



**STATEMENT
OF DUTIES AND RESPONSIBILITIES OF
BOARD OF DIRECTORS OF THE
SOUTHERN MONO HEALTHCARE DISTRICT**

ADOPTED AND EFFECTIVE
December 16, 2010

REVISED AND EFFECTIVE
April 20, 2017

**STATEMENT OF DUTIES AND RESPONSIBILITIES
OF
THE BOARD OF DIRECTORS
OF THE
SOUTHERN MONO HEALTHCARE DISTRICT**

This Statement outlines the general duties and responsibilities of the Board of Directors (the “Board”) (and its individual members) of the Southern Mono Healthcare District (“SMHD” or the “District”). These duties and responsibilities are founded on legally required principles of fiduciary duty and public responsibility applicable to public officials, and are necessary to oversight of the complex public business of Mammoth Hospital (the “Hospital”) as an acute care health care facility owned and operated by a Local Health Care District.

SMHD is a Healthcare District duly organized and existing under the laws of the State of California and more particularly Health and Safety Code §§32000, et seq. This Statement supersedes and replaces all prior Statements adopted and approved by the Board of Directors.

I. GENERAL DIRECTOR DUTIES AND RESPONSIBILITIES

A. Recruitment

1. In the event of an actual or pending vacancy on the SMHD Board of Directors, directors are encouraged to recruit candidates in the community for Board membership who present a balanced diversification of personalities and backgrounds and meet statutory, residency, and other legal requirements for membership.
2. Directors will not recruit candidates based on unpermitted and unlawful specific personal criteria, including without limitation, including, without limitation, gender, race, legal disability, and age.

B. Orientation of Members

Directors will inform new directors of the following items; this list not being exclusive:

1. Expectations for Board service.
2. Organization at the staff level.
3. Board rules and procedures.

4. The Ralph M. Brown Act (the Open Meeting Law).
5. Major on-going occurrences, such as labor negotiations, personnel matters, litigation (pending and threatened), and pending issues and agenda items of the Board.
6. Protocol as to staff and employees, including the CEO's exclusive role in staff and employee communication and management.
7. Protocol as to the public, including proper and improper subjects of communication.
8. Public bidding and contracting rules and procedures.
9. Public records and confidential documents.
10. Corporate governance rules.
11. Statutory protection of protected health information, pursuant to (i) HIPAA (Health Insurance Portability and Accountability Act of 1996 [Medical Privacy Act], Public Law 104-191, 45 Code of Federal Regulations, Parts 160, 162, 164.), and (ii) the California Confidentiality of Medical Information Act (Civil Code §§56, et seq.).

C. Continuing Education

1. Directors will continually educate themselves as to issues pertinent to their duties and responsibilities, including, but not limited to, current events, industry issues, Board and Board member functions, The Brown Act, confidentiality of patient, personnel, legal, litigation and other confidential matters, and changes in the law.
2. Directors will conduct periodic scheduled programs with speakers on issues key to Board duties and responsibilities. Such programs will include presentations on Hospital administration by consultants, department heads and senior management.

D. Evaluation and Improvement

1. Directors will at least annually evaluate performance of their duties and responsibilities, as to, among others, ensuring SMHD fulfills its mission, complies with its Bylaws and government regulations, delivers quality patient care, and maintains fiscal viability

2. Directors will work to improve performance of their duties and responsibilities, as may be necessary.

E. Accreditation and License Maintenance

Directors will ensure SMHD maintains required accreditations and licensing, with among others, the following: (1) examples of accreditation firms – Det Norske Veritas (“DNV”) (currently engaged), and the Joint Commission on the Accreditation of Healthcare Organizations; and (2) California licensing agencies.

F. Brown Act Compliance

1. Directors will comply with The Brown Act by conducting Board business in open session meetings, with the exception of meeting in closed session for authorized matters, including among others, matters involving legal counsel (e.g., pending or threatened litigation), real property transactions, personnel matters, and Hospital facility trade secrets.

2. Directors will further comply with The Brown Act by ensuring no more than two directors concurrently serve on any standing or *ad hoc* committee when it is intended that meetings of the committee be exempt from the open meeting requirements of the Act.

G. Hospital Operations; Non-Participation

Directors will not participate in the day-to-day operations of the Hospital, including, without limitation, maintaining Hospital records, directing or supervising Hospital employees (except for the CEO and for other senior managers when the CEO is unavailable), handling patient complaints, contracting, and supervising department heads and senior management. Directors will exercise their obligation as a Board to address, investigate, deliberate, approve, or ratify management actions as required.

