

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
October 15, 2009

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers (UMHHC)
Bylaws of the University of Michigan Hospitals and Health Centers Executive Board

Action
Requested: Approval

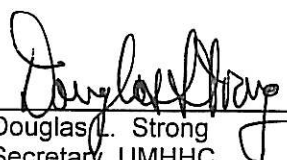
Background: During the most recent review by UMHS attorneys, a number of opportunities for language improvement and updates to reflect regulatory changes were identified and have been addressed in the proposed revisions. Also, attached is a red-lined version of the Bylaws showing the changes as well as a clean copy.

- UMHHC Bylaws needed to be updated to reflect Joint Commission and Centers for Medicare and Medicaid Services (CMS) regulations;
- Clarifies rules about University policy applying to HHCEB reported conflicts of interest;
- Clarifies delegation to CEO for supervision of day to day work;
- Allows for electronic attendance at meetings;
- Allows for the delegation by the Board activity to the Grievance Committee to prevent Board time from being taken by hearings;
- Gives the EVPMA authority to create a policy on policies and a code of ethics. These will be provided to the Board for review and approval;
- Adds specific language about quality of care as required by the Joint Commission and CMS;
- Updates the nondiscrimination section to coincide with recent changes to the corresponding Regents Bylaw; and,
- Removes the Associate Dean for Clinical Affairs Nursing title from the Chief of Nursing Affairs of the HHC title under Article III, Section 3.1 "Executive Board Composition".

Additional material changes generally were avoided in this revision.

We recommend that the Regents approve the proposed amendments to the University of Michigan Hospitals and Health Centers Executive Board Bylaws as described.

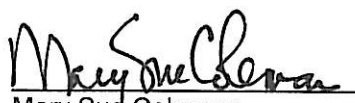
Respectfully submitted,



Douglas L. Strong
Secretary, UMHHC
Executive Board



Ora Hirsch Pescovitz
Vice Chair, UMHHC
Executive Board



Mary Sue Coleman
Chair, UMHHC
Executive Board

October 2009

Approved as corrected at HHCEB 7/13/09

(Correction to title of Chief of Nursing Affairs of the HHC – Article III, Sec. 3.1 – Omitted School of Nursing title)

PROPOSED CHANGES TO 2004 HHCEB Bylaws (7-6-09)

DEFINITIONS

For purposes of these Bylaws, the terms herein referred to shall have the following meanings:

1. "Regents" or "Board of Regents" means the Board of Regents of the University of Michigan and the term "Regent" means an individual member of the Regents.
2. "Board" means the Executive Board of University of Michigan Hospitals and Health Centers.
3. "ECCA" means the Executive Committee on Clinical Affairs, the Medical Staff's executive committee.
4. "HHC" means University of Michigan Hospitals and Health Centers, including but not limited to, all inpatient facilities, ambulatory surgery centers, and outpatient clinics and other facilities.
5. "UMHS" or "Health System" means the University of Michigan Health System.
6. "Medical Staff" means the formal organization of all licensed physicians, dentists, scientists and other licensed individuals permitted by law, and the HHC's Medical Staff Bylaws to have clinical privileges to provide health care services to patients of the HHC.
7. "University" or "UM" means the University of Michigan.

ARTICLE I

Purposes

Section 1.1. PURPOSES. The purposes of the HHC are to assist and aid the sick and injured; to prevent and cure disease and suffering; to provide health care, consultation and services to those in need; to educate and train, and assist in any manner in the education or training of, persons in or associated with the medical profession or associated with any aspect of health care; to facilitate and participate in medical and biological research; to build, maintain and operate and to assist in building, maintaining and operating, hospitals, clinics, dispensaries, outpatient facilities and research and educational institutions; and to provide the

people of the State of Michigan with health care services and a regional tertiary medical facility, including the provision of suitable facilities for the teaching and advancement of medicine and allied sciences, arts and skills.

