



Washington Township Health Care District

2000 Mowry Avenue, Fremont, California 94538-1716 | 510.797.1111

Kimberly Hartz, Chief Executive Officer

Board of Directors

Jacob Eapen, MD
William F. Nicholson, MD
Bernard Stewart, DDS
Michael J. Wallace
Jeannie Yee

BOARD OF DIRECTORS' MEETING

Wednesday, March 24, 2021– 6:00 P.M.
Meeting Conducted by Teleconference
Dial In: 510-818-5900 Access Code: 6736

AGENDA

PRESENTED BY:

- | | |
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| <p>I. CALL TO ORDER & PLEDGE OF ALLEGIANCE</p> <p>II. ROLL CALL</p> <p>III. COMMUNICATIONS</p> <p>A. Oral <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda. "Request to Speak" cards should be filled out in advance and presented to the District Clerk. For the record, please state your name.</i></p> <p>B. Written</p> <p>IV. CONSENT CALENDAR <i>Items listed under the Consent Calendar include reviewed reports and recommendations and are acted upon by one motion of the Board. Any Board Member or member of the public may remove an item for discussion before a motion is made.</i></p> <p>A. Consideration of Preliminary Report Interface from our after-hour Advanced Tele-Radiology services to EPIC</p> <p>B. Consideration of PowerPath and Blood Bank System Upgrades</p> <p>C. Consideration of Copier Equipment Funding</p> <p>V. ACTION</p> <p>A. Consideration of Resolution No. 1221: Resolution of the Board of Directors of Washington Township Health Care District to Approve Amended and Restated Bylaws for the Board of Directors</p> | <p>William Nicholson, M.D. Board President</p> <p>Dee Antonio District Clerk</p> <p><i>Motions Required</i></p> |
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- B. Consideration of Resolution No. 1222:
Resolution of the Board of Directors of
Washington Township Health Care District to
Approve Delegation of the Secretary's Duties
- C. Consideration of Resolution No. 1223:
Resolution of the Board of Directors of
Washington Township Health Care District to
Approve Delegation of the Treasurer's Duties
- D. Consideration of Blue Shield Third Party
Administrator Agreement

VI. ANNOUNCEMENTS

Kimberly Hartz
Chief Executive Officer

VII. ADJOURN TO CLOSED SESSION

In accordance with Section 1461, 1462, 32106 and 32155 of the California health & Safety Code and Sections 54962 and 54954.5 of the California Government Code, portions of this meeting may be held in closed session.

Kimberly Hartz
Chief Executive Officer

- A. Report of Medical Staff and Quality Assurance
Committee, Health & Safety Code section
32155
 - Medical Staff Credentials Report
- B. Trade Secret pursuant to Health & Safety Code
section 32106
 - New Service or Program
 - Strategic Plan Update

**VIII. RECONVENE TO OPEN SESSION &
REPORT ON PERMISSIBLE ACTIONS
TAKEN DURING CLOSED SESSION**

William Nicholson, M.D.
Board President

IX. ADJOURNMENT

William Nicholson, M.D.
Board President

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the District Clerk at (510) 818-6500. Notification two working days prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.



Memorandum

DATE: March 19, 2021

TO: Kimberly Hartz, Chief Executive Officer

FROM: Tina Nunez, Vice President Ambulatory Care and Administrative Services

SUBJECT: Request for Purchase of the Merge and GE Interface Software to allow the Preliminary Report Interface from our after-hour Advanced Tele-Radiology (ATR) services to EPIC

We are recommending moving forward with the purchase of the Merge Software for the interface from ATR to our PACS system, and the GE software for the interface from ATR to Centricity (which is the radiology information system), which will then interface to EPIC. The cost for these interfaces is \$49,790.

Advanced Tele-Radiology (ATR) is contracted to provide preliminary reads of images after hours. Currently, preliminary reports from ATR are faxed to the Medical Imaging department from ATR (Advanced Tele-Radiology), however the scanning into PACS which is a manual process by the technologist can be delayed due to patient care priorities in the imaging department. Final reports are not available in EPIC until the next morning when the radiologist confirms the report. Hospitalists, surgeons and other physicians potentially have an immediate need for this preliminary report in order to take care of the patient after hours. By implementing the interface, the preliminary report will be immediately available to physicians who need to provide the immediate patient care.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to proceed with the purchase of the Merge and GE software interfaces not to exceed \$49,790, which includes tax. The total amount was not included in the Fiscal Year 2020/21 Fixed Asset Capital Budget, however, we are applying funds that are remaining in the Fixed Asset Capital Budget from an alternate project.



Memorandum

DATE: March 11, 2021

TO: Kimberly Hartz, Chief Executive Officer

FROM: John Lee, Chief Information Officer
Ed Fayen, Executive VP and Chief Operating Officer

SUBJECT: PowerPath and Blood Bank System Upgrades

The primary applications used in our Pathology and Blood Bank units are in need of upgrades. The Sunquest PowerPath application is used by Pathology and will be upgraded from version 10.3 to version 11. Also, the Heamonetics Blood Bank application will be upgraded from version 3.11 to version 3.13. There are multiple reasons why these applications need to be updated. First, the upgrade will bring us to a version that works with Windows 10 which is our hospital standard computer operating system. We need to move off of Windows 7 as security updates are no longer being provided for these systems by Microsoft. In addition, the PowerPath upgrade will enable us to move to a virtual faxing option and enable integration between PowerPath and our new dictation solution from Nuance.

We anticipate that the PowerPath system upgrade will take approximately 1 month to complete and the Blood Bank project will take approximately 6 months to complete. In addition, some workstations will be replaced in the lab in conjunction with these system upgrades.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to enter in to the necessary contracts and proceed with the purchase of hardware and implementation services for a total amount not to exceed \$125,741. This amount is budgeted in the approved fiscal year 2021 capital budget.



Memorandum

DATE: March 17, 2021

TO: Kimberly Hartz, Chief Executive Officer

FROM: Ed Fayen, Executive Vice President and Chief Operating Officer
John Lee, Chief Information Officer

SUBJECT: Copier Replacement

Hospital departments utilize multi-function copier equipment throughout the hospital for printing, scanning and copying data on a day to day basis. Each year, the Information Services department reviews service call history, page counts and technology usage for all copiers to identify which equipment needs to be replaced.

This year, we have identified seven copiers that need to be replaced. The copiers marked for replacement service various departments including patient care services and administration. By replacing older and more problematic copiers we improve the efficiency of operations and allow staff to focus foremost on patient care concerns.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to enter into the necessary contracts and proceed with the purchase of hardware for a total amount not to exceed **\$40,062**. This is an approved equipment line item in the fiscal year 2021 capital budget.

Memorandum

March 18, 2021

To: Board of Directors
From: Paul Kozachenko, Legal Counsel

RE: Consideration of the Adoption of Amended and Restated District Bylaws and Implementing Resolutions

Introduction

For the Board's consideration, attached to this Memorandum are:

1. The Existing District Bylaws;
2. The proposed draft of the Amended and Restated Bylaws;
3. A table showing the Existing District Bylaws juxtaposed against the Amended and Restated Bylaws (for the Board's convenience when reviewing the draft Amended and Restated Bylaws);
4. Resolution To Approve the Delegation of Secretary's Duties;
5. Resolution To Approve the Delegation of the Treasurer's Duties;
6. Resolution To Approve the Amended and Restated Bylaws; and
7. Health & Safety Code Section 32121 - Powers of local hospital districts.

The Existing District Bylaws were adopted more than 18 years ago. The Existing District Bylaws were amended only once, on March 8, 2006, to add two paragraphs related to the 100,000 Lives Initiative and Core Measures.

During our review, we identified a number of provisions in the Existing District Bylaws in need of revision and updating. Due to the number of revisions we were proposing, we decided to present our recommended revisions in a newly updated set of bylaws, the Amended and Restated Bylaws. For the Board's convenience, we have also included the Table mentioned above (prepared by Dee), which shows the revisions side by side with the relevant language in Existing District Bylaws.

The Amended and Restated Bylaws were drafted with these goals in mind:

- A. To better conform the language to current law and District practices;
- B. To coordinate more efficiently with the recently adopted major revision to the Medical Staff Bylaws; and
- C. To provide clarity and simplicity where appropriate while, at the same time, maintaining recognition of the District's culture, in particular the District's strong emphasis on the Patient First Ethic.

In the Discussion section below, we have provided explanations on the proposed major revisions.

Discussion

In general, the bylaws provide procedural rules for the Board's operations. To that end, the Amended and Restated Bylaws include provisions that describe the function of the Board, including the conduct of its meetings. The Amended and Restated Bylaws describe the various officer positions and how the Board selects the officers. As the Chief Executive Officer is the sole employee that the Board hires, the Chief Executive Officer's position and general duties are also described in the Amended and Restated Bylaws.

The Amended and Restated Bylaws address matters related to the Medical Staff, a particular necessity for a Health Care District.

In addition to the above, the bylaws provide an opportunity for the Board to add language reflecting additional expectations and requirements. Such language, while unnecessary, clarifies matters which the Board considers vital to the District.

Article 1, Section 3. Purpose

California Health & Safety Code Section 32121 describes the powers of Local Health Care Districts, which are exercised through its elected Board of Directors. Section 32121 lists 19 separate powers. The Existing District Bylaws included a brief reference to just one of the powers and a reference to the "catch-all" provision of subsection (k), to "do any and all other acts and things necessary . . ."

Upon review, we believed that Section 3, "Purpose," could be more descriptive, but we did not want to repeat all of the powers identified in Section 32121. Therefore, we added a limited number of powers to provide more context for the Board's statutory powers. However, whether or not the powers are specifically mentioned in the Amended and Restated Bylaws, the Board retains all the powers identified in Section 32121. The Board may choose to accept the proposed

language or, the Board could add or delete references. We have included California Health & Safety Code Section 32121 for the Board's reference.

Article 2, Section 2. Powers

The powers mentioned in this Section are specific to the District. We added clarifying language where appropriate.

Article 2, Section 3 Meetings

The language in the Existing District Bylaws was brief on the conduct of meetings. We believe details would be useful. The new details reflect existing practice.

First, the revised language identifies all of the regular meetings of the Board, not just the meeting which occurs on the second Wednesday of the month. Second, the revised language also defines a quorum. Third, the revised language details a process for the development of agendas for the meetings.

Article 3. Officers

The Existing District Bylaws required the Secretary and Treasurer to perform certain duties. These duties were, in fact, delegated to the administrative staff through the Chief Executive Officer. To conform to actual practice, we revised the language and, in addition, to avoid any doubt, recommend that the Board adopt the two resolutions mentioned above.

Article 5. Committees (of the Board)

The Amended and Restated Bylaws eliminate the references to the Pension Plan Advisory Committee and the Executive Compensation Committee. These committee structures have not been utilized for many years, as the Board prefers not to conduct its business through committees of the Board.

If necessary, the Board retains the power to establish committees should the need arise in the future.

Article 6. Medical Staff (Generally)

In November 2018, at the recommendation of the Medical Staff, the Board approved a major revision to the Medical Staff Bylaws. The language in the Amended and Restated Bylaws eliminates duplicative language and supports the procedures in the Medical Staff Bylaws, where appropriate.

Article 6, Section 6. Accountability

In this Section, the Board makes it clear that the Board expects adherence to the Patient First Ethic. We added language which we believe reflects the Board's values as reflected in the Board's mission statement, actions and practices.

It is important to note, however, that the language in this Section is discretionary. The Board may consider adding or deleting any of the subparagraphs in the Section.

Conclusion

As stated above, we believe that the Existing District Bylaws need revision. The proposed draft is our recommendation for your consideration.

To proceed, the Board may adopt the Resolution approving the Amended and Restated Bylaws and the implementing resolutions. If the Board has questions or desires revisions, the Board can direct those revisions to be made (by motion). At a subsequent meeting, a revised draft will be brought back for your consideration.

**BYLAWS OF THE
BOARD OF DIRECTORS**

**WASHINGTON TOWNSHIP
HEALTH CARE DISTRICT**

Revised December, 2002

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT

BOARD OF DIRECTORS

BYLAWS, REVIEWS AND REVISIONS

| DATE | TOPIC |
|--------------------|---|
| September 5, 1973 | Powers, Section 2, b. |
| January 8, 1975 | Meetings, Section 3, a. |
| January 8, 1975 | Standing Committees, Section 2, b. |
| December 13, 1978 | Board Powers, Section 2, para 2. |
| September 12, 1979 | Hearing Procedure, Section 5, para a. |
| February 13, 1980 | Board Powers, Section 2, para 2. |
| July 28, 1981 | Bylaws reviewed in entirety by Long Range Planning Committee |
| July 13, 1983 | Standing Committees |
| July 12, 1989 | Fair Hearing Plan |
| August 10, 1994 | Gender Neutral Amendments |
| December 14, 1994 | Deletion of Article IV (Committees) and references thereto. |
| December 14, 1994 | Employment Restrictions |
| April 28, 1999 | Miscellaneous Conforming Amendments; Amendments to Article VI, Section 5 |
| June 13, 2001 | Amendments to Treasurer, Article III, Section 5, para. b; Amendments to Chief Executive Officer, Article IV, Sections 1 and 2; add Article V, Section 1, Committees, and Article V, Section 2, Pension Advisory Committee; Amendments to Article VI, Rules for Admissions, Section 1 and para. b. |
| December 11, 2002 | Added Article V, Committees, Section 3 |

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**ARTICLE I
NAME, AUTHORITY AND PURPOSE**

Section 1. NAME

The name of this District shall be "WASHINGTON TOWNSHIP HEALTH CARE DISTRICT."

Section 2. AUTHORITY

- a. This District having been established December 2, 1948, by vote of the residents of said District under the provisions of Division 23 of the Health and Safety Code of the State of California, otherwise known and referred to herein as "The Local Health Care District Law," and since said time having been operated thereunder, these Bylaws are adopted in conformance therewith and subject to the provisions thereof.
- b. In the event of any conflict between these Bylaws and "The Local Health Care District Law," the latter shall prevail.
- c. These Bylaws shall be known as the "District Bylaws."

Section 3. PURPOSE

The purpose of this District shall be to establish, maintain and operate one or more hospitals and nurses' training schools situated within the territorial limits of the District, and to do any and all other acts and things necessary to carry out the provisions of these Bylaws and "The Local Health Care District Law."

**ARTICLE II
BOARD OF DIRECTORS**

Section 1. ELECTION

The Board of Directors shall be elected as provided in "The Local Health Care District Law."

Section 2. POWERS

- a. Members of the Board of Directors shall and may exercise authority with respect to the District and its affairs only when acting as part of the Board of Directors and during Board of Directors meetings or meetings of authorized committees of the Board of Directors, excepting the President of the Board of Directors who is expected to confer with the District's Chief Executive Officer regarding Board of Directors and committee agendas and other matters between Board of Directors meetings. Members of the Board of Directors are not authorized to independently exercise management authority with respect to the District or its affairs.

- b. The Board of Directors shall have control of and be responsible for the management of all operations and affairs of this District and its facilities according to the best interests of the public health. It shall make and enforce all rules and regulations necessary for the administration, government, protection and maintenance of hospitals and other facilities under its jurisdiction.
- c. The Board of Directors shall by resolution create a Medical Staff, Auxiliary and any other subordinate or adjunct organization which it may deem necessary to carry out the purposes of the District.
- d. The Board of Directors may delegate certain powers to the Medical Staff and other adjunct organizations in accordance with their respective Bylaws. All powers and functions not expressly delegated in the Medical Staff Bylaws and the Bylaws of the other adjunct organizations are to be considered residual powers still vested in the Board of Directors.
- e. These District Bylaws shall override any provisions to the contrary in the Constitution, Bylaws or Rules and Regulations of any of the adjunct organizations. In case of conflict, the provisions of these District Bylaws shall prevail.
- f. Resolutions and ordinances establishing policies for the operation of this District and any of its facilities shall be considered to be part of these Bylaws, shall be kept in a separate book or file, and shall be available for inspection at all times.
- g. The Board of Directors shall determine membership on the Medical Staff, as well as the Bylaws for the government of said Medical Staff as provided in Article VI of these Bylaws. The Medical Staff will develop Bylaws, Rules and Regulations, Policies and Procedures and other guidelines to comply with their obligations and duties. They will be approved by the Board of Directors.
- h. The Board of Directors shall have all of the other powers given to it by "The Local Health Care District Law."

Section 3. MEETINGS

- a. The regular meeting of the Board of Directors of the Washington Township Health Care District shall be held on the second (2nd) Wednesday of each calendar month.
- b. Special meetings of the Board of Directors may be held in conformance with "The Local Health Care District Law."
- c. All of the sessions of the Board of Directors, whether regular or special, shall be conducted in accordance with "The Local Health Care District Law."

Section 4. EMPLOYMENT RESTRICTION

No member of the Board of Directors can be hired in the capacity of an employee, an independent contractor, or otherwise, for one year after the Board member has ceased to be a member of the Board. This prohibition shall not apply to any member who, at the inception of his/her term of office, was an employee or independent contractor of the District and terminated such employment or independent contractor status upon the commencement of his/her term. In accordance with Section 53227 of the California Government Code, no member of the District Board of Directors may be an employee of the District during the Director's term of office.

ARTICLE III OFFICERS

Section 1. OFFICERS

The officers of this District shall be President, First Vice President, Second Vice President, Secretary and Treasurer who shall be chosen by the Board of Directors from its membership.

There shall be a regular election of officers at the first meeting of the Board of Directors held in December of each and every calendar year. Each officer so elected shall serve for a term of one year, provided that any officer may resign at any time or be removed by the vote of three Directors at any regular or special meeting of the Board of Directors. In the event of a resignation or removal of an officer, the Board of Directors shall elect a successor to serve for the balance of that officer's unexpired term.

The Board of Directors may also establish additional Vice Presidents, Assistant Secretaries and Assistant Treasurers if it desires, and prescribe their duties, qualifications and terms of service provided such terms may not extend past the next regular election of officers.

Section 2. PRESIDENT

The Board of Directors shall, at the first regular meeting in the month of December, elect one of its members to act as President, as set forth in Section 1 herein, and if at any time the President shall be unable to act, the Vice Presidents, in the order hereinafter set forth, shall take the President's place and perform the President's duties; and if the Vice President shall also be unable to act, the Board may appoint someone else to do so, in whom shall be vested, for the time being, all the functions and duties of the office of the President. The President, or officer acting as such, shall perform the following duties:

- a. Shall preside over all the meetings of the Board of Directors.

Shall sign and shall execute jointly with the Secretary, in the name of the District, all contracts and conveyances and all other instruments in writing which have been authorized by the Board of Directors; and shall be empowered jointly with the Treasurer to sign checks on the funds of the District. The Board of Directors may, however, by resolution, designate any other person or persons who shall have authority to sign checks drawn on the funds of the District, and to execute in the name of the District all contracts and conveyances and all other instruments in writing which have been authorized by the Board of Directors.

- b. Shall have, subject to the advice and control of the Board of Directors, general responsibility for the affairs of the District, and generally shall discharge all other duties which shall be required of him/her by the Bylaws of the District.

Section 3. VICE PRESIDENTS

In the absence or inability of the President to serve, the First Vice President, or in his/her absence, the Second Vice President, shall perform the duties of the President.

Section 4. SECRETARY

- a. The Secretary shall act as Secretary of both the District and the Board of Directors.
- b. The Secretary shall be responsible for the proper keeping of the records of all actions, proceedings, and minutes of meetings of the Board of Directors.
- c. The Secretary shall be responsible for the proper recording, and maintaining in a special book or file for such purpose, all ordinances and resolutions of the Board of Directors (other than amendment to these Bylaws) pertaining to policy or administrative matters of the District and its facilities.
- d. The Secretary shall serve, or cause to be served, all notices required either by law or these Bylaws, and in the event of his/her absence, inability, refusal or neglect to do so, such notices may be served by any person "hereunto directed by the President or Board of Directors of this District."
- e. The Secretary shall have the custody of the seal of this District and shall use it under the direction of the Board of Directors.
- f. The Secretary shall perform such other duties as pertain to his/her office and as are prescribed by the Board of Directors.

Section 5. TREASURER

- a. The Treasurer shall have control of the funds of this District, subject to such resolutions, procedures and directives as the Board of Directors may adopt.
- b. The Treasurer shall be responsible for basic fiduciary functions. The Treasurer may meet his/her obligation under this Section 5 both directly and through delegations to District administrative staff including without limitation, the District Chief Executive Officer and the District Associate Administrator and the District Chief Financial Officer.
- c. The Treasurer's duties shall include responsibility for receiving and depositing all funds accruing to the District: income, interest, tax and bond receipts, gifts, endowments, rentals, etc. He/she further shall insure the security of such funds in approved depository of general banking branches of local banks.
- d. The Treasurer shall be responsible for honoring legal warrants approved and passed by the Board of Directors of Washington Township Health Care District at their regular or adjourned meetings. He/she shall promptly issue checks covering such warranted amounts.
- e. The Treasurer shall maintain liquid cash balances as may be required from time to time for the operation of the District and the payment of indebtedness contracted by the District.
- f. The Treasurer shall determine the maximum short-term and long-term commercial banking interest available and shall invest therein all unencumbered funds consistent with liquid cash flow requirements.
- g. The Treasurer shall maintain liaison with appropriate banks and bankers in accordance with the best interest of Washington Township Health Care District.
- h. The Treasurer shall be the principal contact with both the County Assessor and the County Treasurer to insure full communication between County and District organizations with particular respect to bond issues, bond interest, bond redemption, maintenance and operations taxes, capital investment taxes, and assessed values of both secured and unsecured property.
- i. The Treasurer shall maintain active and regular contact with the administrative staff for the purpose of obtaining that information necessary to carry out his/her fiduciary responsibilities.
- j. The Treasurer shall be authorized to transfer moneys between the several accounts for which he/she is responsible, subject only to the proper recording of such transfers.

- k. The Treasurer shall render regular periodic reports to the Board of Directors with respect to the financial condition of the District, as directed by the Board.

Section 6. ASSISTANT TREASURER

The Assistant Treasurer, if any, shall perform such duties as the Board of Directors may direct.

ARTICLE IV CHIEF EXECUTIVE OFFICER

Section 1. SELECTION

The Board of Directors shall select and employ a competent, experienced Chief Executive Officer who shall be its direct executive representative in the management of the District. Any reference to "hospital administrator" or "administrator" shall mean "Chief Executive Officer." This Chief Executive Officer shall be responsible to oversee and direct the day-to-day management and operation of the District. To this end, the Chief Executive Officer shall be given the necessary authority and 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 of Directors or by any of its committees to which it has delegated power for such action. All District employees and managers shall be accountable to the Chief Executive Officer. He/she shall act as the "duly authorized representative" of the Board in all matters in which the Board has not formally designated some other person for that specific purpose. However, nothing in this section is to be construed as depriving the Board of Directors from delegating to the Chief Executive Officer any of the powers and duties imposed upon the Board by "The Local Health Care District Law," Division 23, Chapter 1, of the Health and Safety Code of the State of California, or related statutes.

Section 2. AUTHORITY AND DUTIES

The authority and duties of the Chief Executive Officer shall include:

- a. To perfect and submit to the Board for approval a plan or organization of the personnel and others concerned with the operation of the District and to establish methods of procedure concerning the internal operation of the District.
- b. To prepare an annual budget showing the expected receipts and expenditures, as required by the Board of Directors.
- c. To select, employ, control, and discharge all employees serving in positions, as authorized by the Board of Directors.

- d. To see that all physical properties are kept in good state of repair and operating condition.
- e. To supervise all business affairs, such as the records of financial transactions, collection of accounts, and purchase and issuance of supplies; and to ensure that all funds are collected and expended to the best possible advantage.
- f. To exercise his/her professional abilities in such a manner that all those concerned with the rendering of professional service in the Washington Township Health Care District cooperate to the end that the best possible care may be rendered to all.
- g. To submit regularly to the Board or its authorized committees, periodic reports showing the professional service and financial activities of the District and to prepare and submit such special reports as may be required by the Board of Directors and/or its functioning committees.
- h. To attend all meetings of the Board of Directors and its committees.
- i. To perform any other duty that may be necessary in the best interest of the District.
- j. To serve as the liaison officer and channel of communication for all official communications between the Board of Directors or any of its committees, and the Medical Staff.
- k. To provide overall administrative direction to the District's adjunct organizations.

ARTICLE V COMMITTEES

Section 1. COMMITTEES GENERALLY

The Board of Directors may, by resolution adopted by a majority of the authorized number of directors, establish one or more committees and delegate to such committees any of the authority of the Board. The Board of Directors shall have the power to prescribe the manner in which proceedings of any committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. A majority of the members of a committee shall constitute a quorum of such committee and the act of a majority of members present at which a quorum is present shall be the act of the committee. Unless the Board or such committee shall otherwise provide, the regular and special meetings and other actions of any committee shall be governed by the provisions of Article II applicable to meetings and actions of the Board of Directors. Each committee shall keep regular minutes of its proceedings and shall report the same to the Board from time to time as the Board of Directors may require. Board members who are also members of committees established by the Board of Directors pursuant to this Article

V shall be entitled to such compensation for committee meeting participation as is available to Board members for participation in Board of Directors' meetings.

