating the bylaws to include the hospital's commitment to inclusion, diversity and equity. *NOTE: Full updates to the bylaws are included in the minutes as Exhibit A.*

MOTION to approve the updates to the LMH Health Board of Trustees bylaws with additions recognizing the hospital's commitment to inclusion, diversity and equity.  
Made by Bob Moody,  
Seconded by Tom Sloan.  
Motion carried.

- **2020-2021 Slate of Officers:** Cindy Yulich, Chair, reviewed the proposed slate of officers for 2020-2021:

Chair	Bob Moody
Vice Chair	Beth Llewellyn
Secretary	Jim Brooke
Treasurer	Tom Sloan
Past Chair	N/A (Cindy Yulich's is rotating off)

MOTION to approve the proposed slate of officers for 2020-2021 as presented.

Made by Cindy Yulich,

Seconded by Bob Moody.

Motion carried.

- **Trustee Recognition:** Ms. Yulich and Mr. Johnson recognized the following trustees whose appointment is concluding at the end of the month:
  - Cindy Yulich
  - Rob Chestnut
  - Joanne Hurst
  - Marc Scarbrough, MD
  - The following resolutions were presented to the Board in recognition of the service of these Trustees:

September 16, 2020

**WHEREAS, Cindy Yulich** has served as Trustee of LMH Health from 2012 to 2020; and

**WHEREAS,** she has given unselfishly of her time and efforts to promote the good and welfare of the hospital in the community during a period of significant growth, without thought to any personal gain; and

**WHEREAS,** the Board of Trustees and employees of LMH Health and the citizens of this community have greatly benefited from her efforts and are deeply indebted to her for her devoted and dedicated service; now, therefore,

**BE IT RESOLVED,** that the Board of Trustees of LMH Health does hereby express its sincere appreciation to **Cindy Yulich** for the years of significant service given to this institution in an effort to better serve the needs of its patients.

**Adopted by the LMH Health Board of Trustees on September 16, 2020.**

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September 16, 2020

**WHEREAS, Rob Chestnut** has served as Trustee of LMH Health from 2011 to 2019 and again for a partial term in 2020; and

**WHEREAS,** he has given unselfishly of his time and efforts to promote the good and welfare of the hospital in the community during a period of significant growth, without thought to any personal gain; and

**WHEREAS**, the Board of Trustees and employees of LMH Health and the citizens of this community have greatly benefited from his efforts and are deeply indebted to him for his devoted and dedicated service; now, therefore,

**BE IT RESOLVED**, that the Board of Trustees of LMH Health does hereby express its sincere appreciation to **Rob Chestnut** for the years of significant service given to this institution in an effort to better serve the needs of its patients.

**Adopted by the LMH Health Board of Trustees on September 16, 2020.**

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September 16, 2020

**WHEREAS**, **Joanne Hurst** has served as Trustee of LMH Health from 2012 to 2020; and

**WHEREAS**, she has given unselfishly of her time and efforts to promote the good and welfare of the hospital in the community during a period of significant growth, without thought to any personal gain; and

**WHEREAS**, the Board of Trustees and employees of LMH Health and the citizens of this community have greatly benefited from her efforts and are deeply indebted to her for her devoted and dedicated service; now, therefore,

**BE IT RESOLVED**, that the Board of Trustees of LMH Health does hereby express its sincere appreciation to **Joanne Hurst** for the years of significant service given to this institution in an effort to better serve the needs of its patients.

**Adopted by the LMH Health Board of Trustees on September 16, 2020.**

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September 16, 2020

**WHEREAS**, **Marc Scarbrough, MD** has served as Trustee of LMH Health from 2019 to 2020; and

**WHEREAS**, he has given unselfishly of his time and efforts to promote the good and welfare of the hospital in the community during a period of significant growth, without thought to any personal gain; and

**WHEREAS**, the Board of Trustees and employees of LMH Health and the citizens of this community have greatly benefited from his efforts and are deeply indebted to him for his devoted and dedicated service; now, therefore,

**BE IT RESOLVED**, that the Board of Trustees of LMH Health does hereby express its sincere appreciation to **Marc Scarbrough, MD** for the years of significant service given to this institution in an effort to better serve the needs of its patients.

**Adopted by the LMH Health Board of Trustees on September 16, 2020.**

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MOTION to adopt all resolutions as presented.  
Made by Bob Moody,  
Seconded by Tom Sloan.  
Motion carried.

#### **Discussion Items**

- **Contract Approval Policy:** Janette Kirkpatrick, VP - Clinical Excellence, reviewed the Contract Approval Policy with the Board.
  - Discussion followed about signing authority and the responsibilities related to Board oversight. Tom Sloan, Trustee, requested that any contract related to property acquisition be reviewed by the board.

MOTION to the Contract Approval Policy with requested changes.  
Made by Bob Moody,  
Seconded by Tom Sloan.  
Motion carried.

#### **Executive Session to discuss matters with legal counsel**

- After a brief discussion, the Board elected to waive executive session.

#### **Adjournment**

With no further business presented, a motion was made to adjourn the meeting at 10:45 a.m.

MOTION made by Cindy Yulich,  
Seconded by Bob Moody.  
Motion carried.

Respectfully submitted,

A handwritten signature in black ink that reads "Beth Llewellyn".

Beth Llewellyn, Secretary of the Board

**EXHIBIT A: UPDATES TO LMH HEALTH BOARD OF TRUSTEES BYLAWS**

**AMENDED AND RESTATED BYLAWS  
OF  
THE LAWRENCE MEMORIAL HOSPITAL  
d/b/a “LMH Health”  
BOARD OF TRUSTEES  
September 16, 2020**

**ARTICLE I  
PURPOSE**

**1.1. PURPOSE:**

The purpose of The Lawrence Memorial Hospital d/b/a “LMH Health” is to be “A Partner for Lifelong Health” for our community.

**ARTICLE II  
CHARTER**

**-THIS ARTICLE II IS ONLY SUBJECT TO CHANGE BY COURT ORDER -**

**2.1. CHARTER:**

“The Lawrence Memorial Hospital” was legally established by a private gift from Elizabeth Watkins to the City of Lawrence, Kansas pursuant to K.S.A. 12-1615. This statute provides that any person desiring to donate assets to a city to establish a hospital shall have the right to vest the title to the property so donated in a board of trustees appointed by the city commission. Thereafter the co-trustees hold legal title to the property and manage the assets according to the terms of the gift. The Board of Trustees of The Lawrence Memorial Hospital are ‘special trustees’ meaning they collectively have active fiduciary authority over the operations of LMH Health, as co-trustees of a charitable trust. The Lawrence Memorial Hospital has received a private letter ruling from the Internal Revenue Service determining that it is a quasi-governmental tax-exempt instrumentality pursuant to Internal Revenue Code Section 115.

**2.2. CONDITIONS OF THE CHARITABLE TRUST:**

The Board of Trustees and the City of Lawrence are subject to the conditions of a deed of real estate from Elizabeth Watkins to the City of Lawrence. The conditions of the Watkins gift were amended in 1979 by The Seventh Judicial District in the case of *The Board of Trustees, Lawrence Memorial Hospital & The City of Lawrence, Kansas vs. The State of Kansas*, Case Number CV 32494 a “friendly lawsuit” in which the City, State and LMH asked the court to amend the 14 conditions of the Watkins gift. The relevant conditions, which govern the conduct of Trustees in governing the hospital, as amended by the court [*amendments in brackets*] are as follows:

**2.2-1** The said hospital shall be known as “The Lawrence Memorial Hospital” and shall be managed and controlled by a Board of five (5) [(7) or (9)] Trustees, to be appointed as [*follows*]:

*The members of the first board shall be appointed one for a term of one (1) year, one for a term of two (2) years, one for a term of three (3) years and two for a term of four (4) years, and upon the expiration of the terms of those originally appointed their successors shall be appointed for terms of four (4) years. In case of a vacancy a successor shall be appointed for the unexpired term.*

*Whenever the number of members of an existing board of trustees is increased by resolution of the city commission, said city commission shall provide by resolution for the expiration of the terms of the members appointed to the new positions on the board of trustees to coincide with the expiration of the terms of the members serving on the board of trustees at the time of the creation of said new positions so that no more than a simple majority of the members*

