

**FOURTH AMENDED BYLAWS of the
GRANITE COUNTY HOSPITAL DISTRICT
(Final Adoption – FEB. 28TH, 2023)**

CHAPTER 1: GENERAL

Section 1: Authority

The Granite County Hospital District ("District" or "the Hospital") has been established pursuant to Montana Code Annotated Title 7, Chapter 34, Part 21, which authorizes the establishment of special hospital districts.

Section 2: District Objectives

- A. To establish and maintain healthcare facilities for the care of persons requiring inpatient or outpatient care.
- B. To organize and/or participate in activities that promotes the general health offerings for the constituency of the District.
- C. To operate healthcare facilities in a manner that, to the extent feasible, will generate revenues sufficient to offset operating expenses.

Section 3: Nondiscrimination

- A. No individual will be subject to discrimination based on race, creed, religion, national origin, sex, sexual orientation or age with regard to admission or treatment, medical staff appointment or clinical privileges, employment or the conduct of any other District business.
- B. Patients with comparable needs will receive the same standard of care, treatment and/or services throughout the District. No patient will be subject to discrimination based on inability to pay.

CHAPTER II: GOVERNING BODY

Section 1: Membership on the Board of Trustees

- A. There shall be five (5) members of the Board of Trustees (the "Board"), who shall be elected in accordance with Section 7-34-2117, Montana Code Annotated.
- B. **Qualifications:** Excluding District employees, any properly registered voter resident of the District is eligible to hold office a District Trustee.
- C. **Term of Office:** The term of office of a District Trustee shall be three (3) years, as specified in Section 7-34-2118, Montana Code Annotated.
- D. **Commission District Representation on the Board:** The Board is committed to achieving geographic representation from all areas of the County, if possible. In the event the Board is called upon to appoint any person to fill a vacancy pursuant to Chapter II, Section 1, paragraph G, the Board shall consider the objective that at least one Board representative should reside in each of the three (3) County Commission Districts. Qualified applicants who reside in an unrepresented County Commission

District shall be preferred for appointment to any vacant Trustee position. Any advertisement seeking candidates for a vacancy shall include a statement of the objective regarding geographic representation, if applicable to such vacancy.

- E. **Oath of Office:** All Trustees, whether elected or appointed shall take the oath of office provided by Montana Code Annotated at the next regular meeting following the Board's ratification of the election results. Each Trustee shall also complete the written oath and file a copy with Board's Clerk.
- F. **Vacancies:**
1. An Office of Trustee shall be deemed vacant if a properly qualified person is not elected to a vacant office at a regular election.
 2. An office of Trustee shall be deemed vacant prior to the expiration of duly elected or appointed Trustee's term if the Trustee:
 - (a) Does not subscribe to an oath of office by the first regular meeting following the Trustee's ratification of the election results;
 - (b) Submits a written resignation;
 - (c) Ceases to be qualified for the office;
 - (d) Is found guilty of felony;
 - (e) Dies;
 - (f) Fails to attend three consecutive regular meetings of the Board without the Board having approved at least one (1) of those absences and recorded such approval in its meeting minutes, unless such illness was due to a temporary illness; or
 - (g) A court of competent jurisdiction voids an election or appointment or removes a Trustee for any cause whatsoever, but only after the Trustee's right to appeal has been waived or otherwise exhausted.
- G. **Filling of Vacancies by Appointment:**
1. When there is a vacancy on the Board, a majority of the remaining Trustees shall appoint a qualified individual to fill the vacancy, pursuant to Section 7-34-2121, Montana Code Annotated, after advertising for applicants and noticing its intent to fill a Board vacancy. The appointed Trustee shall serve until the next ensuing election for Trustees.
 2. All appointments shall be recorded in the minutes of the Board meeting at which the appointment was made.
 3. Resignation: A Trustee may resign at any time by tendering a letter to the Board or the Board's Clerk.
 4. A list of the names and addresses and terms of the current Trustees may be filed annually with the Granite County Clerk and Recorder.