Section 2. PENSION PLAN ADVISORY COMMITTEE

- a. Composition. There shall be a Pension Plan Advisory Committee comprised of five (5) voting members including the President of the Board of Directors, the Treasurer of the Board of Directors, the District Chief Executive Officer, the District Associate Administrator and the District Chief Financial Officer. The President of the Board of Directors shall serve as Chairperson of the Committee and the Treasurer of the Board of Directors shall serve as Vice Chairperson of the Committee.
- b. Delegation of Power and Authority/Scope of Power . By these Bylaws, the Board of Directors hereby directs the Pension Plan Advisory Committee to exercise oversight and control over the operations of the District's retirement plan (the "Plan") including the selection of necessary service providers for the Plan and the review and approval of Plan investment activities.

Meetings. Regular meetings of the Pension Plan Advisory Committee shall be held at least once each calendar quarter. Special meetings of the Pension Plan Advisory Committee may be held as necessary.

- c. Quorum. At all meetings of the Pension Plan Advisory Committee, a majority of the authorized number of committee members shall constitute a quorum for the transaction of business.

Section 3. EXECUTIVE COMPENSATION COMMITTEE

- a. Composition. There shall be an Executive Compensation Committee comprised of two (2) voting members as elected by the Board. The Committee members shall serve until such time as the Board elects to replace the then current members and appoint other Board members to the Committee.
- b. Delegation of Power and Authority/Scope of Power. By these Bylaws, the Board of Directors hereby directs the Executive Compensation Committee to regularly assess the compensation paid by the District to its Chief Executive Officer and the other terms included in the Chief Executive Officer employment agreement. The Executive Compensation Committee shall advise the Board of its findings. Such assessment shall include analysis of the current compensation package and agreement terms as well as potential alternative compensation packages and terms. The activities of the Executive Compensation Committee shall be supported by designated administrative staff, as well as the services of an independent executive compensation consultant, to evaluate issues related to the Chief Executive Officer agreement, to determine "fair market value"

compensation and to otherwise assist the Committee in its duties on an as-needed basis. For purposes of this Section, the term "compensation" shall include any and all forms of compensation, including retirement packages, salaries, fringe benefits, health and welfare benefits, insurance and all other means of remuneration.

- c. Regular Meetings. Regular meetings of the Executive Compensation Committee shall be held no less than once each year at such time and place as the Executive Compensation Committee may fix by resolution from time to time. No notice of any regular meeting of the Executive Compensation Committee need be given. Committee members shall be required to attend all meetings unless specifically excused.
- d. Special Meetings. Special meetings of the Executive Compensation Committee may be held in conformance with The Local Health Care District Law.
- e. Quorum. A majority of the authorized number of Executive Compensation Committee members shall constitute a quorum for the transaction of business at all meetings of the Executive Compensation Committee.

ARTICLE VI RULES FOR ADMISSIONS

Section 1. ADMISSIONS

Any hospital established by this District shall be primarily for the use and benefit of the inhabitants of the District, but non-resident patients may be admitted provided that by doing so, a resident patient is not denied care. Subject to the provisions hereof, the Hospital shall accept all applicants for admission, provided that suitable facilities are available for the patient and provided that the patient can comply with the following requirements:

- a. A finding or statement of a member of the Hospital's Medical Staff that such person is suffering from an illness, disease or injury requiring hospitalization.
- b. A finding (1) that the person is capable of paying for his/her hospitalization, or (2) that the same has been guaranteed by a financially responsible person, firm, corporation or entity, subject to provisions of Federal or State Law.

ARTICLE VII MEDICAL STAFF

Section 1. STANDARDS, BYLAWS, RULES AND REGULATIONS

The Board of Directors shall by resolution adopt Bylaws, Rules and Regulations for the organization, government, eligibility and conduct of the Medical Staff for each hospital or other facility under its jurisdiction. Said Rules and Regulations, insofar as consistent with law, shall contain minimum standards not less than the rules and standards of private or voluntary hospitals operating within the District. The Medical Staff may make recommendations as to these matters, which shall be given full consideration by the Board of Directors.

Section 2. BOARD POWERS

The Board of Directors shall be responsible for final decisions regarding appointment, suspension and dismissal of Medical Staff members, to deny reappointment to the Medical Staff, and to restrict the privileges of any physician or surgeon at any hospital or other facility operated by the District who fails to meet the standards of professional competence, qualifications, reputation, health and temperament established at said hospitals or other facilities for membership on the Medical Staff or the enjoyment of particular privileges.

In accordance with California law, members of the Washington Hospital Medical Staff are required to either (a) have malpractice insurance, or (b) provide evidence to the District that they can meet their share of potential liability arising from malpractice cases. This will be effective January 10, 1980. The minimum limits for this requirement will be determined by the Board of Directors, when requested by the Chief Executive Officer.

No physician or surgeon shall be entitled to membership on the Medical Staff, or to the enjoyment of particular privileges, merely by virtue of the fact that he/she is duly licensed to practice medicine or surgery in this or any other state, or that he/she has had in the past, or presently has, such privileges at another hospital. The burden shall be on the physician or surgeon to establish that he/she is professionally competent and worthy in character and professional ethics and has the general competence, qualifications, reputation, character, health and temperament suitable for staff hospital practice. The Medical Staff may make recommendations as to these matters in the manner provided in their Bylaws, which shall be given full consideration by the Board of Directors.

Section 3. MEDICAL STAFF RULES

The Rules of the Medical Staff shall set forth the procedure by which eligibility for Medical Staff membership and establishment of professional privileges shall be determined, including minimum standards for qualification. Such Rules shall provide that the Medical Staff, or a committee or committees thereof, shall study the qualifications of all applicants and shall establish professional privileges and shall submit

to the Board of Directors recommendations thereon. Such recommendations shall be in writing addressed to the Chief Executive Officer of the District.

Section 4. APPOINTMENTS/REAPPOINTMENTS

All appointments and reappointments to the Medical Staff shall be for a period of no more than two years.

Section 5. BOARD AS APPELLATE BODY

When the Judicial Review Committee ("JRC") renders a decision in accordance with the Medical Staff Bylaws, such decisions may be subject to appeal by (a) the Medical Staff's Medical Executive Committee ("MEC") or (b) the Medical Staff member or applicant. When the MEC or a Medical Staff member or applicant (the "Appellant") exercises such appeal rights in accordance with the Medical Staff Bylaws, the Board of Directors' review shall be as provided in this Article VII, Section 5.

a. Time of Appeal

Within fifteen (15) days after receipt of the decision of the JRC, the Appellant may request an appellate review by the Board of Directors or its delegate. A written request for such review shall be delivered to the Chief of Staff, the Chief Executive Officer, and the other party in the hearing. If a request for appellate review is not requested within the fifteen (15) day period, the Board of Directors shall then approve, reject, or modify the recommendation.

b. Grounds for Appeal to the Board of Directors

A written request for an appeal shall include an identification of the grounds for appeal and a clear and concise statement of the facts in support of the appeal. The grounds for appeal from the hearing shall be: (a) substantial non-compliance with the procedures required by the Medical Staff Bylaws or applicable law which has created demonstrable prejudice; or (b) the decision was not supported by substantial evidence based upon the hearing record.

c. Time, Place and Notice

The place and time of the appellate proceeding shall be fixed by the Board of Directors. The appellate proceeding hearing shall be commenced not less than thirty (30) days nor more than sixty (60) days after receipt of a written request therefor, and shall proceed in a reasonably expeditious manner. Notice of the proceeding shall be given to the Appellant at least ten (10) days before the hearing. Each party shall be entitled to have one representative and one attorney at the proceeding.

d. Appeal Board/Hearing Officer

For the purposes of this Article VII, Section 5, the Board of Directors is the Appeal Board. However, the Board of Directors may, in its sole discretion, elect to delegate its responsibilities to conduct an appeal proceeding to an impartial "Hearing Officer." The Hearing Officer shall have been admitted to practice law in this State for at least ten (10) years and shall possess any additional qualifications determined by the Board of Directors. The Appellant shall have a right to *voire dire* the Hearing Officer and to challenge the Hearing Officer's impartiality. Any such challenge shall be ruled on by the Board of Directors.

The Hospital attorney or other legal counsel of the Board of Directors may advise the Board of Directors or the Hearing Officer on any questions of law.

a. Appeal Procedure

The proceeding by the Appeal Board or the Hearing Officer shall be in the nature of an appellate hearing based upon the record of the hearing before the JRC, provided that the Appeal Board or the Hearing Officer may accept additional oral or written evidence, subject to a foundational showing that such evidence could not have been made available to the JRC in the exercise of reasonable diligence and subject to the same rights of cross-examination or confrontation provided at the judicial review hearing; or the Appeal Board or the Hearing Officer may remand the matter to the JRC for the taking of further evidence and for decision. Each party shall have the right to be represented by legal counsel in connection with the appeal, to present a written statement in support of his/her position on appeal and to personally appear with legal counsel or other designated representative and make oral argument. The Appeal Board or the Hearing Officer may thereupon conduct, at a time convenient to itself, deliberations outside the presence of the appellant and respondent and their representatives.

f. Decision

1. Except as otherwise provided herein, within thirty (30) days after the conclusion of the appellate review proceeding, the Board of Directors shall render a decision in writing and shall include a statement of reasons therefor and shall forward copies thereof to each side involved in the hearing.
 - a. Notwithstanding the foregoing, in the event that the Board of Directors has elected to delegate its appeal authority to a Hearing Officer, the Hearing Officer shall issue a recommendation to the Board of Directors within twenty (20) days after the conclusion of the appellate review proceeding. The Board of Directors shall then issue its decision within ten (10) days after its receipt of the Hearing Officer's recommendation. The Board of Directors' decision may affirm, modify, or reverse the recommendation of the Hearing Officer.

2. The Board of Directors may affirm, modify, or reverse the decision of the JRC or remand the matter to the JRC for reconsideration. If the matter is remanded to the JRC for further review and recommendation, the JRC shall promptly conduct its review and make its recommendations to the Board of Directors. This further review and the time required to report back shall not exceed thirty (30) days in duration except as the parties may otherwise agree or for good cause as jointly determined by the chairpersons of the Board of Directors and the JRC.

g. Right to One Hearing

No applicant or Medical Staff member shall be entitled to more than one (1) evidentiary hearing and one (1) appellate review on any matter which shall have been the subject of adverse action or recommendation. The decision of the Board of Directors shall constitute final action.

Section 6. BOARD INITIATED ADVERSE ACTION

a. Purpose and Breadth

Peer review recommendations and determination of the MEC are entitled to great weight. Situations may nonetheless arise where the action(s) or inaction(s) of the MEC are contrary to the weight of evidence as determined by the Board of Directors and require intervention by the Board of Directors in the interests of the District. Section 6 of this Article VII shall apply to situations where the Board is required to initiate action concerning a Medical Staff member or applicant due to either Medical Staff inaction or action which is contrary to the weight of the evidence as determined by the Board of Directors. Section 6 only applies to situations where there is no action of the MEC which would afford a staff member or applicant hearing rights under Article VII of the Medical Staff Bylaws. When the MEC action affords hearing rights, Section 5 of this Article VII shall apply.

b. Board Actions

Board-initiated negative action may occur in two ways. First, the Board may determine that a recommendation of the MEC regarding a Medical Staff member or an applicant is not supported by the weight of the evidence. In such situations, the Board may refer the matter back to the MEC with a request for additional review and/or assessment of the Board's concerns. The Board may also initiate discussions with the MEC, through the Joint Conference Committee or otherwise, to communicate its concerns. If, after such efforts, the MEC's recommendation is still contrary to the weight of the evidence as determined by the Board of Directors, the Board of Directors may take adverse action, subject to the rights afforded by Section 6.c. of this Article VII.

Second, the Board of Directors may determine that corrective action is required with respect to an existing Medical Staff member and that the inaction of the MEC with respect to such Medical Staff member is contrary to the weight of the evidence. In such circumstances, the Board of Directors may consult with the Chief of Staff as the MEC's representative and thereafter direct the MEC to conduct an investigation or otherwise initiate corrective action proceedings. In the event that the MEC fails to take action in response to such a direction from the Board of Directors, the Board of Directors may, after written notification to the MEC, conduct an investigation or otherwise initiate corrective action proceedings on its own initiative. Any such proceeding shall afford the Medical Staff member the procedural rights afforded by Section 6.c. of this Article VII.

c. Hearing Rights

In the event that a Board-initiated action, had it been taken by the MEC, would have led to a hearing right in accordance with Article VII, Section 5 above, the Board shall provide the affected Medical Staff member or applicant with such a right. The hearing procedures shall be as set forth below and the decision reached through such hearing procedures shall be the final decision with respect to the matter at issue.

1. Initiation of Hearing. An applicant for appointment or reappointment to the Medical Staff, or a Medical Staff member subject to Board-initiated corrective action, shall be notified in writing of either (a) rejection for membership/privileges or (b) corrective action, respectively. Such notice shall advise that a hearing will be granted to the affected individual (the "Petitioner") if a written petition is made therefor within thirty (30) days. The notice shall also advise the Petitioner that the adverse action, if finalized, will be reported to the Medical Board of California as required by Section 805 of the California Business and Professions Code. If a written petition requesting a hearing is not filed by the Petitioner within thirty (30) days, the rejection or corrective action, whichever is applicable, shall be final. Any such hearing shall be commenced, unless waived by the Petitioner, otherwise agreed to by the parties, or ordered by the Hearing Officer, not less than thirty (30) days nor more than sixty (60) days after receipt of a written request therefor and shall proceed in a reasonably expeditious manner.
2. Hearing Officer. The petition shall be referred by the Board of Directors to an unbiased individual for hearing. The individual shall be chosen by the Board of Directors and shall be designated as the "Hearing Officer." The Hearing Officer shall have been admitted to practice law in this State for at least ten (10) years and shall possess any additional qualifications determined by the Board of Directors.

3. Notice. The place and time of the hearing shall be fixed by the Board of Directors. Notice of hearing shall be given to Petitioner at least thirty (30) days before the hearing. Such notice of hearing shall include the basis for the Board's action(s) at issue including the acts or omissions with which the Petitioner is charged. At the request of Petitioner or the Board of Directors, the Hearing Officer shall issue subpoenas and subpoenas duces tecum. The recommendations of the Board shall be presented by the attorney for the District or such other attorney as the Board may designate. The Petitioner may be represented by an attorney of his/her choice.
4. Procedural Rights. The Petitioner shall have a right to *voire dire* the Hearing Officer and to challenge the Hearing Officer's impartiality. Any such challenge shall be ruled on by the Hearing Officer. Both the Petitioner and the Board shall have the right to request and copy, at the requesting party's expense, documentary information relevant to the charges which is in the possession of the other party at least thirty (30) days before the hearing date. Both parties are entitled to receive a list of witnesses expected to testify and copies of documents to be introduced, at least ten (10) days prior to the commencement of the hearing. Failure to meet such obligations shall constitute good cause for a continuance. However, if the Hearing Officer issues such a continuance, the Hearing Officer shall not significantly delay the proceedings so as to unduly delay its prosecution.
5. Evidence. Each side shall have the right to call and examine witnesses, introduce exhibits, cross-examine witnesses even on matters not covered in the direct examination, impeach witnesses, and rebut any evidence. If the Petitioner does not testify in his/her own behalf, the Petitioner may be called and examined as if under cross-examination.
6. Procedure. The hearing may be conducted in closed session unless a request for a public hearing is made by the Petitioner. All witnesses shall be recorded by a competent shorthand reporter. The hearing need not be conducted according to technical rules relating to evidence. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Evidence of any past misconduct, of unethical or unprofessional conduct, health and temperament shall be admissible. Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence, but shall not be sufficient in itself to support a finding unless it would be admissible over objecting in civil actions. The rules of privilege shall be effective to the same extent that they are now or hereafter may be recognized in civil actions, and irrelevant and unduly repetitious evidence shall be excluded. Such hearing shall be deemed to be an official proceeding authorized by law under the provisions of Civil Code Section 47.

7. Decision. The Hearing Officer shall prepare findings of fact and a decision stating whether or not the Board's action at issue was reasonable and warranted. The decision shall include findings of fact and conclusions stating the connection between the evidence produced at the hearing and the conclusions reached by the Hearing Officer. The findings of fact and the decision shall be filed by the Hearing Officer with the Board of Directors and a copy thereof shall be served at the same time on the Petitioner or his/her attorney. This decision shall be the final decision of the appeal process set forth in these Bylaws.
8. Service of Notice or Other Document. Whenever a notice or other document is required to be given or served under the provisions of this Article, such notice or document may be personally served or it may be served by mail to the last known residence or business address of the addressee. Service by mail is made by the enclosure of the notice or other document in a sealed envelope addressed to the last known address of the person to be served, registered with return receipt requested, and the depositing of it in the United States mail with postage fully prepaid. Service is complete at the time of personal service or at the time of mailing. Proof of service, either personal or by mail, shall be made by affidavit.
9. Guiding Rules. The hearings provided for under this Article VII are intended to comply with the California Business and Professions Code Section 809, *et. seq.* and the Hearing Officer shall conduct the hearing in accordance with such provisions.

ARTICLE VIII CONFLICTS WITH MEDICAL STAFF BYLAWS

Section 1.

In the event that any of the provisions hereof are in conflict with any of the provisions of the existing Medical Staff Bylaws or as they may hereafter be adopted, these Bylaws and any amendments thereto shall be deemed to be controlling.

ARTICLE IX AMENDMENT

Section 1.

These Bylaws may be amended by affirmative vote of a majority of the total number of members of the Board of Directors at any regular or special meeting of the Board of Directors, provided a full statement of such proposed amendment shall have been sent to each Board member not less than seven (7) days prior to the meeting.

Section 2.

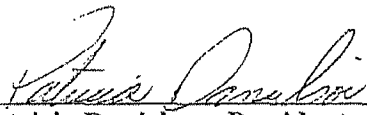
Affirmative action may be taken to amend these Bylaws by unanimous vote of the entire Board membership at any regular or special meeting of the Board of Directors, in which event the provision for seven (7) days notice shall not apply.

Section 3.

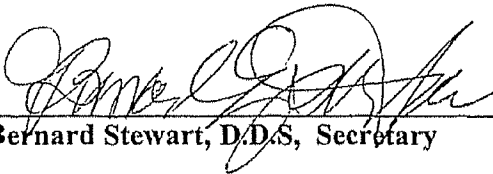
These Bylaws will be reviewed by the entire Board membership on an annual basis.

ADOPTION OF REVISED BYLAWS

Passed and adopted at a meeting of the Board of Directors of the
Washington Township Health Care District, duly held on the 11th day of December 2002.



Patricia Danielson, President



Bernard Stewart, D.D.S, Secretary

Preliminary Draft 03/17/2021

**AMENDED AND RESTATED BYLAWS
OF THE WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
ADOPTED [_____], 2021**

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**ARTICLE 1
NAME, AUTHORITY, PURPOSE AND PRINCIPAL OFFICE**

Section 1. Name

The name of this District shall be “Washington Township Health Care District.”

Section 2. Authority

(a) This District, having been established December 2, 1948, by vote of the residents of the District under the provisions of Division 23 of the Health & Safety Code of the State of California, otherwise known and referred to herein as “The Local Health Care District Law,” and since said time having been operated thereunder, these Bylaws are adopted in conformance therewith and subject to the provisions thereof.

(b) In the event of any conflict between these Bylaws and “The Local Health Care District Law,” the latter shall prevail.

(c) These Bylaws shall be known as the “District Bylaws.”

Section 3. Purpose

The purpose of this District shall be: (i) to establish, maintain and operate one or more hospitals and nurses’ training schools and to provide assistance in the operation of one or more health facilities (as that term is defined in The Local Health Care District Law) or health services at any location within or without the territorial limits of the District for the benefit of the District and the people served by the District; (ii) to establish maintain and operate, or provide assistance in the operation of free clinics, diagnostic and testing centers, health education programs, wellness and prevention programs, rehabilitation, aftercare and such other health care services provider groups, and organizations that are necessary for the maintenance of good physical and mental health in the communities served by the District; (iii) to acquire, maintain, and operate ambulances or ambulance services within and without the district; (iv) to purchase, receive, have, take, hold, lease, use, and enjoy property of every kind and description within and without the limits of the district, and to control, dispose of, convey, and encumber the same and create a leasehold interest in the same for the benefit of the district and (v) to do any and all other acts and things necessary to carry out the provisions of the District Bylaws and the Local Health Care District Law.

Section 4. Principal Office

The principal office for the transaction of the business of the District and for the preservation of District records is hereby fixed and located at 2000 Mowry Avenue, Fremont, California.

**ARTICLE 2
BOARD OF DIRECTORS**

Section 1. Election

The Board of Directors shall be elected as provided in The Local Health Care District Law.

Section 2. Powers

(a) Members of the Board of Directors shall and may exercise authority with respect to the District and its affairs only when acting as part of the Board of Directors and during Board of Directors' meetings or meetings of authorized committees of the Board of Directors, excepting the President of the Board of Directors, who is expected to confer with the District's Chief Executive Officer regarding Board of Directors and committee agendas and other matters between scheduled meetings of the Board of Directors. As individuals, Directors may not commit the District to any policy, act or expenditure. Board Members do not have individual authority over hiring, discipline or other employee matters.

(b) The Board of Directors shall have control of and be responsible for the oversight of all operations and affairs of the District and its facilities according to the best interests of the public health. The Board of Directors shall make and enforce all rules and regulations necessary for the administration, governance, protection and maintenance of hospitals and other facilities under its jurisdiction.

(c) The Board of Directors shall by resolution create a Medical Staff, Auxiliary and any other subordinate or adjunct organization which it may deem necessary to carry out the purposes of the District.

(d) The Board of Directors may delegate certain powers to the Medical Staff and other adjunct organizations in accordance with their respective bylaws. All powers and functions not expressly delegated in the Medical Staff Bylaws and the Bylaws of the other adjunct organizations are to be considered residual powers still vested in the Board of Directors.

(e) The District Bylaws shall override any provisions to the contrary in any constitution, bylaws, rules or regulations of any of the adjunct organizations. In case of conflict, the provisions of the District Bylaws shall prevail.

(f) Resolutions and ordinances establishing policies for the operation of this District and any of its facilities shall be kept in a separate book or file and shall be available for inspection consistent with the California Public Records Act and any policies established by the Board.

(g) The Board of Directors shall determine membership on the Medical Staff as well as the bylaws for the governance of the Medical Staff as provided in Article 6 of the District Bylaws. The Medical Staff will develop bylaws, rules and regulations, policies and procedures and

other guidelines to comply with its obligations and duties, all subject to approval by the Board consistent with California law.

(h) The Board of Directors shall establish and maintain standards of quality throughout all of the facilities of the District.

(i) The Board of Directors shall have all of the other powers given to it by The Local Health Care District Law.

Section 3. Meetings

(a) All of the meetings of the Board of Directors shall be conducted in accordance with the requirements of established California law. The regular meetings of the Board of Directors of the District shall be held on the second Wednesday, the third Monday, the fourth Monday and the fourth Wednesday of each calendar month. Regular meetings shall be held at Washington Hospital, Fremont, California (including the main hospital building, Washington West or any ancillary building owned or occupied by Washington Hospital.)

(b) Special meetings of the Board of Directors may be held, provided that such meetings comply with the requirements of established California law.

(c) All meetings of the Board, whether regular, special or adjourned, shall be open to the public except that meetings of the Board may be closed to the public by the Board if allowed by California law.

(d) Three (3) members shall constitute a quorum.

(e) The agenda for Board meetings shall be developed by the President with the Chief Executive Officer acting as staff to the President for this purpose. Any Director may request that a matter be added to a future Board of Directors meeting agenda. If such a proposal is made between Board of Directors meetings, the Director shall communicate the substance of the proposed item to the President and the Chief Executive Officer with sufficient detail so such item may be properly added to the agenda for a Board meeting. Such item shall be added to the Board of Directors agenda for the next meeting of the Board for which there is sufficient time to fully comply with all notice and agenda posting requirements. Any such item so added to the Board of Directors agenda may be removed from the Board of Directors agenda by a motion made by any Director at such meeting if such motion is approved by the Board of Directors. If a Director proposes that an item be added to the Board of Directors agenda for a future Board of Directors meeting during a Board of Directors meeting, then such item shall be added to the Board of Directors agenda unless the Board of Directors adopts a resolution directing that such item not be added to the agenda.