*of said board of trustees is appointed at the same time. Upon the expiration of the terms of those originally appointed pursuant to this subsection their successors shall be appointed for terms of four (4) years.]*

- 2.2-2** No *[more than one]* physician shall ever be appointed as a member of said Board of Trustees.
- 2.2-3** *[Within ten (10) days after their appointment, the trustees shall qualify by taking the oath of civil officers, and shall organize by electing one of their number chairman, and electing such other officers as they shall deem necessary. Said board of trustees shall appoint a treasurer who shall give bond in such amount as the board shall determine, which bond shall be approved by the City Commission. All funds heretofore or hereafter collected for the maintenance and operation of the hospital shall be placed in the custody of said treasurer.]*
- 2.2-4** *[The board of trustees shall have exclusive control of the management and operation of the hospital and shall make and adopt such rules and regulations for the government of the hospital as may be deemed expedient for the economical and proper conduct thereof. The board is authorized to enter into an employment contract to engage the services of an administrator or a chief executive officer to manage the affairs of the hospital and which establishes compensation for such services and the terms of engagement. The board of hospital trustees is authorized to establish and fund pension and deferred compensation plans for hospital employees and to procure contracts insuring hospital employees, their dependents, or any class or classes thereof under a policy or policies of life, disability income, health, accident, accidental death and dismemberment, and hospital, surgical and medical expense insurance. The employee's contribution, if any, to the plan and to the premium for such insurance may be deducted by the employer from the employee's salary when authorized in writing by the respective employee. The board is authorized to invest in any mutual insurance company organized by an association of health care providers to which the hospital belongs, enter into contracts with such company, pay any assessments pursuant to such contracts and arrange for the issuance of a letter of credit by any bank chartered by this state or which is a member bank of the federal reserve system. The board may also expend funds deemed necessary in the recruitment or retention of professional staff including, but not limited to, the purchase of professional liability insurance for such staff. No member of the board of trustees shall receive any compensation for services. On or before July 15 each year, the board shall file with the governing body of the city a written report of the management of the hospital, together with a statement of all receipts and expenditures during the year ending June 30<sup>1</sup>.]*
- 2.2-5** The said Hospital<sup>2</sup> shall be for the benefit of all inhabitants of the City of Lawrence, Kansas, and of any persons falling sick or being injured or maimed within its limits and no persons shall ever be excluded on account of race, of physical, social or financial condition, but every such inhabitant, or person who is not a pauper shall pay to the Board of Trustees, or to such officer as it may designate, a reasonable compensation for occupancy, nursing, cars, medicine or attendants, according to the rules and regulations prescribed by said Board. The said Hospital always to be subject to such reasonable rules and regulations as said Board shall adopt in order

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<sup>1</sup> LMH Health's current fiscal year is the calendar year and reports to the City on that basis see 3.1-4 and 9.3.

<sup>2</sup> All capitalized terms used in these Amended and Restated Bylaws of The Lawrence Memorial Hospital d/b/a "LMH Health" Board of Trustees are defined in the Glossary of Definitions attached hereto and incorporated herein as Attachment A

to render the use of said Hospital of the greatest benefit to the greatest number, and said Board may exclude from the use of said Hospital any and all persons who shall willfully violate such rules and regulations. And the said Board of Trustees, subject to approval by the Mayor and Commissioners of the City of Lawrence, Kansas, shall have power to make such rules and regulations as it may deem advisable and proper for the admission of inhabitants of Douglas County, Kansas.

**2.2-6** In the management of said Hospital no discrimination shall be made against practitioners of any school of medicine or healing recognized by the laws of Kansas, and all such legal practitioners shall have equal privileges in treating patients in said Hospital. Each patient shall have the absolute right to employ, at his or her expense, his or her own physician, and when acting for any patient in such Hospital, the physician employed by such patient shall have exclusive charge of the care and treatment on such patient, and the nurses therein shall, as to such patient, be subject to the directions of such physician, subject always to such general rules and regulations as shall be established by the Board of Trustees.

**2.2-7** The Board of Trustees shall have power to appoint and fix the compensation of physicians whose duties shall be prescribed by said Board, in order to carry out the purposes of said Hospital.

**2.3. COMPLIANCE WITH THE WATKINS TRUSTS:**

The remainder of these bylaws shall at all times be adopted, restated, amended and interpreted to comply with the terms of this Article II. If the Trustees or the City desire to amend Section 2.2-1 through 2.2-7 of these bylaws, they must seek and secure a court order through a process that includes the State of Kansas.

**ARTICLE III  
BOARD OF TRUSTEES**

**3.1. POWERS AND DUTIES:**

**3.1-1 AUTHORITY:**

The governance of LMH Health is vested in co-trustees and they all form but one collective Board of Trustees, and must exercise jointly all those powers established by law. The Board of Trustees as a collective shall be the ultimate authority in LMH Health responsible for its organization and administration in a manner that is consistent with the Watkins Trust, appropriate standards of patient care, environmental safety and institutional management. The co-trustees on the Board of Trustees are fiduciaries who are required to exercise ordinary and reasonable care in the performance of their duties, exhibiting honesty and good faith.

**3.1-2 LEGAL TITLE AND EXCLUSIVE CONTROL:**

The Board of Trustees shall hold legal title to all Hospital property as special trustee of a charitable trust in the name of the co-trustees, and shall have responsibility for and shall have exclusive control of the management and operation of all Hospital activities and shall make and adopt such rules and regulations for the government of LMH Health as may be deemed expedient for the economical and proper conduct thereof.

### **3.1-3 RESPONSIBILITIES:**

The Board of Trustees, acting as a collective body and not individually, shall have the responsibility for assuring that the care provided to all patients is properly performed so that the safety and welfare of patients is given the highest priority in the operation of LMH Health. The Board of Trustees shall further have the exclusive management of LMH Health buildings and grounds. Except to the extent authorized by the Board pursuant to the Conflict of Interest Policy set forth in these Bylaws, no Trustee shall use their position for personal gain.

### **3.1-4 ANNUAL AUDIT; RECORDED WITH THE CITY:**

There shall be an annual audit of all the business transactions of LMH Health made by an independent certified public accounting firm, which shall report its findings to the Board of Trustees. On or before July 15 of each year the Board shall submit to the City of Lawrence a copy of the audited financial statements of LMH Health.

### **3.1-5 FUNCTIONS:**

At a minimum, the Board of Trustees shall:

- a. Provide adequate physical resources and personnel for appropriate patient care;
- b. Participate in planning to define and help meet the health needs of the community;
- c. Formulate, with the assistance of Hospital staff, short-term and long-term plans for the development of LMH Health;
- d. Review the annual audit of the financial operations of LMH Health;
- e. Maintain effective communication with the Medical Staff;
- f. Require the Medical Staff to establish controls that are designed to achieve and maintain appropriate standards of ethical professional practice;
- g. Establish a structure to effectively fulfill the governing body's responsibilities and to evaluate the implementation of programs and policies;
- h. Maintain a written record of Board proceedings;
- i. Implement and maintain a peer review and risk management program in accordance with K.S.A. 65-4921 et. seq.;
- j. Select, employ and set standards for and review the performance, compensation and term of employment of the President and Chief Executive Officer consistent with the executive compensation policies and procedures of LMH Health;
- k. Ensure that LMH Health has policies and procedures that support the rights of all Hospital patients as set forth in K.A.R. 28-34-3b (Patient Rights), which shall prohibit discrimination or the denial of patient care based on race, religion, age, ethnicity, culture, language, socio-economic status, sex, sexual orientation, gender identity or expression, national origin, physical or mental disability, or source of payment;

- l. Implement, maintain, monitor and individually comply with an effective corporate compliance program to prevent and detect violations of law within LMH Health;
- m. Provide clear policy objectives for the operation of LMH Health;
- n. Provide for the effective functioning of activities related to delivering quality patient care, performance improvement, Medical Staff credentialing, financial management, and professional graduate education when provided by LMH Health;
- o. Establish, maintain, support and exercise oversight of an ongoing quality review and utilization management program that includes specific review, evaluation and monitoring mechanisms to assess, preserve and improve the overall quality and efficiency of patient care in LMH Health;
- p. Oversee the development and monitoring of a strategic plan and an annual operating budget and, as appropriate, a long-term capital expenditure plan;
- q. Participate in an orientation session upon first becoming a Trustee and periodically thereafter in continuing education programs;
- r. Set standards for and review the performance of the Board of Trustees; and
- s. Establish, review and approve any Hospital policy or contracts required by law, regulation, credentialing authority or the Board of Trustees to be reviewed by the governing body of LMH Health.