ARTICLE II

Establishment of Board/Delegation By Regents

Section 2.1. ESTABLISHMENT. The Board is established by the Regents. The Board is delegated such authority as is provided by action of the Regents, through the Regents Bylaws, approval of these HHCEB Bylaws, and other actions as the Regents may take from time to time.

Section 2.2. ROLE AS GOVERNING BODY. Subject to the powers and responsibilities of the Regents (as described in the Regents Bylaws and Section 3.2 below), the Board is authorized and designated to act as the "governing body" of HHC for hospital licensing, accreditation, compliance, quality of medical services and related purposes. The Regents remain ultimately responsible for establishing the mission, goals and objectives of the HHC and for the quality of medical services provided at the HHC.

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ARTICLE III

Executive Board

Section 3.1. COMPOSITION. There shall be a Board of the HHC and it shall be composed of the following individuals:

- President of the University
- Executive Vice President for Medical Affairs
- Director and Chief Executive Officer of HHC
- Dean of the Medical School
- Dean of the School of Nursing
- Provost and Executive Vice President for Academic Affairs
- Executive Vice President and Chief Financial Officer
- Vice President for Government Relations
- Chief of Staff for Clinical Affairs
- Chief of Nursing Affairs of the HHC
- Two members of the Medical Staff of the HHC who shall be appointed by the Regents following a Medical Staff election in which any Active member of the Medical Staff may run for office, recommendation by the HHC's Executive Committee for Clinical Affairs, and approval by the Board. The

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Medical Staff members shall serve four year staggered terms to provide one replacement every two years.

Section 3.2. POWERS RESERVED TO THE REGENTS. The Board of Regents is responsible for establishing the mission, goals and objectives of the HHC as set out, in Section 11.42 of the Regents Bylaws and for the quality of medical care services provided; approval of these Bylaws and any amendments thereto proposed by the Board; approval of all major HHC programs and operating budgets; approval of capital and facility plans; and appointment of the CEO of the HHC. In all of these matters, the Board shall make recommendations to the President of the University and the Regents.

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Section 3.3. GENERAL RESPONSIBILITIES OF THE BOARD. Subject to the powers and responsibilities of the Regents, the Board is responsible for the overall financial and administrative performance of the HHC for the quality of care delivered at the HHC and for HHC adherence to applicable legal and ethical standards. In this capacity, the Board has and, except as otherwise provided in applicable laws, regulations, or accreditation standards, may exercise or delegate responsibility for administrative decisions, approval of personnel actions, responsibility for personnel policies, and approval of medical staff appointments and reappointments at the HHC. The Board at all times remains jointly accountable, with the executive leadership and medical staff, for quality improvement, patient safety, and related resource allocation.

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Section 3.3.1 Financial and Administrative Control. The Board shall;

-Review and approve or otherwise ratify the organizational structure of the HHC.

- Establish programs, services and administrative units to meet the goals and objectives of the HHC and take such steps as are needed to provide for the periodic evaluation of HHC operations to assure that the goals and objectives are achieved.

- Determine appropriate delegation of authority to the CEO.

- Review and approve or otherwise ratify HHC sponsored training programs; review and approve or otherwise ratify appropriate use of the HHC for clinical, educational and training experience by various health schools of the University and other teaching institutions.

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- Assure the integration of administrative functions among HHC units, including billing services, medical records, human resources, payroll, employee benefits, salary structure, and purchasing services.

- Assure consistent monitoring and oversight throughout the HHC.

- Assure that contracted services furnished within the HHC permit the HHC to comply with all applicable laws, regulations, and accreditation requirements.
- Recommend construction projects and building renovation projects to the Regents for action.
- Evaluate its own performance on a biennial basis.

