

DECKERVILLE COMMUNITY HOSPITAL

HOSPITAL BY-LAWS

(Adopted)

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ARTICLE I
STATEMENT OF PURPOSE

SECTION 1.

The purposes and objectives of the corporation are as follows:

- A. To establish and maintain a hospital and related facilities for the community of Deckerville and surrounding areas, with permanent facilities, that include inpatient beds and medical services to provide diagnosis and treatment for patients, together with such outpatient care and associated and related services as the Board of Directors shall deem appropriate.
- B. To carry on any educational activities related to rendering to the sick and injured, or to the promotion of health, that in the opinion of the Board of Directors may be justified by the facilities, personnel, funds and other requirements that are, or can be, made available.
- C. To promote and carry on such scientific research related to the care of the sick and injured insofar as, in the opinion of the Board of Directors, such research can be carried on in, or in connection with the hospital.
- D. To participate, so far as circumstances may warrant, in any activity designed and carried on to promote the general health of the community.

SECTION 2.

This corporation is organized exclusively for charitable, scientific, and education purposes as a non-profit corporation, and its activity shall be conducted for the aforesaid purposes in such a manner that no part of its net earnings shall inure to the benefit of any member, director, officer, or individual. Upon dissolution of the corporation, and after payment of just debts and liabilities, all remaining assets shall be distributed to organizations enjoying an exempt status under Section 501 (C) (3) of the Internal Revenue Code of 1954, as amended, or successor provisions

ARTICLE II
MEMBERSHIP TO THE CORPORATION

SECTION 1.

Fifteen (15) individuals for the Village of Deckerville and surrounding area will be known as the Deckerville Community Hospital, Inc., "Members of the Corporation". All Members shall be at least eighteen (18) years of age. Each applicant must affirmatively demonstrate that he is a knowledgeable and effective individual; that he has a concerned purpose to promote the expressed goals of Deckerville Community Hospital and the general health of the entire community and that he will unselfishly strive to achieve such expressed goals of Deckerville Community Hospital rather than personal objectives or the objectives of any special interest groups. No more than three (3) hospital employees or their spouse shall be eligible to be a Member of the Corporation. This provision shall not apply to any employee of the hospital who works less than fifty (50) hours per year.

SECTION 2.

Five of such individuals will be elected for a term of three years, five for a term of two years and five for a term of one year. On the expiration of the term of office, the members of the Corporation will elect five new members to replace those whose terms have expired and they shall serve for a term of three years.

SECTION 3.

The Members of the Corporation shall come from the areas hereby designated and shall be elected as set forth therein these By-Laws:

Argyle and Moore Townships, 1 representative
Wheatland and Custer Townships, 1 representative
Minden City, Minden and Delaware Townships, 2 representatives
Lexington-Washington-Sanilac Townships, 1 representative
Marion Township and Village of Deckerville, 2 representatives
Forester and Bridgehampton Townships, 2 representatives
There shall be six (6) at-large Members of the Corporation for the above mentioned areas who shall be nominated and elected by the incumbent Members of the Corporation.

SECTION 4.

A member may be elected to the Corporation to succeed himself. Members of the Corporation whose terms expire at the conclusion of a meeting may vote at that meeting, including elections to Membership to the Corporation shall continue, notwithstanding the expiration of the term of office for which he was elected, until the conclusion of the meeting at which his successor shall be elected. In the event of the resignation or removal of any member, such member having resigned or been removed shall not vote at any meeting.

SECTION 5.

In case of vacancy in the Membership to the Corporation occurring, from any cause, the vacancy shall be filled by the election of a new member for the unexpired term of the member, at any Annual Meeting or any special meeting of the Corporation.

SECTION 6.

Any member of the Corporation may withdraw from this corporation by resignation filed with the Secretary of the Board of Directors. His resignation shall become effective upon its filing.

SECTION 7.

The members of the Corporation by a majority vote at its Annual Meeting or any special meeting, may remove any member of the Corporation for conduct deemed by the Members of the Corporation to be injurious to the standing, credit, or affairs of the corporation, with the charges, in written form, brought against him, and shall be given fair opportunity to be heard before the members of the Corporation in his defense.