**3.2. NUMBER, QUALIFICATION AND OATH:**

**3.2-1 NUMBER:**

The Board of Trustees shall consist of the nine (9) Trustees.

**3.2-2 QUALIFICATION:**

Each Trustee shall be a resident of Douglas County, Kansas and shall not be an employee of LMH Health. Only one (1) physician may serve on the Board of Trustees at any given time.

**3.2-3 OATH OF CIVIL OFFICERS:**

Each Trustee shall, within ten (10) days after their appointment, qualify by taking the oath required of civil officers.

**3.3. NO COMPENSATION:**

No Trustee shall receive compensation for services performed. Trustees may receive payment for out of pocket expenses incurred in connection with service as a Trustee. Such payment shall be made only pursuant to a business expense policy approved by the Board of Trustees.

**3.4. APPOINTMENT AND TERM:**

Each Trustee shall be appointed by the Mayor of the City of Lawrence, Kansas, subject to the advice and consent of the City Commission, and shall serve for a term of four (4) years or the unexpired term of a vacating Trustee who has left office before completion of the vacating Trustee's term. The Board should encourage the City Commission to appoint individuals based upon experience, relevant areas of interest and expertise, ability, and willingness to participate effectively in fulfilling the

Board's responsibilities, however, the plenary authority for such appointment rests with the City Commission.

**3.5. RESIGNATION, REMOVAL AND OUSTER:**

**3.5-1 RESIGNATION:**

Any Trustee may resign at any time by giving notice to the Mayor of the City of Lawrence, Kansas. Such resignation, which may or may not be made contingent on formal acceptance, takes effect on the date of receipt or at such later time specified in the notice of resignation.

**3.5-2 REMOVAL AND OUSTER:**

Every Trustee who shall (1) willfully engage in misconduct while in office, (2) willfully neglect to perform any duty enjoined upon such Trustee by law, (3) demonstrate mental impairment such that the Trustee lacks the capacity to manage the office held, or (4) who shall commit any act constituting a violation of any penal statute involving moral turpitude, shall forfeit his or her office and shall be requested by the Board to resign. In the event the Trustee does not voluntarily resign after requested to do so by the Board, the Board may in its discretion request that the Kansas Attorney General or Douglas County Attorney initiate ouster proceedings as provided by K.S.A 60-1206.

**3.6. VACANCIES:**

Any vacancies on the Board of Trustees arising at any time from any cause shall be filled by appointment by the Mayor of the City of Lawrence, Kansas subject to the advice and consent of the City Commission of the City of Lawrence, Kansas. Any Trustee so appointed to serve for the unexpired term of the vacating Trustee shall qualify by taking the oath required of civil officers within ten (10) days of such appointment.

**3.7. CONFLICT OF INTEREST RULE:**

**3.7-1 GENERAL RULES:**

- A. Trustees shall not maintain personal financial or business interests that conflict with the business or financial interests of LMH Health.
- B. Trustees may not be employees of LMH Health. If a Trustee accepts employment with LMH Health, that Trustee must resign from the Board of Trustees before commencing such employment with LMH Health.
- C. Trustees shall not, individually or through any Business (as defined below) or family member, enter into a business relationship or financial transaction or arrangement with LMH Health.
- D. These general rules are subject to limited exceptions, as set forth below. However, application of any exception should be limited and interpreted so that, as a general rule, Trustees, during the time of their service as Trustees, do not do business with LMH Health or otherwise enter into any situation that presents a Conflict of Interest, as defined in this policy.
- E. Each Trustee shall, prior to attending their first meeting, submit in writing to the President and Chief Executive Officer a disclosure report of all business organizations in which he or she has a substantial interest, and with which LMH Health has, or might

reasonably in the future enter into, a contractual relationship or transaction. The President and Chief Executive Officer will in turn file such report with the City Clerk of Lawrence, Kansas, in accordance with K.S.A. 75-4305.

- F. Whenever any change shall occur in the “substantial business interests” of any Trustee, he or she shall, within ten (10) days of each change, submit in writing to the President and Chief Executive Officer a revised disclosure report of all of his or her substantial interests, and the President and Chief Executive Officer will file the same with the City Clerk of Lawrence, Kansas.
- G. A “substantial business interest” means any business arrangement(s) with an aggregate total value of more than \$5,000.00 per calendar year. This Conflict of Interest policy shall apply only to a substantial business interest.

### **3.7-2 CONFLICT OF INTEREST DEFINED:**

A Conflict of Interest is:

- A. Any situation where a Trustee’s personal financial or business interests, or a Trustee’s family member’s personal or business interests, are contrary to the business or financial interests of LMH Health.
- B. Any situation where a Trustee expects to receive, or does receive, individually or through another person or entity, a financial benefit from a transaction or arrangement contemplated or entered into by LMH Health.
- C. Although not a Conflict of Interest, per se, if a majority of the disinterested Trustees find that, due to a Trustee’s personal financial or business interests, participation by that Trustee in a contemplated relationship, transaction or arrangement with LMH Health would present a substantial risk of damaging the reputation or good will of LMH Health, LMH Health shall not enter into such relationship, transaction or arrangement unless the Trustee abstains from participating in the transaction.

### **3.7-3 EXCEPTIONS:**

- A. It is not a Conflict of Interest for a Trustee to have or enter into a personal, business or professional relationship with a third party that, in turn, has or enters into a relationship, transaction or other business arrangement with LMH Health, provided the Trustee does not expect to receive, and does not receive, directly or indirectly, a financial benefit from the transaction or arrangement between the third party and LMH Health. A Trustee should refrain from participating in any decision affecting a third party with whom the Trustee has a personal, business or professional relationship if the Trustee’s independent judgment may be compromised by the existence of the relationship.
- B. This policy shall not apply to contracts let after competitive bidding has been advertised by published notice. This policy shall not apply to contracts for property or services for which the price or rate is fixed by law.

- C. The Board of Trustees may, after full disclosure and deliberation, approve a relationship, transaction or arrangement that would otherwise constitute a Conflict of Interest under this policy if, in the judgment of the Chief Executive Officer of LMH Health and a disinterested majority of the Board of Trustees, it is in the best interests of LMH Health to do so. This exception, however, is intended to apply only rarely, and only where the contemplated relationship, transaction or arrangement presents an unusual opportunity for LMH Health that would be lost through strict application of this policy.

**3.7-4 CONFLICT WITH STATE OR LOCAL LAW OR POLICY:**

In the event of any conflict between this policy and a law, regulation or policy of the State of Kansas or the City of Lawrence, Kansas, relating to conflicts of interest, the more restrictive provision or provisions shall apply. State and City conflicts of interest laws, regulations and policies are otherwise applicable to Trustees.

**3.7-5 ORAL DISCLOSURE, NON-PARTICIPATION AND IMPACT ON QUORUM:**

At such time as any matter comes before the Board in such a way as to give rise to a potential Conflict of Interest, the affected Trustees shall make known the potential conflict, whether disclosed by the Trustees written statement or not, and shall not participate in deliberations on the matter and shall abstain from voting on the matter. Such Trustee(s) may be counted in determining the existence of a quorum at any meeting where the contract or transaction is under discussion or is being voted upon.

**3.7-6 “BUSINESS” DEFINED:**

For purposes of this policy “business” shall be defined as any corporation, association, partnership, proprietorship, trust, joint venture, and every other business interest, including ownership or use of land for income.

**3.7-7 WRITTEN DISCLOSURE AND POLICY:**

The Board of Trustees may adopt a written policy, consistent with these Bylaws, establishing a procedure for the annual disclosure of Trustees interests to LMH Health and responding to potential and actual conflicts of interests of individual Trustees as they relate to LMH Health during Board deliberation and action. Each Trustee shall annually complete and sign a form approved by the Board disclosing potential conflicts and agreeing to comply with the conflicts of interest policy.