Section 3.3.2 Quality of Care. The Board shall:

- Establish, under the supervision of the CEO, in coordination with the Medical Staff, a continuous quality improvement program at the HHC that reflects the complexity of the HHC organization, involves all hospital departments and services, and focuses on indicators related to improved health outcomes and the prevention and reduction of medical errors.
- Assure that clear expectations for safety are established.
- Assure that adequate resources are allocated for measuring, assessing, improving, and sustaining HHC performance.
- Assure that adequate resources are allocated for reducing risk to patients.
- Assure, Medical Staff accountability for quality of care, directly or through delegation to the CEO working with ECCA, by: reviewing and approving or otherwise ratifying the Medical Staff Bylaws, rules and policies that govern health care provided at the HHC; approving upon the recommendation of the Medical Staff, appointments and reappointments to the Medical Staff and delineation, changes in or curtailment of staff privileges for members of the Medical Staff; reviewing and approving recommendations from the Chief of Staff to establish or terminate clinical programs and/or services; ratifying nominations for service chiefs and/or program directors that have been submitted to the Board by the ECCA; and acting as a final appeal body pursuant to the Medical Staff Bylaws, rules and policies. The Board shall receive at least annual reports from the Chief of Staff of the Medical Staff's evaluation of patient care services provided throughout the HHC.

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Section 3.3.3. Ethics and Compliance. The Board is responsible, subject to the oversight of the Regents, for creating a code of conduct, for the conduct of the HHC as an institution and, in particular, for assuring HHC compliance with all federal, state and local laws and regulations and for assuring the ethical operation and conduct of the HHC and its employees. The code of conduct will be submitted to the Regents for review and approval.

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Section 3.4. REPORTING RESPONSIBILITIES OF THE BOARD. The Board shall submit periodic reports, but not less than annually, through the President of the University to the Regents describing its execution of the delegated powers

set forth in this Article III and the Regents Bylaws. The Board shall also submit to the Regents a copy of approved minutes of each of its meetings.

ARTICLE IV Board Meetings

Section 4.1. MEETINGS. Regular Board meetings shall be held at least quarterly, at a time and place to be determined by the Board. Special Board meetings may be called by the Chair or by the Secretary upon the request of three Board members.

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Section 4.2. NOTICE OF MEETINGS. Notice of regular meetings to Board members shall be through the distribution of the agenda and supporting materials for the meeting, generally at least three working days in advance of a Board meeting (other than an urgent special meeting or agenda item). Notice of any special meeting of the Board shall be given with as much advance notice as is practicable under the circumstances, but ordinarily at least three working days prior to the meeting, by written notice or sent or otherwise made available by electronic means. Unless less than three (3) working days advance notice is given (in which case the reason for the urgent meeting must be specified), neither the business to be transacted nor the purpose of any meeting of the Board must be specified in the notice.

Section 4.3. QUORUM AND VOTING REQUIREMENTS. Six Board members then in office shall constitute a quorum for the transaction of business at any meeting of the Board, and any action taken by a majority of the Board members attending at which a quorum is present shall be the action of the Board for all purposes. If a quorum is not present at any meeting, a majority of the Board members present may adjourn the meeting from time to time and to another place, without notice other than announcement at the meeting, to such time and place as a quorum can be present.

Section 4.4. PRESENCE. With the consent of the chair or a majority of the members of the Board, any or all Board members may participate in any meeting by, or through the use of, any means of communication by which all Board members participating may simultaneously hear each other during the meeting. A Board member so participating is deemed to be present in person at the meeting.

Section 4.5. WRITTEN CONSENT. Any action required or permitted at any Board or committee meeting may be taken without a meeting, without prior notice and without vote if all of the members of the Board or applicable committee entitled to vote on the action so consent in writing or electronically. Such written consent shall be filed with the minutes of the proceedings and shall have the same effect as a vote for all purposes.

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ARTICLE V

Officers of the Board

Section 5.1. OFFICERS. The officers of the Board shall be a Chair of the Board, a Vice-Chair and a Secretary.

Section 5.2. CHAIR OF THE BOARD. The Chair of the Board shall preside at Board meetings and shall perform such other duties as the Board may delegate from time to time. The Chair is the President of the University.