SECTION 8.

No act of the Members of the Corporation or the Board of Directors shall be void because at the time such act shall be done, the members of the Board of Directors or the Corporation shall be less in number than that prescribed by these By-Laws.

SECTION 9.

Each present and every future member of this corporation, by acceptance of Membership in this Corporation, renounces, and shall be construed to have renounced, for himself, his heirs, legatees, devisees, legal representatives and assigns, each, and every right under any present or future law to participate to any extent whatsoever in the assets of this corporation upon liquidation, winding up or dissolution, and the case of this corporation shall cease to operate or divert its funds from the lawful purposes of its organization any Court or equity of competent jurisdiction shall have the right to appoint trustees to carry out the purposes of the corporation until the legislature shall by law make the provision authorized in Section 167 of Act Number 327 of the Public Acts of Michigan of 1931.

SECTION 10.

Except in the case of the at-large members, it shall be the duty of the Supervisor, except in the case of a village, then the Village President shall have the responsibility, to nominate the representatives from such townships or villages for Membership of the Corporation. In the event such nominated member does not receive the majority vote of the incumbent members, then it shall be the duty of the Supervisor, or President in the case of a village, to nominate a different member for such area.

SECTION 11.

The Members of the Corporation shall be qualified to originate and take part in the discussion of any subject that may properly come before any meeting of the corporation, to vote on such subject and to hold any office in the corporation, to which he may be elected or appointed.

SECTION 12.

The annual meeting of the corporation shall be held on the third Wednesday in October of each and every year, at 8:00 p.m. A quorum for the transaction of business at the annual meeting shall consist of a majority of the Members of the Corporation at that time.

SECTION 13.

Special meetings of the corporation may be held at the call of the President of the Board of Directors. Such call shall be sent by mail not less than ten (10) days in advance of the date for which the meeting is called, and shall state the purpose for which it is called. Not less than a majority of the total membership, present in person shall constitute a quorum for the transaction of business at such a special meeting and no business may be transacted except such as is set forth in the call for the meeting.

SECTION 14.

1. Any duality of interest or possible conflict of interest on the part of any member should be disclosed to the other Members of the Corporation and made a matter of record, either through an annual procedure or when the interest becomes a matter of membership action.
2. Any Member of the Corporation having duality of interest or possible conflict of interest on any matter should not vote or use his personal influence on the matter (except as stated herein below in Section 3.), and he should not be counted in determining the quorum for the meeting, even where permitted by law. The minutes of the meeting should reflect that a disclosure was made, the abstention from voting, and the quorum situation.
3. The foregoing requirements should not be construed as preventing a Member of the Corporation from briefly stating his position in the matter, nor from answering pertinent questions of other Members of the Corporation since his knowledge may be of great assistance.
4. The foregoing requirements be reviewed annually for the information and guidance of Members of the Corporation at the annual membership meeting and that any new member be advised of the policy upon entering on the duties of his office.

SECTION 15.

Agenda at any meeting of the Membership of the Corporation shall be as follows:

ANNUAL MEETINGS

1. Call to order.
2. Presentation and approval of minutes of last annual membership meeting, and any special meetings held since that time.
3. Presentation of the annual report of the Board of Directors.
4. Transaction of other business that may properly be brought before the meeting.
5. Election of Members in the Corporation.
6. Election of Members of the Board or Directors.
7. Adjournment.

SPECIAL MEETINGS

1. Call to order.
2. Reading of the official call for the meeting.
3. Transaction of business for which the meeting is called.
4. Adjournment

SECTION 16.

Members of the Corporation may remove a Director for negligence, misconduct, nonfeasance of his duties or failure to meet the attendance requirements.

ARTICLE III
BOARD OF DIRECTORS

SECTION 1.

All Directors shall be at least eighteen (18) years of age and must be approved by the members of the corporation. Each applicant must affirmatively demonstrate that he is a knowledgeable and effective individual; that he has a concerned purpose to promote the expressed goals of Deckerville Community Hospital and the general health of the entire community and that he will unselfishly strive to achieve such expressed goals of Deckerville Community Hospital rather than personal objectives or the objectives of any special interest groups. With respect to prospective directors, there shall be no discrimination on account of race, color, religion, sex, national origin, or age, except as aforementioned.