**3.7-8 IDENTIFICATION OF CONFLICTS; RESOLUTION OF DISPUTES:**

Any Trustee, Officer, or other person participating in a Board meeting who believes a conflict or potential conflict exists shall bring it to the attention of the Chair of the Board, or if the conflict or perceived conflict involves the Chair, to the Vice-Chair. The Chair or Vice-Chair, as the case may be, shall investigate the situation and discuss the matter with the Trustee whose interests are affected. If the concern cannot be informally resolved, the Chair or the Vice-Chair shall, in consultation with Hospital’s legal counsel and the President and Chief Executive Officer, present the matter to the full Board of Trustees. The Trustee whose interests are affected shall be permitted to address the Board about the matter, and the Board may question the Trustee regarding the details of the situation potentially giving rise to a Conflict of Interest. The Trustee whose interests are affected shall then withdraw from the meeting so the disinterested Trustees may deliberate and determine whether a conflict exists and, if so, decide upon a resolution of the matter consistent with these bylaws. The

Trustee whose interests are affected will be informed promptly of the decision of the Board of Trustees and the reasons for that decision. The decision of the Board of Trustees shall be final.

**3.8. CONFIDENTIALITY:**

Trustees shall not communicate to anyone who is not covered under LMH Health's attorney client privilege or is not authorized by the Board to participate in the Executive Sessions of the Board (a "Third-Party") with respect to any written or oral communication provided for or in Executive Session, including the content of documents that are produced in advance for review in Executive Session ("Confidential Information"), unless expressly authorized to do so by formal action of the Board. Confidential Information includes all communications covered under the attorney client privilege, peer review privilege, or risk management privilege, whether or not provided in Executive Session.

**3.8-1 WRITTEN MATERIAL:**

The Board shall keep all written or documented Confidential Information separate from documents that are available to Third-Parties and will not reproduce or disclose such Confidential Information to any Third-Party unless expressly authorized to do so by formal action of the Board.

**3.8-2 CONSULTATION WITH LEGAL COUNSEL:**

To avoid an unauthorized disclosure of Confidential Information, the Board shall consult with LMH Health's legal counsel prior to responding to any Third-Party's request for the release of Confidential Information. Confidential Information shall not be released in response to a Third-Party's request without the prior approval of LMH Health's legal counsel and the Board in consultation with LMH Health Administration.

**3.8-3 WRITTEN ACKNOWLEDGMENT AND POLICY:**

Each Trustee shall annually sign a form approved by the Board acknowledging receipt of and agreeing to comply with this Confidentiality policy.

**3.8-4 VIOLATION OF THE CONFIDENTIALITY POLICY:**

- a. If a member of the Board of Trustees has a concern that another Trustee has improperly disclosed Confidential Information to a Third-Party ("Concerned Trustee"), the Concerned Trustee shall inform the other Trustee of the basis for such belief and afford the Trustee an opportunity to respond to the alleged breach of confidentiality.
- b. If, after hearing the response of the Trustee and making such further investigation as may be warranted in the circumstances, the Concerned Trustee has a reasonable belief that the other Trustee has disclosed Confidential Information, the Concerned Trustee may communicate the concern to the full Board of Trustees for consideration in a manner designed to protect the Confidential Information. The Trustee will be informed of the basis for the allegation and given an opportunity to respond to the full Board of Trustees.
- c. If two-thirds (2/3) of the Trustees (excluding the Trustee whose conduct is under consideration, who shall not vote) find by clear and convincing evidence that a Trustee has disclosed Confidential Information, the remaining members of the Board of Trustees may take such action as two-thirds (2/3) of the Trustees (excluding the Trustee whose conduct is under consideration, who shall not vote) deem appropriate (e.g. public or private admonition from the Chair, removal from Committee service, referral for ouster).

**ARTICLE IV  
MEETINGS OF TRUSTEES**

- 4.1. KANSAS OPEN MEETINGS ACT K.S.A. 75-4317 ET. SEQ., (“KOMA”):**  
It is the policy of the Board of Trustees to comply with the requirements of KOMA as if it were not an instrumentality exempt from the requirements of KOMA.
- 4.2. ATTENDANCE AT MEETINGS:**  
The Board of Trustees may by policy establish requirements for attendance by Trustees at meetings of the Trustees and Board Committees. Failure, without good cause, to satisfy those requirements shall be deemed a willful neglect to perform the duties of a Trustee and be grounds for removal from service as a Trustee.
- 4.3. REGULAR MEETINGS:**  
The Trustees shall meet at least six (6) times per year, generally on the third (3<sup>rd</sup>) Wednesday of each month of the year, except that should such a day fall on a legal holiday, the Trustees shall meet on the next business day.
- 4.4. SPECIAL MEETINGS:**  
Special meetings of the Board of Trustees for any purpose or purposes shall be called at any time by the Chair, the President and Chief Executive Officer, or by any two (2) Trustees.
- 4.5. TELEPHONE/ INTERNET CONFERENCE:**  
Trustees may participate in a meeting of the Board by means of video or telephone conference or similar communication equipment by means of which all persons participating in the meeting can hear each other and any member of the public who wishes to hear the meeting participants can dial in and hear the proceedings at no cost to the public.
- 4.6. PLACE OF MEETINGS:**  
Regular and special meetings of the Board of Trustees shall be held at any place, which has been designated from time to time by resolution of the Board or by written consent of all Trustees. In the absence of such designation, meetings shall be held at 325 Maine Street, Lawrence, Kansas.
- 4.7. NOTICE:**  
Written notice of the time and place of special meetings shall be sent to each Trustee by email or by mail at the Trustee's residence or business address at least three (3) days before the meeting, or such written notice may be delivered to him or her personally at least twenty-four (24) hours before the meeting. The presence at any such special meeting of a Trustee entitled to notice of such meeting shall be deemed a waiver of such notice as to such Trustee. Notice of all meetings of the Board shall in all instances be provided as required by the KOMA. The Trustees shall publish a calendar of regular meeting date time and place on LMH Health’s web page and with the City of Lawrence and any person who has requested notice pursuant to the KOMA.
- 4.8. MEETING AGENDA:**  
An agenda is not required to conduct a meeting. However, if an agenda is prepared, the Board and/or Chair may amend the agenda either prior to or at the time of the meeting.

**4.9. QUORUM AND BINDING ACTION:**

Five (5) Trustees shall be necessary to constitute a quorum for the transaction of business and a minimum affirmative vote of Five (5) Trustees shall be necessary for the Board to take binding action. If a quorum is present at a duly called and held meeting, and the requirements of the KOMA are met, every act or decision done or made by Five (5) of the Trustees present shall be regarded as the binding action of the Board of Trustees, unless a greater number is required by law.

**4.10. EXECUTIVE SESSIONS:**

All Executive Sessions shall be conducted consistent with the KOMA. To avoid an unauthorized disclosure of Confidential Information, only those individuals authorized under the KOMA to participate in Executive Session shall participate. The general subject of Executive Session and the time of the resumption of the regular meeting shall be approved by a formal motion prior to the commencement of Executive Session.

**4.11. VOTING:**

Each Trustee is entitled to one (1) vote on any matter before the Board. Voting may occur only in a public meeting conducted consistent with KOMA. Voting by proxy is not permitted. No secret balloting shall be allowed. No vote may be taken in Executive Session.

**4.12. ADJOURNMENT:**

When a meeting is adjourned it is concluded. Subsequent meetings shall be conducted only after notice as set forth herein.

**4.13. EX OFFICIO MEETING PARTICIPANTS:**

**4.13-1 CHIEF OF THE MEDICAL STAFF:**

The Chief of the Medical Staff of LMH Health, or Vice Chief of the Medical Staff in the Chief's absence, shall be an ex officio participant at all meetings of the Trustees. Such Chief of the Medical Staff shall not vote or be counted in determining the existence of a quorum and may be excluded from any Executive Session of the Board conducted pursuant to the KOMA by a majority vote of the Trustees present.