Section 5.3. VICE-CHAIR OF THE BOARD. In the absence of the Chair or the Chair's inability or refusal to act, the Vice-Chair shall perform the duties of the Chair and, when so acting, shall have all the powers and be subject to all the restrictions of the Chair. The Vice-Chair is the Executive Vice President for Medical Affairs of the University.

Section 5.4. SECRETARY OF THE BOARD. The Secretary will keep the minutes of the Board's meetings; see that all notices are duly given; maintain a record of attendance of the members at committee meetings and, in general, perform all duties incident to the office of the Secretary. The Secretary is the Chief Executive Officer of the HHC.

ARTICLE VI

Chief Executive Officer of the Hospitals and Health Centers

Section 6.1. CHIEF EXECUTIVE OFFICER. The CEO is the chief executive officer of the HHC and, subject to the control and direction of the Board, the President of the University, the Executive Vice-President for Medical Affairs, and the Regents, shall manage the administration and affairs of the HHC. The CEO is a member and Secretary of the Board, an ex officio non voting member of the Executive Committee on Clinical Affairs and an ex officio voting member of the Medical School Executive Committee.

Section 6.2. GENERAL DUTIES OF THE CHIEF EXECUTIVE OFFICER. The CEO shall perform all duties incident to the office of the CEO and such other duties as may be prescribed by the Board from time to time consistent with its delegated authority. The CEO will:

, - In coordination with Medical Staff administration, establish systems and methods to assure effective communications among the Medical Staff, the administration, the Board and all health care delivery systems that are corporately and functionally related to the HHC.

- In coordination with the Medical Staff ensure that members of the Medical Staff comply with the Bylaws and rules and regulations of the Medical Staff.
- Establish and oversee a system of institutional and organizational planning consistent with applicable law and accreditation requirements, and will consult with the Medical Staff, administrative leaders, and other groups and services within the HHC the CEO believes may contribute to the planning process.
- Assist in the development of and effectuate all of the policies of the HHC, including personnel policies and practices that are consistent with the University's policies and practices.
- Be responsible for supervising all of the HHC's financial and administrative affairs and for promoting prudent and cost-effective management of HHC funds.

The Board specifically delegates to the CEO any day-to-day operational responsibilities of the Board, including responsibilities reserved to the governing body by the Centers for Medicare and Medicaid Services ("CMS"); Medicare Conditions for Participation; the Joint Commission's Standards and Elements of Performance; and other applicable regulatory and accreditation agencies. Such delegation includes, but is not limited to: organ procurement; grievance administration, resolution, and reporting and patient services. The CEO may sub-delegate his or her responsibilities under this Section 6.2 as he or she deems appropriate.

Section 6.3. REPORTING DUTIES OF THE CHIEF EXECUTIVE OFFICER.

The CEO will prepare and present to the Board for review and endorsement an annual budget. The CEO also will prepare periodic reports that address the clinical affairs and financial activities of the HHC, as well as any special reports the Board may request from time to time.

Section 6.4. CONTRACTING AUTHORITY OF THE CHIEF EXECUTIVE OFFICER.

The CEO may, to the extent directly delegated by the Regents or by any Executive Officer with authority to sub-delegate, and unless otherwise directed by the Board, execute such contracts and other instruments as the conduct of the HHC's business in its ordinary course requires, and, to the extent permitted in any such delegation or sub-delegation, may delegate this authority in writing to one or more of the Associate/Assistant Directors of the HHC.

ARTICLE VII

Committees

Section 7.1. STANDING COMMITTEES. The Board may establish committees as it deems necessary, and shall define the powers and responsibilities of such committees. Heads and members of each committee shall be appointed and may

be removed at any meeting of the Board. Vacancies in standing committees may be filled at any regular or special meeting of the Board. Persons who are not members of the Board may serve on such committees as the Board deems appropriate.

Section 7.2. QUORUM. A simple majority of the members of any committee shall constitute a quorum at any meeting, and any action taken by a majority of the members attending any meeting at which a quorum is present shall be the action of the committee for all purposes.