SECTION 2.

The Board of Directors shall consist of nine persons, who shall be elected at the annual meeting of the Members of the Corporation, and shall hold office as provided in these by-laws. The Chief of Staff of the Medical Staff shall serve as one member of the Board of Directors during his term of office as Chief of Staff. The remaining members of the Board of Directors shall serve for terms of three years, and until their successors are chosen and qualified. Directors' terms shall be staggered so that two persons are elected every third year, and three persons are elected in other years. Directors are elected at the annual meeting of the members of the Corporation. Members of the Medical Staff are eligible to be elected as directors. Hospital employees and their spouses are not eligible to be elected Directors' provided, however, that this provision shall not apply to any employee of the hospital who works less than fifty (50) days per year. With respect to candidates for the office of Director, there shall be no discrimination on account of race, color, religion, sex, or national origin.

SECTION 3.

Subject to limitation of the Articles of Incorporation, or the By-Laws, and of the Michigan General Corporation Act, all corporate powers shall be exercised by, or under the authority of, and the business and affairs of the corporation shall be controlled by the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Directors shall have the following powers, to wit:

A. To select and remove all the officers, agents, and employees of the corporation, prescribe such powers and duties for them as may not be inconsistent with law, with the Articles of Incorporation or the By-Laws, and to fix their compensation and require from them security for faithful service.

B. To conduct, manage and control the affairs of business of the corporation, and to make such rules and regulations therefore not inconsistent with law, with the Articles of Incorporation or the By-Laws, as they deem best.

C. The Board of Directors shall establish and oversee appropriate mechanisms to deal with: quality of care; quality assurance procedures; credentials review and privilege delineation; selection of Medical Staff department chairmen; planning of hospital services; and development and approval of the hospital's budget. The Board of Trustees shall also periodically provide for a review of the Board's performance, through a self-evaluation process or other means.

SECTION 4.

The Board of Directors shall have full power and authority to borrow money whenever (necessary?) at the discretion of the Board. The exercise of said power is required in the general interests of this corporation, and in such case the Board of Directors may authorize the proper officers of this corporation to make, execute and deliver in the name and behalf of this corporation such notes, bonds, and other evidence of indebtedness as said Board shall deem proper, and said Board shall have full power to mortgage the property of this corporation, or any part thereof, as security for such incorporation shall be requisite to the validity of any such note, bond, evidence of indebtedness or mortgage.

SECTION 5.

At any meeting of the Board of Directors, a majority of the total Board, who are present either in person or by proxy; shall constitute a quorum. A majority vote of any such quorum shall be necessary for the transaction of any business by the meeting, unless a greater number is required by law or by the Articles of Incorporation. The Directors present at a duly constituted meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum.

SECTION 6.

1. Any duality of interest or possible conflict of interest on the part of any Directors should be disclosed to the other Directors of the Board and made a matter of record, either through an annual procedure or when the interest becomes a matter of Board action.
2. Any Director having duality of interest or possible conflict of interest on any matter should not vote or use his personal influence on the matter (except as stated herein below in Subsection 3.), and he should not be counted in the determining quorum for the meeting, even where permitted by law. The minutes of the meeting should reflect that a disclosure was made, the abstention from voting, and the quorum situation.
3. The foregoing requirements should not be construed as preventing the director from briefly stating his position in the matter, nor from answering pertinent questions of other Directors since his knowledge may be of great assistance.
4. The foregoing requirements be reviewed annually for the information and guidance of directors at the annual Director's meeting and that any new Director be advised of the policy upon entering on the duties of his office.

SECTION 7.

Any vacancy on the Board of Directors caused by death, resignation, or otherwise, shall be filled by a majority vote of the remaining Board of Directors, and any such successor Director shall hold office for the duration of vacated Directors term or until his successor is elected and qualified.

SECTION 8.

Each member of the Board of Directors shall attend at least two-thirds of the meetings during the year. Directors failing in the attendance requirements shall be referred to the Membership of the Corporation for possible replacement.

SECTION 9.