Section 4. Vacancies

Vacancies on the Board of Directors shall be filled in accordance with The Local Health Care District Law.

**ARTICLE 3
OFFICERS**

Section 1. Officers

(a) The officers of this District shall be President, First Vice President, Second Vice President, Secretary, and Treasurer who shall be chosen by the Board of Directors from its membership.

(b) There shall be a regular election of officers annually. Each officer so elected shall serve for a term of one year, provided that any officer may resign at any time or be removed by the vote of three Directors at any regular or special meeting of the Board of Directors. In the event of a resignation or removal of an officer, the Board of Directors shall elect a successor to serve for the balance of that officer's unexpired term.

(c) The Board of Directors may also establish additional Vice Presidents, Assistant Secretaries and Assistant Treasurers if it desires, and prescribe their duties, qualifications and terms of service provided such terms may not extend past the next regular election of officers.

Section 2. President

Annually, the Board of Directors shall elect one of its members to act as President, as set forth in Section 1 of this Article, and if at any time the President shall be unable to act, the Vice Presidents, in the order set forth in Section 3 of this Article, shall take the President's place and perform the President's duties; and if the Vice Presidents shall also be unable to act, the Board of Directors may appoint someone else to do so, in whom shall be vested, for the time being, all the functions and duties of the office of the President. The President, or officer acting as such, shall:

(a) Preside over all the meetings of the Board of Directors.

(b) Sign and execute jointly with the Secretary, in the name of the District, all contracts and conveyances and all other instruments in writing which have been authorized by the Board of Directors; and shall be empowered jointly with the Treasurer to sign checks on the funds of the District. The Board of Directors may, however, by resolution, designate any other person or persons who shall have authority to sign checks drawn on the funds of the District, and to execute in the name of the District all contracts and conveyances and all other instruments in writing which have been authorized by the Board of Directors.

(c) Subject to the advice and control of the Board of Directors, be responsible for the affairs of the District and all other duties which shall be required by the District Bylaws.

Section 3. Vice Presidents

In the absence or inability of the President to serve, the First Vice President, or in his/her absence, the Second Vice President, shall perform the duties of the President. The Vice Presidents shall have such titles, perform such other duties, and have such other powers as the Board of Directors shall designate from time to time.

Section 4. Secretary

The Secretary shall (i) ensure that the Chief Executive Officer has assigned staff to keep the minutes of all meetings of the Board of Directors, send or cause to be sent appropriate notices and agendas for all meetings of the Board of Directors, and act as custodian of all records and reports; (ii) attest in writing to the minutes of all Board of Directors meetings and resolution of the Board of Directors; (iii) act as custodian of all records and reports and of the corporate seal, if any, assuring that it is affixed when required by law, to documents executed on behalf of the District, and (iv) exercise such other powers and perform such other duties as may be prescribed by the Board of Directors or as required by California law.

Section 5. Treasurer

The Treasurer shall (i) ensure that the Chief Executive Officer has assigned staff to keep correct and accurate accounts of the property and financial records and transactions of the District, and (ii) in general, supervise or perform all duties incident to the office of Treasurer and such other duties as may be prescribed by the Board of Directors or as required by California law.

**ARTICLE 4
CHIEF EXECUTIVE OFFICER**

Section 1. Selection and Authority

The Board of Directors shall select and employ a competent, experienced Chief Executive Officer who shall be its direct executive representative in the management of the District. Any reference to “hospital administrator” or “administrator” shall mean “Chief Executive Officer.” The Chief Executive Officer shall be responsible for overseeing and directing the day-to-day management and operation of the District. To this end, the Chief Executive Officer 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 of Directors or by any of its committees to which it has delegated power for such action. All District employees and managers shall be accountable to the Chief Executive Officer. He or she shall act as the “duly authorized representative” of the Board of Directors in all matters in which the Board of Directors has not formally designated some other person for that specific purpose. However, nothing in this section is to be construed as depriving the Board of Directors from delegating to the Chief Executive Officer any of the powers and duties imposed upon the Board of Directors by The Local Health Care District Law or related statutes.

Section 2. Duties

The duties of the Chief Executive Officer shall include:

- (a) Overseeing and directing the day-to-day management and operation of the District.
- (b) Submitting to the Board of Directors for approval a plan or organization of the personnel and others involved with the operation of the District, and establishing methods of procedure concerning the internal operation of the District.
- (c) Preparing an annual budget showing the expected receipts and expenditures, as required by the Board of Directors.
- (d) Selecting, employing, controlling, and all employees serving in positions, as authorized by the Board of Directors.
- (e) Ensuring that all physical properties are kept in good state of repair and operating condition.
- (f) Supervising all business affairs, such as the records of financial transactions, collection of accounts, and purchase and issuance of supplies, and ensuring that all funds are collected and expended to the best possible advantage.
- (g) Submitting to the Board of Directors or its authorized committees, periodic reports showing the professional service and financial activities of the District and to prepare and submit such special reports as may be required by the Board of Directors and/or its functioning committees.
- (h) Attending all meetings of the Board of Directors and its committees consistent with the duties of the Chief Executive Officer.
- (i) Performing any other duty that may be necessary in the best interest of the District.
- (j) Serving as the liaison officer and channel of communication for all official communications between the Board of Directors, or any of its committees, and the Medical Staff.
- (k) Providing overall administrative direction to the District's adjunct organizations.

Section 3. Performance Review

The Board of Directors shall regularly review the performance of the Chief Executive Officer and provide guidance as needed.

**ARTICLE 5
COMMITTEES**

Section 1. Committees Generally

The Board of Directors may, by resolution adopted by a majority of the authorized number of Directors, establish one or more committees and delegate to such committees any of the authority of the Board of Directors. The Board of Directors shall have the power to prescribe the manner in which proceedings of any committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. A majority of the members of a committee shall constitute a quorum of such committee and the act of a majority of members present at which a quorum is present shall be the act of the committee. Unless the Board of Directors or such committee shall otherwise provide, the regular and special meetings and other actions of any committee shall be governed by the provisions of Article 2 applicable to meetings and actions of the Board of Directors. Each committee shall keep regular minutes of its proceedings and shall report the same to the Board of Directors from time to time as the Board of Directors may require. Board of Directors members who are also members of committees established by the Board of Directors pursuant to this Article 5 shall be entitled to such compensation for committee meeting participation as is available to Board of Directors members for participation in Board of Directors' meetings.

**ARTICLE 6
THE WASHINGTON HOSPITAL MEDICAL STAFF**

Section 1. Organization

A medical staff organization has been created for the acute care hospital that is owned by the District, and this medical staff is known as the Washington Hospital Medical Staff (the "Medical Staff").

Section 2. Membership

Membership in the Medical Staff shall be comprised of all physicians, dentists and podiatrists who are duly licensed, competent in their respective fields, worthy in character and in professional ethics and privileged to attend to patients in the Hospital. The term "physicians" shall include physicians licensed in the State of California, regardless of whether they hold an M.D. or D.O. degree. Membership in the Medical Staff shall be a prerequisite to the exercise of any clinical privileges except as otherwise expressly provided in the Medical Staff Bylaws.

Section 3. Medical Staff Bylaws, Rules, and Regulations

Medical Staff Bylaws, rules, and regulations shall be adopted by the Medical Staff for its internal governance, subject to the Board's approval (the "Medical Staff Bylaws"). The Medical Staff Bylaws shall create an effective administrative unit to discharge the functions and

responsibilities assigned to the Medical Staff. The Medical Staff Bylaws, rules and regulations shall also state the purposes, functions and organization of the Medical Staff, and set forth the policies and procedures by which the Medical Staff exercises and accounts for its delegated authority and responsibilities.

Section 4. Procedures to Adopt or Amend the Medical Staff Bylaws

(a) The Medical Staff shall have the initial responsibility to formulate, revise and adopt the Medical Staff Bylaws, rules and regulations.

(b) After the above action by the Medical Staff, such Medical Staff Bylaws, rules or regulations, or amendments thereto, shall be forwarded to the Board for its review and approval, which approval shall not be unreasonably withheld.

(c) If the Medical Staff fails to exercise its responsibility hereunder 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 formulate or amend the Medical Staff Bylaws, rules and regulations. Any Medical Staff recommendations and views shall be carefully considered during the Board of Directors' deliberations and actions.

Section 5. Credentialing and Clinical Privileges

(a) The Board of Directors delegates to the Medical Staff responsibility and authority to investigate and evaluate all matters relating to Medical Staff membership and clinical privileges, including appointment, reappointment and corrective action.

(b) Initial action with respect to membership on the Medical Staff and clinical privileges shall be taken by the Medical Staff in accordance with the Medical Staff Bylaws, rules and regulations. Thereafter, a recommendation shall be made to the Board.

(c) The Board of Directors shall review and act upon recommendations of the Medical Staff, and shall give careful consideration to the Medical Staff's expertise in peer review matters.

(d) If the Medical Staff fails to exercise its responsibility hereunder 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 take actions regarding medical staff membership and clinical privileges. In so doing, the Board of Directors shall carefully consider any Medical Staff recommendations and views during its deliberations and actions. In situations involving corrective action, the Board of Directors shall not initiate such action unless the Medical Staff's failure to do so is contrary to the weight of the evidence under consideration.

(e) The procedural rules to be followed by the Medical Staff and the Board of Directors in acting on matters of Medical Staff membership and clinical privileges, including such matters

as appointment, reappointment and corrective action, shall be as more particularly specified in the Medical Staff Bylaws. The Medical Staff Bylaws shall provide for a procedure pursuant to which disagreements between the Medical Staff and the Board of Directors may be resolved.

(f) In taking the actions referred to in this Article 6, the relevant decision-making body shall consider the supporting information and the purposes, needs and capabilities of the hospital, the health and welfare of the community, and such relevant criteria as are set out in the Medical Staff Bylaws, rules and regulations. In taking such action, no aspect of Medical Staff membership or privileging shall be limited or denied on the basis of sex, age, race, creed, color, or national origin, or on the basis of any other criterion unrelated to those set out in the preceding sentence.

(g) Duration. Appointments to the Medical Staff shall be for a maximum term of two (2) years.

(h) The terms and conditions of Medical Staff membership and of the exercise of clinical privileges shall be as specified in the Medical Staff Bylaws, rules and regulations, or as more specifically defined in the notice of an individual appointment or privileges.

Section 6. Accountability

The Medical Staff shall be accountable to the Board of Directors for conducting activities that contribute to the preservation and improvement of the quality and efficiency of patient care provided at the District. These activities shall include:

(a) Adhering to the Patient First Ethic: all decisions made and actions taken are based on what is in the best interest of the patient.

(b) Furthering the goal of excellence and the Patient First Ethic, all members of the Medical Staff are expected to adhere to the Code of Professional Conduct in their interactions with patients, colleagues, other health professionals, students and the public.

(c) Ensuring that a comparable standard of care, as determined by the Medical Staff, is provided to all patients with similar needs.

(d) Ongoing monitoring and evaluation of patient care to solve problems and identify other opportunities to improve quality.

(e) Delineation of clinical privileges for members of the Medical Staff commensurate with individual credentials and demonstrated ability and judgment.

(f) Provision of continuing professional education, guided by the needs identified through the review and evaluation activities, as well as other perceived needs and interests.

(g) Effective utilization of the District's resources to provide for their allocation to patients in need of them.

(h) Ensuring the preparation and maintenance of adequate and accurate medical records for all patients and

(i) Such other measures as the Board of Directors may, after considering the advice of the Medical Staff and the District's administration, deem necessary for the preservation and improvement of the quality and efficiency of patient care, including but not limited to alignment between the District and the Medical Staff to serve the community and achieve the highest quality of care for the District's patients.

**ARTICLE 7
CONFLICTS WITH MEDICAL STAFF BYLAWS**

In the event that any of the provisions hereof are in conflict with any of the provisions of the existing Medical Staff Bylaws or as they may hereafter be adopted, the District Bylaws and any amendments thereto shall be deemed to be controlling.

**ARTICLE 8
OTHER MATTERS**

Section 1. Employment Restriction

No member of the District Board of Directors may be an employee of the District during the Director's term of office.

**ARTICLE 9
AMENDMENTS**

Any provisions of the District Bylaws may be amended by a vote of a majority of the entire Board of Directors.

**ARTICLE 10
ADOPTION OF AMENDED AND RESTATED BYLAWS**

These Amended and Restated Bylaws of the Washington Township Health Care District were duly adopted at the meeting of the Board of Directors of the Washington Township Health Care District held on _____.

William F. Nicholson, MD
President
Washington Township Health Care District

Michael J. Wallace
Secretary
Washington Township Health Care District

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| <p style="text-align: center;">ARTICLE I NAME, AUTHORITY AND PURPOSE</p> <p style="text-align: center;">Section 1. NAME</p> <p>The name of this District shall be “WASHINGTON TOWNSHIP HEALTH CARE DISTRICT.”</p> | <p style="text-align: center;">ARTICLE 1 NAME, AUTHORITY, PURPOSE, AND PRINCIPAL OFFICE</p> <p style="text-align: center;">Section 1. Name</p> <p>The name of this District shall be “WASHINGTON TOWNSHIP HEALTH CARE DISTRICT.”</p> |
| <p style="text-align: center;">Section 2. AUTHORITY</p> <p>a. This District having been established December 2, 1948, by vote of the residents of said District under the provisions of Division 23 of the Health and Safety Code of the State of California, otherwise known and referred to herein as “The Local Health Care District Law,” and since said time having been operated thereunder, these Bylaws are adopted in conformance therewith and subject to the provisions thereof.</p> <p>b. In the event of any conflict between these Bylaws and “The Local Health Care District Law,” the latter shall prevail.</p> <p>c. These Bylaws shall be known as the “District Bylaws.”</p> | <p style="text-align: center;">Section 2. Authority</p> <p>a. This District having been established December 2, 1948, by vote of the residents of said District under the provisions of Division 23 of the Health and Safety Code of the State of California, otherwise known and referred to herein as “The Local Health Care District Law,” and since said time having been operated thereunder, these Bylaws are adopted in conformance therewith and subject to the provisions thereof.</p> <p>b. In the event of any conflict between these Bylaws and “The Local Health Care District Law,” the latter shall prevail.</p> <p>c. These Bylaws shall be known as the “District Bylaws.”</p> |
| <p style="text-align: center;">Section 3. PURPOSE</p> <p>The purpose of this District shall be to establish, maintain and operate one or more hospitals and nurses’ training schools situated within the territorial limits of the District, and to do any and all other acts and things necessary to carry out the provisions of these Bylaws and “The Local Health Care District Law.”</p> | <p style="text-align: center;">Section 3. Purpose</p> <p>The purpose of this District shall be (i) to establish, maintain and operate, one or more hospitals and nurses’ training schools and to provide assistance in the operation of one or more, health facilities (as that term is defined in The Local Health Care District Law) or health services at any location within or without the territorial limits of the District, for the benefit of the District and the people served by the District; (ii) to establish, maintain, and operate or provide assistance in the operation of free clinics, diagnostic and testing centers, health education programs, wellness and prevention programs, rehabilitation, aftercare and such other health care services provider groups, and organizations that are necessary for the maintenance of good physical and mental health in the communities served by the District; (iii) to</p> |

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| | <p>acquire, maintain, and operate ambulances or ambulance services within and without the district; (iv) to purchase, receive, have, take, hold, lease, use, and enjoy property of every kind and description within and without the limits of the district, and to control, dispose of, convey, and encumber the same and create a leasehold interest in the same for the benefit of the district and (v) to do any and all other acts and things necessary to carry out the provisions of the District’s Bylaws and The Local Health Care District Law.</p> |
| | <p>Section 4. Principal Office</p> <p>The principal office for the transaction of the business of the District and for the preservation of District records is hereby fixed and located at 2000 Mowry Avenue, Fremont, California 94538.</p> |
| <p style="text-align: center;">ARTICLE II BOARD OF DIRECTORS</p> <p style="text-align: center;">Section 1. ELECTION</p> <p>The Board of Directors shall be elected as provided in “The Local Health Care District Law.”</p> <p style="text-align: center;">Section 2. POWERS</p> <p>a. Members of the Board of Directors shall and may exercise authority with respect to the District and its affairs only when acting as part of the Board of Directors and during Board of Directors meetings or meetings of authorized committees of the Board of Directors, excepting the President of the Board of Directors who is expected to confer with the District’s Chief Executive Officer regarding Board of Directors and committee agendas and other matters between Board of Directors meetings. Members of the Board of Directors are not authorized to independently exercise management authority with respect to the District or its affairs.</p> | <p style="text-align: center;">ARTICLE 2 BOARD OF DIRECTORS</p> <p style="text-align: center;">Section 1. Election</p> <p>The Board of Directors shall be elected as provided in The Local Health Care District Law.</p> <p style="text-align: center;">Section 2. Powers</p> <p>a. Members of the Board of Directors shall and may exercise authority with respect to the District and its affairs only when acting as part of the Board of Directors and during Board of Directors meetings or meetings of authorized committees of the Board of Directors, excepting the President of the Board of Directors who is expected to confer with the District’s Chief Executive Officer regarding Board of Directors and committee agendas and other matters between Board of Directors meetings. As individuals, Directors may not commit the District to any policy, act, or expenditure. Board Members are not authorized to independently exercise management authority with respect to the District or its affairs.</p> |

- b. The Board of Directors shall have control of and be responsible for the management of all operations and affairs of this District and its facilities according to the best interests of the public health. It shall make and enforce all rules and regulations necessary for the administration, government, protection and maintenance of hospitals and other facilities under its jurisdiction.
- c. The Board of Directors shall by resolution create a Medical Staff, Auxiliary and any other subordinate or adjunct organization which it may deem necessary to carry out the purposes of the District.
- d. The Board of Directors may delegate certain powers to the Medical Staff and other adjunct organizations in accordance with their respective Bylaws. All powers and functions not expressly delegated in the Medical Staff Bylaws and the Bylaws of the other adjunct organizations are to be considered residual powers still vested in the Board of Directors.
- e. These District Bylaws shall override any provisions to the contrary in the Constitution, Bylaws or Rules and Regulations of any of the adjunct organizations. In case of conflict, the provisions of these District Bylaws shall prevail.
- f. Resolutions and ordinances establishing policies for the operation of this District and any of its facilities shall be considered to be part of these Bylaws, shall be kept in a separate book or file, and shall be available for inspection at all times.
- g. The Board of Directors shall determine membership on the Medical Staff, as well as the Bylaws for the government of said Medical Staff as provided in Article VI of these Bylaws. The Medical Staff will develop Bylaws, Rules and Regulations, Policies and Procedures and other guidelines to comply with their obligations and duties. They will be approved by the Board of Directors.

- b. The Board of Directors shall have control of and be responsible for the management of all operations and affairs of this District and its facilities according to the best interests of the public health. **The Board of Directors** shall make and enforce all rules and regulations necessary for the administration, **governance**, protection and maintenance of hospitals and other facilities under its jurisdiction.
- c. The Board of Directors shall by resolution create a Medical Staff, Auxiliary and any other subordinate or adjunct organization which it may deem necessary to carry out the purposes of the District.
- d. The Board of Directors may delegate certain powers to the Medical Staff and other adjunct organizations in accordance with their respective Bylaws. All powers and functions not expressly delegated in the Medical Staff Bylaws and the Bylaws of the other adjunct organizations are to be considered residual powers still vested in the Board of Directors.
- e. These District Bylaws shall override any provisions to the contrary in the Constitution, Bylaws or Rules and Regulations of any of the adjunct organizations. In case of conflict, the provisions of these District Bylaws shall prevail.
- f. Resolutions and ordinances establishing policies for the operation of this District and any of its facilities shall be considered to be part of these Bylaws, shall be kept in a separate book or file, and shall be available for inspection **consistent with the California Public Records Act and any policies established by the Board.**
- g. **The Board of Directors shall determine membership on the Medical Staff, as well as the Bylaws for the government of said Medical Staff as provided in Article 6 of the District Bylaws. The Medical Staff will develop bylaws, rules and regulations, policies and procedures and other guidelines to comply with their obligations and duties, all subject to approval by the Board consistent with California law.**

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| <p>h. The Board of Directors shall have all of the other powers given to it by “The Local Health Care District Law.”</p> | <p>h. The Board of Directors shall establish and maintain standards of quality throughout all of the facilities of the District.</p> <p>i. The Board of Directors shall have all of the other powers given to it by The Local Health Care District Law.</p> |
| <p style="text-align: center;">Section 3. MEETINGS</p> <p>a. The regular meeting of the Board of Directors of the Washington Township Health Care District shall be held on the second (2nd) Wednesday of each calendar month.</p> <p>b. Special meetings of the Board of Directors may be held in conformance with “The Local Health Care District Law.”</p> <p>c. All of the sessions of the Board of Directors, whether regular or special, shall be conducted in accordance with “The Local Health Care District Law.”</p> | <p style="text-align: center;">Section 3. Meetings</p> <p>a. All of the meetings of the Board of Directors shall be conducted in accordance with the requirements of established California law. The regular meetings of the Board of Directors of the District shall be held on the second Wednesday, the third Monday, the fourth Monday, and the fourth Wednesday of each calendar month. Regular meetings shall be held at Washington Hospital, Fremont, California (including the main hospital building, Washington West or any ancillary building owned or occupied by Washington Hospital.</p> <p>b. Special meetings of the Board of Directors may be held provided that such meetings comply with the requirements of established California law.</p> <p>c. All meetings of the Board of Directors, whether regular, special, or adjourned shall be open to the public except that meetings of the Board may be closed to the public by the Board if allowed by California law.</p> <p>d. Three (3) members shall constitute a quorum.</p> <p>e. The agenda for Board meetings shall be developed by the President with the Chief Executive Officer acting as staff to the President for this purpose. Any director may request that a matter be added to a future Board of Directors meeting agenda. If such a proposal is made between Board of Directors meetings, the Director shall communicate the substance of the proposed item to the President and the Chief Executive Officer with sufficient detail so such item may be properly added to the agenda for a Board meeting. Such</p> |

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| | <p>item shall be added to the Board of Directors agenda for the next meeting for which there is sufficient time to fully comply with all notice and agenda posting requirements. Any such item so added to the Board of Directors agenda may be removed from the Board of Directors agenda by a motion made by any Director at such meeting if such motion is approved by the Board of Directors. If a Director proposes that an item be added to the Board of Directors agenda for a future Board of Directors meeting during a Board of Directors meeting, then such item shall be added to the Board of Directors agenda unless the Board of Directors adopts a resolution directing that such item not be added to the agenda.</p> |
| <p>Section 4. EMPLOYMENT RESTRICTION</p> <p>No member of the Board of Directors can be hired in the capacity of an employee, an independent contractor, or otherwise, for one year after the Board member has ceased to be a member of the Board. This prohibition shall not apply to any member who, at the inception of his/her term of office, was an employee or independent contractor of the District and terminated such employment or independent contractor status upon the commencement of his/her term. In accordance with Section 53227 of the California Government Code, no member of the District Board of Directors may be an employee of the District during the Director's term of office.</p> | <p>[see ARTICLE 8]</p> |
| | <p>Section 4. Vacancies</p> <p>Vacancies on the Board of Directors shall be filled in accordance with The Local Health Care District Law.</p> |
| <p>ARTICLE III OFFICERS</p> <p>Section 1. OFFICERS</p> <p>The officers of this District shall be President, First Vice President, Second Vice President, Secretary and Treasurer who shall be chosen by the Board of Directors from its membership.</p> | <p>ARTICLE 3 OFFICERS</p> <p>Section 1. Officers</p> <p>a. The officers of this District shall be President, First Vice President, Second Vice President, Secretary and Treasurer who shall be chosen by the Board of Directors from its membership.</p> |

There shall be a regular election of officers at the first meeting of the Board of Directors held in December of each and every calendar year. Each officer so elected shall serve for a term of one year, provided that any officer may resign at any time or be removed by the vote of three Directors at any regular or special meeting of the Board of Directors. In the event of a resignation or removal of an officer, the Board of Directors shall elect a successor to serve for the balance of that officer's unexpired term.

The Board of Directors may also establish additional Vice Presidents, Assistant Secretaries and Assistant Treasurers if it desires, and prescribe their duties, qualifications and terms of service provided such terms may not extend past the next regular election of officers.

b. There shall be a regular election of officers **annually**. Each officer so elected shall serve for a term of one year, provided that any officer may resign at any time or be removed by the vote of three Directors at any regular or special meeting of the Board of Directors. In the event of a resignation or removal of an officer, the Board of Directors shall elect a successor to serve for the balance of that officer's unexpired term.

c. The Board of Directors may also establish additional Vice Presidents, Assistant Secretaries and Assistant Treasurers if it desires, and prescribe their duties, qualifications and terms of service provided such terms may not extend past the next regular election of officers.