ARTICLE VIII

Medical Staff

Section 8.1. ORGANIZATION AND BYLAWS. The Board will ensure the continued operation of a medical staff organization composed of the physicians and other licensed, independently practicing health professionals who are duly appointed to membership and granted appropriate clinical privileges in accordance with applicable law and accreditation requirements, as well as rules and procedures established by the Board, the Medical Staff and the Regents. Appointment to the Medical Staff shall be a prerequisite to the exercise of clinical privileges in the HHC except as otherwise specifically provided in the Medical Staff bylaws, rules and policies. The Medical Staff shall prepare, adopt and periodically review Medical Staff Bylaws and rules and policies that are consistent with HHC policy and applicable legal and accreditation requirements, subject to approval by HHCEB.

ARTICLE IX

Provision of Services by the HHC

Section 9.1. PROVISION OF SERVICES GENERALLY. The professional medical service of the HHC will be rendered by the departments or units of the Medical School, functioning in their capacity as HHC departments and services. Diagnosis, care, and treatment at the HHC will be provided in accordance with the Medical Staff Bylaws, rules, and other policies adopted by the Executive Committee on Clinical Affairs.

Section 9.2. NONDISCRIMINATION. The HHC in employment and access to services considers people on the basis of individual merit and does not discriminate on the basis of race, color, national origin, age, marital status, sex, sexual orientation, gender identity, gender expression, disability, religion, height, weight, veteran status, or any other attribute prohibited by law or contract.

Section 9.3. CONFIDENTIALITY OF PATIENT HEALTH INFORMATION. Records of patient care are confidential and will not be published nor their contents disclosed except as permitted or required by law and consistent with

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applicable institutional policies, including the University's Notice of Privacy Practices.

ARTICLE X

Volunteer Nonprofit Service Organization

| Section 10.1. VOLUNTARY NONPROFIT SERVICE ORGANIZATIONS. The Board may authorize from time to time the establishment or dissolution of a voluntary nonprofit service organization such as auxiliaries. Any such voluntary nonprofit organization may be established by separate incorporation or as an unincorporated organization sponsored by the HHC, subject to approval of the Regents to the extent required by the Regents Bylaws or other action of the Regents. No voluntary nonprofit service organization shall be established without the approval of the Board and the Board may, in its discretion, revoke any approval previously granted. Each such organization shall initially, and as proposed for amendment thereafter, recommend to the Board articles, bylaws policies, procedures and descriptions of permissible activities for the organization that shall be subject to the approval of the Board. Each such organization shall provide the Board with an annual report of its activities and shall be subject to such direction, control, supervision and reporting requirements as the Board may deem appropriate, including those required by the University to preserve its tax exemptions.

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ARTICLE XI

Conflict of Interest

| Section 11.1. CONFLICT OF INTEREST OR COMMITMENT. The Board shall follow and abide by the conflict of interest rules of the University and applicable law. Board members shall disclose any conflicts which shall then be managed in accordance with University policy and procedures.

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ARTICLE XII

Bylaws

| Section 12.1. BYLAWS. These Bylaws may be amended or repealed, or new Bylaws may be adopted, only by action of the Board ratified by the Regents. The Board shall cause these Bylaws to be reviewed and, if necessary, revised, not less frequently than once every three years by the Board or a committee of the

Board, and the minutes of the Board shall reflect that such review was completed. In the event an amendment is required by operation of law, regulation, or judicial or administrative order, and there is insufficient opportunity to consult with the Board, the CEO or his or her designee, in consultation with legal counsel and relevant administrative and Medical Staff leaders, may develop and implement the amendment, subject to the Board's approval or revision at its next regularly scheduled meeting.

Section 12.2. POLICIES. The Board shall create either directly or by delegation:

- ♦ A UMHS Policy on Policies, designating the form, content, and approval authorities for policies affecting health system operations, including the operations of the HHC.

The Policy shall be reviewed at least once every three (3) years and whenever a significant change is proposed.