This corporation shall indemnify and reimburse any person for expenses actually incurred by him, and liabilities imposed upon him, in connection with or arising out of any claim, action, proceeding, or suit, civil or criminal, administrative, or investigative, and whether formal or informal, or any threat thereof, in which he may be involved by reason of his being or having been a trustee, director, or officer of this corporation, or by reason of service to any other corporation, firm, or organization, whether for profit or not for profit, which he served as a director, officer, partner, or trustee at the request of this corporation. Such indemnification and reimbursement shall be to the maximum extent permitted by, and in accordance with, the relevant provisions of the Michigan Nonprofit Corporation Act.

The right of indemnification herein provided shall apply whether or not such person indemnified is serving in such capacity at the time such costs, expenses, or liabilities are incurred or imposed. Neither this corporation nor its trustees, directors, or officers shall be liable to anyone for any determination of such trustee, directors, or officers as to the existence or absence of conduct which would provide a basis for making or refusing to make any payment hereunder or for taking or omitting to take any other action hereunder, in reliance upon the advise of counsel. A court of competent jurisdiction may make a determination as to the right of a person to indemnification and reimbursement hereunder in any specific case upon the application or such person, despite the failure or refusal of the trustees, directors, or members to make provision therefore. The foregoing right of indemnification and reimbursement shall both be exclusive of other rights to which such person may be entitled as a matter of law, and shall inure to the benefit of his heirs and personal representatives. The right of indemnification herein provided shall be applicable only to the extent that such liabilities, expenses, and costs are not otherwise covered by or through collectible policies of insurance which may be carried by or for the benefit of such person, or this corporation, or any other corporation or organization.

ARTICLE IV

REGULAR AND SPECIAL MEETINGS OF THE BOARD OF DIRECTORS

SECTION 1.

The Board of Directors shall hold a regular meeting each month at a time and place that is convenient to the board.

SECTION 2.

Special meetings may be called by the President or hospital administrator and shall be called at the written request of a majority of the members of the Board of Directors. Written notice of special meetings shall be mailed to each member of the board at least two days before the date of such special meeting. This notice shall state the business for the transaction of which the special meeting has been called and no business other than that stated in the notice shall be transacted at such special meeting. Any member of the Board of Directors may waive notice of a special meeting, and if all of the Directors waive such notice then such meeting may be called at any time.

ARTICLE V
OFFICERS OF THE BOARD OF DIRECTORS

SECTION 1.

The officers of the Board of Directors shall be a President, Vice-President, Secretary and Treasurer, and such other officers as the Board of Directors may authorize, all of who shall be elected or appointed by the Board of Directors from among its own membership.

The officers of the Board of Directors shall hold office for a period of one year or until their successors have been duly elected and qualified, with election to be held at its first regularly scheduled meeting following the Annual Meeting of the Membership of the Corporation.

Any officer may be removed, either with or without cause, by a majority of the Directors at the time in office, at any regular or special meeting of the Board. Any officer may resign at any time by giving written notice to the President or Secretary of the Board of Directors. Any such resignation shall take effect at the date of the receipt of such notice or any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Whenever any vacancies occur in any of the offices, the same may be filled by the Board of Directors, and any officer so elected or appointed shall hold office until the next annual election of officers, or until his successor shall be duly elected and qualified. In the case of absence or disability of any officer, the Board of Directors may delegate the powers or duties of such officer to any officer or any other Director for a period of time.

SECTION 2.

PRESIDENT OF THE BOARD OF DIRECTORS

The President of the Board of Directors shall preside at all meetings of the Board of Directors, its Executive Committee and the meetings of the Membership of the Corporation. He shall appoint committee members and chairmen, subject to the limitations set forth in these By-Laws. He may assume all of the duties of the Administrator in case of absence or other inability of the Administrator to act, and he shall perform such duties as may be delegated by the board.

VICE-PRESIDENT OF THE BOARD OF DIRECTORS

In the absence or disability of the President, the Vice-President shall perform all the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall have other powers and perform such other duties as from time to time may be prescribed for him respectively by the Board of Directors or these By-Laws.