**4.13-2 PRESIDENT AND CHIEF EXECUTIVE OFFICER:**

The President and Chief Executive Officer of LMH Health shall be an ex officio participant at all meetings of the Trustees. Such President and Chief Executive Officer shall not vote or be counted in determining the existence of a quorum and may be excluded from any Executive Session of the Board conducted pursuant to the KOMA by a majority vote of the Trustees present.

**4.13-3 ADDITIONAL ADVISORS:**

The Board or the Chair of the Board may invite one (1) or more Advisors with expertise in a pertinent area to meet with and assist the Board or to serve on Board committees. Such Advisors shall not vote or be counted in determining the existence of a quorum and may be excluded from any Executive Session of the Board conducted pursuant to the KOMA by a majority vote of the Trustees present.

**ARTICLE V  
BOARD OFFICERS  
AND  
PRESIDENT AND CHIEF EXECUTIVE OFFICER**

**5.1. OFFICERS AND PRESIDENT AND CHIEF EXECUTIVE OFFICER:**

The officers of the Board of Trustees shall be a Chair, a Vice-Chair, a Secretary, and a Treasurer, and such other officers as the Board may elect or appoint. Except for such powers and authority specifically granted by these Bylaws, the officers of the Board shall serve in advisory roles and shall have no authority to act on behalf of or bind the Board of Trustees without the express authorization of a majority of the Board of Trustees. The Board shall additionally hire a President and Chief Executive Officer to carry out the duties and responsibilities as outlined in Section 5.6. Any Trustee may hold two (2) or more offices, except that no Trustee may hold both the offices of Chair and Secretary.

**5.2. ELECTION:**

The Board shall elect officers annually at the September meeting of the Board, and except as otherwise provided herein, each officer shall hold office for a one (1) year term and until a successor is elected.

**5.3. RESIGNATION AND REMOVAL OF OFFICERS:**

**5.3-1 RESIGNATION:**

Any officer of the Board may resign from such office at any time. Such resignation shall be in writing and may or may not be made contingent upon formal acceptance. Such resignation shall take effect on the date of receipt of the written notice or at such later time specified in the notice.

**5.3-2 REMOVAL:**

Any officer of the Board may be removed from office prior to the expiration of his or her term at any time by majority vote of the Board of Trustees.

**5.3-3 EFFECT OF TERMINATION OF APPOINTMENT:**

Upon vacating the office of Trustee an individual shall no longer serve as an officer of the Board of Trustees.

**5.4. VACANCIES:**

A vacancy of any office for any cause whatsoever shall be filled for the unexpired term of the vacating officer by majority vote of the Trustees constituting a quorum at any regular or specially called meeting.

**5.5. DUTIES OF OFFICERS:**

**5.5-1 CHAIR:**

The Chair is the principal officer of LMH Health, and presides at all meetings of the Board. Except as otherwise specified, the Chair is an *ex-officio* member of all Board Committees and committees of organizations that are associated or affiliated with LMH Health, including but not limited to the Medical Staff. Except as otherwise specified, the Chair appoints the members and chair of each Board Committee, subject to the approval of the Board. The Chair may sign on behalf of the Board 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 Chair shall act as spokesperson for the Board in matters relating to the President and Chief Executive Officer, including communication of directives of the Board, performance evaluations, approval of personal expenses and compensation, and disciplinary action. The Chair shall also perform all duties incident to the office of Chair and such other duties as may be prescribed by the Board from time to time.

**5.5-2 VICE-CHAIR:**

The Vice-Chair shall perform such duties as may be assigned to him or her by the Board or the Chair. In the absence of the Chair or when, for any reason, the Chair is unable or refuses to perform the Chair's duties, the Vice-Chair shall perform those duties with the full powers of, and subject to the restrictions on, the Chair.

**5.5-3 SECRETARY:**

The Secretary shall keep the minutes of all meetings of the Board, including a record of all action taken by the Board to address conflicts of interest, Board Committees, and shall assure that such minutes are filed with the records of LMH Health. The Secretary shall give or cause to be given appropriate notices in accordance with these Bylaws or as required by law, and shall act as custodian of all Hospital records and reports. The Secretary shall also keep or cause to be kept a roster showing the names and addresses of the Trustees. The Secretary shall perform all duties incident to the office and such other duties as may be assigned from time to time by the Board. The Board may delegate any of the duties of the Secretary to an employee of LMH Health but the Secretary must personally attest to the accuracy of records.

**5.5-4 TREASURER:**

The Treasurer shall keep or cause to be kept correct and accurate accounts of the properties and financial transactions of LMH Health and in general perform all duties incident to the office and such other duties as may be assigned from time to time by the Board. The Treasurer shall give a bond in such amount as the Board shall determine, which bond shall be approved by the Commissioners of the City of Lawrence, Kansas, and filed in the Office of the City Clerk. The Board may delegate any of the Treasurer's duties to an employed Chief Financial Officer of LMH Health but the Treasurer must personally attest to the accuracy of records when a Treasurer's attestation is required by law.

**5.6. PRESIDENT AND CHIEF EXECUTIVE OFFICER:**

**5.6-1 QUALIFICATIONS AND AUTHORITY:**

The President and Chief Executive Officer shall be an individual with a Master's degree from an accredited Health Care Administration, Business, Management or Public Administration program and be required to be a member in the American College of Healthcare Executives. In addition, the President and Chief Executive Officer must in the sole opinion of the Board of Trustees have proven experience in senior management.

The President and Chief Executive Officer is the Board's direct executive representative in the management of LMH Health. The President and Chief Executive Officer shall be given the necessary authority and be held responsible for the management of LMH Health and 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. The President and Chief Executive Officer shall act as the duly authorized

representative of LMH Health in all matters except those in which the Board has formally designated some other person or group to act.

#### **5.6-2 RESPONSIBILITIES AND DUTIES:**

It shall be the President and Chief Executive Officer's responsibility and duty:

- a. To assure that the level of care provided to patients in LMH Health meets or exceeds generally accepted standards, and to develop such reporting mechanisms necessary to assure the Board that such level of care is provided to patients;
- b. To organize the administrative functions of LMH Health, delegate duties, and establish formal means of accountability on the part of subordinates;
- c. To develop and submit to the Board a plan of organization of LMH Health departments and other organizational components, showing lines of authority, responsibility, and interrelationships;
- d. To provide the Board, Board Committees and Management Committees with such staff and administrative support and personnel as they may reasonably require;
- e. To provide LMH Health's professional staffs with the administrative support and personnel reasonably required to carry out their review, evaluation, and monitoring activities;
- f. To be responsible, except as otherwise provided by the Board, for selecting, employing, supervising, controlling, and discharging employees within the constraints of LMH Health operating and capital budget. To establish and maintain written personnel policies and procedures, which adequately support sound patient care; which policies shall be made available to all employees and shall be reviewed at least every two (2) years;
- g. To recommend policies to the Board of Trustees that will improve the efficiency of LMH Health and the direction of its affairs and personnel, and promulgate and enforce such rules and regulations that may be necessary to implement policies approved by the Board of Trustees;
- h. To establish such Hospital administrative departments as are necessary, provide for departmental and interdepartmental meetings and attend or be represented at such meetings;
- i. To prepare with the Chief Financial Officer an annual operating budget, and review and update a capital budget before the November meeting of the Board each year, and control all operating receipts and disbursements authorized under said budget;
- j. To supervise the keeping of regular books of accounts of the finances, funds, and properties of the general and special funds of LMH Health and prepare true and accurate monthly financial, statistical and other pertinent reports necessary to keep the Board of Trustees fully informed regarding LMH Health's operation and present the same at each Board meeting;
- k. To oversee the maintenance and insurance of all physical properties, and assist the Board in planning for the constructing or acquiring of new facilities and equipment;