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Initially APPROVED by the Regents on March 18, 2004, and Initially ADOPTED by the Executive Board of University of Michigan HHC effective March 12, 2004.

Re-approved by the Regents on _____ and ADOPTED by the HHCEB effective _____.

(signed) _____
By: Mary Sue Coleman
Its: Chair of the Executive Board of the University of Michigan HHC

Signed copy on file in the UMHHC Governance Office.
Contact: Carolyn Ladd, Policy and Governance Coordinator

Approved as corrected at HHCEB 7/13/09

(Correction to title of Chief of Nursing Affairs of the HHC – Article III, Sec. 3.1 – Omitted School of Nursing title)

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ARTICLE III

Executive Board

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- Dean of the Medical School
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- Chief of Staff for Clinical Affairs
- Chief of Nursing Affairs of the HHC
- Two members of the Medical Staff of the HHC who shall be appointed by the Regents following a Medical Staff election in which any Active member of the Medical Staff may run for office, recommendation by the HHC's Executive Committee for Clinical Affairs, and approval by the Board. The

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- Review and approve or otherwise ratify HHC sponsored training programs; review and approve or otherwise ratify appropriate use of the HHC for clinical, educational and training experience by various health schools of the University and other teaching institutions.
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- Assure consistent monitoring and oversight throughout the HHC.

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ARTICLE IV Board Meetings

Section 4.1. MEETINGS. Regular Board meetings shall be held at least quarterly, at a time and place to be determined by the Board. Special Board meetings may be called by the Chair or by the Secretary upon the request of three Board members.

Section 4.2. NOTICE OF MEETINGS. Notice of regular meetings to Board members shall be through the distribution of the agenda and supporting materials for the meeting, generally at least three working days in advance of a Board meeting (other than an urgent special meeting or agenda item). Notice of any special meeting of the Board shall be given with as much advance notice as is practicable under the circumstances, but ordinarily at least three working days prior to the meeting, by written notice or sent or otherwise made available by electronic means. Unless less than three (3) working days advance notice is given (in which case the reason for the urgent meeting must be specified), neither the business to be transacted nor the purpose of any meeting of the Board must be specified in the notice.

Section 4.3. QUORUM AND VOTING REQUIREMENTS. Six Board members then in office shall constitute a quorum for the transaction of business at any meeting of the Board, and any action taken by a majority of the Board members attending at which a quorum is present shall be the action of the Board for all purposes. If a quorum is not present at any meeting, a majority of the Board members present may adjourn the meeting from time to time and to another place, without notice other than announcement at the meeting, to such time and place as a quorum can be present.

Section 4.4. PRESENCE. With the consent of the chair or a majority of the members of the Board, any or all Board members may participate in any meeting by, or through the use of, any means of communication by which all Board members participating may simultaneously hear each other during the meeting. A Board member so participating is deemed to be present in person at the meeting.

Section 4.5. WRITTEN CONSENT. Any action required or permitted at any Board or committee meeting may be taken without a meeting, without prior notice and without vote if all of the members of the Board or applicable committee entitled to vote on the action so consent in writing or electronically. Such written consent shall be filed with the minutes of the proceedings and shall have the same effect as a vote for all purposes.

ARTICLE V

Officers of the Board

Section 5.1. OFFICERS. The officers of the Board shall be a Chair of the Board, a Vice-Chair and a Secretary.

Section 5.2. CHAIR OF THE BOARD. The Chair of the Board shall preside at Board meetings and shall perform such other duties as the Board may delegate from time to time. The Chair is the President of the University.

Section 5.3. VICE-CHAIR OF THE BOARD. In the absence of the Chair or the Chair's inability or refusal to act, the Vice-Chair shall perform the duties of the Chair and, when so acting, shall have all the powers and be subject to all the restrictions of the Chair. The Vice-Chair is the Executive Vice President for Medical Affairs of the University.

Section 5.4. SECRETARY OF THE BOARD. The Secretary will keep the minutes of the Board's meetings; see that all notices are duly given; maintain a record of attendance of the members at committee meetings and, in general, perform all duties incident to the office of the Secretary. The Secretary is the Chief Executive Officer of the HHC.