SECRETARY OF THE BOARD OF DIRECTORS

The Secretary shall attend all meetings of the members of the Board of Directors, its Executive Committee and the meeting of the Membership of the Corporation, and shall keep or cause to be kept, in a book provided for the purpose, a true and complete record of the proceedings of such meetings. He shall attend to the giving and serving of all notice of corporate meeting pursuant to these By-Laws, and shall have custody of the books (except books of account), records, and corporate seal of the corporation, and shall perform such other duties these By-Laws of the Board of Directors may prescribe. At the direction of the Board of Directors, these duties may be carried out by the Administrator.

TREASURER OF THE BOARD OF DIRECTORS

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including account of its assets, liabilities, receipts, disbursements, gains, losses, capital, and surplus. Any surplus, including earned surplus, paid-in surplus, and surplus arising from a reduction of stated capital, shall be classified according to source as shown in a separate account. The books of account shall at all reasonable times be open to inspection by any Director. The Treasurer shall deposit or cause to be deposited all monies and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the Board of Directors. He shall disburse or cause to be disbursed the funds of the corporation as may be ordered by the Board of Directors, and shall render to the President and Directors, whenever they request it, an account of all his transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these By-Laws. At the direction of the Board of Directors, these or any portion of these duties may be carried out by the Administrator.

ARTICLE VI COMMITTEES OF THE BOARD OF DIRECTORS

SECTION 1.

EXECUTIVE COMMITTEES

The Executive Committee shall consist of the President, Vice-President, Secretary, and Treasurer. Three (3) members of the Executive Committee shall constitute a quorum, and an affirmative vote of a majority of those members representing the quorum shall be necessary for the transaction of any business by the meeting. During the interval between meetings of the Board of Directors, and subject to such limitations as may be imposed by law, the Articles of Incorporation, or the By-Laws, the Executive Committee shall have and may exercise all authority of the Board of Directors in the management of the corporation, except that no action shall be taken which shall conflict with the express policies of the Board of Directors.

SECTION 2.

OTHER COMMITTEES

Other committees may be appointed from time to time by the President of the Board of Directors for such purposes as the circumstances warrant. The Chairman and members of all such committees shall be appointed by the President of the Board of Directors at the first meeting following the Annual Meeting in each year. The Chairman of each committee must be a member of the Board of Directors. The sole purpose of such committees shall be to report to and advise the Board of Directors.

SECTION 3.

OTHER PROVISIONS

Meetings of committee may be called by the committee chairman, or by the President of the Board of Directors; to be held at such time and place as shall be designated by the committee chairman. The Board of Directors shall have the power at any time to increase or decrease the number of members of any committee; to appoint or remove members of such committee, and to fill any vacancies on such committee.

Except where specified to the contrary herein, committees may include members of the Board of Directors, members of the Membership of the Corporation, members of the Medical Staff, or other representatives as deemed qualified by the Board of Directors. A quorum of such committee meetings shall be one-half the number of said committee, except were specified to the contrary herein. Each committee meeting shall have an agenda and shall submit minutes of its meeting to the Board of Directors. Each committee shall limit its activities to the accomplishments of the task for which it is appointed and shall have no power to act except as specifically conferred by action of the Board of Directors, and these By-Laws. The Medical Staff shall be welcome to attend any meeting of the Board of Directors and there shall be Medical Staff representation on each governing body committee that deliberates issues affecting the discharge of Medical Staff responsibilities.

ARTICLE VII
ADMINISTRATOR

SECTION 1.

The Board of Directors shall select and appoint a competent, experience Administrator, who shall act as Chief Executive Officer, and who shall be delegated the responsibility for overall management of the hospital. The Administrator shall be an ex-officio member of the Board of Directors, without voting rights. This Administrator shall be given the necessary authority and held responsible for the administration of the hospital in all its activities and departments subject only to such policies as may be adopted and such orders as may be issued by the Board of Directors or by any of its committees to which it has delegated power for such action. He shall act as the “duly authorized representative” of the governing board in all matters in which the governing board has not formally designated some other person for that specific purpose.

SECTION 2.