Section 2: Powers of the Board of Trustees

- A. The Board shall have all powers provided by federal and state law including the power to:
1. Be a party to contracts, sue and be sued, acquire real and personal property and equipment by gift, devise, bequest, purchase or lease, hold such property, and convey, lease and otherwise dispose of such property for District purposes.

2. Make rules and regulations, including bylaws and policies, necessary for District purposes, which shall be filed with the Granite County Clerk and Recorder.
3. Establish sinking funds and issue bonds and securities for the purposes and according to the procedures provided by law.
4. Accept grants of money or materials or property of any kind from the federal government, the state, any agency or political subdivision thereof, or any person, upon such terms and conditions as the granter may impose.
5. Establish and collect charges for services and rentals for use of District facilities.
6. Establish and/or ratify all other charges, fees and rates to be derived from the operation of the facilities in the District.

Section 3: Duties and Responsibilities of the Board of Trustees

- A. **Objectives:** Each Trustee shall be a conscientious member of the Board and shall assist the Board in fulfilling its responsibilities under Section 7-34-2115, Montana Code Annotated, for governing the District, including fulfilling the District's mission, vision and values, ensuring the provision of the quality healthcare, protecting and growing District assets, and remaining accountable to the residents of the District for the ethical conduct of all District affairs.
- B. **General Duties:** All Trustees must familiarize themselves and abide by the standards of conduct set forth in Section 35-2-416, Montana Code Annotated, as amended, including without limitation the duties of good faith and due care. Further, each Trustee shall:
 1. Be diligent in executing Board responsibilities; always being prepared to make decisions that are in front of the Board, preparing for, attending and actively participating in Board and committee meetings, and participating in continuing education opportunities.
 2. Support the administrative and medical staff leadership.
 3. Respect the organization of the Board by referring all inquiries for public statements regarding operation of the District to the Board Chairman, the Administrator, or an appropriate designee.
 4. Remain loyal to the District: promote the interests of the District as it pursues its mission, and disclose and avoid any actual or potential conflicts of interest.
 5. Provide appropriate leadership; supporting the decisions and the policies of the Board unless and until they are amended by official action of the Board, participating in the Board's annual self-evaluation process, and accepting full responsibility for fair and effective governance.
- C. **Specific Responsibilities:**
 1. **Compliance.** The Board shall:
 - (a) Abide by the authority and objectives set forth in federal law, Montana law, accreditation standards and these Bylaws as adopted and amended by the Board.
 - (b) Regularly evaluate the District's progress, and ensure compliance with all legal, regulatory and accreditation requirements, including voluntary compliance with Medicare/Medicaid regulations.
 2. **Strategic Leadership.** The Board shall:
 - (a) Define, pursue and safeguard the District's mission, vision and values, and annually evaluate the District's performance in relation thereto.