Section 2. PRESIDENT

The Board of Directors shall, at the first regular meeting in the month of December, elect one of its members to act as President, as set forth in Section 1 herein, and if at any time the President shall be unable to act, the Vice Presidents, in the order hereinafter set forth, shall take the President's place and perform the President's duties; and if the Vice President shall also be unable to act, the Board may appoint someone else to do so, in whom shall be vested, for the time being, all the functions and duties of the office of the President. The President, or officer acting as such, shall perform the following duties:

- a. Shall preside over all the meetings of the Board of Directors.
- b. Shall sign and shall execute jointly with the Secretary, in the name of the District, all contracts and conveyances and all other instruments in writing which have been authorized by the Board of Directors; and shall be empowered jointly with the Treasurer to sign checks on the funds of the District. The Board of Directors may, however, by resolution, designate any other person or persons who shall have authority to sign checks drawn on the funds of the District, and to execute in the name of the District all contracts and

Section 2. President

Annually, the Board of Directors shall elect one of its members to act as President, as set forth in Section 1 **of this Article**, and if at any time the President shall be unable to act, the Vice Presidents, in the order set forth in Section 3 of this Article, shall take the President's place and perform the President's duties; and if the Vice Presidents shall also be unable to act, the Board of Directors may appoint someone else to do so, in whom shall be vested, for the time being, all the functions and duties of the office of the President. The President, or officer acting as such, shall:

- a. Preside over all the meetings of the Board of Directors.
- b. Sign and execute jointly with the Secretary, in the name of the District, all contracts and conveyances and all other instruments in writing which have been authorized by the Board of Directors; and shall be empowered jointly with the Treasurer to sign checks on the funds of the District. The Board of Directors may, however, by resolution, designate any other person or persons who shall have authority to sign checks drawn on the funds of the District, and to execute in the name of the District all contracts and conveyances

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| <p>conveyances and all other instruments in writing which have been authorized by the Board of Directors.</p> <p>c. Shall have, subject to the advice and control of the Board of Directors, general responsibility for the affairs of the District, and generally shall discharge all other duties which shall be required of him/her by the Bylaws of the District.</p> | <p>and all other instruments in writing which have been authorized by the Board of Directors.</p> <p>c. Subject to the advice and control of the Board of Directors, be responsible for the affairs of the District, and all other duties which shall be required by the Bylaws of the District.</p> |
| <p style="text-align: center;">Section 3. VICE PRESIDENTS</p> <p>In the absence or inability of the President to serve, the First Vice President, or in his/her absence, the Second Vice President, shall perform the duties of the President.</p> | <p style="text-align: center;">Section 3. Vice Presidents</p> <p>In the absence or inability of the President to serve, the First Vice President, or in his/her absence, the Second Vice President, shall perform the duties of the President. The Vice Presidents shall have such titles, perform such other duties, and have such other powers as the Board of Directors shall designate from time to time.</p> |
| <p style="text-align: center;">Section 4. SECRETARY</p> <p>a. The Secretary shall act as Secretary of both the District and the Board of Directors.</p> <p>b. The Secretary shall be responsible for the proper keeping of the records of all actions, proceedings, and minutes of meetings of the Board of Directors.</p> <p>c. The Secretary shall be responsible for the proper recording, and maintaining in a special book or file for such purpose, all ordinances and resolutions of the Board of Directors (other than amendment to these Bylaws) pertaining to policy or administrative matters of the District and its facilities.</p> <p>d. The Secretary shall serve, or cause to be served, all notices required either by law or these Bylaws, and in the event of his/her absence, inability, refusal or neglect to do so, such notices may be served by any person “hereunto directed by the President or Board of Directors of this District.”</p> | <p style="text-align: center;">Section 4. Secretary</p> <p>The Secretary shall (i) ensure that the Chief Executive Officer has assigned staff to keep the minutes of all meetings of the Board of Directors, send or cause to be sent appropriate notices and agendas for all meetings of the Board of Directors, and act as custodian of all records and reports; (ii) attest in writing to the minutes of all Board of Directors meetings and resolution of the Board of Directors; (iii) act as custodian of all records and reports and of the corporate seal, if any, assuring that it is affixed when required by law, to documents executed on behalf of the District, and (iv) exercise such other powers and perform such other duties as may be prescribed by the Board of Directors or as required by California law.</p> |

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| <p>e. The Secretary shall have the custody of the seal of this District and shall use it under the direction of the Board of Directors.</p> <p>f. The Secretary shall perform such other duties as pertains to his/her office and as are prescribed by the Board of Directors.</p> | |
| <p style="text-align: center;">Section 5. TREASURER</p> <p>a. The Treasurer shall have control of the funds of this District, subject to such resolutions, procedures and directives as the Board of Directors may adopt.</p> <p>b. The Treasurer shall be responsible for basic fiduciary functions. The Treasurer may meet his/her obligation under this Section 5 both directly and through delegations to District administrative staff including without limitation, the District Chief Executive Officer and the District Associate Administrator and the District Chief Financial Officer.</p> <p>c. The Treasurer's duties shall include responsibility for receiving and depositing all funds accruing to the District: income, interest, tax and bond receipts, gifts, endowments, rentals, etc. He/she further shall insure the security of such funds in approved depository of general banking branches of local banks.</p> <p>d. The Treasurer shall be responsible for honoring legal warrants approved and passed by the Board of Directors of Washington Township Health Care District at their regular or adjourned meetings. He/she shall promptly issue checks covering such warranted amounts.</p> <p>e. The Treasurer shall maintain liquid cash balances as may be required from time to time for the operation of the District and the payment of indebtedness contracted by the District.</p> <p>f. The Treasurer shall determine the maximum short-term and long-term commercial banking interest available and shall invest therein</p> | <p style="text-align: center;">Section 5. Treasurer</p> <p>The Treasurer shall (i) ensure that the Chief Executive Officer has assigned staff to keep correct and accurate accounts of the property and financial records and transactions of the District, and (ii) in general, supervise or perform all duties incident to the office of Treasurer and such other duties as may be prescribed by the Board of Directors or as required by California law.</p> |

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| <p>all unencumbered funds consistent with liquid cash flow requirements.</p> <p>g. The Treasurer shall maintain liaison with appropriate banks and bankers in accordance with the best interest of Washington Township Health Care District.</p> <p>h. The Treasurer shall be the principal contact with both the County Assessor and the County Treasurer to ensure full communication between County and District organizations with particular respect to bond issues, bond interest, bond redemption, maintenance and operations taxes, capital investment taxes, and assessed values of both secured and unsecured property.</p> <p>i. The Treasurer shall maintain active and regular contact with the administrative staff for the purpose of obtaining that information necessary to carry out his/her fiduciary responsibilities.</p> <p>j. The Treasurer shall be authorized to transfer moneys between the several accounts for which he/she is responsible, subject only to the proper recording of such transfers.</p> <p>k. The Treasurer shall render regular periodic reports to the Board of Directors with respect to the financial condition of the District, as directed by the Board.</p> | |
| <p style="text-align: center;">Section 6. ASSISTANT TREASURER</p> <p>The Assistant Treasurer, if any, shall perform such duties as the Board of Directors may direct.</p> | <p>[removed]</p> |
| <p style="text-align: center;">ARTICLE IV CHIEF EXECUTIVE OFFICER</p> <p style="text-align: center;">Section 1. SELECTION</p> <p>The Board of Directors shall select and employ a competent, experienced Chief Executive Officer who shall be its direct executive</p> | <p style="text-align: center;">ARTICLE 4 CHIEF EXECUTIVE OFFICER</p> <p style="text-align: center;">Section 1. Selection</p> <p>The Board of Directors shall select and employ a competent, experienced Chief Executive Officer who shall be its direct executive</p> |

representative in the management of the District. Any reference to “hospital administrator” or “administrator” shall mean “Chief Executive Officer.” This Chief Executive Officer shall be responsible to oversee and direct the day-to-day management and operation of the District. To this end, the Chief Executive Officer shall be given the necessary authority and 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 of Directors or by any of its committees to which it has delegated power for such action. All District employees and managers shall be accountable to the Chief Executive Officer. He/she shall act as the “duly authorized representative” of the Board in all matters in which the Board has not formally designated some other person for that specific purpose. However, nothing in this section is to be construed as depriving the Board of Directors from delegating to the Chief Executive Officer any of the powers and duties imposed upon the Board by “The Local Health Care District Law,” Division 23, Chapter 1, of the Health and Safety Code of the State of California, or related statutes.

representative in the management of the District. Any reference to “hospital administrator” or “administrator” shall mean “Chief Executive Officer.” This Chief Executive Officer shall be responsible to oversee and direct the day-to-day management and operation of the District. To this end, the Chief Executive Officer shall be given the necessary authority and 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 of Directors or by any of its committees to which it has delegated power for such action. All District employees and managers shall be accountable to the Chief Executive Officer. He or she shall act as the “duly authorized representative” of the Board in all matters in which the Board has not formally designated some other person for that specific purpose. However, nothing in this section is to be construed as depriving the Board of Directors from delegating to the Chief Executive Officer any of the powers and duties imposed upon the Board by The Local Health Care District Law, or related statutes.

Section 2. AUTHORITY AND DUTIES

The authority and duties of the Chief Executive Officer shall include:

- a. To perfect and submit to the Board for approval a plan or organization of the personnel and others concerned with the operation of the District and to establish methods of procedure concerning the internal operation of the District.
- b. To prepare an annual budget showing the expected receipts and expenditures, as required by the Board of Directors.
- c. To select, control, and discharge all employees serving in positions, as authorized by the Board of Directors.
- d. To see that all physical properties are kept in good state of repair and operating condition.

Section 2. Duties

The duties of the Chief Executive Officer shall include:

- a. **Overseeing and directing the day-to-day management and operation of the District.**
- b. Submitting to the Board of Directors for approval a plan or organization of the personnel and others involved with the operation of the District and establishing methods of procedure concerning the internal operation of the District.
- c. Preparing an annual budget showing the expected receipts and expenditures, as required by the Board of Directors.
- d. Selecting, employing, controlling, and discharging all employees serving in positions, as authorized by the Board of Directors.
- e. Ensuring that all physical properties are kept in good state of repair and operating condition.

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| <p>e. To supervise all business affairs, such as the records of financial transactions, collection of accounts, and purchase and issuance of supplies; and to ensure that all funds are collected and expended to the best possible advantage.</p> <p>f. To exercise his/her professional abilities in such a manner that all those concerned with the rendering of professional service in the Washington Township Health Care District cooperate to the end that the best possible care may be rendered to all.</p> <p>g. To submit regularly to the Board or its authorized committees, periodic reports showing the professional service and financial activities of the District and to prepare and submit such special reports as may be required by the Board of Directors and/or its functioning committees.</p> <p>h. To attend all meetings of the Board of Directors and its committees.</p> <p>i. To perform any other duty that may be necessary in the best interest of the District.</p> <p>j. To serve as the liaison officer and channel of communication for all official communications between the Board of Directors or any of its committees, and the Medical Staff.</p> <p>k. To provide overall administrative direction to the District's adjunct organizations.</p> | <p>f. Supervising all business affairs, such as the records of financial transactions, collection of accounts, and purchase and issuance of supplies; and ensuring that all funds are collected and expended to the best possible advantage.</p> <p>[removed]</p> <p>g. Submitting to the Board or its authorized committees, periodic reports showing the professional service and financial activities of the District and preparing and submitting such special reports as may be required by the Board of Directors and/or its functioning committees.</p> <p>h. Attending all meetings of the Board of Directors and its committees consistent with the duties of the Chief Executive Officer.</p> <p>i. Performing any other duty that may be necessary in the best interest of the District.</p> <p>j. Serving as the liaison officer and channel of communication for all official communications between the Board of Directors or any of its committees, and the Medical Staff.</p> <p>k. Providing overall administrative direction to the District's adjunct organizations.</p> |
| | <p>Section 3. Performance Review</p> <p>The Board of Directors shall regularly review the performance of the Chief Executive Officer and provide guidance as needed.</p> |
| <p style="text-align: center;">ARTICLE V COMMITTEES</p> <p style="text-align: center;">Section 1. COMMITTEES GENERALLY</p> | <p style="text-align: center;">ARTICLE 5 COMMITTEES</p> <p style="text-align: center;">Section 1. Committees</p> |

The Board of Directors may, by resolution adopted by a majority of the authorized number of directors, establish one or more committees and delegate to such committees any of the authority of the Board. The Board of Directors shall have the power to prescribe the manner in which proceedings of any committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. A majority of the members of a committee shall constitute a quorum of such committee and the act of a majority of members present at which a quorum is present shall be the act of the committee. Unless the Board or such committee shall otherwise provide, the regular and special meetings and other actions of any committee shall be governed by the provisions of Article II applicable to meetings and actions of the Board of Directors. Each committee shall keep regular minutes of its proceedings and shall report the same to the Board from time to time as the Board of Directors may require. Board members who are also members of committees established by the Board of Directors pursuant to this Article V shall be entitled to such compensation for committee meeting participation as is available to Board members for participation in Board of Directors' meetings.

The Board of Directors may, by resolution adopted by a majority of the authorized number of directors, establish one or more committees and delegate to such committees any of the authority of the Board of Directors. The Board of Directors shall have the power to prescribe the manner in which proceedings of any committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. A majority of the members of a committee shall constitute a quorum of such committee and the act of a majority of members present at which a quorum is present shall be the act of the committee. Unless the Board or such committee shall otherwise provide, the regular and special meetings and other actions of any committee shall be governed by the provisions of Article 2 applicable to meetings and actions of the Board of Directors. Each committee shall keep regular minutes of its proceedings and shall report the same to the Board of Directors from time to time as the Board of Directors may require. Board of Directors members who are also members of committees established by the Board of Directors pursuant to this Article 5 shall be entitled to such compensation for committee meeting participation as is available to Board of Directors members for participation in Board of Directors' meetings.

Section 2. PENSION PLAN ADVISORY COMMITTEE

[removed]

- a. Composition. There shall be a Pension Plan Advisory Committee comprised of five (5) voting members including the President of the Board of Directors, the Treasurer of the Board of Directors, the District Chief Executive Officer, the District Associate Administrator and the District Chief Financial Officer. The President of the Board of Directors shall serve as Chairperson of the Committee and the Treasurer of the Board of Directors shall serve as Vice Chairperson of the Committee.
- b. Delegation of Power and Authority/Scope of Power. By these Bylaws, the Board of Directors hereby directs the Pension Plan Advisory Committee to exercise oversight and control over the operations of the District's retirement plan (the "Plan") including the

selection of necessary service providers for the Plan and the review and approval of Plan investment activities.

Meetings. Regular meetings of the Pension Plan Advisory Committee shall be held at least once each calendar quarter. Special meetings of the Pension Plan Advisory Committee may be held as necessary.

- c. Quorum. At all meetings of the Pension Plan Advisory Committee, a majority of the authorized number of committee members shall constitute a quorum for the transaction of business.

Section 3. EXECUTIVE COMPENSATION COMMITTEE

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- a. Composition. There shall be an Executive Compensation Committee comprised of two (2) voting members as elected by the Board. The Committee members shall serve until such time as the Board elects to replace the then current members and appoint other Board members to the Committee.
- b. Delegation of Power and Authority/Scope of Power. By these Bylaws, the Board of Directors hereby directs the Executive Compensation Committee to regularly assess the compensation paid by the District to its Chief Executive Officer and the other terms included in the Chief Executive Officer employment agreement. The Executive Compensation Committee shall advise the Board of its findings. Such assessment shall include analysis of the current compensation package and agreement terms as well as potential alternative compensation packages and terms. The activities of the Executive Compensation Committee shall be supported by designated administrative staff, as well as the services of an independent executive compensation consultant, to evaluate issues related to the Chief Executive Officer agreement, to determine “fair market value” compensation and to otherwise assist the Committee in its duties on an as-needed basis. For purposes of this Section, the term “compensation” shall include any and all forms of compensation, including retirement packages, salaries, fringe

benefits, health and welfare benefits, insurance and all other means of remuneration.

- c. Regular Meetings. Regular meetings of the Executive Compensation Committee shall be held no less than once each year at such time and place as the Executive Compensation Committee may fix by resolution from time to time. No notice of any regular meeting of the Executive Compensation Committee need be given. Committee members shall be required to attend all meetings unless specifically excused.
- d. Special Meetings. Special meetings of the Executive Compensation Committee may be held in conformance with The Local Health Care District Law.
- e. Quorum. A majority of the authorized number of Executive Compensation Committee members shall constitute a quorum for the transaction of business at all meetings of the Executive Compensation Committee.

**ARTICLE VI
RULES FOR ADMISSIONS**

Section 1. ADMISSIONS

Any hospital established by this District shall be primarily for the use and benefit of the inhabitants of the District, but non-resident patients may be admitted, provided that by doing so, a resident patient is not denied care. Subject to the provisions hereof, the Hospital shall accept all applicants for admission, provided that suitable facilities are available for the patient and provided that the patient can comply with the following requirements:

- a. A finding or statement of a member of the Hospital's Medical Staff that such person is suffering from an illness, disease or injury requiring hospitalization.
- b. A finding (1) that the person is capable of paying for his/her hospitalization, or (2) that the same has been guaranteed by a

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| <p>financially responsible person firm, corporation or entity, subject to provisions of Federal or State Law.</p> | |
| <p style="text-align: center;">ARTICLE VII MEDICAL STAFF</p> <p style="text-align: center;">Section 1. STANDARDS, BYLAWS, RULES AND REGULATIONS</p> <p>The Board of Directors shall be resolution adopt Bylaws, Rules and Regulations for the organization, government, eligibility and conduct of the Medical Staff for each hospital or other facility under its jurisdiction. Said Rules and Regulations, insofar as consistent with law, shall contain minimum standards not less than the rules and standards of private or voluntary hospitals operating within the District. The Medical Staff may make recommendations as to these matters, which shall be given full consideration by the Board of Directors.</p> | <p style="text-align: center;">ARTICLE 6 MEDICAL STAFF [re-written]</p> <p style="text-align: center;">Section 1. Organization</p> <p>A medical staff organization has been created for the acute care hospital that is owned by the District, and this medical staff is known as the Washington Hospital Medical Staff (the “Medical Staff”).</p> |
| <p style="text-align: center;">Section 2. BOARD POWERS</p> <p>The Board of Directors shall be responsible for final decisions regarding appointment, suspension and dismissal of Medical Staff members, to deny reappointment to the Medical Staff, and to restrict the privileges of any physician or surgeon at any hospital or other facility operated by the District who fails to meet the standards of professional competence, qualifications, reputation, health and temperament established at said hospitals or other facilities for membership on the Medical Staff or the enjoyment of particular privileges.</p> <p>In accordance with California law, members of the Washington Hospital Medical Staff are required to either (a) have malpractice insurance, or (b) provide evidence to the District that they can meet their share of potential liability arising from malpractice cases. This will be effective January 10, 1980. The minimum limits for this requirement will be determined by the Board of Directors, when requested by the Chief Executive Officer.</p> | <p style="text-align: center;">Section 2. Membership</p> <p>Membership in the Medical Staff shall be comprised of all physicians, dentists and podiatrists who are duly licensed, competent in their respective fields, worthy in character and in professional ethics and privileged to attend to patients in the Hospital. The term “physicians” shall include physicians licensed in the State of California, regardless of whether they hold an M.D. or D.O. degree. Membership in the Medical Staff shall be a prerequisite to the exercise of any clinical privileges except as otherwise expressly provided in the Medical Staff Bylaws.</p> |

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| <p>No physician or surgeon shall be entitled to membership on the Medical Staff, or to the enjoyment of particular privileges, merely by virtue of the fact that he/she is duly licensed to practice medicine or surgery in this or any other state, or that he/she has had in the past, or presently has, such privileges at another hospital. The burden shall be on the physician or surgeon to establish that he/she is professionally competent and worthy in character and professional ethics and has the general competence, qualifications, reputation, character, health and temperament suitable for staff hospital practice. The Medical Staff may make recommendations as to these matters in the manner provided in their Bylaws, which shall be given full consideration by the Board of Directors.</p> | |
| <p style="text-align: center;">Section 3. MEDICAL STAFF RULES</p> <p>The Rules of the Medical Staff shall set forth the procedure by which eligibility for Medical Staff membership and establishment of professional privileges shall be determined, including minimum standards for qualification. Such Rules shall provide that the Medical Staff, or a committee or committees thereof, shall study the qualifications of all applicants and shall establish professional privileges and shall submit to the Board of Directors recommendations thereon. Such recommendations shall be in writing addressed to the Chief Executive Officer of the District.</p> | <p style="text-align: center;">Section 3. Medical Staff Bylaws, Rules, and Regulations</p> <p>Medical Staff Bylaws, rules, and regulations shall be adopted by the Medical Staff for its internal governance, subject to the Board's approval (the "Medical Staff Bylaws"). The Medical Staff Bylaws shall create an effective administrative unit to discharge the functions and responsibilities assigned to the Medical Staff. The Medical Staff Bylaws, rules and regulations shall also state the purposes, functions and organization of the Medical Staff, and set forth the policies and procedures by which the Medical Staff exercises and accounts for its delegated authority and responsibilities.</p> |
| <p style="text-align: center;">Section 4. APPOINTMENTS / REAPPOINTMENTS</p> <p>All appointments and reappointments to the Medical Staff shall be for a period of no more than two years.</p> | <p style="text-align: center;">Section 4. Procedures to Adopt or Amend the Medical Staff Bylaws</p> <ol style="list-style-type: none"> a. The Medical Staff shall have the initial responsibility to formulate, revise and adopt the Medical Staff Bylaws, rules and regulations. b. After the above action by the Medical Staff, such Medical Staff Bylaws, rules or regulations, or amendments thereto, shall be forwarded to the Board for its review and approval, which approval shall not be unreasonably withheld. c. If the Medical Staff fails to exercise its responsibility hereunder and in a reasonable, timely and responsible manner, and after written |

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| | <p>notice from the Board of Directors to such effect, including a reasonable period of time for response, the Board of Directors may formulate or amend the Medical Staff Bylaws, rules and regulations. Any Medical Staff recommendations and views shall be carefully considered during the Board of Directors' deliberations and actions.</p> |
| <p style="text-align: center;">Section 5. BOARD AS APPELLATE BODY</p> <p>When the Judicial Review Committee (“JRC”) renders a decision in accordance with the Medical Staff Bylaws, such decisions may be subject to appeal by (a) the Medical Staff’s Medical Executive Committee (“MEC”) or (b) the Medical Staff member or applicant. When the MED or a Medical Staff member of applicant (the “Appellant”) exercises such appeal rights in accordance with the Medical Staff Bylaws, the Board of Directors’ review shall be as provided in this Article VII, Section 5.</p> <p>a. <u>Time of Appeal.</u> Within fifteen (15) days after receipt of the decision of the JRC, the Appellant may request an appellate review by the Board of Directors or its delegee. A written request for such review shall be delivered to the Chief of Staff, the Chief Executive Officer, and the other party in the hearing. Is a request for appellate review is not requested within the fifteen (15) day period, the Board of Directors shall then approve, reject, or modify the recommendation.</p> <p>b. <u>Grounds for Appeal to the Board of Directors.</u> A written request for an appeal shall include an identification of the grounds for appeal and a clear and concise statement of the facts in support of the appeal. The grounds for appeal from the hearing shall be: (a) substantial non-compliance with the procedures required by the Medical Staff Bylaws or applicable law which has created demonstrable prejudice; or (b) the decision was not supported by substantial evidence based upon the hearing record.</p> <p>c. <u>Time, Place and Notice.</u> The place and time of the appellate proceeding shall be fixed by the Board of Directors. The appellate</p> | <p style="text-align: center;">Section 5. Credentialing and Clinical Privilege</p> <p>a. The Board of Directors delegates to the Medical Staff responsibility and authority to investigate and evaluate all matters relating to Medical Staff membership and clinical privileges, including appointment, reappointment and corrective action.</p> <p>b. Initial action with respect to membership on the Medical Staff and clinical privileges shall be taken by the Medical Staff in accordance with the Medical Staff Bylaws, rules and regulations. Thereafter, a recommendation shall be made to the Board.</p> <p>c. The Board of Directors shall review and act upon recommendations of the Medical Staff, and shall give careful consideration to the Medical Staff’s expertise in peer review matters.</p> <p>d. If the Medical Staff fails to exercise its responsibility hereunder 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 take actions regarding medical staff membership and clinical privileges. In so doing, the Board of Directors shall carefully consider any Medical Staff recommendations and views during its deliberations and actions. In situations involving corrective action, the Board of Directors shall not initiate such action unless the Medical Staff’s failure to do so is contrary to the weight of the evidence under consideration.</p> <p>e. The procedural rules to be followed by the Medical Staff and the Board of Directors in acting on matters of Medical Staff membership and clinical privileges, including such matters as appointment, reappointment and corrective action, shall be as more particularly specified in the Medical Staff Bylaws. The Medical Staff Bylaws shall provide for a procedure pursuant to which</p> |

proceeding hearing shall be commenced not less than thirty (30) days nor more than sixty (60) days after receipt of a written request therefor, and shall proceed in a reasonably expeditious manner. Notice of the proceeding shall be given to the Appellant at least ten (10) days before the hearing. Each party shall be entitled to have one representative and one attorney at the proceeding.

d. Appeal Board Hearing Officer. For the purposes of this Article VII, Section 5, the Board of Directors is the Appeal Board. However, the Board of Directors may, in its sole discretion, elect to delegate its responsibilities to conduct an appeal proceeding to an impartial "Hearing Officer." The Hearing Officer shall have been admitted to practice law in this State for at least ten (10) years and shall possess any additional qualifications determined by the Board of Directors. The Appellant shall have a right to *voire dire* the Hearing Officer and to challenge the Hearing Officer's impartiality. Any such challenge shall be ruled on by the Board of Directors. The Hospital attorney or other legal counsel of the Board of Directors may advise the Board of Directors or the Hearing Officer on any questions of law.

e. Appeal Procedure. The proceeding by the Appeal Board or the Hearing Officer shall be in the nature of an appellate hearing based upon the record of the hearing before the JRC, provided that the Appeal Board or the Hearing Officer may accept additional oral or written evidence, subject to a foundational showing that such evidence could not have been made available to the JRC in the exercise of reasonable diligence and subject to the same rights of cross-examination or confrontation provided at the judicial review hearing; or the Appeal Board or the Hearing Officer may remand the matter to the JRC for the taking of further evidence and for decision. Each party shall have the right to be represented by legal counsel in connection with the appeal, to present a written statement in support of his/her position on appeal and to personally appear with legal counsel or other designated representative and make oral argument. The Appeal Board or the Hearing Officer may thereupon conduct, at a time convenient to itself, deliberations outside the presence of the appellate and respondent and their representatives.

disagreements between the Medical Staff and the Board of Directors may be resolved.