H. Bylaws Review

1. Directors will review District Bylaws as is periodically required and revise them as necessary.

2. Directors will review and comment upon, and approve adoption and amendment of Medical Staff Bylaws, including applicable Rules and Regulations; the foregoing as may be required by applicable law, rules and regulations. Directors will not unreasonably withhold such approval, and shall exercise their authority in good faith and in a reasonable, timely and responsible manner,

reflecting the interests of providing patient care of the generally recognized level of quality and efficiency, and of maintaining a harmony of purpose and effort with the Medical Staff. Directors acknowledge the Mammoth Hospital Medical Staff is an independent body.

3. Directors will review and approve as may be appropriate adoption and amendment of the Mammoth Hospital Auxiliary Bylaws.

I. Statement of Investment Policy Review

Directors will review the Statement of Investment Policy as is periodically required and revise it as necessary.

J. Conflict-of-Interest Code Review

Directors will review the Conflict of Interest Code as is periodically required and revise it as necessary.

K. Mission Statement Review

Directors will review the SMHD Mission Statement from time-to-time to ensure it continues to reflect changes in the local community, in healthcare services provided, and in the District's goals and objectives. Directors will also ensure the Mission Statement complies with IRS Rules exempting SMHD from taxation under Revenue & Taxation Code §501(c)(3) for charitable contributions (so long as SMHD maintains §501(c)(3) status).

L. CEO/Administrator Management

1. Directors will recruit and select the CEO.

2. Directors will specify CEO performance expectations, including staff and employee management, and implementation of Board policies and directives for Hospital operations.

3. Directors will communicate with SMHD staff and employees through the CEO, and will designate a liaison or committee to work directly with the CEO to maximize consistent communications between individual Directors and the CEO.

4. Directors will evaluate CEO performance, develop CEO retention and succession plans, and terminate the CEO as reasonably and necessarily determined by the Board.

M. Medical Staff

1. Privileges

a. Directors will provide final approval or denial of medical staff privileges, as is required by applicable law, rules and regulations.

b. Directors will hear appeals of denials, suspensions, or revocations of medical staff privileges as is required by applicable law, rules and regulations.

2. Peer Review

a. Directors will become familiar with the peer review procedures set forth in the Medical Staff and SMHD Bylaws.

b. Directors will hear appeals of Medical staff actions, as is required by applicable law, rules and regulations.

c. Directors will ensure appropriate reporting of Medical Staff proceedings as is required by applicable law, rules and regulations.

3. Governing Documents

Directors will review and approve as appropriate Medical Staff governing documents (e.g., Medical Staff Bylaws and Staff Rules and Regulations).

N. Committees

1. The Board will appoint standing committees in compliance with SMHD Bylaws, including, if deemed appropriate, an Executive Committee of the whole.

2. The Board will appoint advisory committees in compliance with SMHD Bylaws, if deemed appropriate, in areas involving finance, strategic planning, operational planning, compensation, physician contracting, general contracting, quality assurance, employee relations, information technology ("IT"), buildings and facilities, and such other areas as will assist Directors in more effectively carrying out their duties and responsibilities (see Attachment 1).

3. Directors will ensure committees dealing with medical matters will include consultation with members of the Medical Staff, as may be appropriate.
4. The Chair of the Board will appoint committee chairs and members at the annual meeting to serve one year terms, and at other times as may be necessary to due vacancies or establishing additional committees.
5. Directors will receive and discuss recommendations from standing and *ad hoc* committees, but will retain final decision-making authority, unless the Directors specifically designate and authorize to the contrary.
6. Directors will utilize non-Board member advisory committees for exceptional issues and occurrences. Examples have included CEO recruitment, hospitality functions, joint health care district collaborations, and Hospital Auxiliary functions.

II. SPECIFIC DIRECTOR DUTIES AND RESPONSIBILITIES

- A. Directors will prepare for Board and committee meetings in order to meaningfully participate.
- B. Directors will acquire a working knowledge of the functional activities of all committees to which they are appointed or assigned.
- C. Directors will attend Board meetings and meetings of committees to which they have been appointed or assigned.
- D. Directors will timely execute Board assignments.
- E. Directors will maintain confidentiality and security of Hospital information and closed session matters in keeping with legally required and fiduciary responsibilities and duties.
- F. Directors will facilitate the Board's deliberative decision-making process in an open-minded and collaborative manner.
- G. Directors will serve as a consultant to the CEO and, with his or her approval, to other personnel of the District.
- H. Directors will develop general knowledge of modern healthcare delivery and trends.