- (b) Collaborate with the medical community in setting goals and objective for the District.
 - (c) Establish policies and/or procedures, and set parameters within which the Board, administration, medical staff, employees and committees will operate.
 - (d) Provide a system for resolving conflicts among District leaders and individuals under their leadership.
 - (e) Establish long term direction through the oversight of, and participation in, strategic planning.
 - (f) Promote and maintain positive external relationships with the community, local business, government, funding sources and other health related organizations.
3. **Patient Care.** The Board Shall:
- (a) Review and approve the scope of services provided by the District, which shall be defined in writing.
 - (b) Maintain, assess and continuously improve the quality of care and services provided by the District.
 - (c) Establish mechanisms to ensure the provision of a consistent level of patient care, including but not limited to reasonable assurance that patients with the same health problem receive the same level of care regardless of payer source.
 - (d) Review and recommend the implementation of standards for the care of patients by the medical staff and other health care professionals, based on the following criteria: efficacy, appropriateness, availability, timeliness, effectiveness, continuity, safety and respect.
4. **Relationships with Medical Care Providers.** The Board shall:
- (a) Oversee and promote positive relationships with medical staff.
 - (b) Appoint and reappoint physicians and other healthcare professionals to the medical staff and delineate the scope of their clinical privileges.
 - (c) Take action to restrict clinical privileges and censure, suspend, or remove healthcare professionals from the medical staff when necessary.
 - (d) Approve as necessary the organization, bylaws, rules, regulations, and policies and procedures of the medical staff and all other auxiliary or affiliate organizations.
5. **Relationship with Administration.** The Board shall hire, support, monitor and annually evaluate the Administrator.
6. **Financial Oversight.** The Board shall:
- (a) Ensure the District's financial solvency via review and approval of the budget prepared by the CEO and provision for an annual audit of the District's finances conducted by an independent certified public accountant.
 - (b) Approve annually an operating budget and a long-term capital budget.
 - (c) Ensure the District maintains a uniform system of accounting in accordance with generally accepted accounting principles and applicable state and federal regulations.
7. The Board shall periodically adopt policies and procedures to implement these Bylaws.

Section 4: Conflict of Interest

Each Trustee shall comply with all applicable Montana laws relating to conflict of interest, as set forth in Title 2, Chapter 2, Montana Code Annotated, including the requirement that no

Trustee be directly interested financially in any contract, work done, or property purchased by the District unless the Trustee has made full public disclosure and the Board has unanimously approved the financial interest.

CHAPTER III: ORGANIZATION OF THE BOARD OF TRUSTEES

Section 1: Officers

A. Election

1. The Board shall elect from its membership annually a Chairman, Vice Chairman and such other officers as the Board may authorize.
2. The annual election of officers shall be held at the first annual meeting following a District election pursuant to which any Trustee takes office.
3. The Board must appoint a clerk who may or may not be a member of the Board.
4. The Chairman shall call and preside at all Board meetings and shall act for the Board as a whole only by the Board's authorization.
5. The Vice-Chairman shall act as the Chairman in the absence of the Chairman, and when so acting shall have all the power and authority of the Chairman.
6. The Clerk shall act as custodian of the district seal, if any, and all records and reports of the Board. The Clerk shall be responsible for keeping and reporting of adequate records of all transactions and the minutes of all meetings of the Board.
7. Any officer may be elected at any regular meeting of the Board to complete the unexpired term of an officer who has vacated an office.

B. Duties of Officers

1. **Chairman.** The Chairman is the principal corporate officer of the Corporation, serves as Chairman and presides at all meetings of the Board of Directors and the Executive Committee. Except as otherwise specified, he/she appoints the members and chairperson of each Board of Directors committee, subject to the approval of the Board of Directors. He/she may sign on behalf of the Corporation any documents or instruments which the Board of Directors has authorized to be executed, except where the signing and execution thereof is expressly delegated by the Board of Directors, or by these Bylaws, to some other officer or agent, or is required by law to be otherwise signed or executed. He/she will also perform all duties incident to the office of Chairman and will perform such other duties as may be prescribed by the Board of Directors from time to time.

2. **Vice Chairman.** The Vice Chairman will perform those duties assigned to him/her by the Board of Directors or the Chairman. In the absence of the Chairman or when, for any reason, the Chairman is unable or refuses to perform his/her duties, the Vice Chairman will perform those duties to the full power of, and subject to the restrictions of, the Chairman. If the position of Chairman becomes vacant for any reason, the Vice Chairman will succeed immediately to the office of Chairman for the remainder of the unexpired term.

Section 2: Manner of Acting

The Trustees shall act only as a Board and the individual Trustees shall have no power as such. The act of the majority of Trustees eligible to vote and present at the meeting at which a quorum is present, or otherwise provided by Montana law, shall be the act of the

Board. The Chairman or such other Trustee as is presiding at a meeting shall be entitled vote as well as make and second motions. Unless a vote of the Board is unanimous for each motion voted upon the name and vote of each Trustee present shall be recorded in the minutes. Robert's Rules of Order shall provide the basic structure for conducting meetings.