ARTICLE VI

Chief Executive Officer of the Hospitals and Health Centers

Section 6.1. CHIEF EXECUTIVE OFFICER. The CEO is the chief executive officer of the HHC and, subject to the control and direction of the Board, the President of the University, the Executive Vice-President for Medical Affairs, and the Regents, shall manage the administration and affairs of the HHC. The CEO is a member and Secretary of the Board, an ex officio non voting member of the Executive Committee on Clinical Affairs and an ex officio voting member of the Medical School Executive Committee.

Section 6.2. GENERAL DUTIES OF THE CHIEF EXECUTIVE OFFICER. The CEO shall perform all duties incident to the office of the CEO and such other duties as may be prescribed by the Board from time to time consistent with its delegated authority. The CEO will:

,- In coordination with Medical Staff administration, establish systems and methods to assure effective communications among the Medical Staff, the administration, the Board and all health care delivery systems that are corporately and functionally related to the HHC.

- In coordination with the Medical Staff ensure that members of the Medical Staff comply with the Bylaws and rules and regulations of the Medical Staff.
- Establish and oversee a system of institutional and organizational planning consistent with applicable law and accreditation requirements, and will consult with the Medical Staff, administrative leaders, and other groups and services within the HHC the CEO believes may contribute to the planning process.
- Assist in the development of and effectuate all of the policies of the HHC, including personnel policies and practices that are consistent with the University' policies and practices.
- Be responsible for supervising all of the HHC's financial and administrative affairs and for promoting prudent and cost-effective management of HHC funds.

The Board specifically delegates to the CEO any day-to-day operational responsibilities of the Board, including responsibilities reserved to the governing body by the Centers for Medicare and Medicaid Services ("CMS"); Medicare Conditions for Participation; the Joint Commission's Standards and Elements of Performance; and other applicable regulatory and accreditation agencies. Such delegation includes, but is not limited to: organ procurement; grievance administration, resolution, and reporting and patient services. The CEO may sub-delegate his or her responsibilities under this Section 6.2 as he or she deems appropriate.

Section 6.3. REPORTING DUTIES OF THE CHIEF EXECUTIVE OFFICER.

The CEO will prepare and present to the Board for review and endorsement an annual budget. The CEO also will prepare periodic reports that address the clinical affairs and financial activities of the HHC, as well as any special reports the Board may request from time to time.

Section 6.4. CONTRACTING AUTHORITY OF THE CHIEF EXECUTIVE OFFICER. The CEO may, to the extent directly delegated by the Regents or by any Executive Officer with authority to sub-delegate, and unless otherwise directed by the Board, execute such contracts and other instruments as the conduct of the HHC's business in its ordinary course requires, and, to the extent permitted in any such delegation or sub-delegation, may delegate this authority in writing to one or more of the Associate/Assistant Directors of the HHC.

ARTICLE VII

Committees

Section 7.1. STANDING COMMITTEES. The Board may establish committees as it deems necessary, and shall define the powers and responsibilities of such committees. Heads and members of each committee shall be appointed and may

be removed at any meeting of the Board. Vacancies in standing committees may be filled at any regular or special meeting of the Board. Persons who are not members of the Board may serve on such committees as the Board deems appropriate.

Section 7.2. QUORUM. A simple majority of the members of any committee shall constitute a quorum at any meeting, and any action taken by a majority of the members attending any meeting at which a quorum is present shall be the action of the committee for all purposes.

ARTICLE VIII

Medical Staff

Section 8.1. ORGANIZATION AND BYLAWS. The Board will ensure the continued operation of a medical staff organization composed of the physicians and other licensed, independently practicing health professionals who are duly appointed to membership and granted appropriate clinical privileges in accordance with applicable law and accreditation requirements, as well as rules and procedures established by the Board, the Medical Staff and the Regents. Appointment to the Medical Staff shall be a prerequisite to the exercise of clinical privileges in the HHC except as otherwise specifically provided in the Medical Staff bylaws, rules and policies. The Medical Staff shall prepare, adopt and periodically review Medical Staff Bylaws and rules and policies that are consistent with HHC policy and applicable legal and accreditation requirements, subject to approval by HHCEB.