- l. To provide effective liaison between LMH Health and community by participating in community activities; and to provide for such representation and involvement as is deemed appropriate and necessary in national, state, and local hospital associations, planning agencies, alternative delivery system organizations, and other such agencies;
- m. To designate, in writing, other individuals by name of position who are, in order of succession, authorized to act for him or her during any period of his or her absence from LMH Health;
- n. To be responsible for advising on the formation of and implementing policies established and plans authorized by the Board for the operation of LMH Health;
- o. To review acts and undertakings referred to him or her by the Board, and make recommendations concerning the feasibility thereof and alternatives thereto, consistent with defined Hospital objectives and planned mix of services;
- p. To provide information to the Board and Medical Staff on changes and trends in the health care field that may influence the modification of Hospital services;
- q. To attend personally or by designee all meetings of and act as liaison to the Board, Board and Management Committees and Standing and Ad Hoc Committees of the Medical Staff;
- r. To develop and maintain a working relationship with the Medical Staff to the end that a high quality of medicine and hospital service will result and that Board authorized policies and goals are accomplished;
- s. To develop and oversee the implementation of long range and short range strategic plans, including Medical Staff development, to assure that the total Hospital operations are attuned to meeting the health needs of the community served by LMH Health and the purposes of the institution, to the greatest extent feasible within LMH Health's resources;
- t. To grant temporary Clinical Privileges or to summarily suspend Clinical Privileges of a Practitioner in the event the President and Chief Executive Officer determines such action must be taken in the best interest of patient safety and quality of care;
- u. To oversee development, implementation, maintenance, and monitoring of an effective corporate compliance program to prevent and detect violations of the law within LMH Health; and
- v. To perform such other duties related to planning matters as may be assigned to the President and Chief Executive Officer by the Board.

## **ARTICLE VI COMMITTEES**

### **6.1. BOARD COMMITTEES:**

#### **6.1-1 STANDING COMMITTEES:**

The Board hereby establishes the following standing Board Committees:

#### **A. EXECUTIVE COMMITTEE:**

The Executive Committee shall consist of the Chair, Vice-Chair and Secretary of the Board, the Chair of the Finance Committee, the Chief of the Medical Staff, the Past Chair of the Board and those members appointed by the Chair of the Board. The Chair of the Board shall chair the Executive Committee meeting, which shall be held at least six (6) times per year, generally on the Friday before the regular meeting of the Board of Trustees. The Chair's term as chair of the Executive Committee shall coincide with their term of office as Chair of the Board. The functions of the Executive Committee shall include annual review of and recommendations to the full Board of any amendments to these Bylaws; recommending to the full Board a slate of officers to fill the expired terms of Officers of the Board; providing oversight of the administration of LMH Health's executive compensation policies and procedures including facilitating the President and Chief Executive Officer's evaluation; and other matters as delegated by the full Board.

**B. FINANCE COMMITTEE:**

The Finance Committee shall consist of the Treasurer of the Board, the Chief Financial Officer of LMH Health, the President and Chief Executive Officer, the Vice-Chief of the Medical Staff and those members appointed by the Chair of the Board. The Treasurer shall chair the committee meetings, which shall be held monthly. The committee chair's term as chair shall coincide with his or her term of office as Treasurer of the Board. The Finance Committee shall review the financial status of LMH Health monthly and shall report to the Board at each meeting the matters discussed at the Finance Committee meeting and make such recommendations for action to the Board, as the Finance Committee deems appropriate.

**C. JOINT CONFERENCE COMMITTEE:**

A Joint Conference Committee shall consist of nine (9) Trustees, the President and Chief Executive Officer, the Chief of the Medical Staff, the Vice Chief of the Medical Staff, the Secretary of the Medical Staff, the immediate past Chief of the Medical Staff, three (3) Physicians elected at large by the Medical Staff, three staff members appointed by the Joint Conference Committee and the Administrative Council of LMH Health. The chair of the Joint Conference Committee shall alternate between the Chair of the Board, the President and Chief Executive Officer and the Chief of the Medical Staff. Meetings of the Joint Conference Committee shall be held monthly for the purpose of providing effective liaison between the Board of Trustees, the Medical Staff and the LMH Health Administration. The functions of the Joint Conference Committee are to:

- a. Conduct itself as a forum for the discussion of matters of administrative and medical policies and procedures;
- b. Review in cooperation with the Corporate Compliance Committee LMH Health's compliance with the laws and regulations of federal, state, and local governmental agencies and with the standards, rules, and regulations of the various accrediting and approval agencies;
- c. Provide a forum for strategic dialog and feedback on matters important to the Board, LMH Health Administration, and Medical Staff and their respective constituent departments and individuals;

- d. To meet in Executive Session with LMH Health’s legal counsel and the Risk Manager to review items deemed privileged under the attorney client privilege pursuant to K.S.A. 60-426 and to meet as a Peer Review Committee in accordance with the internal risk management program of LMH Health which meets the requirements of K.S.A. 65-4921, et seq., and any amendments thereto.

**D. QUALITY COMMITTEE:**

The Quality Committee shall consist of four (4) Trustees appointed by the Chair of the Board, the President and Chief Executive Officer, the Chief Operating Officer, the Vice President of Nursing, the Medical Director of Quality Services. Additionally, the Chair of the Board may invite one (1) or more Advisors to serve as a member of the Quality Committee. Such Advisor(s) may vote or be counted in determining the existence of a quorum and may be included in Executive Sessions of the Quality Committee conducted pursuant to the KOMA. The Chair of the Board shall appoint the chair of the committee from the Trustees serving on the Quality Committee and the committee shall meet regularly. The Quality Committee’s purpose is to assist Hospital leadership in its efforts to improve patient care using available resources while remaining consistent with achievable objectives. The objectives of the Quality Committee are to measure, assess, and improve outcomes related to patient care and other important functions of LMH Health.

**E. COMPLIANCE COMMITTEE:**

To ensure that its business practices are conducted with the highest of ethical standards, the Board has adopted a Compliance Plan (“Plan”) and appointed a Compliance Officer. The Compliance Officer is charged with implementing the Plan, which generally requires the conduct of business in compliance with all applicable laws, regulations and standards and provides that any possible violations be reported to the Compliance Officer. The Compliance Committee shall consist of representatives from key Hospital departments, which representatives shall be appointed by the Compliance Officer. The committee shall also include a representative from each of the following: the Board of Trustees, the Medical Staff, and LMH Health Administration. The Compliance Officer shall chair the committee meetings, which shall be held at least quarterly, or more frequently as determined by the Compliance Officer. The Compliance Officer shall serve as chair so long as he or she retains his or her position as Compliance Officer. The purpose of the Compliance Committee is to work with the Compliance Officer in the design, implementation, and ongoing review of the Compliance program and in the oversight of Hospital’s compliance with laws and regulations of federal, state and local government agencies.

**6.1-2 OTHER BOARD COMMITTEES:**

The Board may, by resolution, create such additional Board Committees as it may deem appropriate. Such resolution shall specify the membership of the committee, its meeting time and frequency, its chair and his or her term as chair, and the committee’s purpose or functions.

## **ARTICLE VII MEDICAL STAFF**

### **7.1. ORGANIZATION:**

The Board has a Medical Staff comprised of all Physicians and Dentists who have been determined to satisfy the qualifications for and have been appointed by the Board of Trustees consistent with applicable law.

### **7.2. DELEGATION OF CLINICAL DECISIONS:**

The Board of Trustees delegates to the Medical Staff the responsibility to investigate and evaluate, under the direction and supervision of the Chief of the Medical Staff, all matters relating to Medical Staff Membership Status, Clinical Privileges, and corrective action, and the Medical Executive Committee shall make recommendations to the Board of Trustees relating thereto. The active Medical Staff shall have primary responsibility for the organization and administration of the Medical Staff. The Board holds the Medical Staff accountable for conducting specific activities that contribute to the preservation and improvement of the quality and efficiency of patient care provided in LMH Health.

### **7.3. COMPLIANCE WITH ETHICAL AND PROFESSIONAL STANDARDS:**

The Medical Staff shall achieve and maintain compliance with all ethical principles and standards of professional medical practice.

### **7.4. MEMBERSHIP AND CLINICAL PRIVILEGES:**

The Medical Staff of LMH Health shall be composed of qualified Physicians and Dentists who are licensed to practice in the State of Kansas. Membership on the Medical Staff shall be a prerequisite to the exercise of Clinical Privileges in LMH Health, except as otherwise specifically provided in the Medical Staff Bylaws.