Section 3: Meetings

- A. All meetings of the Board shall be open to the public, unless designated executive or otherwise permitted by law to be closed, and notice shall be provided of all regular meetings as required by Montana law.
- B. Regular meetings of the Board shall be held on a monthly basis. Such meetings will ordinarily be held in the conference room of the Granite County Medical Center, but may be held at other locations. At each regular meeting, the date, time and location of the next regular meeting will be determined and publicly announced. Subject to applicable Montana law, the Board may increase or decrease the number of meetings per year.
- C. A majority of Trustees holding office shall constitute a quorum for the transaction of District business. Any action taken by the Board must receive at least (3) votes.
- D. Special meetings of the Board may be called by the Chairman or Vice-Chairman on their own initiative or by a majority of Trustees. Notice of the meeting shall be given as required by Montana law.
- E. Emergency meetings of the Board may be called as provided by Montana law.

Section 4: Committees

- A. Committees will be standing committees and special committees. The Chairman or Vice-Chairman shall be an ex-officio member of all committees.
- B. Notice of the date, time, agenda and location of all meetings shall be given in writing and posted as required by Montana law.
- C. Standing committee members shall be appointed by the Chairman on approval of the Board. Their charge and tenure will be specified and recorded in the minutes of the Board meeting at which formation of the committees was approved.

CHAPTER IV: CONTRACTS, LOANS, WARRANTS AND DEPOSITS

Section 1: Contracts

The Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument, in the name of and on behalf of the District. Such authority may be general or confined to a specific instance.

Section 2: Warrants, etc.

All warrants or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the District shall be signed by such officer or officers, agent or agents of the District and in such manner as shall from time to time be determined by action of the Board. All officers, agents and Trustees authorized to execute warrants and other orders for payment shall be bonded.

Section 3: Deposits

All funds of the District funds shall be deposited with the Granite County Treasurer. Funds in excess of current expenses may be deposited from time to time to the credit of the District in such banks, trust companies, or other depositories as the Board may select.

CHAPTER V: ADMINISTRATION

Section 1: Chief Executive Officer

The Administrator is the Chief Executive Officer (CEO), who shall be appointed by and responsible only to the Board. The CEO shall possess the necessary healthcare management experience, capabilities, and license to effectively manage healthcare operations. The CEO shall be the direct executive representative of the Board in the management of the District. The CEO shall be given the necessary authority and be held responsible for the administration of the District 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.

Section 2: Standards

The CEO shall conduct the operations of the District and to coordinate all departments thereof, in accordance with the standards required for approval as accredited healthcare and nursing home facilities. The CEO shall prescribe such procedures and techniques for the management and operation of the District as may be necessary to fully meet and maintain these standards within the policies approved by the Board.

Section 3: Authority and Duties

The CEO or his/her designee is vested with the following and is charged with the associated duties:

- A. Implementing the policies, rules and regulations established by the Bylaws and the Board.
- B. Recruiting, selecting, employing and terminating employees, and drafting and perpetuating a flexible code of personnel rules applicable to all employees in their relationship with the District.
- C. Planning and supervising the functions of all departments of the District. Such planning shall systematic, collaborative and inter-disciplinary in nature.
- D. Implementing all procedures and standards, methods and techniques bearing upon the care of patients in the District, subject to the District's preferred method of performance review.
- E. Working with the medical staff and all those concerned with rendering professional services to provide the best possible care to all patients.
- F. Enforcing all Medical Staff Bylaws, rules, regulations, standards of practice, and policies and procedures of the District.
- G. Preparing and submitting an annual operating budget showing the expected revenue and expenditures of the District, and establishing a wage scale within the confines of the approved budget. The budget shall reflect the District's goals and objectives and

shall meet applicable laws and regulations.