- f. In taking the actions referred to in this Article 6, the relevant decision-making body shall consider the supporting information and the purposes, needs and capabilities of the hospital, the health and welfare of the community, and such relevant criteria as are set out in the Medical Staff Bylaws, rules and regulations. In taking such action, no aspect of Medical Staff membership or privileging shall be limited or denied on the basis of sex, age, race, creed, color, or national origin, or on the basis of any other criterion unrelated to those set out in the preceding sentence.
- g. Duration. Appointments to the Medical Staff shall be for a maximum term of two (2) years.
- h. The terms and conditions of Medical Staff membership and of the exercise of clinical privileges shall be as specified in the Medical Staff Bylaws, rules and regulations, or as more specifically defined in the notice of an individual appointment or privileges.

f. Decision. Except as otherwise provided herein, within thirty (30) days after the conclusion of the appellate review proceeding, the Board of Directors shall render a decision in writing and shall include a statement of reasons therefore and shall forward copies thereof to each side involved in the hearing.

- 1) Notwithstanding the foregoing in the event that the Board of Directors has elected to delegate its appeal authority to a Hearing Officer, the Hearing Officer shall issue a recommendation to the Board of Directors within twenty (20) days after the conclusion of the appellate review proceeding. The Board of Directors shall then issue its decision within ten (10) days after its receipt of the Hearing Officer's recommendation. The Board of Directors' decision may affirm, modify, or reverse the recommendation of the Hearing Officer.

The Board of Directors may affirm, modify, or reverse the decision of the JRC or remand the matter to the JRC for reconsideration. If the matter is remanded to the JRC for further review and recommendation, the JRC shall promptly conduct its review and make its recommendations to the Board of Directors. This further review and the time required to report back shall not exceed thirty (30) days in duration except as the parties may otherwise agree or for good cause as jointly determined by the chairpersons of the Board of Directors and the JRC.

g. Right to One Hearing. No applicant or Medical Staff member shall be entitled to more than one (1) evidentiary hearing and one (1) appellate review on any matter which shall have been the subject of adverse action or recommendation. The decision of the Board of Directors shall constitute final action.

Section 6. BOARD INITIATED ADVERSE ACTION

a. Purpose and Breadth. Peer Review recommendations and determination of the MEC are entitled to great weight. Situations may nonetheless arise where the action(s) or inaction(s) of the MEC are contrary to the weight of evidence as

Section 6. Accountability

The Medical Staff shall be accountable to the Board of Directors for conducting activities that contribute to the preservation and

determined by the Board of Directors and require intervention by the Board of Directors in the interests of the District. Section 6 of this Article VII shall apply to situations where the Board is required to initiate action concerning a Medical Staff member or applicant due to either Medical Staff inaction or action which is contrary to the weight of the evidence as determined by the Board of Directors. Section 6 only applies to situations where there is no action of the MEC which would afford a staff member or applicant hearing rights under Article VII of the Medical Staff Bylaws. When the MEC action affords hearing rights, Section 5 of this Article VII shall apply.

- b. Board Actions. Board-initiated negative action may occur in two ways. First, the Board may determine that a recommendation of the MEC regarding a Medical Staff member or an applicant is not supported by the weight of the evidence. In such situations, the Board may refer the matter back to the MEC with a request for additional review and/or assessment of the Board's concerns. The Board may also initiate discussions with the MEC, through the Joint Conference Committee or otherwise, to communicate its concerns. If, after such efforts, the MEC's recommendation is still contrary to the weight of the evidence as determined by the Board of Directors, the Board of Directors may take adverse action, subject to the rights afforded by Section 6.c. of this Article VII.

Second, the Board of Directors may determine that corrective action is required with respect to an existing Medical Staff member and that the inaction of the MEC with respect to such Medical Staff member is contrary to the weight of the evidence. In such circumstances, the Board of Directors may consult with the Chief of Staff as the MEC's representative and thereafter direct the MEC to conduct an investigation or otherwise initiate corrective action proceedings. In the event that the MEC fails to take action in response to such a direction from the Board of Directors, the Board of Directors may, after written notification to the MEC, conduct an investigation or otherwise initiate corrective action proceedings on its own initiative. Any such

improvement of the quality and efficiency of patient care provided at the District. These activities shall include:

- a. Adhering to the Patient First Ethic: all decisions made and actions taken are based on what is in the best interest of the patient.
- b. Furthering the goal of excellence and the Patient First Ethic, all members of the Medical Staff are expected to adhere to the Code of Professional Conduct in their interactions with patients, colleagues, other health professionals, students and the public.
- c. Ensuring that a comparable standard of care, as determined by the Medical Staff, is provided to all patients with similar needs.
- d. Ongoing monitoring and evaluation of patient care to solve problems and identify other opportunities to improve quality.
- e. Delineation of clinical privileges for members of the Medical Staff commensurate with individual credentials and demonstrated ability and judgment.
- f. Provision of continuing professional education, guided by the needs identified through the review and evaluation activities, as well as other perceived needs and interests.
- g. Effective utilization of the District's resources to provide for their allocation to patients in need of them.
- h. Ensuring the preparation and maintenance of adequate and accurate medical records for all patients and
- i. Such other measures as the Board of Directors may, after considering the advice of the Medical Staff and the District's administration, deem necessary for the preservation and improvement of the quality and efficiency of patient care, including but not limited to alignment between the District and the Medical Staff to serve the community and achieve the highest quality of care for the District's patients.

proceeding shall afford the Medical Staff member the procedural rights afforded by Section 6.c. of this Article VII.

c. Hearing Rights. In the event that a Board-initiated action, had it been taken by the MEC, would have led to a hearing right in accordance with Article VII, Section 5 above, the Board shall provide the affected Medical Staff member or applicant with such a right. The hearing procedures shall be as set forth below and the decision reached through such hearing procedures shall be the final decision with respect to the matter at issue.

- 1) Initiation of Hearing. An applicant for appointment or reappointment to the Medical Staff, or a Medical Staff member subject to Board-initiated corrective action, shall be notified in writing of either (a) rejection for membership/privileges or (b) corrective action, respectively. Such notice shall advise that a hearing will be granted to the affected individual (the "Petitioner") if a written petition is made therefor within thirty (30) days. The notice shall also advise the Petitioner that the adverse action if finalized, will be reported to the Medical Board of California as required by Section 805 of the California Business and Professions Code. If a written petition requesting a hearing is not filed by the Petitioner within thirty (30) days, the rejection or corrective action, whichever is applicable, shall be final. Any such hearing shall be commenced, unless waived by the Petitioner, otherwise agreed to by the parties, or ordered by the Hearing Officer, not less than thirty (30) days nor more than sixty (60) days after receipt of a written request therefor and shall proceed in a reasonably expeditious manner.
- 2) Hearing Officer. The petition shall be referred by the Board of Directors to an unbiased individual for hearing. The individual shall be chosen by the Board of Directors and shall be designated as the "Hearing Officer." The Hearing Officer shall have been admitted to practice law

in this State for at least ten (10) years and shall possess any additional qualifications determined by the Board of Directors.

- 3) Notice. The place and time of the hearing shall be fixed by the Board of Directors. Notice of hearing shall be given to Petitioner at least thirty (30) days before the hearing. Such notice of hearing shall include the basis for the Board's action(s) at issue including the acts or omissions with which the Petitioner is charged. At the request of Petitioner or the Board of Directors, the Hearing Officer shall issue subpoenas duces tecum. The recommendations of the Board shall be presented by the attorney for the District or such other attorney as the Board may designate. The Petitioner may be represented by an attorney of his/her choice.
- 4) Procedural Rights. The Petitioner shall have a right to *voire dire* the Hearing Officer and to challenge the Hearing Officer's impartiality. Any such challenge shall be ruled on by the Hearing Officer. Both the Petitioner and the Board shall have the right to request and copy, at the requesting party's expense, documentary information relevant to the charges which is in the possession of the other party at least thirty (30) days before the hearing date. Both parties are entitled to receive a list of witnesses expected to testify and copies of documents to be introduced, at least ten (10) days prior to the commencement of the hearing. Failure to meet such obligations shall constitute good cause for a continuance. However, if the Hearing Officer issues such a continuance, the Hearing Officer shall not significantly delay the proceedings so as to unduly delay its prosecution.
- 5) Evidence. Each side shall have the right to call and examine witnesses, introduce exhibits, cross-examine witnesses even on matters not covered in the direct

examination, impeach witnesses, and rebut any evidence. If the Petitioner does not testify in his/her own behalf, the Petitioner may be called and examined as if under cross-examination.

- 6) Procedure. The hearing may be conducted in closed session unless a request for a public hearing is made by the Petitioner. All witnesses shall be recorded by a competent shorthand reported. The hearing need not be conducted according to technical rules relating to evidence. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Evidence of any past misconduct, of unethical or unprofessional conduct, health and temperament shall be admissible. Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence, but shall not be sufficient in itself to support a finding unless it would be admissible over objecting in civil actions. The rules of privilege shall be effective to the same extent that they are now or hereafter may be recognized in civil actions, and irrelevant and unduly repetitious evidence shall be excluded. Such hearing shall be deemed to be an official proceeding authorized by law under the provisions of Civil Code Section 47.
- 7) Decision. The Hearing Officer shall prepare findings of fact and a decision stating whether or not the Board's action at issue was reasonable and warranted. The decision shall include findings of fact and conclusions stating the connection between the evidence produced at the hearing and the conclusions reached by the Hearing Officer. The findings of fact and the decision shall be filed by the Hearing Officer with the Board of Directors and a copy thereof shall be served at the same time on the Petitioner or his/her attorney. This decision shall be

the final decision of the appeal process set forth in these Bylaws.

- 8) Service of Notice or Other Document. Whenever a notice or other document is required to be given or served under the provisions of this Article, such notice or document may be personally served or it may be served by mail to the last known residence or business address of the addressee. Service by mail is made by the enclosure of the notice or other document in a sealed envelope addressed to the last known address of the person to be served, registered with return receipt requested, and the depositing of it in the United States mail with postage fully prepaid. Service is complete at the time of personal service or at the time of mailing. Proof of service, either personal or by mail, shall be made by affidavit.
- 9) Guiding Rules. The hearings provided for under this Article VII are intended to comply with the California Business and Professions Code Section 809, *et. Seq.* and the Hearing Officer shall conduct the hearing in accordance with such provisions.

**ARTICLE VIII
CONFLICTS WITH MEDICAL STAFF BYLAWS**

Section 1.

In the event that any of the provisions hereof are in conflict with any of the provisions of the existing Medical Staff Bylaws or as they may hereafter be adopted, these Bylaws and any amendments thereto shall be deemed to be controlling.

**ARTICLE 7
CONFLICTS WITH MEDICAL STAFF BYLAWS**

In the event that any of the provisions hereof are in conflict with any of the provisions of the existing Medical Staff Bylaws or as they may hereafter be adopted, these Bylaws and any amendments thereto shall be deemed to be controlling.

**ARTICLE 8
OTHER MATTERS**

Section 1. Employment Restriction

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| | <p>No member of the District Board of Directors may be an employee of the District during the Director's term of office.</p> |
| <p style="text-align: center;">ARTICLE IX AMENDMENT</p> <p style="text-align: center;">Section 1.</p> <p>These Bylaws may be amended by affirmative vote of a majority of the total number of members of the Board of Directors at any regular or special meeting of the Board of Directors, provided a full statement of such proposed amendment shall have been sent to each Board member not less than seven (7) days prior to the meeting.</p> | <p style="text-align: center;">ARTICLE 9 AMENDMENTS</p> <p>Any provisions of the District Bylaws may be amended by a vote of a majority of the entire Board of Directors.</p> |
| <p style="text-align: center;">Section 2.</p> <p>Affirmative action may be taken to amend these Bylaws by unanimous vote of the entire Board membership at any regular or special meeting of the Board of Directors, in which event the provision for seven (7) days notice shall not apply.</p> | |
| <p style="text-align: center;">Section 3.</p> <p>These Bylaws will be reviewed by the entire Board membership on an annual basis.</p> | |
| | <p style="text-align: center;">ARTICLE 10 ADOPTION OF AMENDED AND RESTATED BYLAWS</p> <p>These Amended and Restated Bylaws of the Washington Township Health Care District were duly adopted at the meeting of the Board of Directors of the Washington Township Health Care District held on _____.</p> |

RESOLUTION NO. 1222

**RESOLUTION OF THE BOARD OF DIRECTORS OF WASHINGTON
TOWNSHIP HEALTH CARE DISTRICT TO APPROVE THE DELEGATION
OF THE SECRETARY'S DUTIES**

WHEREAS, Washington Township Health Care District is a local health care district ("District") which owns and operates a general acute care hospital and provides essential healthcare services to the population residing within the District's political boundaries, including the cities of Fremont, Newark, Union City, parts of South Hayward and Sunol;

WHEREAS, the Board of Directors has adopted the *Amended and Restated Bylaws of the Washington Township Health Care District* ("Amended and Restated Bylaws");

WHEREAS, under Section 4 of Article 3 of the Amended and Restated Bylaws, the Secretary of the Board of Directors is responsible for (i) ensuring that District staff have been assigned to keep minutes of all meetings of the Board of Directors, (ii) ensuring that all legally required notices and agendas are posted for all meetings of the Board of Directors, and (iii) acting as the custodian of records for the District (the "Secretary's Duties");

WHEREAS, the meetings of the Board of Directors are subject to the provisions of the Ralph M. Brown Act, Government Code § 54950 et seq. (the "Brown Act");

WHEREAS, the Brown Act generally requires the Board of Directors to meet in open session but permits the Board of Directors to meet in closed sessions to discuss certain subjects enumerated in the Brown Act;

WHEREAS, Section 54957.2 of the Government Code permits a legislative body of a local agency, such as the Board of Directors, to, by resolution, designate a clerk or other officer or employee of the local agency to take and maintain minutes of the proceedings of the Board of Directors that are held in closed session;

WHEREAS, the Secretary has proposed to assign the Secretary's Duties to the Chief Executive Officer and such other officers or employees as the Chief Executive Officer may designate; and

WHEREAS, the Board of Directors desires to authorize the Secretary to assign such duties to District staff as provided herein.

NOW, THEREFORE, be it resolved that:

1. The Chief Executive Officer is authorized to assign staff to (i) keep the minutes of all meetings of the Board of Directors, (ii) send or cause to be sent appropriate notices and agendas for all meetings of the Board of Directors, and (iii) act as custodian of all records and reports and of the corporate seal, if any, assuring that it is affixed when required by law, to documents executed on behalf of the District.

2. Pursuant to Section 54957.2 of the Government Code, the Board of Directors authorizes the Chief Executive Officer to further delegate the responsibility for keeping minutes of closed sessions of the Board of Directors for the purposes stated in Section 54957.2 of the Government Code to the District Clerk or other officer or employees, including the taking of minutes and maintaining the confidential minute book of such meetings.

3. Pursuant to Section 54957.2 of the Government Code, the minute book containing the minutes of the closed sessions shall be maintained by the District Clerk or other officer or employee designated by the Chief Executive Officer in confidence and shall only be available to a member of the Board of Directors or a court of competent jurisdiction as required by Section 54957.2 of the Government Code.

4. The Chief Executive Officer is hereby authorized to take any further actions required to implement the provisions of this Resolution.

Passed and adopted by the Board of Directors of the Washington Township Health Care District this 24th day of March, 2021 by the following vote:

AYES:

NOES:

ABSENT:

William F. Nicholson, MD
President, Board of Directors
Washington Township Health Care District

Michael J. Wallace
Secretary, Board of Directors
Washington Township Health Care District

RESOLUTION NO. 1223

**RESOLUTION OF THE BOARD OF DIRECTORS OF WASHINGTON
TOWNSHIP HEALTH CARE DISTRICT TO APPROVE THE DELEGATION
OF THE TREASURER'S DUTIES**

WHEREAS, Washington Township Health Care District is a local health care district ("District") which owns and operates a general acute care hospital and provides essential healthcare services to the population residing within the District's political boundaries, including the cities of Fremont, Newark, Union City, parts of South Hayward and Sunol;

WHEREAS, the Board of Directors has adopted the *Amended and Restated Bylaws of the Washington Township Health Care District* ("Amended and Restated Bylaws");

WHEREAS, under Section 5 of Article 3 of the Amended and Restated Bylaws, the Treasurer of the Board of Directors is responsible for ensuring that the Board of Directors receives accurate and complete financial records of the District, which may be accomplished by delegating such duties to appropriate District staff;

WHEREAS, the Treasurer has proposed to assign such duties to the Chief Executive Officer and such inferior officers as she may designate; and

WHEREAS, the Board of Directors desires to authorize the Treasurer to assign such duties to District staff as provided herein.

NOW, THEREFORE, be it resolved that:

1. The responsibilities described in Section 5 of Article 3 of the Amended and Restated Bylaws are hereby delegated to the Chief Executive Officer, who is hereby authorized to delegate such responsibilities to the Chief Financial Officer.

2. The Chief Executive Officer is hereby authorized to take any further actions required to implement the provisions of this Resolution.

Preliminary Draft 03/17/2021

Passed and adopted by the Board of Directors of the Washington Township Health Care District this 24th day of March, 2021 by the following vote:

AYES:

NOES:

ABSENT:

William F. Nicholson, MD
President, Board of Directors
Washington Township Health Care District

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Michael J. Wallace
Secretary, Board of Directors
Washington Township Health Care District

RESOLUTION NO. 1221

**RESOLUTION OF THE BOARD OF DIRECTORS OF WASHINGTON
TOWNSHIP HEALTH CARE DISTRICT TO APPROVE AMENDED AND
RESTATED BYLAWS FOR THE BOARD OF DIRECTORS**

WHEREAS, Washington Township Health Care District is a local health care district (“District”) which owns and operates a general acute care hospital and provides essential healthcare services to the population residing within the District’s political boundaries, including the cities of Fremont, Newark, Union City, parts of South Hayward and Sunol;

WHEREAS, the Board operates under a set of bylaws entitled *Bylaws of the Board of Directors Washington Township Health Care District* (the “Existing Bylaws”), which have been amended from time to time;

WHEREAS, the Board has determined that it is appropriate to adopt modernized bylaws in the form of amended and restated bylaws that address, among other things, changes in applicable law and changes to the Medical Staff bylaws, policies, and procedures;

WHEREAS, the Board has reviewed the *Amended and Restated Bylaws of the Washington Township Health Care District* (“Amended and Restated Bylaws”) attached hereto as Exhibit A (Exhibit A is attached hereto and incorporated herein by this reference); and

WHEREAS, the Board has determined that it is in the best interest of the District to adopt the Amended and Restated Bylaws.

NOW, THEREFORE, be it resolved that:

1. The Amended and Restated Bylaws are hereby approved; and
2. The President and the Secretary of the Board of Directors are hereby authorized to execute the Amended and Restated Bylaws.

G&K Preliminary Draft 02/11/2021

Passed and adopted by the Board of Directors of the Washington Township Health Care District this _____ day of March 2021 by the following vote:

AYES:

NOES:

ABSENT:

William F. Nicholson, MD
President, Board of Directors
Washington Township Health Care District

Michael J. Wallace
Secretary, Board of Directors
Washington Township Health Care District

**EXHIBIT A
AMENDED AND RESTATED BYLAWS**

See attached.

Cal Health & Saf Code § 32121

Deering's California Codes are current through Chapter 4 of the 2021 Regular Session, including all urgency legislation effective February 22, 2021 or earlier.

Deering's California Codes Annotated > **HEALTH AND SAFETY CODE** (§§ 1 — 151003) > *Division 23 Hospital Districts (Chs. 1 — 10)* > *Chapter 2 Board of Directors (Arts. 1 — 3)* > **Article 2 Powers (§§ 32121 — 32140)**

§ 32121. Powers of local hospital districts

Each local district shall have and may exercise the following powers:

- (a) To have and use a corporate seal and alter it at its pleasure.
- (b) To sue and be sued in all courts and places and in all actions and proceedings whatever.
- (c) To purchase, receive, have, take, hold, lease, use, and enjoy property of every kind and description within and without the limits of the district, and to control, dispose of, convey, and encumber the same and create a leasehold interest in the same for the benefit of the district.
- (d) To exercise the right of eminent domain for the purpose of acquiring real or personal property of every kind necessary to the exercise of any of the powers of the district.
- (e) To establish one or more trusts for the benefit of the district, to administer any trust declared or created for the benefit of the district, to designate one or more trustees for trusts created by the district, to receive by gift, devise, or bequest, and hold in trust or otherwise, property, including corporate securities of all kinds, situated in this state or elsewhere, and where not otherwise provided, dispose of the same for the benefit of the district.
- (f) To employ legal counsel to advise the board of directors in all matters pertaining to the business of the district, to perform the functions in respect to the legal affairs of the district as the board may direct, and to call upon the district attorney of the county in which the greater part of the land in the district is situated for legal advice and assistance in all matters concerning the district, except that if that county has a county counsel, the directors may call upon the county counsel for legal advice and assistance.
- (g) To employ any officers and employees, including architects and consultants, the board of directors deems necessary to carry on properly the business of the district.
- (h) To prescribe the duties and powers of the health care facility administrator, secretary, and other officers and employees of any health care facilities of the district, to establish offices as may be appropriate and to appoint board members or employees to those offices, and to determine the number of, and appoint, all officers and employees and to fix their compensation. The officers and employees shall hold their offices or positions at the pleasure of the boards of directors.

(i)To do any and all things that an individual might do that are necessary for, and to the advantage of, a health care facility and a nurses' training school, or a child care facility for the benefit of employees of the health care facility or residents of the district.

(j)To establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or health services, including, but not limited to, outpatient programs, services, and facilities; retirement programs, services, and facilities; chemical dependency programs, services, and facilities; or other health care programs, services, and facilities and activities at any location within or without the district for the benefit of the district and the people served by the district.

"Health care facilities," as used in this subdivision, means those facilities defined in subdivision (b) of [Section 32000.1](#) and specifically includes freestanding chemical dependency recovery units. "Health facilities," as used in this subdivision, may also include those facilities defined in subdivision (d) of [Section 15432 of the Government Code](#).

(k)To do any and all other acts and things necessary to carry out this division.

(l)To acquire, maintain, and operate ambulances or ambulance services within and without the district.

(m)To establish, maintain, and operate, or provide assistance in the operation of, free clinics, diagnostic and testing centers, health education programs, wellness and prevention programs, rehabilitation, aftercare, and any other health care services provider, groups, and organizations that are necessary for the maintenance of good physical and mental health in the communities served by the district.

(n)To establish and operate in cooperation with its medical staff a coinsurance plan between the hospital district and the members of its attending medical staff.

(o)To establish, maintain, and carry on its activities through one or more corporations, joint ventures, or partnerships for the benefit of the health care district.