The authority and duties of the Administrator shall include:

1. To be responsible for carrying out policies established by the Board of Directors.
2. To perfect and submit to the Board of Directors for approval a plan of organization of the personnel and others concerned with the operation of the hospital.
3. To prepare an annual budget showing the expected receipts and expenditures as required by the Board of Directors.
4. To oversee the selection, employment, control, and discharge of all employees.
5. To develop and maintain personnel policies and practices for the hospital.
6. To see that all physical properties are kept in good state of repair and operating condition.
7. To supervise all business affairs and to ensure that all funds are collected and expended to the best possible advantage.
8. To work with the Medical Staff and with all those concerned with the rendering of professional service to the end that the best possible care may be rendered to all the patients.
9. To submit regularly to the Board of Directors or its authorized committees periodic reports as may be showing the professional service and financial activities of the hospital and to prepare and submit such special reports as may be required by the Board of Directors.
10. To attend all meetings of the Board of Directors and its Committees.
11. To perform any other duty that may be necessary in the best interest of the hospital.
12. To serve as the liaison officer and channel of communication for all official communication between the Board of Directors or any of its Committees and the Medical Staff.
13. To develop and implement policies and procedures which protect and promote the hospital’s policy of complying with applicable federal, state and local laws, the requirements of federal and state health plans, and with the ethical standards adopted by the Board of Directors.

ARTICLE VIII
MEDICAL STAFF

SECTION 1.

Organization

The Board of Directors shall cause to be created a Medical Staff organization, to be known as Medical Staff of Deckerville Community Hospital, whose membership shall be comprised of all physicians, dentists, and podiatrists, who are privileged to attend patients in the hospital. Membership in this Medical Staff shall be prerequisite to the exercise of clinical privileges in the hospital, except as otherwise specifically provided in the Medical Staff By-Laws, Rules and Regulations with respect to allied health professionals. Physicians, dentists, and podiatrists, who are licensed by the State of Michigan to practice and are eligible to participate in Medicare, Medicaid and other federal and state healthcare programs, shall be allowed to utilize hospital diagnostic services for outpatient testing.

SECTION 2.

Medical Staff By-Laws, Rules and Regulations

The Medical Staff organization shall propose and adopt By-Laws, rules and regulations for its internal government, which shall be subject to approval by the Board of Directors of Deckerville Community Hospital, and which shall be effective when approved by said Board of Directors. The By-Laws, rules and regulations shall set forth the policies by which the Medical Staff exercises and accounts for its delegated authority and responsibilities. The Medical Staff shall have the initial responsibility to formulate, adopt, and recommend to the Board of Directors, Medical Staff By-Laws, Rules and Regulations, and amendments thereto which shall be effective when approved by the Board of Directors. If the Medical Staff fails to exercise this responsibility in good faith and in a reasonable, timely, and responsible manner, and after written notice from the Board of Directors to such effect, including a reasonable period of time for response, the Board of Directors may resort to its own initiative in formulating or amending Medical Staff By-Laws, Rules and Regulations. In such event, Medical Staff recommendations and views shall be carefully considered by the Board of Directors during its deliberations and in its actions.

SECTION 3.

Delegation of Responsibility to the Medical Staff

The Board of Directors of Deckerville Community Hospital shall delegate to the Medical Staff the responsibility and authority to investigate and evaluate all matters relating to Medical Staff membership status, clinical privileges, and corrective action, and shall require the Medical Staff to adopt and forward to it specific recommendations with appropriate supporting documentation that will allow the Board of Directors to take informed action.

SECTION 4.

Terms and Conditions of the Medical Staff Membership and Privileges

The By-Laws, Rules and Regulations of the Medical Staff shall contain and provide for the processing initial Medical Staff membership applications, appointment and timely reappointment, and the granting of privileges for Medical Staff members.

The By-Laws, Rules and Regulations of the Medical Staff shall also contain and provide for detailed mechanism for the processing and review of decisions made with respect to matters relating to Medical Staff appointments, reappointments, privileges, or the proposed reduction, alteration, suspension, or termination of privileges of the Medical Staff membership. Such mechanism shall include procedure for review of decisions, including the right to be heard at each step of the process, when requested by the practitioner. Such mechanisms, and any such hearings held in connection therewith shall be conducted under procedures adopted by the Board of Directors so as to insure due process and afford full opportunity for the presentation of all pertinent information. Such mechanism shall also require that whenever the Board of Directors does not concur in a Medical Staff recommendation relative to clinical privileges, there must be a review of the recommendations by a joint committee of the Medical Staff and the Board of Directors before a final decision is reached by the Board of Directors.