- H. Supervising all business affairs, insuring that all funds are collected and expended within policies established by the Board to the best possible advantage, and being responsible for the procurement of all supplies, materials and equipment necessary for the operation of the hospital.
- I. Regularly submitting to the Board periodic reports showing the professional services and financial activities of the District; preparing and submitting such other reports as may be required by the Board; and briefing the Board at all meetings and the Chairman in the interim with respect to all significant matters pertaining to the operation of the District.
- J. Establishing and maintaining administrative and personnel policies.
- K. Attending or designating a representative to attend meetings of the Board and its committees.
- L. Insuring the physical property of the District is maintained and in good repair and making periodic reports to the Board regarding such property.
- M. Administratively supporting the District's voluntary compliance initiatives as they relate to Medicare/Medicaid fraud and abuse and general compliance with issues facing the healthcare industry.
- N. Establishing and maintaining information and support systems.

Section 4: Evaluation of CEO

The Board shall perform a criteria-based performance appraisal of the CEO annually. The Board, upon a majority vote, may evaluate the CEO's performance as necessary between annual appraisals.

CHAPTER VI: MEDICAL STAFF

Section 1: Organization, Appointments and Hearings

- A. The Board shall organize the practitioners and other healthcare professionals having staff membership in the District into a Medical Staff under Medical Staff Bylaws approved by the Board. The Board shall consider recommendations of the Medical Staff, practitioners and others who meet the qualifications of membership as set forth in the Medical Staff Bylaws.
- B. Only practitioners with approved clinical privileges and Medical Staff membership may admit patients to the hospital. Each member of the Medical Staff with clinical privileges shall have appropriate authority and responsibility for patient care within the scope of his/her approved clinical privileges, subject to limitations by these Bylaws, the Medical Staff Bylaws, rules, regulations and policies and procedures, and any limitations attached to his/her appointment.
- C. All applications for employment to the Medical Staff shall be in writing and shall conform to the requirements set forth in the District and Medical Staff Bylaws. The Board shall take action of each application as set forth in the Medical Staff Bylaws.
- D. Prior to being granted Medical Staff membership or clinical privileges all applicants must agree, in writing, to abide by the District Bylaws and the Medical Staff Bylaws,

rules, regulations and policies and procedures.

- E. All appointments to the Medical Staff may be renewed in accordance with the District and Medical Staff Bylaws.
- F. Any medical staff member for whom the Board consider disciplinary action shall be afforded the procedural rights provided for in the Medical Staff Bylaws.

Section 2: Medical Staff Bylaws

There shall be Bylaws, rules and regulations for the Medical Staff, which must be approved by the Board. The Medical Staff Bylaws, rules and regulations and any proposed amendments shall be submitted to the Board in writing for approval. The Bylaws, rules and regulations shall be reviewed by the Medical Staff annually.

CHAPTER VII: AUXILIARY

Section 1: Hospital Auxiliary and other Volunteer Groups

- A. All volunteer groups are authorized to establish a mechanism for governing their own body. Such mechanism may not conflict with the District's Bylaws, policies, rules, regulations and procedures.
- B. No Bylaw, rule, regulation or policy and procedure shall be adopted by any volunteer group that violates the purposes of the District.

CHAPTER VIII: DISSOLUTION

Section 1: Amendments and Review

The Bylaws may be amended by a majority vote of the Board, provided that written notice shall have been mailed to each member and posted according to the Montana Open Meeting Law. Such written notice and public posting shall fully present the proposed amendment (s). The Bylaws shall be reviewed at least bi-annually by the Board.

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CHAPTER X: ADOPTION

Adopted by the Board of Trustees of the Granite County Hospital District at their meeting held on Feb 28 2023, 2023. These Bylaws shall become effective immediately and shall be filed with the Granite County Clerk and Recorder.

Signed:

Jim Waldobilly

John Barlow

Dois Silbertson

Kristin Noy