#### **7.4-1 RECOMMENDATION TO BOARD OF TRUSTEES:**

The Medical Staff, under the direction and supervision of the Chief of the Medical Staff, shall make recommendations to the Board relating to Medical Staff structure, the process for reviewing credentials and delineating Clinical Privileges; the process for organizing, conducting, evaluating, and revising the Medical Staff's performance improvement activities; the process for termination of Medical Staff membership and the process for fair hearing. The Medical Staff shall investigate and evaluate matters related to Medical Staff Membership Status, Clinical Privileges, and corrective action, and the Medical Executive Committee shall make recommendations to the Board of Trustees thereon. Final action on all matters relating to Medical Staff status, Clinical Privileges, and adverse action as defined in the Medical Staff Bylaws shall be taken by the Board of Trustees after considering the recommendations of the Medical Executive Committee, provided that the Board of Trustees shall act in any event if the Medical Executive Committee fails to submit any such recommendation within the time periods required by the Medical Staff Bylaws. Any such Board of Trustees action without the recommendation of the Medical Executive Committee shall be based on the same kind of documented investigation and evaluation of current ability, judgment, and character as is required for recommendations of the Medical Staff.

#### **7.4-2 CONTRACTUAL AND MEDICO-ADMINISTRATIVE OFFICES:**

The Board of Trustees shall have the right to terminate all contractual arrangements with Physicians or Dentists in a Medico-Administrative position upon written notice and in accordance with the terms

of their contracts. Clinical Privileges and Medical Staff memberships that result from a Practitioner's contract with LMH Health shall only be valid during the term of the contract and shall automatically expire upon termination of the contract. Clinical Privileges and Medical Staff memberships which are not solely the result of any such contract shall not automatically expire as the result of termination of the contract.

**7.4-3 PROCEDURE FOR APPOINTMENT:**

The procedure to be followed by the Medical Staff and the Board of Trustees in acting on matters of Membership Status, Clinical Privileges, and corrective action shall be specified in the Medical Staff Bylaws. All appointments to the Medical Staff shall be for the term set forth in the Medical Staff Bylaws.

**7.4-4 APPOINTMENT AND CREDENTIALING CRITERIA:**

In acting on matters of Medical Staff Membership Status, the Board of Trustees shall consider the recommendations of the Medical Executive Committee and LMH Health Administration, the needs of LMH Health and community, and such other criteria as are set forth in the Medical Staff Bylaws. In granting and defining the scope of Clinical Privileges that is to be exercised by each Practitioner providing health care service at LMH Health, the Board of Trustees shall consider the recommendation of the Medical Executive Committee, the supporting information on which it is based, and such criteria as are set forth in the Medical Staff Bylaws. Important criteria for Medical Staff membership and Clinical Privileges, among others, are the Practitioner's health status; professional ability, residency for "call" purposes, judgment, rapport, and ability to provide good patient care at LMH Health; community needs; and Hospital needs and capacity to provide support. Notwithstanding the above, for a Physician or Dentist to be favorably considered for Medical Staff membership, it will be necessary to assure compatibility with the purposes, objectives, philosophies, programs, and Medical Staff of LMH Health. As permitted by and in accordance with applicable state and federal law, the Medical Executive Committee shall request applicants as well as reapplicants to provide reasonable evidence of health status.

**7.4-5 NO UNLAWFUL DISCRIMINATION:**

No aspect of Membership Status or specific Clinical Privileges shall be limited or denied to a Practitioner based on sex, race, creed, handicap, color, national origin or sexual orientation.

**7.5. SELECTION OF MEDICAL STAFF DEPARTMENT CHIEFS:**

The Board delegates to the Medical Staff the responsibility to choose Department Chiefs in accordance with the procedure set forth in the Medical Staff Bylaws. The Department Chief will be responsible to the Chief of the Medical Staff for the functioning of the department, and will have general supervision over the clinical work falling within the department.

**7.6. CORRECTIVE ACTION BY BOARD OF TRUSTEES AND FAIR HEARING PLAN:**

The Board of Trustees at any time may request the Medical Staff Executive Committee to initiate corrective action relating to any Practitioner who has been granted Clinical Privileges whenever the Board believes the Practitioner's conduct meets the criteria for initiating correction as set forth in the Medical Staff Bylaws. Any such request for corrective action shall be carried out in accordance with the Medical Staff Bylaws. If the Medical Executive Committee fails to act in a timely fashion upon any request for corrective action, the Board may, after notifying the Medical Executive Committee of

its intent, take action on its own initiative, employing the same type of information usually considered by the Medical Staff, all as more fully set forth in the Medical Staff Bylaws.

**ARTICLE VIII**  
**MEDICAL STAFF BYLAWS ADOPTION AND AMENDMENT PROCESS**

**8.1. DELEGATION TO THE MEDICAL STAFF:**

The Board holds the Medical Staff responsible for drafting, debating, adopting and recommending to the Board in a timely and good faith manner, such bylaws, rules, regulations, procedure manuals and other organizational protocols as are appropriate for the proper direction and management of the Medical Staff, including amendments thereof. The Board delegates to the Medical Executive Committee the responsibility to review the Medical Staff Bylaws annually. All such documents and amendments thereto must be consistent with Hospital policy and applicable legal and other requirements and shall not be effective until reviewed by the Board of Trustees and acted upon favorably.

**8.2. BOARD ACTION ON MEDICAL STAFF BYLAWS:**

The Medical Staff Bylaws and any amendments thereto, must be reviewed and approved by the Board before they are effective. Once approved and adopted, neither the Board of Trustees nor the Medical Staff may unilaterally amend the Medical Staff Bylaws. The Medical Staff Bylaws, related documents and amendments are effective as of the date such binding action is taken by the Board or at such later day as the Board may specify. Whenever the Board of Trustees believes that the Medical Staff's recommended changes to or existing Medical Staff Bylaws are deficient, the Board shall, by notice to the Chief of the Medical Staff (who shall forward such notice to the Medical Staff committee responsible for Bylaws review), inform the Medical Staff of its concerns, of the reasons therefore, and of the date by which the Medical Staff's response is requested, provided that such date shall be not less than five (5) days nor more than thirty (30) days from the date the Board communication has been received by the Chief of the Medical Staff.

**8.3. BOARD CHANGES TO OTHER MEDICAL STAFF DOCUMENTS:**

Whenever the Board of Trustees believes that the Medical Staff recommendations to or existing documents are deficient in one (1) or more respects, the Board shall, by notice to the Chief of the Medical Staff (who shall forward such notice to the Medical Staff committee responsible for Bylaws review), inform the Medical Staff of its concerns, of the reasons therefore, and of the date by which the Medical Staff's response is requested, provided that such date shall be not less than five (5) days nor more than thirty (30) days from the date the Board communication has been received by the Chief of the Medical Staff.

**8.4. BOARD OF TRUSTEES ACTION FOLLOWING MEDICAL STAFF RESPONSE:**

If the Medical Staff's response satisfies the Board's concerns that prompted the notices in sections 8.2 and 8.3, the Board shall thereupon act upon the matter in accordance with Section 8.2. If the Medical Staff's response fails to satisfy the Board's concerns or if no Medical Staff response is received within the time frames specified, the Board shall refer the matter to the Joint Conference Committee for review, discussion and report.

**8.5. BOARD ACTION:**

Within twenty (20) days after receiving a matter referred to it under Section 8.4 above, the Joint Conference Committee will convene to review, discuss and prepare its written report on the matter.

**8.5-1 JOINT CONFERENCE COMMITTEE REPORT DIFFERENT FROM STAFF:**

If the Joint Conference Committee report is different from the Medical Staff's response, if any, in Section 8.4 above, the Joint Conference Committee report will be communicated to the Medical Staff for consideration and response to the Board within a specified time period, which time shall be not less than twenty (20) days unless approved by the Board. After receiving the Medical Staff's response, or after expiration of the response period, the Board may take such action as it deems appropriate (whether or not such action is consistent with the Medical Staff response or the Joint Conference Committee report). The Board's action shall constitute a final decision and the matter shall not be subject to any further referral or review. The documents or amendments the Board approves are effective as of the date of the Board action or at such later date as the Board may specify.