In the case of individual patient, the physician duly appointed to the Medical Staff shall have full authority and responsibility for the care of that patient subject only to such limitations as the Board of Directors may formally impose and to the By-Laws, Rules and Regulations for the Medical Staff adopted by the Medical Staff and Board of Directors.

All applications for appointment to the Medical Staff shall be in writing and addressed to the Administrator of Deckerville Community Hospital.

A member of Deckerville Community Hospital Medical Staff shall be eligible to be a member of the Board of Directors. No other hospital employee or his or her spouse shall be eligible to be a member of the Board of Directors. This provision shall not apply to any employee of the hospital who works less than fifty (50) days per year.

The Medical Staff shall be welcome to attend any meetings of the Board of Directors, make any suggestions for changes I operation or improvement of the hospital, and there shall be a meeting between the officers or representatives of the Medical Staff and the Board of Directors at least once a year. In the event that the Board of Directors or the Medical Staff desires to meet at some other time than the regular meeting, then the hospital administrator shall be notified in writing of such desire.

It shall be the duty of the hospital administrator to call a joint meeting of the Board of Directors and the Medical Staff in not less than ten (10) days from such notification. Either the President of the Board of Directors, President of the Medical Staff, or five (5) members of the Board of Directors, or five (5) members of the Medical Staff shall be authorized to request that hospital administrator call such special meeting. PAGE 13

SECTION 5.

Action by the Board of Directors

Final action of all matters relating to the Medical Staff membership status, clinical privileges, and corrective action shall be taken by the Board of Directors after considering the Medical Staff recommendation, providing that the Board of Directors shall act in any event if the Medical Staff fails to adopt and submit any such recommendation within the time periods set forth in the Medical Staff By-Laws, Rules and Regulations. Such Board of Directors action without a Medical Staff recommendation shall be based on the same kind of documentation investigation and evaluation of current ability, judgment and character as is required for Medical Staff recommendations.

SECTION 6.

Allied Health Professional and Other Medical Personnel

Where deemed appropriate the Board of Directors shall delegate to the Medical Staff the responsibility and authority to investigate and evaluate each application by an allied health professional or other medical person for specified services, department affiliation, and modification of services such person may perform, and shall require that the Medical Staff make recommendations to it or to its designee therein.

SECTION 7.

Medico-Administrative Positions

Where it is deemed appropriate, the Board of Directors may appoint members of the Medical Staff to medical-administrative positions, as needed. Any physician or dentist whose engagement by the hospital requires membership on the Medical Staff shall not have his Medical Staff privilege determined without the same due process provisions as are provided for any member of the Medical Staff, unless otherwise stated in an employment agreement.

SECTION 8.

Evaluation of Patient Care

The Board of Directors shall delegate to the Medical Staff the responsibility and authority to investigate and evaluate all matters relating to patient care within the hospital. The Chief of Staff, as appointed pursuant to Medical Staff By-Laws and Rules and Regulations, shall be responsible for the function of the clinical organization of the hospital and the evaluation of patient care, and he shall work in all departments. After considering the recommendation of the Medical Staff, the Board of Directors shall require the conduct of specific review and evaluate activities to assess, preserve, and improve the overall quality and efficiency of patient in the hospital.

These activities shall include review and evaluation of the quality of patient care through appropriate patient care audit procedures; ongoing monitoring of patient practices; appropriate delineation of clinical privileges for members of the Medical Staff commensurate with individual credentials; review of utilization of the hospital's resources to provide for their allocation to patients in need of them, and such other measures as the Board of Directors may, after considering the advice of the Medical Staff, deem necessary for the preservation and improvement of the quality and efficiency of patient care. The Chief of Staff, as appointment pursuant to Medical Staff By-Laws, Rules and Regulations, shall provide, or cause to be provided, such findings and recommendations in writing as shall result from the conduct of the foregoing activities, supported and accompanied by appropriate documentation up which the Board of Directors can take informed action.