- I. Directors will be alert to new program opportunities and assist SMHD on specific programs when requested.
- J. Directors will avoid conflicts-of-interest, and abstain from Board consideration of matters in which they have an unpermitted personal or financial interest.
- K. Directors will act in the highest degree of good faith and loyalty to the District and the public in compliance with legally required fiduciary responsibilities and duties.

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Adopted and revised by resolution at the Regular Meeting of the Board of Directors of the Southern Mono Healthcare District, held the 20th day of April 2017.


Lynda Salcido, Board Chair


David Anderson, Board Secretary

**STATEMENT
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Attachment 1

COMMITTEES:

- CEO Evaluation Committee
- Employee Relations Committee
- Facilities Committee
- Finance Committee
- Information Technology Committee
- Physician Compensation and Relations Committee
- Quality Committee
- Board Member Recruitment Committee

Ad Hoc, Special, or Other Committees (as needed)

CEO Evaluation Committee Description

Members of the SMHD CEO Evaluation Committee are responsible for coordinating and conducting the annual review of the CEO performance and setting of his/her goals for the future. The Committee will provide an opportunity to the full Board for input. The summary of the results of the evaluation and the future goals will be provided to the full Board prior to discussion by the Committee with the CEO.

Subsequent to meeting with the CEO on the evaluation, the Committee will present their recommendation for an adjustment to the CEO salary rate to the full Board. The CEO salary adjustment will then be discussed with the CEO and implemented as agreed upon.

Employee Relations Committee Description

The Employee Relations Committee is responsible for reviewing general matters relating to employee benefits, satisfaction and concerns. The Committee will suggest policy changes, if necessary, to ensure that management is regularly surveying employees for their needs and are properly addressing any complaints. The committee will provide management with counsel regarding any major changes to employee benefits, as well as any employee concerns that may be raised.

Facilities Committee

The Facilities Committee of the Southern Mono Healthcare District Board is responsible for ensuring that the Board is aware of the condition and appropriate usage of our various locations.

Members of the Committee shall meet with the Facilities Director and the CEO when issues arise that impact the facility's effectiveness or when significant changes are being proposed, such as remodels or lease modifications. Status of these items can be reviewed with the CEO without a formal meeting if the Committee deems it appropriate. The Committee shall ensure that all such activity is reported to the Board.

Finance Committee Description

The Finance Committee is responsible for consulting on the oversight of the financial operations of the Southern Mono Healthcare District. The Committee recommends courses of action to attain the District's strategic goals including the financial stability of the District, the integrity of the District budgeting process and the completeness of the auditing process.

The Finance Committee meets once per month prior to the general SMHD Board meeting.

Information Technology Committee Description

Members of the SMHD IT Committee are responsible for ensuring that the Board is aware of any temporary or permanent deficiencies in the hospital systems in meeting the community needs and keeping

information secure. They shall monitor the plans and results for major system changes. Members may attend the Hospital IT Steering Committee Meeting or request special meetings with the IT Director and the CEO.

Physician Compensation and Relations Committee Description

The Physician Compensation Committee is responsible for reviewing the details of physician contracts including all terms and compensation offered. New committee members should be educated on the unique legal requirements of physician arrangements with a rural hospital. The committee will provide management with counsel regarding any changes that are needed regarding physician contracts. Meetings will be called when a contract to be signed deviates from the standard contract.

Quality Assurance Committee

The purpose of the Quality Assurance Committee of the Southern Mono Healthcare District Board is to provide community perspective of the quality assurance programs of the District and to ensure that the Board is kept informed as to the performance of the Hospital and its related community wellness programs. The Committee shall meet with the Chief Nursing Officer (CNO,), Clinics Administrator and the Director of Quality Assurance for Mammoth Hospital as necessary to stay informed.

Board Member Recruitment Committee

The Board Member Recruitment Committee will identify and develop qualified candidates for future openings on the Southern Mono Healthcare District Board. The committee will meet intermittently as necessary to conduct its work. It is the duty of all Board members to recruit qualified successors for their positions.