ARTICLE IX

Provision of Services by the HHC

Section 9.1. PROVISION OF SERVICES GENERALLY. The professional medical service of the HHC will be rendered by the departments or units of the Medical School, functioning in their capacity as HHC departments and services. Diagnosis, care, and treatment at the HHC will be provided in accordance with the Medical Staff Bylaws, rules, and other policies adopted by the Executive Committee on Clinical Affairs.

Section 9.2. NONDISCRIMINATION. The HHC in employment and access to services considers people on the basis of individual merit and does not discriminate on the basis of race, , color, national origin, age, marital status, sex, sexual orientation, gender identity, gender expression, disability, religion, height, weight, veteran status, or any other attribute prohibited by law or contract.

Section 9.3. CONFIDENTIALITY OF PATIENT HEALTH INFORMATION. Records of patient care are confidential and will not be published nor their contents disclosed except as permitted or required by law and consistent with

applicable institutional policies, including the University's Notice of Privacy Practices.

ARTICLE X

Volunteer Nonprofit Service Organization

Section 10.1. VOLUNTARY NONPROFIT SERVICE ORGANIZATIONS. The Board may authorize from time to time the establishment or dissolution of a voluntary nonprofit service organization such as auxiliaries. Any such voluntary nonprofit organization may be established by separate incorporation or as an unincorporated organization sponsored by the HHC, subject to approval of the Regents to the extent required by the Regents Bylaws or other action of the Regents. No voluntary nonprofit service organization shall be established without the approval of the Board and the Board may, in its discretion, revoke any approval previously granted. Each such organization shall initially, and as proposed for amendment thereafter, recommend to the Board articles, bylaws policies, procedures and descriptions of permissible activities for the organization that shall be subject to the approval of the Board. Each such organization shall provide the Board with an annual report of its activities and shall be subject to such direction, control, supervision and reporting requirements as the Board may deem appropriate, including those required by the University to preserve its tax exemptions.

ARTICLE XI

Conflict of Interest

Section 11.1. CONFLICT OF INTEREST OR COMMITMENT. The Board shall follow and abide by the conflict of interest rules of the University and applicable law. Board members shall disclose any conflicts which shall then be managed in accordance with University policy and procedures.

ARTICLE XII

Bylaws

Section 12.1. BYLAWS. These Bylaws may be amended or repealed, or new Bylaws may be adopted, only by action of the Board ratified by the Regents. The Board shall cause these Bylaws to be reviewed and, if necessary, revised, not less frequently than once every three years by the Board or a committee of the

Board, and the minutes of the Board shall reflect that such review was completed. In the event an amendment is required by operation of law, regulation, or judicial or administrative order, and there is insufficient opportunity to consult with the Board, the CEO or his or her designee, in consultation with legal counsel and relevant administrative and Medical Staff leaders, may develop and implement the amendment, subject to the Board's approval or revision at its next regularly scheduled meeting.

Section 12.2. POLICIES. The Board shall create either directly or by delegation:

- ♦ A UMHS Policy on Policies, designating the form, content, and approval authorities for policies affecting health system operations, including the operations of the HHC.

The Policy shall be reviewed at least once every three (3) years and whenever a significant change is proposed.

Initially APPROVED by the Regents on March 18, 2004, and Initially ADOPTED by the Executive Board of University of Michigan HHC effective March 12, 2004.

Re-approved by the Regents on _____ and ADOPTED by the HHCEB effective

_____.

(signed) _____
By: Mary Sue Coleman
Its: Chair of the Executive Board of the University of Michigan HHC

Signed copy on file in the UMHHC Governance Office.
Contact: Carolyn Ladd, Policy and Governance Coordinator