(p)

(1)To transfer, at fair market value, any part of its assets to one or more corporations to operate and maintain the assets. A transfer pursuant to this paragraph shall be deemed to be at fair market value if an independent consultant, with expertise in methods of appraisal and valuation and in accordance with applicable governmental and industry standards for appraisal and valuation, determines that fair and reasonable consideration is to be received by the district for the transferred district assets. Before the district transfers, pursuant to this paragraph, 50 percent or more of the district's assets to one or more corporations, in sum or by increment, the elected board shall, by resolution, submit to the voters of the district a measure proposing the transfer. The measure shall be placed on the ballot of a special election held upon the request of the district or the ballot of the next regularly scheduled election occurring at least 88 days after the resolution of the board. If a majority of the voters voting on the measure vote in its favor, the transfer shall be approved. The campaign disclosure requirements applicable to local measures provided under Chapter 4 (commencing with [Section 84100](#)) of [Title 9 of the Government Code](#) shall apply to this election.

(2) To transfer, for the benefit of the communities served by the district, in the absence of adequate consideration, any part of the assets of the district, including, without limitation, real property, equipment, and other fixed assets, current assets, and cash, relating to the operation of the district's health care facilities to one or more nonprofit corporations to operate and maintain the assets.

(A) A transfer of 50 percent or more of the district's assets, in sum or by increment, pursuant to this paragraph shall be deemed to be for the benefit of the communities served by the district only if all of the following occur:

(i) The transfer agreement and all arrangements necessary thereto are fully discussed in advance of the district board decision to transfer the assets of the district in at least five properly noticed open and public meetings in compliance with [Section 32106](#) and the Ralph M. Brown Act (Chapter 9 (commencing with [Section 54950](#)) of Part 1 of Division 2 of Title 5 of the Government Code).

(ii) The transfer agreement provides that the hospital district shall approve all initial board members of the nonprofit corporation and any subsequent board members as may be specified in the transfer agreement.

(iii) The transfer agreement provides that all assets transferred to the nonprofit corporation, and all assets accumulated by the corporation during the term of the transfer agreement arising out of, or from, the operation of the transferred assets, are to be transferred back to the district upon termination of the transfer agreement, including any extension of the transfer agreement.

(iv) The transfer agreement commits the nonprofit corporation to operate and maintain the district's health care facilities and its assets for the benefit of the communities served by the district.

(v) The transfer agreement requires that any funds received from the district at the outset of the agreement or any time thereafter during the term of the agreement be used only to reduce district indebtedness, to acquire needed equipment for the district health care facilities, to operate, maintain, and make needed capital improvements to the district's health care facilities, to provide supplemental health care services or facilities for the communities served by the district, or to conduct other activities that would further a valid public purpose if undertaken directly by the district.

(vi) The transfer agreement includes the appraised fair market value, from an independent consultant with expertise in methods of appraisal and valuation and in accordance with applicable governmental and industry standards for appraisal and valuation, of any asset transferred pursuant to this paragraph.

(vii) The appraisal that is used to determine the fair market value that is included within the transfer agreement is performed within the six months preceding the date on which the district approves the transfer agreement.

(B) A transfer of 10 percent or more but less than 50 percent of the district's assets, in sum or by increment, pursuant to this paragraph shall be deemed to be for the benefit of the communities served by the district only if both of the following occur:

(i) The transfer agreement and all arrangements necessary thereto are fully discussed in advance of the district board decision to transfer the assets of the district in at least two properly noticed open and public meetings in compliance with [Section 32106](#) and the Ralph M. Brown Act (Chapter 9 (commencing with [Section 54950](#)) of Part 1 of Division 2 of Title 5 of the Government Code).

(ii) The transfer agreement meets all of the requirements of clauses (iii) to (v), inclusive, of subparagraph (A).

(C) Before the district transfers, pursuant to this paragraph, 50 percent or more of the district's assets to one or more nonprofit corporations, in sum or by increment, the elected board shall, by resolution, submit to the voters of the district a measure proposing the transfer. The resolution shall identify the asset proposed to be transferred, its appraised fair market value, and the full consideration that the district is to receive in exchange for the transfer. The appraisal shall be performed by an independent consultant with expertise in methods of appraisal and valuation and in accordance with applicable governmental and industry standards for appraisal and valuation within the six months preceding the date on which the district approves the resolution. The measure shall be placed on the ballot of a special election held upon the request of the district or the ballot of the next regularly scheduled election occurring at least 88 days after the resolution of the board. If a majority of the voters voting on the measure vote in its favor, the transfer shall be approved. The campaign disclosure requirements applicable to local measures provided under Chapter 4 (commencing with [Section 84100](#)) of Title 9 of the Government Code shall apply to this election.

(D) Notwithstanding the other provisions of this paragraph, a hospital district shall not transfer any portion of its assets to a private nonprofit organization that is owned or controlled by a religious creed, church, or sectarian denomination in the absence of adequate consideration.

(3) If the district board has previously transferred less than 50 percent of the district's assets pursuant to this subdivision, before any additional assets are transferred, the board shall hold a public hearing and shall make a public determination that the additional assets to be transferred will not, in combination with any assets previously transferred, equal 50 percent or more of the total assets of the district.

(4) The amendments to this subdivision made during the 1991–92 Regular Session, the amendments made to this subdivision and to [Section 32126](#) made during the 1993–94 Regular Session, and the amendments made to this subdivision during the 2011–12 Regular Session, shall only apply to transfers made on or after the effective dates of the acts amending this subdivision. The amendments to this subdivision made during those sessions shall not apply to either of the following:

(A) A district that has discussed and adopted a board resolution prior to September 1, 1992, that authorizes the development of a business plan for an integrated delivery system.

(B) A lease agreement, transfer agreement, or both between a district and a nonprofit corporation that were in full force and effect as of September 1, 1992, for as long as that lease agreement, transfer agreement, or both remain in full force and effect.

(5) Notwithstanding paragraph (4), if substantial amendments are proposed to be made to a transfer agreement described in subparagraph (A) or (B) of paragraph (4), the amendments shall be fully discussed in advance of the district board's decision to adopt the amendments in at least two properly noticed open and public meetings in compliance with [Section 32106](#) and the Ralph M. Brown Act (Chapter 9 (commencing with [Section 54950](#)) of *Part 1 of Division 2 of Title 5 of the Government Code*).

(6) Notwithstanding paragraphs (4) and (5), a transfer agreement described in subparagraph (A) or (B) of paragraph (4) that provided for the transfer of less than 50 percent of a district's assets shall be subject to the requirements of this subdivision when subsequent amendments to that transfer agreement would result in the transfer, in sum or by increment, of 50 percent or more of a district's assets to the nonprofit corporation.

(7) For purposes of this subdivision, a "transfer" means the transfer of ownership of the assets of a district. A lease of the real property or the tangible personal property of a district shall not be subject to this subdivision except as specified in [Section 32121.4](#) and as required under [Section 32126](#).

(8) Districts that request a special election pursuant to paragraph (1) or (2) shall reimburse counties for the costs of that special election as prescribed pursuant to [Section 10520 of the Elections Code](#).

(9)

(A) Nothing in this section, including subdivision (j), shall be construed to permit a local district to obtain or be issued a single consolidated license to operate a separate physical plant as a skilled nursing facility or an intermediate care facility that is not located within the boundaries of the district.

(B) Notwithstanding subparagraph (A), Eastern Plumas Health Care District may obtain and be issued a single consolidated license to operate a separate physical plant as a skilled nursing facility or an intermediate care facility that is located on the campus of the Sierra Valley District Hospital. This subparagraph shall have no application to any other district and is intended only to address the urgent need to preserve skilled nursing or intermediate care services within the rural County of Sierra.

(C) Subparagraph (B) shall only remain operative until the Sierra Valley District Hospital is annexed by the Eastern Plumas Health Care District. In no event shall the Eastern Plumas Health Care District increase the number of licensed beds at the Sierra Valley District Hospital during the operative period of subparagraph (B).

(10) A transfer of any of the assets of a district to one or more nonprofit corporations to operate and maintain the assets shall not be required to meet paragraphs (1) to (9), inclusive, of this subdivision if all of the following conditions apply at the time of the transfer:

(A) The district has entered into a loan that is insured by the State of California under Chapter 1 (commencing with [Section 129000](#)) of Part 6 of Division 107.

(B) The district is in default of its loan obligations, as determined by the Office of Statewide Health Planning and Development.

(C)The Office of Statewide Health Planning and Development and the district, in their best judgment, agree that the transfer of some or all of the assets of the district to a nonprofit corporation or corporations is necessary to cure the default, and will obviate the need for foreclosure. This cure of default provision shall be applicable prior to the office foreclosing on district hospital assets. After the office has foreclosed on district hospital assets, or otherwise taken possession in accordance with law, the office may exercise all of its powers to deal with and dispose of hospital property.

(D)The transfer and all arrangements necessary thereto are discussed in advance of the transfer in at least one properly noticed open and public meeting in compliance with [Section 32106](#) and the Ralph M. Brown Act (Chapter 9 (commencing with [Section 54950](#)) of *Part 1 of Division 2 of Title 5 of the Government Code*). The meeting referred to in this paragraph shall be noticed and held within 90 days of notice in writing to the district by the office of an event of default. If the meeting is not held within this 90-day period, the district shall be deemed to have waived this requirement to have a meeting.

(11)If a transfer under paragraph (10) is a lease, the lease shall provide that the assets shall revert to the district at the conclusion of the leasehold interest. If the transfer is a sale, the proceeds shall be used first to retire the obligation insured by the office, then to retire any other debts of the district. After providing for debts, any remaining funds shall revert to the district.

(12)A health care district shall report to the Attorney General, within 30 days of any transfer of district assets to one or more nonprofit or for-profit corporations, the type of transaction and the entity to whom the assets were transferred or leased.

(q)To contract for bond insurance, letters of credit, remarketing services, and other forms of credit enhancement and liquidity support for its bonds, notes, and other indebtedness and to enter into reimbursement agreements, monitoring agreements, remarketing agreements, and similar ancillary contracts in connection therewith.

(r)To establish, maintain, operate, participate in, or manage capitated health care service plans, health maintenance organizations, preferred provider organizations, and other managed health care systems and programs properly licensed by the Department of Insurance or the Department of Managed Care, at any location within or without the district for the benefit of residents of communities served by the district. However, that activity shall not be deemed to result in, or constitute, the giving or lending of the district's credit, assets, surpluses, cash, or tangible goods to, or in aid of, any person, association, or corporation in violation of [Section 6 of Article XVI of the California Constitution](#).

Nothing in this section shall be construed to authorize activities that corporations and other artificial legal entities are prohibited from conducting by [Section 2400 of the Business and Professions Code](#).

Any agreement to provide health care coverage that is a health care service plan, as defined in subdivision (f) of [Section 1345](#), shall be subject to Chapter 2.2 (commencing with [Section 1340](#)) of Division 2, unless exempted pursuant to [Section 1343](#) or [1349.2](#).

A district shall not provide health care coverage for any employee of an employer operating within the communities served by the district, unless the Legislature specifically authorizes, or has authorized in this section or elsewhere, the coverage.

Nothing in this section shall be construed to authorize any district to contribute its facilities to any joint venture that could result in transfer of the facilities from district ownership.

(s)To provide health care coverage to members of the district’s medical staff, employees of the medical staff members, and the dependents of both groups, on a self-pay basis.

History

Added [Stats 2001 ch 184 § 3 \(AB 740\)](#), effective August 13, 2001, operative January 1, 2008. Amended [Stats 2002 ch 664 § 137 \(AB 3034\)](#), operative January 1, 2008; [Stats 2005 ch 194 § 2 \(AB 1131\)](#), effective January 1, 2006; [Stats 2007 ch 20 § 1 \(AB 1174\)](#), effective January 1, 2008, repealed January 1, 2011; [Stats 2010 ch 699 § 25.4 \(SB 894\)](#), effective January 1, 2011; [Stats 2012 ch 684 § 1 \(SB 804\)](#), effective January 1, 2013.

Annotations

Notes

Prior Law:

Editor’s Notes—

Amendments:

Note—

Prior Law:

Former H & S C § 32121, similar to the present section, was added Stats 1945 ch 932 § 1, Stats 1949 ch 964 § 1, Stats 1951 ch 536 § 1, Stats 1953 ch 1208 § 1, Stats 1957 ch 641 § 1, Stats 1972 ch 549 § 1, Stats 1974 ch 1175 § 1, Stats 1976 ch 1465 § 4, Stats 1981 ch 1100 § 2, Stats 1982 ch 1513 § 6, ch 1594 § 9, effective September 30, 1982, operative January 1, 1983, Stats 1983 ch 836 § 1, Stats 1985 ch 382 § 3, effective July 30, 1985, ch 1320 § 1, Stats 1986 ch 1355 § 2, Stats 1988 ch 1345 § 2, ch 1346 §2, effective September 24, 1988, Stats 1989 ch 212 § 2, Stats 1990 ch 1542 § 2, Stats 1992 ch 1358 § 3, ch 1359 § 1, effective September 30, 1992, Stats 1993 ch 698 § 1, effective October 1, 1993, Stats 1994 ch 696 § 7, ch 923 § 152 (ch 696 prevails), [Stats 1995 ch 35 § 2](#), [Stats 1996 ch 1023 § 295](#), effective September 29, 1996, [Stats 1998 ch 18 § 1](#), effective April 14, 1998, [Stats 1999 ch 525 § 165](#), operative date contingent, [Stats 2000 ch 169 § 1](#), ch 857 § 49, [Stats 2001 ch 184 § 1](#), effective August 13, 2001, [Stats 2002 ch 664 § 135](#), and repealed, January 1, 2006, by its own terms.



Memorandum

DATE: March 23, 2021

TO: Board of Directors, Washington Township Health Care District

FROM: Kimberly Hartz, Chief Executive Officer

SUBJECT: COVID-19 VACCINATION PROGRAM VACCINE PROVIDER PARTICIPATION AGREEMENT

Blue Shield was chosen by the State of California to provide administrative support related to vaccine distribution and administration. Historically the State worked directly with local counties and the local counties would allocate vaccine to vaccination providers/clinics within its jurisdiction. However, for increased monitoring and oversight related to vaccine distribution and administration within the State, Blue Shield was selected as an administrator.

Blue Shield's role as the third-party administrator (TPA) will be to collect data from approved vaccine providers related to capacity and report that capacity information to the State. The State will then distribute the vaccine to the providers/clinics. A patient will have access to a list of available vaccination clinics that are participating in the Blue Shield TPA based on the patient's home zip code.

After reviewing the status of vaccine distribution in the State of California and having considered our options, I am recommending that we move forward with signing the agreement with Blue Shield of California. Participation in the Blue Shield program will allow the District its best opportunity to continue to provide vaccines to our community.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to proceed with entering into the COVID-19 Vaccination Program Vaccine Provider Participation Agreement with Blue Shield of California and to take all actions, including entering into any amendments or modifications to the Agreement, which are consistent with the District's intent to continue to serve as a provider of the vaccines to our community.

COVID-19 VACCINATION PROGRAM VACCINE PROVIDER PARTICIPATION AGREEMENT

THIS COVID-19 VACCINATION PROGRAM PARTICIPATION AGREEMENT (together with all Exhibits, Schedules and Statements of Work, the “Agreement”) is made, entered into and effective as of the date set forth in Section 12.S of this Agreement (the “Effective Date”) by and between **California Physicians’ Service d/b/a Blue Shield of California**, a California not for profit mutual benefit corporation, located at 601 12th Street, Oakland, California 94607, (“TPA”) in its capacity as a Third Party Administrator contracted with the California Government Operations Agency (“Agency”) for the purpose of administering the Vaccine Provider network and related services in connection with the State of California COVID-19 Vaccination Program (“Program”) and **Washington Hospital Healthcare System** (“Provider”) on behalf of itself, its subsidiaries, its vaccination sites and other similar entities providing vaccinations and vaccination-related functions, and its subcontractors engaged by Provider to perform obligations pursuant to this Agreement, all of which are identified on Exhibit D attached hereto and by reference incorporated herein (collectively, “Vaccine Provider”).

WHEREAS, on March 4, 2020, the State duly proclaimed a State of Emergency Proclamation and Order (“SOE”) in response to the threat posed by COVID-19, and has subsequently taken other action pursuant to that State of Emergency; and

WHEREAS, the Agency has determined that, to mitigate the effects of COVID-19, it is in the best interests of the people of the State of California to contract with TPA for services to facilitate efficient distribution of COVID-19 vaccine, and, pursuant to the SOE and Public Contract Code sections 1102 and 10340(b)(2), the Agency and TPA entered into an agreement to secure TPA’s services under the Program in support of the Agency’s efforts to distribute COVID-19 vaccine, and otherwise prevent the spread of COVID-19; and

WHEREAS, in furtherance of TPA’s provider network initiatives, TPA desires to have Vaccine Provider participate in the Program and provide the vaccination services set forth below (the “Services”); and

WHEREAS, Vaccine Provider desires to participate in the Program under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein and for other good and valuable consideration, the parties hereto agree as follows:

1. Services

Vaccine Provider shall provide the Services set forth in the Statement of Work attached hereto as **Exhibit A** and by reference incorporated herein (the “SOW”).

2. Compensation, Billing, Start-Up Costs, and Performance Incentives

- A. Vaccine Provider shall not under any circumstances bill, charge, collect a deposit from, impose a surcharge on, directly or indirectly seek compensation, remuneration or reimbursement from, or have any recourse against any vaccine recipient for the cost of vaccine administration or related services.
- B. Vaccine Provider may seek payment for vaccine administration fee reimbursement from all applicable government health care programs (such as Medi-Cal, Medicare, and HRSA) and all health plan and insurance coverages that provide payment and/or coverage for COVID-19 vaccine administration fees for vaccine recipients (collectively, “Payor”) under the terms of the coverage provided to the vaccine recipient by Payor. TPA shall have no responsibility for paying, reviewing, approving, submitting any vaccine administration claim for payment, or otherwise intervening on Vaccine Provider’s behalf in connection with Vaccine Provider’s request for payment of vaccine administration fees by a Payor; provided, however that nothing set forth in this Agreement shall affect the obligations of Blue Shield of California, Blue Shield Life & Health Insurance Company, or Promise Health Plan (collectively, “Blue Shield”) to adjudicate claims submitted by Vaccine Providers for the administration of COVID-19 vaccines to vaccine recipients covered by Blue Shield. Any disputes regarding payment of vaccine administration fees by a Payor shall be resolved directly and solely between Vaccine Provider and the Payor.

- C. The parties acknowledge (i) the Agency may include provisions in the Program for certain funds to be made available to participating network providers' to obtain start-up costs and vaccination performance incentive payments ("Incentive Program"), and (ii) TPA may assist the Agency in the administration of Incentive Program payments to the extent the Agency directs TPA to do so, and (iii) the Agency may modify or terminate any Incentive Program in its sole discretion. Any Incentive Program provided by Agency shall be governed by terms and conditions set forth by Agency in such program. If the Agency determines that it will offer an Incentive Program, and engages TPA to assist the Agency in administering an Incentive Program, then, notwithstanding the terms of Section 12.B (Amendments) of this Agreement, TPA shall have the right to modify this Agreement by including such information in an exhibit to this Agreement. It is expressly understood that TPA will have no responsibility for any Incentive Program payments of any kind to Vaccine Provider, and Vaccine Provider will have no claim against TPA with respect to any such payments. All disputes regarding Incentive Program payments from the State, if any, shall be resolved directly and solely between Vaccine Provider and the Agency.
- D. Vaccine Provider understands and agrees that TPA is serving as a third party administrator of the Program for the Agency, and that TPA is not underwriting and has no financial responsibility for the payment of start-up costs, performance incentives, or compensation that may be available to Vaccine Provider related to its performance of Services and obligations under this Agreement. TPA shall not be required to directly pay or assume financial responsibility for any payments of any kind to Vaccine Provider, and Vaccine Provider will have no claim against TPA with respect to any payments.

3. Documentation

Prior to commencing the Services, Vaccine Provider shall provide TPA with the following documentation:

- A. verification that Vaccine Provider has an unrestricted current registration with the State through myCAVax and the State Immunization Registry, and
- B. certificates of insurance and endorsements of all required insurance or evidence of self-insurance for Vaccine Provider set forth in the SOW. The documentation shall state that coverage shall not be cancelled except after thirty (30) days prior written notice has been given to TPA, and
- C. verification that Vaccine Provider has completed and submitted to the Agency, Standard Form 204, State of California Department of Finance Payee Data Record, attached hereto as Exhibit B and by reference incorporated herein, to assure that Vaccine Provider is properly registered and able to receive payments from the Agency.

4. Representations and Warranties

Provider represents and warrants (A) that it has and shall maintain the authority to enter into this Agreement and bind Vaccine Provider to all terms and conditions of this Agreement; (B) that Vaccine Provider has and will maintain full power and authority to provide the Services, including without limitation any and all unrestricted licenses, registrations, certifications, accreditations, and permits; (C) that Vaccine Provider has and will maintain satisfaction of all Participation Criteria/Qualifications set forth in the SOW; and (D) that all Services will be performed within the United States of America.

5. Performing Services for Others, No Minimum Volume Guarantee

- A. TPA makes no guarantee or commitment for any minimum or maximum amount of Services to be delivered by Vaccine Provider under this Agreement, or for any minimum or maximum amount of COVID-19 vaccine that may be allocated to Vaccine Provider.
- B. TPA reserves the right at any time to provide Vaccine Provider notice of changes in the amount or type of vaccines that may be allocated to a Vaccine Provider and/or any Vaccine Provider's vaccination site(s) for administration to vaccine recipients, as TPA may be directed by the Agency in the Agency's sole discretion, to facilitate administration of the Program. TPA will endeavor to provide Vaccine Provider no less than seventy-two (72) hours' notice of such changes.
- C. TPA agrees that Vaccine Provider may perform services for others, so long as the performance of those services does not interfere with the performance or completion of any Services. It is expressly understood and agreed that this Agreement does not grant to Vaccine Provider any exclusive rights to do business with TPA and that TPA will contract with other providers for the procurement of comparable services in connection with the Program.

- D. The parties each understand and agree that executing and performing this Agreement does not constitute, and shall not be construed in any way to constitute, an authorization for Vaccine Provider to participate in the Blue Cross Blue Shield Association Inter-Plan, the Blue Card program, or otherwise participate in any network offered by TPA in connection with any other product offered by TPA; nor shall this Agreement be construed to amend or otherwise modify any other agreement which may now or hereafter exist between Vaccine Provider and TPA.

6. Term and Termination

This Agreement shall be effective as of the Effective Date and shall continue in effect until terminated as hereinafter provided. TPA may, at any time terminate this Agreement in its entirety by giving Provider at least thirty (30) calendar days' prior written notice. TPA additionally may, at any time, terminate this Agreement or any SOW with respect to one or more Vaccine Providers or Vaccine Provider's vaccination site(s) delivering Services under this Agreement by giving Provider at least fourteen (14) calendar days' prior written notice. Provider may, at any time terminate this Agreement in its entirety by giving TPA at least thirty (30) calendar days' prior written notice. Provider additionally may, at any time, terminate this Agreement or any SOW with respect to one or more Vaccine Providers or Vaccine Provider's vaccination site(s) delivering Services under this Agreement by giving TPA at least thirty (30) calendar days' prior written notice.

Unless otherwise directed by TPA or as required for the delivery of Termination Assistance Services (as such term is defined in Section 7 of this Agreement), Vaccine Provider shall stop performing Services on the date specified in the termination notice and deliver to TPA or its designated representative all Services completed or in progress up to the date of termination, including a list of pending vaccine recipient appointments, and any data collection/reporting or record keeping related to the administration of vaccines completed on or before the date of termination, in addition to required Termination Assistance Services pursuant to Section 7 of this Agreement. Vaccine Provider shall complete the second dose of vaccine for any patient who has been administered a first dose and is pending a second.

7. Termination Assistance Services

Commencing upon the earlier to occur of one (1) month prior to the expiration of any SOW or immediately upon notice of termination of this Agreement or any SOW, Vaccine Provider shall cooperate with TPA to develop as promptly as possible a comprehensive plan for transferring the Services on the date of such termination back to TPA or to any successor provider or other entity designated by TPA in accordance with the timeframe specified by TPA, and continuing for up to one (1) month following the effective date of termination of the Agreement or any SOW, as applicable (the "Termination Assistance Period").

Upon TPA's request at any time during the Termination Assistance Period, Vaccine Provider shall continue providing the Services without interruption or adverse effect and provide all reasonably necessary assistance to facilitate the orderly transfer of the Services to TPA or its designee (the "Successor") during the Termination Assistance Period, including the Termination Assistance Services (as defined below), regardless of the reason for termination, expiration, or cessation of Services. The quality and level of performance of the Services during the Termination Assistance Period shall be consistent with the general quality and level of performance of the Services during the Term.