ARTICLE IX AUXILIARY

SECTION 1.

There is hereby founded a Deckerville Community Hospital Auxiliary which shall be a working part of Deckerville Community Hospital, Incorporated. Such organization shall be non-profit and may set up its rules and regulations provided that the operation of the Deckerville Community Hospital Auxiliary, its duties and functions shall be approved by the Board of Directors. The Medical Staff shall from time to time review the duties and functions of the Deckerville Community Hospital Auxiliary. Its duties and functions shall be approved by the Board of Directors if any changes are deemed advisable.

SECTION 2.

The Deckerville Community Hospital Auxiliary may elect its own officers, hold its own fund-raising projects and spend the money on the betterment of Deckerville Community Hospital, Incorporated, providing all fund-raising projects shall be approved by the Board of Directors of Deckerville Community Hospital prior to their commencement.

**ARTICLE X
NONDISCRIMINATION**

SECTION 1.

The hospital shall not discriminate because of race, religion, color, national origin, age or sex in the operation of the hospital, including employment, patient admission and care, room assignment, and professional or nonprofessional selection and training programs, and shall not discriminate in the selection and appointment of individuals to the Medical of the hospital or its training programs on the basis of licensure or registration or professional education as Doctors of Medicine, Osteopathic Medicine and Surgery or Podiatry.

**ARTICLE XI
BY-LAWS**

SECTION 1.

By-Laws may be amended by an official vote of two-thirds majority of the Members of the Corporation present and voting at the Annual Meeting or a special meeting of the Membership of the Corporation, or by two-thirds majority of the members of the Board of Directors meeting.

SECTION 2.

There shall be a committee of the Board of Directors appointed to review the By-Laws of Deckerville Community Hospital, Incorporated every two years.

SECTION 3.

These By-Laws shall become effective as of ____ (Date) ____

**ARTICLE XII
MISCELLANEOUS**

SECTION 1.

Fraud and Abuse

The hospital shall be operated in compliance with all applicable federal, state, and local laws. The hospital shall not offer or make any direct, indirect or disguised payment or gift as an inducement for the referral of patients. The hospital shall not solicit or accept any remuneration in return for referring a patient or for purchasing, leasing, ordering or arranging for or recommending purchasing, leasing or ordering of any good, facility, service or item. The hospital shall not knowingly or intentionally make a false presentation in order to participate in, or obtain payment from, any health plan.

SECTION 2.

Eligibility and Removal of Members, Directors and Officers

An individual who is or has been temporarily or permanently debarred or excluded from, or ruled ineligible for participation in Medicare, Medicaid or any other federal or state healthcare program, at any administrative level (hereinafter “excluded from participation in government healthcare programs”), or has been convicted of a crime (felony or misdemeanor) relating to controlled substances, the neglect or abuse of patients, or relating to fraud, embezzlement or other financial misconduct (hereinafter collectively a “relevant crime”), is ineligible to serve as a member, director or officer of the hospital, or to serve on any committee or board of an associated organization, including the Deckerville Community Hospital Auxiliary, established or permitted by these Bylaws.

An individual who is or was at the time of exclusion or conviction a member, trustee, director, officer or employee of an entity which is or has been excluded from participation in government healthcare programs or has been convicted of a relevant crime, is ineligible to serve as a member, director or officer of the hospital, or to serve on any committee or board of an associated organization, including the Deckerville Community Hospital Auxiliary, established or permitted by these Bylaws. If an individual, or the entity the individual serves or works for, is excluded from participation in government healthcare programs or is convicted of a relevant crime while he/she is serving as a member, director or officer of the hospital, or while serving on a committee or associated organization of the hospital, then he/she shall be removed from such office, committee or organization by the members or the Board of Directors, as the case may be, at its next meeting unless he/she submits written notice of resignation before such meeting. Such individual shall not have any authority to act for or on behalf of the hospital after the date of exclusion or conviction. In the event the language of this section conflicts with the language of any other provision of these Bylaws, the language of this section shall be controlling.

These By-Laws were adopted at the October _____ Annual Meeting of the Board of Directors/Board of Incorporators.

Signature