**8.5-2 JOINT CONFERENCE COMMITTEE REPORT IN ACCORD WITH STAFF:**

If the Joint Conference Committee report is consistent with the Medical Staff's response, if any, it shall be transmitted to the Board. The Board may thereafter take such action as it deems appropriate (whether or not such action is consistent with the Medical Staff response or the Joint Conference Committee report). The Board's action shall constitute a final decision and the matter shall not be subject to any further referral or review. The documents or amendments the Board approves are effective as of the date of the Board action or at such later date as the Board may specify.

**ARTICLE IX  
GENERAL PROVISIONS**

**9.1. INDEMNIFICATION AND INSURANCE:**

**9.1-1 THIRD PARTY ACTIONS:**

The Board shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or on behalf of LMH Health), by reason of the fact that he or she:

- a. Is or was a Trustee, employee, representative or agent of LMH Health; or
- b. Is or was serving at the request of LMH Health as a representative of a limited liability company, corporation, partnership, joint venture, trust or other enterprise, or on any committee appointed by the Board or Medical Staff;

against liabilities and expenses, including attorney's fees, judgments, fines and amounts paid in settlement or compromise, actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of LMH Health, and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

The termination of an action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of LMH Health, and with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

**9.1-2 SCOPE:**

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which any representative or former representative of LMH Health may be entitled under any statute, agreement or vote of disinterested Trustees, or otherwise, and shall continue as to a person who has ceased to be a representative and shall inure to the benefit of the heirs, executors and administrators of such person.

**9.1-3 ADVANCES:**

Expenses incurred in defending an action, suit or proceeding may be paid by LMH Health in advance of the final disposition of such action, suit or proceeding upon approval by a majority vote of the Trustees who are not parties thereto, and receipt from the party or parties of an undertaking to repay such expenses unless it shall ultimately be determined that they are entitled to be indemnified by LMH Health as authorized in this Article.

**9.1-4 INSURANCE:**

LMH Health may purchase and maintain insurance on behalf of any person who is or was a representative or agent of LMH Health, or is or was serving at the request of LMH Health as a representative of a corporation, partnership, joint venture, trust or other enterprise or committee appointed by LMH Health, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such.

**9.2. AUXILIARY AND ASSOCIATED ORGANIZATIONS:**

The Board of Trustees may authorize the formation of auxiliary and associated organizations to assist in the fulfillment of the purposes of LMH Health. Each such organization shall establish its bylaws, rules and regulations and make amendments thereto which shall be subject to Board approval and which shall not be inconsistent with these Bylaws or rules/policies, or directives of the Board. All such organizations shall be responsible and accountable to the Board, and the Board shall review their operations and activities at least annually. Volunteers who are not members of the auxiliary are supervised under administrative rules.

**9.3. FISCAL YEAR:**

The fiscal year of LMH Health shall commence on the first (1<sup>st</sup>) day of January and end the following thirty-first (31<sup>st</sup>) day of December.

**9.4. PROCEDURES:**

The Board and Board Committees may adopt rules or procedures, if they are consistent with these Bylaws.

**ARTICLE X  
AMENDMENT TO BYLAWS**

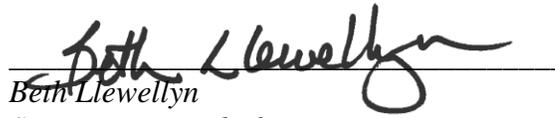
**10.1. PROCEDURE:**

These Bylaws, excluding Article II, may be adopted, amended, altered or repealed by a vote of seven (7) of the Trustees present at any meeting, provided that notice calling the meeting sets forth the proposed amendment, alteration or repeal in full. The Trustees shall review these Bylaws biennially and revise as necessary.

**CERTIFICATION OF SECRETARY**

I, the undersigned, do hereby certify:

*That I am the duly elected and acting Secretary of The Lawrence Memorial Hospital, Lawrence, Kansas, and, that the foregoing Bylaws comprised of twenty-five (25) pages including a Glossary of Definitions, constitutes the Amended and Restated Bylaws of the Board of Trustees of The Lawrence Memorial Hospital as duly adopted on the 16<sup>th</sup> day of September 2020.*

  
Beth Llewellyn  
Secretary, Board of Trustees

**ATTACHMENT A**  
**GLOSSARY OF DEFINITIONS**

1. *ADVISOR means community leaders, representatives, and others with unique skills who may be selected by the Board to serve as individual ADVISORS to the Board, officers, and committees.*
2. *BOARD COMMITTEE means a body created by resolution of the Board whose members are elected by the Board from its own voting membership and may include ADVISORS and which may be authorized to exercise a designated portion of the authority of the Board.*
3. *BOARD OF TRUSTEES or BOARD means the governing body and co-trustees of LMH Health comprised of individuals who have been appointed to serve as co-trustees by the Mayor of the City of Lawrence, Kansas subject to the advice and consent of the City Commission of the City of Lawrence, Kansas and which has all the powers of special trustees by authority of K.S.A. 12-1615 and the terms of the Watkins Deed as amended by court order of 1979. TRUSTEE means one of the co-trustees the Board.*
4. *CHAIR means the co-trustee elected by the Board to serve as the principal officer and spokesperson of the Board.*
5. *CLINICAL PRIVILEGES or PRIVILEGES means the rights granted to a Practitioner to render those health care services specifically delineated to Practitioner.*
6. *CONFIDENTIAL INFORMATION means any written or oral communication provided for or in Executive Session, including the content of documents that are produced in advance for review in Executive Session. Confidential Information includes any communications covered under the attorney client privilege (K.S.A. 60-426), the peer review privilege (K.S.A. 60-4915), or the risk management privilege (K.S.A. K.S.A. 65-4921 through 65-4930) whether or not provided in Executive Session.*
7. *DENTIST means a person licensed in Kansas to practice dentistry.*
8. *EXECUTIVE SESSION shall have the meaning and be for the allowable purposes as set forth in the Kansas Open Meetings Act K.S.A. 75-4317 et. seq., (“KOMA”).*
9. *EX-OFFICIO means service as a member of a body by virtue of an office or position held and, unless otherwise expressly provided, means with voting right.*
10. *LMH HEALTH or HOSPITAL means “The Lawrence Memorial Hospital,” doing business under the trade name of “LMH Health” and established as a charitable trust and an instrumentality created by a charitable gift from Elizabeth Watkins to the City of Lawrence, Douglas County, Kansas pursuant to K.S.A. 12-1615. The Hospital is tax exempt pursuant to Internal Revenue Code Section 115; and governed by the terms of the Watkins Deed as amended by a 1979 decision of the District Court of Douglas County Kansas.*
11. *LMH HEALTH ADMINISTRATION means The Lawrence Memorial Hospital’s senior level administrators, including but not limited to the President and Chief Executive Officer, employed to administer and manage the day-to-day operations of the Hospital.*

12. *MEDICAL STAFF or STAFF means the Physicians and Dentists who are appointed by the governing body and have privileged to attend patients or to provide other diagnostic, therapeutic, teaching or research services in LMH Health.*
13. *MEDICAL STAFF MEMBERSHIP STATUS or MEMBERSHIP STATUS means all matters relating to Medical Staff appointments and reappointments, to department and other clinical unit affiliations and to Medical Staff category assignments.*
14. *MEDICO-ADMINISTRATIVE OFFICER means a Practitioner, engaged by LMH Health either full- or part-time in an administrative responsible capacity, whose activities also include clinical responsibilities such as direct patient care or supervision of the patient care activities of other Practitioners under his or her direction.*
15. *PHYSICIAN means an individual with a Doctor of Medicine (“M.D.”), or a Doctor of Osteopathy (“D.O.”) or Doctor of Podiatric Medicine (“D.P.M.”) degree who is actively licensed in Kansas to practice medicine and surgery.*
16. *PRACTITIONER means, unless otherwise expressly limited, any Physician, Dentist, or allied health care professional who has clinical privileges in LMH Health.*
17. *PRESIDENT AND CHIEF EXECUTIVE OFFICER means the individual appointed by the Board to act on its behalf in the overall administrative management of LMH Health.*
18. *THIRD-PARTY(IES) means anyone who is not covered under LMH Health's peer review or attorney client privilege or is not authorized by the Board to participate in the Executive Sessions of the Board.*