For Termination Assistance Services provided by Vaccine Provider after the last day of the Term, Vaccine Provider shall provide such services pursuant to the terms and conditions set forth in this Agreement as would have been applicable to the Services delivered prior to the effective date of termination or expiration, including without limitation the SOW. After the last day of the Termination Assistance Period, Vaccine Provider shall answer reasonable questions from TPA and/or Successor regarding the Services, and deliver to TPA copies of any remaining reports required pursuant the SOW, and other items still in Vaccine Provider's possession.

"Termination Assistance Services" shall mean Vaccine Provider's provision of: (a) the Services (and any mutually agreeable replacements thereof or substitutions therefore); (b) cooperation with TPA and Successor as necessary to facilitate the smooth and orderly transition of the Services, to TPA or Successor in a timeframe and manner that will minimize the possibility of discontinuity or disruption to the Program and avoid waste, spoilage, expiration or other damage to vaccines; (c) adequate information on the Services environment and condition of vaccines in Vaccine Provider's possession to allow TPA or any successor providers engaged by TPA to duplicate such environment and the

Services, and protect and preserve the vaccines; and (d) information and supportive services related to the Services reasonably requested by TPA.

8. Confidential Information

The parties each agree to comply with all applicable State and federal confidentiality and privacy laws when obtaining, storing, sending, receiving, or using information of vaccine recipients. TPA and Vaccine Provider each agree that they shall not disclose materials that the disclosing party has reasonably and clearly marked as “confidential” or “proprietary” to any third party other than the Agency without the prior written consent of the disclosing party. Upon obtaining the disclosing party’s consent, the receiving party may disclose the disclosing party’s “confidential” or “proprietary” marked materials to a third party only if the third party recipient has executed a written agreement protecting the confidentiality of the marked materials on terms no less rigorous than those the receiving party uses to protect its own confidential proprietary information. Vaccine Provider agrees that information (including data) provided by or submitted to TPA, whether confidential information or not, shall not be transmitted or stored outside the United States of America without TPA’s prior written consent.

9. Records, Examination of Records, Record Retention and Audit Requirements

Vaccine Provider shall use MyTurn (MyTurn.ca.gov), and other technology platforms as directed by TPA in conformance with TPA’s obligations to Agency, or as required by Agency and the Centers for Disease Control (“CDC”), as applicable, such as, for example, VaccineFinder, and CAIR2, to submit all required data related to Vaccine Provider’s performance of Services, (specifically including without limitation Vaccine Provider’s administration of vaccines to vaccine recipients as set forth in the SOW). Vaccine Provider generally shall prepare and maintain complete and accurate vaccination-related, financial, and other records and reports relating to Vaccine Providers’ continued compliance with the Participation Criteria and the Services set forth in Exhibit A hereof, and Vaccine Provider’s performance of its other obligations under this Agreement (collectively, “Records”), in a form maintained in accordance with the generally accepted standards applicable to such Records, and in compliance with applicable State and federal confidentiality and privacy laws. TPA, the Agency, and any State or federal governmental officials entitled to such access by law, may access Records at any time during the term of this Agreement and for a period of at least three (3) years after the termination of this Agreement or such longer period as may be required by applicable State or federal law. Vaccine Provider shall participate in and cooperate with any audit, oversight and monitoring processes conducted by TPA, the Agency, and other authorized State or federal governmental officials; such participation and cooperation shall include, without limitation, Vaccine Provider allowing the auditor(s) access to Records during normal business hours in order to examine Records and upon reasonable notice, reproduce Records at no charge by Vaccine Provider and allowing interviews of any employees who might reasonably have information related to such Records. If the auditors discover an overpayment, Vaccine Provider may dispute the alleged overpayments directly and solely with Agency or the applicable federal government agency, and TPA shall not be required to participate in any such dispute process.

10. Indemnification

Each party agrees to indemnify the other party for, and to defend and hold harmless the other party from, any third party claims, causes of action, or costs, including reasonable attorneys’ fees, arising out of the indemnifying party’s alleged or actual negligence or otherwise improper performance of its obligations hereunder.

11. Independent Contractor

A. Vaccine Provider is an independent contractor and nothing herein shall be construed to the contrary. Vaccine Provider shall not assume or create any obligations or responsibilities express or implied, on behalf of or in the name of TPA, or bind TPA in any manner or thing whatsoever without TPA’s written consent. Vaccine Provider shall provide or otherwise arrange for all personnel, software, hardware, facilities, storage, and other resources as may be necessary to perform the Services in accordance with the Agreement. Vaccine Provider will supply all necessary labor to render Services under this Agreement and may use subcontractors in doing so, subject to the requirements set forth in Section 11.B. Vaccine Provider’s execution of any subcontracts, including subcontracts approved by TPA, will not relieve, waive or diminish any obligation Vaccine Provider may have under this Agreement. Vaccine Provider shall be solely responsible for the direction and control of Vaccine Provider’s agents, employees, representatives and subcontractors, including decisions regarding hiring, firing, supervision, assignment and the setting of compensation and working

conditions. No agent, employee, representative or subcontractor of Vaccine Provider shall be or be deemed to be the employee, agent, representative or subcontractor of TPA.

B. Vaccine Provider shall not subcontract the performance of, or delegate any of, its responsibilities under this Agreement without first obtaining any applicable and necessary State or federal approvals and obtaining the prior written approval of TPA, which may be granted or withheld in TPA's sole discretion. When seeking such approval, Vaccine Provider will give TPA reasonable prior written notice specifying the components of the Services affected, the scope of the proposed subcontract, the identity and qualifications of the proposed subcontractor and the results of any due diligence carried out with regard to the proposed subcontractor. Any subcontractors approved by TPA pursuant to this Section shall be an "Approved Subcontractor." The parties further acknowledge and agree that any subcontractors specifically listed on Vaccine Provider's CDC COVID-19 Vaccination Program Provider Agreement and disclosed to TPA prior to commencing Services, may be deemed Approved Subcontractors without further action required by Provider or TPA. TPA may require Vaccine Provider to replace any Approved Subcontractor found, in the reasonable judgment of TPA, to be unacceptable (e.g., on account of deficiencies in performance). Any such Approved Subcontractor that TPA requires Vaccine Provider to replace shall no longer be deemed to be an Approved Subcontractor.

12. Miscellaneous

A. Assignment. This Agreement may not be voluntarily or by operation of law assigned or transferred in whole or part, or in any other manner transferred by Vaccine Provider without the prior written consent of TPA, which consent shall not be unreasonably withheld subject to Agency approval. Any attempt to assign or transfer this Agreement other than in conformance with this Section shall be of no effect and considered null and void. For purposes of this Section, any change of control of Vaccine Provider (including, without limitation, (i) any other entity, person or group acquiring all or substantially all of the assets of Vaccine Provider (or any parent company of Vaccine Provider), whether directly or indirectly, in a single transaction or series of related transactions, or (ii) that Vaccine Provider (or any parent company of Vaccine Provider) will give up control through an act to consolidate with, or be merged with or into, another entity, or will sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its assets to another person or entity) shall be deemed an assignment. Notwithstanding the foregoing, the parties each understand and agree that the Agency has the unqualified right in the Agency's sole discretion to automatically assume this Agreement pursuant to Section 12.R of this Agreement in the event the agreement between TPA and the Agency is terminated for any reason. In the event the Agency assumes this Agreement, all references to TPA shall be deemed to refer to the Agency, and Section 10 of this Agreement shall be of no force or effect.

B. Amendments. No change, amendment or modification of this Agreement, including any SOWs attached hereto, shall be valid unless the same is in writing and signed by Provider and TPA.

C. Waiver. It is understood and agreed that no failure or delay by either party in exercising any right, power or privilege hereunder in any one or more instances or to insist on strict compliance with the performance of this Agreement or to take advantage of any respective rights shall operate as a waiver thereof or the relinquishment of such rights in other instances but the same shall continue and remain in full force and effect nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

D. Severability. If any provision of this Agreement is deemed to be invalid or unenforceable by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and the parties agree to renegotiate such provision in good faith, in order to maintain the economic position enjoyed by each party as close as possible to that under the provision rendered unenforceable. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

E. Association Disclosure. Vaccine Provider hereby expressly acknowledges its understanding that this Agreement constitutes a contract between Vaccine Provider and TPA, that TPA is an independent corporation operating under a license from the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans (the "Association") permitting TPA to use the Blue Shield Service Mark in the State of California, and that TPA is not contracting as the agent of the Association. Vaccine Provider further acknowledges and agrees that it has not entered into this Agreement based upon representations by any person other than TPA and that no person, entity, or

organization other than TPA shall be held accountable or liable to Vaccine Provider for any of TPA's obligations to Vaccine Provider under this Agreement. This paragraph shall not create any additional obligations whatsoever on the part of TPA other than those obligations under other provisions of this Agreement. Vaccine Provider acknowledges that TPA, as a licensee of the Association, is bound to adhere to Association rules, and that, from time to time, such rules may necessitate changes to TPA's existing contracts. Vaccine Provider agrees to use best efforts to assist TPA with complying with Association mandates and rules.

F. Notice. Any notice shall be deemed given by U.S. mail, certified, return receipt requested, personal delivery, or by courier to the below addresses, or to such other addresses as may be provided by one party to the other in accordance with this Section. Notice by mail shall be deemed delivered five (5) days after the date it was mailed. Personal delivery shall be deemed to occur upon delivery to the receiving party or his/her/its office. Notice by courier shall be deemed delivered upon delivery by the courier.

If to TPA:

Blue Shield of California
6300 Canoga Avenue, 7th Floor, Woodland Hills, CA 91367
Attn: Senior Vice President, Provider Partnerships & Network Management

with a copy to:

Blue Shield of California
601 12th Street, Oakland, California 94607
Attn: Law Department

If to Vaccine Provider:

Washington Hospital Healthcare System
2000 Mowry Ave., Fremont, CA 94538
Attn: Chief of Quality and Resource Management

G. Governing Laws. This Agreement and any and all matters arising under or arising from or related to the Agreement shall be construed and governed in accordance with the laws of the State of California without regard to its conflict of laws principles. It is agreed by the parties that any action arising out of, in connection with, or in any way involving this Agreement or the parties hereto, shall be brought only in California federal or state courts with proper venue and jurisdiction and proper venue shall lie only in a court of competent jurisdiction located in San Francisco, Los Angeles, or Sacramento County, whichever is closest to Provider. Each party shall comply with all applicable federal, State and local statutes, laws, ordinances, regulations, rules, orders and codes in the performance of its obligations hereunder.

H. Use of Names/Publicity. Except as set forth herein, neither party shall use the other party's name, logo, service marks, domain names, symbols or any other name or mark belonging to a party without the other party's prior written consent which shall not be unreasonably withheld, other than in providing the Services to TPA under this Agreement. Vaccine Provider may not use TPA as a reference or this Agreement as an endorsement of Vaccine Provider's work without TPA's prior written consent. The parties will cooperate to create any and all appropriate public, promotional announcements or press releases relating to the relationship set forth in this Agreement. Neither party shall make any public announcement regarding the existence or content of this Agreement without the other party's prior written approval and consent. Notwithstanding the foregoing, Vaccine Provider understands and expressly consents to TPA's use of Vaccine Provider's name, logo, service marks, domain names, symbols, vaccination site addresses and contact information, or any other Vaccine Provider name or mark for purposes of the State's vaccination appointment system (currently identified as MyTurn) and related communications.

I. Successors and Assigns. This Agreement and all of the terms and conditions hereof shall be binding upon and inure to the benefit of TPA and Vaccine Provider and their respective successors, transferees, permitted assignees or

legal representatives. Any terms of this Agreement containing a reference to Vaccine Provider or TPA shall apply with equal effect to any such successor, permitted assignee, transferee or legal representative of the party in question.

J. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one document.

K. Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

L. Interpretation. In the event any dispute arises in regard to the interpretation of any term or condition of this Agreement, notwithstanding any rule to the contrary, including but not limited to California Civil Code Section 1654, the parties agree that the drafting of this Agreement shall not be deemed that of one party or their agent and that any rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be applicable.

M. Remedies The rights and remedies herein provided shall be cumulative and no one of them shall be exclusive of any other and shall be in addition to any other remedies available at law or in equity.

N. Order of Precedence. In the event of any conflict between or among the provisions contained in the Agreement, the following order of precedence will govern: (A) this Agreement, exclusive of its Exhibits; (B) Exhibits to this Agreement; (C) other attachments to this Agreement; (D) other documents incorporated by reference.

O. Survival. Sections 7 (Termination Assistance Services) 8 (Confidential Information), 9 (Examination of Records), 10 (Indemnification), 11 (Independent Contractor), 4 (Representations and Warranties), 12.R (Third Party Beneficiaries) and this Section 12.O shall survive any termination or expiration of this Agreement.

P. Rules of Interpretation

All references in this Agreement to “days” will, unless otherwise specified, mean calendar days. Unless the context requires otherwise, (i) “including” (and any of its derivative forms) means including but not limited to, (ii) “may” means has the right, but not the obligation to do something and “may not” means does not have the right to do something, (iii) “will” and “shall” are expressions of command, not merely expressions of future intent or expectation, and (iv) use of the singular imports the plural and vice versa.

Q. Entire Agreement.

This Agreement constitutes the entire understanding between the parties. All previous representations or undertakings, whether oral or in writing, are superseded by this Agreement; provided that any and all confidential or proprietary information under any prior agreement between the parties shall be deemed part of the confidential information under this Agreement for all purposes.

R. Third Party Beneficiaries. The parties each understand and agree that the Agency is an express and intended third party beneficiary of this Agreement with the full right to enforce any provisions of this Agreement, and that the Agency has the unqualified right in the Agency’s sole discretion to assume this Agreement without the need for execution of any other documents in the event the agreement between TPA and Agency is terminated for any reason. In the event the Agency assumes this Agreement, all references to TPA shall be deemed to refer to the Agency, and Section 10 of this Agreement shall be of no force or effect.

S. Effective Date. The parties agree the Effective Date of this Agreement shall be the **10th day of March 2021**, subject to approval by Agency and execution of the agreement between TPA and the Agency.

IN WITNESS WHEREOF, the parties have executed this Agreement which shall be effective on the date and year set forth in Section 12.S above.

**WASHINGTON HOSPITAL HEALTHCARE
SYSTEM
("VACCINE PROVIDER")**

**CALIFORNIA PHYSICIANS' SERVICE
d/b/a BLUE SHIELD OF CALIFORNIA ("TPA")**

By: _____
Name: Kimberly Hartz
Title: Chief Executive Officer
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

Exhibit A

STATEMENT OF WORK

1. Participation Criteria/Qualifications

Vaccine Provider certifies, represents and warrants that it has and shall at all times during the Term of the Agreement maintain each of the following:

- 1.1. Vaccine Provider has completed and will remain current on all training required by the federal and State government related to the administration of COVID-19 vaccine; and
- 1.2. Vaccine Provider has and will maintain necessary licenses, certifications, registrations, and permits to perform the Services, including without limitation enrollment and ongoing compliance with the terms of enrollment with Centers for Medicare & Medicaid Services (CMS) for purposes of administering COVID-19 vaccinations; and
- 1.3. Vaccine Provider has and will maintain active, unqualified and unrestricted registration and participation as a COVID-19 vaccine provider with the CDC and the State (MyCAVax); and
- 1.4. Vaccine Provider shall have and will maintain the capability to provide COVID-19 vaccine administration services to any resident of California who is eligible for vaccination and for whom vaccination is not contraindicated, regardless of ability to pay, health plan or insurance status, or type of coverage (if any), and regardless of whether there is any previously existing patient or member relationship with the Vaccine Provider; and
- 1.5. Vaccine Provider shall have the ability to establish and will maintain an electronic interface to the State Immunization Registry and MyTurn.ca.gov (or other appropriate electronic health record interface as approved by TPA in conformance with TPA's obligations to Agency). For purposes of clarity, the parties acknowledge and agree that Vaccine Providers with an industry standard and certified Electronic Medical Record system (i.e., EPIC or Cerner), may leverage a standard interface defined by TPA and Agency to connect from MyTurn to Scheduling and Vaccine Clinic Management with an electronic interface to the State Immunization Registry; and
- 1.6. To the extent Vaccine Provider seeks reimbursement of COVID-19 vaccine administration fees, Vaccine Provider shall have and maintain the ability to submit claims for reimbursement of such fees to, and accept payment from, all applicable government health care programs (such as Medi-Cal, Medicare, and HRSA) and all health plan and insurance coverages that provide payment and/or coverage for COVID-19 vaccine administration fees for vaccine recipients, as applicable; and
- 1.7. Vaccine Provider shall have and maintain willingness to participate in (i) payment incentives offered and paid by Agency as appropriate, and (ii) local community efforts, in order to facilitate the State's ability to meet equity goals established by Agency in connection with the Program; and
- 1.8. Vaccine Provider shall have and will maintain the following insurance or similar arrangement of self insurance:
 - A. Vaccine Provider shall maintain, or cause to be maintained on his/her/its behalf, professional liability (malpractice) insurance and general liability insurance coverage or a similar arrangement of self-insurance in the minimum amount of One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) annual aggregate. If Vaccine Provider maintains a claims made malpractice insurance policy, then Vaccine Provider shall maintain such policy in effect for at least five (5) years following the expiration or termination for any reason of this Agreement, or purchase extended reporting coverage (tail insurance) sufficient to ensure that insurance coverage in the amount set forth in this Exhibit A Section 1.8 is maintained for claims which arise from services provided by Vaccine Provider during the term of this Agreement; and
 - B. Vaccine Provider shall maintain Workers' Compensation insurance covering all employees of Vaccine Provider; and

- C. If Vaccine Provider provides mobile services, Vaccine Provider shall maintain coverage at least as broad as the ISO Business Auto Coverage form covering symbol, 1 “any auto”. The limit shall not be less than \$1,000,000 for bodily injury and property damage. In the event there is no Commercial Auto Policy, coverage for use of all non-owned and hired auto’s (symbols 8 & 9) can be met by endorsing the Commercial General Liability Insurance policy with Hired & Non-owned Auto liability with a limit of \$1,000,000 for Bodily Injury or Property Damage; and
- D. Vaccine Provider shall notify TPA and provide evidence to TPA at the time of any amendment, material change or modification to such insurance coverage or similar arrangement of self-insurance, and at any other time on reasonable request by TPA during the term of this Agreement.

1.9 Vaccine Provider shall have and will maintain disaster recovery and business continuity plans that meet all State and federal requirements applicable to the administration, storage and safe handling of COVID-19 vaccine in Vaccine Provider’s possession, that assure Vaccine Provider will have and maintain the ability to administer COVID-19 vaccines pursuant to the terms of this SOW that minimize the risk of discontinuity and disruption to the Program, and that avoid waste and spoilage of COVID-19 vaccine; and

1.10 Vaccine Provider acknowledges and agrees it shall comply with the State and federal certifications set forth in Exhibit C attached hereto and by reference incorporated herein.

2. Services

Vaccine Provider shall provide the following services (the “Services”):

- 2.1.** Vaccine Provider shall administer COVID-19 vaccine in compliance with all requirements and recommendations of CDC and CDC’s Advisory Committee on Immunization Practices (ACIP), including without limitation *CDC’s Guidance for Immunization Services During the COVID-19 Pandemic* for safe delivery of vaccines and in facilities that are physically accessible to individuals with disabilities in accordance with ADA standards;
- 2.2.** Vaccine Provider shall comply with CDC requirements for COVID-19 vaccine management, storage, and handling, including without limitation storage and handling COVID-19 vaccine under proper conditions, such as (a) maintaining and monitoring vaccine storage unit temperatures, cold chain conditions and chain of custody at all times in accordance with the manufacturer’s package insert and CDC guidance in *CDC’s Vaccine Storage and Handling Toolkit* as it may be updated from time to time, (b) monitoring and complying with COVID-19 vaccine expiration dates; (c) complying with each relevant State, local or territorial jurisdiction’s immunization program guidance for dealing with temperature excursions.
- 2.3.** Vaccine Provider shall administer COVID-19 vaccines to vaccine recipients without regard to, or consideration of the vaccine recipient’s (i) ability to pay COVID-19 vaccine administration fees or (ii) insurance coverage status or type of coverage (if any) or (iii) existing patient, member, or other relationship with Vaccine Provider; and
- 2.4.** Within no more than twenty-four (24) hours of administering a dose of COVID-19 vaccine and adjuvant (if applicable), Vaccine Provider shall record in the vaccine recipient’s record, and shall report complete and accurate vaccine administration data required in the MyTurn reporting tool and other technology platforms required by Agency and CDC (such as, for example, VaccineFinder, and CAIR2) or other appropriate electronic health record interface as permitted under Section 1.5 of this Exhibit A; and
- 2.5.** Vaccine Provider shall make available at its vaccination site or sites written materials that Agency prepares, prints, and delivers to Vaccine Provider; and
- 2.6.** Vaccine Provider shall provide additional support as may be reasonably requested by TPA to assist TPA in the successful administration of the Program.

3. Term

Vaccine Provider shall begin providing the Services under this SOW on the date specified by TPA upon two (2) business days’ prior written notice to Provider, which notice may be issued by TPA at any time from and after the date Provider completes onboarding processes for MyTurn. Unless otherwise terminated earlier pursuant to the terms of the Agreement, this SOW will terminate on completion of all Services.

4. Points of Contact

4.1. The TPA point of contact for this SOW is:

Name: Helene Epler
Phone: (818) 228-2532
E-mail Address: CovidVaccineNetwork@blueshieldca.com

4.2. The Vaccine Provider point of contact for this SOW is:

Name: Mary Bowron
Phone: (510) 818-6500 / (925) 858-2953
E-mail Address: mary_bowron@whhs.com

Exhibit B
Form 204 (attached)

PAYEE DATA RECORD

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)

STD 204 (Rev. 10/2019)

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|---|--|---|---|---|-----------------------|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|---|--|
| 1 | <p>INSTRUCTIONS: Type or print the information. Complete all information on this form. Sign, date, and return to the state agency (department/office) address shown in Box 6. Prompt return of this fully completed form will prevent delays when processing payments.</p> <p>Information provided in this form will be used by California state agencies to prepare Information Returns (Form1099). See next page for more information and Privacy Statement.</p> <p>NOTE: Governmental entities, i.e. federal, state, and local (including school districts), are not required to submit this form.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | BUSINESS NAME <small>(As shown on your income tax return)</small> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | SOLE PROPRIETOR, SINGLE MEMBER LLC, INDIVIDUAL <small>(Name as shown on SSN or ITIN) Last, First, MI</small> | | | | E-MAIL ADDRESS | | | | | | | | | | | | | | | | | | | | | | |
| | MAILING ADDRESS | | | BUSINESS ADDRESS | | | | | | | | | | | | | | | | | | | | | | | |
| | CITY | STATE | ZIP CODE | CITY | STATE | ZIP CODE | | | | | | | | | | | | | | | | | | | | | |
| 3 | <p>ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN):</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> </tr> </table> | | | | | | | | | | | | | | | | | | | | | | | | | <p>NOTE: Payment will not be processed without an accompanying taxpayer identification number.</p> | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> ESTATE OR TRUST | | <p>CORPORATION:</p> <input type="radio"/> MEDICAL <small>(e.g., dentistry, psychotherapy, chiropractic, etc.)</small> <input type="radio"/> LEGAL <small>(e.g., attorney services)</small> <input type="radio"/> EXEMPT <small>(nonprofit)</small> <input type="radio"/> ALL OTHERS | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> SOLE PROPRIETOR, INDIVIDUAL, OR SINGLE MEMBER LLC <small>(Disregarded Entity)</small> | | <p>ENTER SSN OR ITIN:</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> <td style="width:20px; height:20px;"></td> </tr> </table> <p><small>Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) are required by authority of California Revenue and Tax Code sections 18646 and 18661)</small></p> | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | <input type="checkbox"/> CALIFORNIA RESIDENT - Qualified to do business in California or maintains a permanent place of business in California. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <input type="checkbox"/> CALIFORNIA NON RESIDENT <small>(see next page for more information)</small> - Payments to nonresidents for services may be subject to state income tax withholding. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <input type="radio"/> No services performed in California. <input type="radio"/> Copy of Franchise Tax Board waiver of state withholding attached. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | <p>I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the state agency below.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | AUTHORIZED PAYEE REPRESENTATIVE'S NAME <small>(Type or Print)</small> | | | TITLE | | TELEPHONE <small>(include area code)</small> | | | | | | | | | | | | | | | | | | | | | |
| | SIGNATURE | | | DATE | | E-MAIL ADDRESS | | | | | | | | | | | | | | | | | | | | | |
| 6 | Please return completed form to: | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | DEPARTMENT/OFFICE | | | UNIT/SECTION | | | | | | | | | | | | | | | | | | | | | | | |
| | MAILING ADDRESS | | | TELEPHONE <small>(include area code)</small> | | FAX | | | | | | | | | | | | | | | | | | | | | |
| | CITY | STATE | ZIP CODE | E-MAIL ADDRESS | | | | | | | | | | | | | | | | | | | | | | | |

PAYEE DATA RECORD

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)

STD 204 (Rev. 10/2019)

| | |
|----------|---|
| 1 | <p>Requirement to Complete the Payee Data Record, STD 204</p> <p>A completed Payee Data Record, STD 204 form, is required for all payees (non-governmental entities or individuals) entering into a transaction that may lead to a payment from the state. Each state agency requires a completed, signed, and dated STD 204 on file; therefore, it is possible for you to receive this form from multiple state agencies with which you do business.</p> <p>Payees who do not wish to complete the STD 204 may elect not to do business with the state. If the payee does not complete the STD 204 and the required payee data is not otherwise provided, payment may be reduced for federal and state backup withholding. Amounts reported on Information Returns (Form 1099) are in accordance with the Internal Revenue Code (IRC) and the California Revenue and Taxation Code (R&TC).</p> |
| 2 | <p>Enter the payee's legal business name. The name must match the name on the payee's tax return as filed with the federal Internal Revenue Service. Sole proprietorships and single member limited liability companies (LLCs) must also include the owner's full name. An individual must list his/her full name as shown on the SSN or as entered on the W-7 form for ITIN. The mailing address should be the address at which the payee chooses to receive correspondence. The business address is the address of the business' physical location.</p> |
| 3 | <p>Check only one box that corresponds to the payee business type. Corporations must check the box that identifies the type of corporation.</p> <p>The State of California requires that all parties entering into business transactions that may lead to payment(s) from the state provide their Taxpayer Identification Number (TIN). The TIN is required by the R&TC sections 18646 and 18661 to facilitate tax compliance enforcement activities and the preparation of Form 1099 and other information returns as required by the IRC section 6109(a) and R&TC section 18662 and its regulations.</p> <p>Payees must provide one of the following TINs on this form: social security number (SSN), individual taxpayer identification number (ITIN), or federal employer identification number (FEIN). The TIN for sole proprietorships, single member LLC (disregarded entities), and individuals is the SSN or ITIN. Only partnerships, estates, trusts, corporations, and LLCs (taxed as partnerships or corporations) will enter their FEIN.</p> |
| 4 | <p>Are you a California resident or nonresident?</p> <p>A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.</p> <p>A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at time of death. A trust is a resident if at least one trustee is a California resident.</p> <p>For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.</p> <p>Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for state income taxes. However, no withholding is required if total payments to the payee are \$1,500 or less for the calendar year.</p> <p>For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:</p> <p style="text-align: center;">Withholding Services and Compliance Section: 1-888-792-4900 E-mail address: wscs.gen@ftb.ca.gov For hearing impaired with TDD, call: 1-800-822-6268 Website: www.ftb.ca.gov</p> |
| 5 | <p>Provide the name, title, email address, signature, and telephone number of the individual completing this form. Provide the date the form was completed.</p> |
| 6 | <p>This section must be completed by the state agency requesting the STD 204.</p> |

Privacy Statement

Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, state, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.

It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and state law imposes noncompliance penalties of up to \$20,000.

You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the state agency(ies) with which you transact that business.

All questions should be referred to the requesting state agency listed on the bottom front of this form.

Exhibit C

Compliance with State and Federal Regulations

By entering into this Agreement, Vaccine Provider agrees to comply with all applicable State and Federal laws and regulations, including the California Contractor Certification Clauses attached hereto and made a part of this Exhibit and the Agreement and the Federal laws and regulations set forth below. All references to “contractor” shall be deemed to mean “Vaccine Provider.”

A. EQUAL EMPLOYMENT OPPORTUNITY

During the performance of this contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
3. The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.
4. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
5. The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
6. The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
7. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
8. The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of

Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

B. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

Compliance with the Contract Work Hours and Safety Standards Act.

1. ***Overtime requirements.*** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
2. ***Violation; liability for unpaid wages; liquidated damages.*** In the event of any violation of the clause set forth in paragraph (B)(1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (B)(1) of this section, in the sum of \$27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (D)(1) of this section.
3. ***Withholding for unpaid wages and liquidated damages.*** The Federal Emergency Management Agency (“FEMA”) and/or the California Government Operations Agency (“Agency”) shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (B)(1) of this section.
4. ***Subcontracts.*** The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (B)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (B)(1) through (4) of this section.

C. CLEAN AIR ACT

1. The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. Section 7401 et seq.
2. The contractor agrees to report each violation to the California Air Resources Board and understands and agrees that the California Air Resources Board will, in turn, report each violation as required to assure notification to the Department of Resources Recycling and Recovery, the California Governor’s Office of Emergency Services, Federal Emergency Management Agency (FEMA), and the appropriate Environmental Protection Agency Regional Office.
3. The contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

D. THE FEDERAL WATER POLLUTION CONTROL ACT

1. The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. Sections 1251 et seq.

2. The contractor agrees to report each violation to the State Water Resources Control Board and understands and agrees that the State Water Resources Control Board will, in turn, report each violation as required to assure notification to the FEMA, and the appropriate Environmental Protection Agency Regional Office.
3. The contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

E. DEBARMENT AND SUSPENSION CLAUSE

1. This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the contractor is required to verify that none of the contractor, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).
2. The contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
3. This certification is a material representation of fact relied upon by the Agency and TPA. If it is later determined that the contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the Agency and TPA, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
4. The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

F. BYRD ANTI-LOBBYING CLAUSE

Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended).

Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency.

APPENDIX A, 44 C.F.R. PART 18- CERTIFICATION REGARDING LOBBYING

The undersigned [Contractor] certifies, to the best of his or her knowledge, that:

- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form- LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.

Signature of Contractor's Authorized Official

Name and Title of Contractor's Authorized Official

Date: _____

G. PROCUREMENT OF RECOVERED MATERIALS

- A. In the performance of this contract the Contractor shall make maximum use of products containing recovered materials that are EPA- designated items unless the product cannot be acquired-
 - i. Competitively within a timeframe providing for compliance with the contract performance schedule;
 - ii. Meeting contract performance requirements; or
 - iii. At a reasonable price.
- B. Information about this requirement, along with the list of EPA-designate items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.
- C. The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

8. DHS SEAL, LOGO, AND FLAGS

The contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.

9. COMPLIANCE WITH FEDERAL LAW, REGULATIONS, AND EXECUTIVE ORDERS

This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract only. The contractor will comply with all federal law, regulations, executive orders, FEMA policies, procedures, and directives.

10. NO OBLIGATION BY FEDERAL GOVERNMENT

The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

11. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS

The contractor acknowledges the 31 U.S.C. Chapter 38 (Administrative Remedies for False Claims and Statements) applies to the contractor's action pertaining to this contract.

Contractor Certification Clause

CCC 307 CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

| | |
|---------------------------------------|-------------------|
| Contractor/Bidder Firm Name (Printed) | Federal ID Number |
|---------------------------------------|-------------------|

By (Authorized Signature)

Printed Name and Title of Person Signing

| | |
|---------------|---------------------------|
| Date Executed | Executed in the County of |
|---------------|---------------------------|

CONTRACTOR CERTIFICATION CLAUSES

STATEMENT OF COMPLIANCE:

Contractor has, unless exempted, complied with the nondiscrimination program requirements. (GC 12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

DRUG-FREE WORKPLACE REQUIREMENTS:

Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- a) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- b) Establish a Drug-Free Awareness Program to inform employees about:
 - 1) the dangers of drug abuse in the workplace;
 - 2) the person's or organization's policy of maintaining a drug-free workplace;
 - 3) any available counseling, rehabilitation and employee assistance programs; and,
 - 4) penalties that may be imposed upon employees for drug abuse violations.

c) Provide that every employee who works on the proposed Agreement will:

1) receive a copy of the company's drug-free policy statement; and,

2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: (1) the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)

NATIONAL LABOR RELATIONS BOARD CERTIFICATION:

Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court which orders Contractor to comply with an order of the National Labor Relations Board. (PCC 10296) (Not applicable to public entities.)

CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT:

Contractor hereby certifies that contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lessor of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

EXPATRIATE CORPORATIONS:

Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

SWEATFREE CODE OF CONDUCT:

- a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.
- b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

DOMESTIC PARTNERS:

For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.

GENDER IDENTITY:

For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

CONFLICT OF INTEREST:

Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

a) Current State Employees (PCC 10410):

- 1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

b) Former State Employees (PCC 10411):

- 1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (PCC 10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (PCC 10430 (e))

LABOR CODE/WORKERS' COMPENSATION:

Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

AMERICANS WITH DISABILITIES ACT:

Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

CONTRACTOR NAME CHANGE:

An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

- a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.
- b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.
- c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

RESOLUTION:

A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

AIR OR WATER POLLUTION VIOLATION:

Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

PAYEE DATA RECORD FORM STD. 204:

This form must be completed by all contractors that are not another state agency or other government entity.

Exhibit D

Vaccine Providers

See attached, which shall include at least the following information for each of Provider's subsidiaries, vaccination sites and other similar entities providing vaccinations and vaccination-related functions, and subcontractors engaged by Provider to perform obligations under this Agreement, as applicable, "Vaccine Provider"

- Site name
- Site county
- Site zip code
- Site street address
- Current throughput, doses per day
- Total potential capacity, doses per day
- Willingness to vaccinate all community members (yes / no)
- Is site already in My CAVax (yes / no)
- Is site currently using MyTurn (yes / no)
- If no, is site willing to connect to MyTurn (yes / no)
- Potential go-live date (if not yet active)
- Number of days per week when the site is open
- Site working days and hours (e.g., M-F 8a-5p, Weekend hours, if any, specified)

STRATEGIC PLANNING

PRIORITIES & PROGRESS REPORT

March 19, 2021

I. LEGISLATION

Federal and Local Economic Update

The national economic outlook is beginning to show possible early signs of recovery. While this brings optimism, the economic data suggests there is a long path ahead to return to pre-pandemic rates of jobs and unemployment. The pace of vaccine distribution is accelerating, last week the FDA approved a third vaccine for emergency use, and the number of daily new COVID-19 cases in the U.S. has fallen rapidly. Despite these welcome advances, public health experts warn of the need for continued vigilance, particularly in the face of new COVID-19 variants. Overall, the global pandemic continues to put a significant strain on financial, commercial, and services sectors across all segments of the national and global economies.

The Bureau of Labor Statistics job report showed the U.S. economy added 379,000 jobs in February, as the unemployment rate declined to 6.2% from 6.3% in the previous month. The number of unemployed persons, at 10 million, changed little in February. The addition of 379,000 jobs in February significantly exceeded economists' estimate of 210,000, indicating that one year into the pandemic the labor market may be finally showing early signs of recovery. The January jobs report was also revised upwards from 49,000 to 166,000. The labor market continues to reflect the impact of COVID-19. Most of the jobs added in February occurred in leisure and hospitality, with smaller gains in temporary help services, health care and social assistance, retail, and manufacturing. Employment declines occurred in state and local government, education and construction.

The unemployment rate of 6.2%, which has been slowly trending down since its high in April 2020, remains well above its pre-pandemic level of 3.5% in February 2020. Claims for U.S. jobless benefits continue to come in at relatively high levels and declined slightly recently, as 745,000 Americans filed for unemployment last week. Although claims are down from their peak early in the year, layoffs remain extraordinarily high by historical standards. Although the economy is showing signs of rebounding, this data indicates that employers are continuing to lay off large numbers of workers, signaling it may take a long time for the job market to fully recover from the pandemic.

California's unemployment rate dropped 0.3 percentage points to 9.0% in January (state data has a delay) as employers lost 69,000 jobs according to California's Employment Development Department. This is a slight improvement following December's downward revised numbers of 9.3% unemployment and a loss of 75,400 jobs. Although portions of the economy have recently started to re-open, the impact from the global pandemic is significant for the state's economy and the economic recovery remains volatile and slow moving. California is a long way from the pre-pandemic unemployment rate of 3.9% in February 2020.

In January 2021 (state/local data has a delay), the District's unemployment rate decreased from 6.5% to 6.0%. Approximately 10,500 District residents in the labor force were unemployed.

Analysis of all of the economic measures included above is ongoing and carefully monitored for potential impacts to hospitals and opportunities for Washington to contribute expertise and advocacy through our elected officials.

State and Federal Legislative Update

CA Legislature

The legislature had until February 19 to introduce new bills for this session. Below is a list of recently introduced key bills. Staff is monitoring introduced legislation in order to assess the potential impacts to the District or the Healthcare System.

AB 510 (Wood) Surprise Billing

This bill would instead authorize a non-contracting individual health professional, excluding specified professionals, to bill or collect the out-of-network cost-sharing amount directly from the enrollee or insured receiving services under a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2022, if the enrollee consents in writing or electronically at least 72 hours in advance of care. The bill would require the consent to include a list of contracted providers at the facility who are able to provide the services and to be provided in the 15 most commonly used languages in the facility's geographic region.

AB 1105 (Rodriquez) PPE for vaccinated hospital employees

This bill would require the employer to supply personal protective equipment to an employee, regardless of whether or not the employee has received a vaccination for COVID-19. This bill would also require a public or private employer of workers in a general acute care hospital to develop and implement a program to offer weekly COVID-19 screening testing for health care personnel.

AB 1130 (Wood) Healthcare Affordability

This bill would establish, within OSHPD, the Office of Health Care Affordability to analyze the health care market for cost trends and drivers of spending, develop data-informed policies for lowering health care costs for consumers, set and enforce cost targets, and create a state strategy for controlling the cost of health care and ensuring affordability for consumers and purchasers. The bill would also establish the Health Care Affordability Advisory Board, composed of 9 members and 2 ex officio members, appointed as prescribed, to recommend health care cost targets and to advise the Director of Office of Statewide Health Planning and Development.

AB 1131 (Wood) HIE

This bill would require, by January 1, 2023, health plans, hospitals, medical groups, testing laboratories, and nursing facilities, at a minimum, contribute to, access, exchange, and make available data through the network of health information exchanges for every person, as a condition of participation in a state health program, including Medi-Cal, Covered California, and CalPERS. The bill would also state the intent of the Legislature to enact legislation that would expand the use of clinical and administrative data and further build on the promise of health information exchange, including specified strategies for achieving these goals.

AB 1162 (Villapudua) Payment Reform Bill (CHA sponsored)

The bill would shorten the time requirements for a plan or insurer to pay or contest a claim for emergency or non-emergency services to 20 working days. The bill would likewise shorten the time limit for requesting additional information about a claim to 20 working days. The bill would require a plan or insurer to pay a provider any interest and fees that accrue from failure to pay a claim regardless of whether the department institutes an enforcement action against the plan or insurer. The bill would define concurrent review for these purposes, and would authorize telephone, video chat, or onsite conduct to qualify as a concurrent review activity. The bill would also prohibit a plan or insurer from recouping an alleged overpayment on one claim by deducting or withholding the amount of the alleged overpayment from another claim relating to the same or a different enrollee or insured.

AB 1400 (Kalra) Single-Payer

This bill, the California Guaranteed Health Care for All Act, would create the California Guaranteed Health Care for All program, or CalCare, to provide comprehensive universal single-payer health care coverage and a health care cost control system for the benefit of all residents of the state.

AB 1464 (Arambula) Seismic (CHA sponsored)

The Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983 establishes, under the jurisdiction of the Office of Statewide Health Planning and Development, a program of seismic safety building standards for certain hospitals constructed on and after March 7, 1973. A violation of any provision of the act is a misdemeanor. The act requires, before January 1, 2020, the owner of an acute care inpatient hospital whose building does not substantially comply with described seismic safety regulations or standards to submit to the office an attestation that the board of directors of that hospital is aware that the hospital building is required to meet a specified deadline for substantial compliance with those regulations and standards. AB 1464 bill would require, on or before January 1, 2023, the owner of an acute care inpatient hospital to update the above-described submission by reporting the services provided in each building of the acute care inpatient hospital. This is a placeholder bill which needs to have enough substance to make it through the committee. CHA is still working with supporters and opposition to further refine the details of this bill.

ACA 1 (Aguiar-Curry) Local Government Financing

This measure would authorize a local government to impose, extend, or increase a sales and use tax or transactions and use tax imposed in accordance with specified law or a parcel tax, as defined, for the purposes of funding the construction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing if the proposition

proposing that tax is approved by 55% of its voters voting on the proposition, and the proposition includes specified accountability requirements. The bill also allows special districts to incur indebtedness in the form of general obligation bonds to fund construction, reconstruction, rehabilitation or replacement of public infrastructure to be approved by 55% of the voters voting on the proposition.

SB 637 (Newman) PPE/Staffing/Testing Reporting Requirement

This bill would require a general acute care hospital to report specified information to the department on a daily basis during any health-related state of emergency in California proclaimed by the President of the United States or by the Governor, and on a weekly basis at all other times. The bill would require that the reports contain information on PPE, testing, and staffing, including on matters relating to shortages and COVID-19 cases. The bill would require the department to publicly post the information and update it based on the same time frames.

AB 4 (Arambula) Medi-Cal Eligibility *(shared in previous report)*

This bill would, effective January 1, 2022, extend eligibility for full scope Medi-Cal benefits to anyone regardless of age, and who is otherwise eligible for those benefits, but for their immigration status, pursuant to an eligibility and enrollment plan. The bill would delete the specified provisions regarding individuals who are under 25 years of age or 65 years of age or older. The bill would require the eligibility and enrollment plan to ensure that an individual maintains continuity of care with respect to their primary care provider and would provide that an individual is not limited in their ability to select a different health care provider or Medi-Cal managed care health plan.

AB 32 (Aguiar-Curry) Telehealth *(shared in previous report)*

Current law requires a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2021, to specify that coverage is provided for health care services appropriately delivered through telehealth on the same basis and to the same extent as in-person diagnosis, consultation, or treatment. Current law exempts Medi-Cal managed care plans that contract with the State Department of Health Care Services under the Medi-Cal program from these provisions, and generally exempts county organized health systems that provide services under the Medi-Cal program from Knox-Keene. This bill would delete the above-described references to contracts issued, amended, or renewed on or after January 1, 2021, would require these provisions to apply to the plan or insurer's contracted entity, and would delete the exemption for Medi-Cal managed care plans. The bill would subject county organized health systems, and their subcontractors, that provide services under the Medi-Cal program to the above-described Knox-Keene requirements relative to telehealth. The bill would authorize a provider to enroll or recertify an individual in Medi-Cal programs through telehealth and other forms of virtual communication.

Federal Legislature

On Wednesday, March 11, President Joe Biden signed into law the near \$1.9 trillion American Rescue Plan Act. This follows Senate passage on March 6 and subsequent passage in the House of Representatives. In both cases, the bill passed narrowly, largely on partisan lines.

A few health care related changes were made to the final Senate passed reconciliation bill, signed by the President. The legislation includes \$8.5 billion in Provider Relief Fund look-a-like funding for rural providers, but falls short of the \$35 billion requested to be added to the Provider Relief Fund. It is estimated that \$20 - \$30 billion remains in the Provider Relief Fund, which was created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Virtually all health care providers have qualified for a general grant through this fund, which to date has had a total of \$178 billion dollars deposited. An extension to the 2% Medicare payment cut moratorium was also not included in the Senate passed bill. The moratorium ends on March 31. The Senate bill also includes a 10% Federal Assistance Medical Percentage (FMAP) bump for home and community based services (increased from 7.35% in the House bill). The bill also eliminates the Medicaid cap on the total rebate amount starting January 1, 2024, instead of January 1, 2023 in the House passed bill. The removal of the cap, which kicks in at 100% of a drug's average manufacturing price, will lead to higher rebates for Medicaid drugs.

Now that the American Rescue Plan Act has been passed, it is expected that President Biden will focus on the "Build Back Better" recovery plan, an infrastructure recovery plan which would make significant investments in U.S. infrastructure.

Hospital Funding Efforts

Following passage of the American Rescue Plan Act, it is expected that President Biden will focus on the "Build Back Better" recovery plan as noted above. The American Rescue Plan Act only included funding opportunities for rural hospitals, not hospitals such as Washington Hospital. In the course of advocating for more federal funding for Washington Hospital, we have had discussions with both of our house representatives, Representatives Swalwell and Khanna, and their health policy staff members. During these conversations, we made clear our need for federal relief for the budgetary problems caused by the pandemic. While sympathetic, no-one seemed to be certain how to help with the American Rescue Plan Act. We also communicated with Rep. Anna Eshoo's office, as she is the Chair of the Health Subcommittee of the House Energy and Commerce Committee. Letters have been sent to Senators Feinstein and Padilla making the case for additional federal relief, and subsequently we spoke with Senator Feinstein's health-policy aide. We outlined our pandemic response, our current situation, and the loss from operations for the aide; he offered to raise our concerns with the senator and keep us abreast of legislative developments. Discussions are now underway with Holland & Knight to determine the "vehicle" to be able to advocate for additional funding for hospitals such as Washington.

II. FOUNDATION

The Foundation continues to focus efforts on supporting the COVID-19 Emergency Relief fund. We have raised approximately \$1.27M towards the fund and facilitated upwards of 6,000 meal donations for Hospital staff.

The Foundation is moving forward with formalizing its Planned Giving Program. Since December, the Foundation has documented two planned gift intentions, totaling \$415,000.

We continue to identify and cultivate planned giving prospects, with the goal of launching a formal Legacy Society for all donors who have committed to a future gift.

The Foundation is also relaunching its quarterly newsletter, the Foundation Focus, with the first issue planned for May.

**DEVCO
FINANCIAL STATEMENTS**

Reporting Period 7

Month of January 2021

**Washington Township Hospital
Development Corporation
Summary Income Statement
January 2021**

| Current Month | | | | Year - To - Date | | | |
|------------------|------------------|-------------------------|-----------------|--------------------|-------------------|-------------------------|-----------------|
| Actual | Budget | Favorable/(Unfavorable) | | Actual | Budget | Favorable/(Unfavorable) | |
| | | Variance | % | | | Variance | % |
| 2,091 | 3,226 | (1,135) | (35.2%) | 16,305 | 18,551 | (2,246) | (12.1%) |
| 171 | 266 | (95) | (35.7%) | 1,897 | 1,859 | 38 | 2.0% |
| 2,262 | 3,492 | (1,230) | (35.2%) | 18,202 | 20,410 | (2,208) | (10.8%) |
| | | | | | | | |
| 3,356,405 | 4,284,491 | (928,086) | (21.7%) | 24,972,377 | 28,246,047 | (3,273,670) | (11.6%) |
| 826,385 | 865,527 | (39,142) | (4.5%) | 6,804,504 | 6,496,604 | 307,900 | 4.7% |
| 4,182,790 | 5,150,018 | (967,228) | (18.8%) | 31,776,881 | 34,742,651 | (2,965,770) | (8.5%) |
| | | | | | | | |
| 1,863,074 | 2,182,582 | 319,508 | 14.6% | 13,253,616 | 14,459,167 | 1,205,551 | 8.3% |
| 55.5% | 50.9% | (4.6%) | | 53.1% | 51.2% | (1.9%) | |
| 2,319,716 | 2,967,436 | (647,720) | (21.8%) | 18,523,265 | 20,283,484 | (1,760,219) | (8.7%) |
| | | | | | | | |
| 789,572 | 851,690 | 62,118 | 7.3% | 5,748,824 | 5,517,828 | (230,996) | (4.2%) |
| 273,831 | 310,102 | 36,271 | 11.7% | 1,918,668 | 2,089,282 | 170,614 | 8.2% |
| 268,839 | 444,507 | 175,668 | 39.5% | 2,419,455 | 3,091,343 | 671,888 | 21.7% |
| 220,887 | 322,106 | 101,219 | 31.4% | 1,846,414 | 2,281,337 | 434,923 | 19.1% |
| 302,610 | 369,640 | 67,030 | 18.1% | 1,961,115 | 2,231,396 | 270,281 | 12.1% |
| 121,404 | 117,199 | (4,205) | (3.6%) | 668,416 | 753,133 | 84,717 | 11.2% |
| 23,001 | 21,944 | (1,057) | (4.8%) | 211,046 | 180,761 | (30,285) | (16.8%) |
| 430,887 | 432,245 | 1,358 | 0.3% | 3,894,907 | 3,493,550 | (401,357) | (11.5%) |
| 144,350 | 142,619 | (1,731) | (1.2%) | 954,953 | 935,091 | (19,862) | (2.1%) |
| 2,575,381 | 3,012,052 | 436,671 | 14.5% | 19,623,798 | 20,573,721 | 949,923 | 4.6% |
| (255,665) | (44,616) | (211,049) | (473.0%) | (1,100,533) | (290,237) | (810,296) | (279.2%) |
| (12,050) | 93,433 | 105,483 | 112.9% | 76,107 | 540,107 | 464,000 | 85.9% |
| (243,615) | (138,049) | (105,566) | (76.5%) | (1,176,640) | (830,344) | (346,296) | (41.7%) |