

UHCR 1

Office of the President
October 25, 2005

Members, Board of Trustees:

UNIVERSITY HOSPITAL COMMITTEE OPERATING RULES

Recommendation: that the Board of Trustees approve the newly revised Operating Rules for the University Hospital Committee of the University of Kentucky Board of Trustees which are attached hereto.

Background: The Governing Regulations establishing the University Hospital Committee allow the committee to enact its own operating rules. The committee initially used, on an interim basis, operating rules modeled on the bylaws of the old Hospital Corporation. The Operating Rules of the University Hospital Committee have been revised to better meet the requirements of the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO). These revised operating rules include the addition of two advisory members of the committee, the chief medical officer, and the chief nursing officer, and have been revised to allow for the appointment, from time to time, of up to five nonvoting community advisory members. The addition of these community advisory members will enhance the expertise of the committee in areas such as finance, construction, management, and government. The new operating rules will better enable the University Hospital Committee to meet its governance responsibilities for the University Hospital. The Hospital Committee approved these operating rules at its September 20, 2005 meeting.

Action taken: Approved as amended Disapproved Other _____

OPERATING RULES
OF THE
UNIVERSITY HOSPITAL COMMITTEE

ARTICLE I
PURPOSES

1.1 Purposes: The purposes of the University Hospital Committee (Committee) are through sound oversight and governance to:

- 1.1.1 Provide management oversight for the development and implementation of policies, rules and regulations for the governance of the Hospital.
- 1.1.2 Provide optimal settings and facilities for conducting exemplary inpatient and outpatient patient care services for the citizens of the state and region and as required to support the educational and research missions of the Colleges of the Medical Center.
- 1.1.3 Provide access to clinical facilities of the Hospital for the teaching and research programs of the Colleges of the Medical Center of the University of Kentucky.
- 1.1.4 Support scientific advancement and health maintenance.
- 1.1.5 Develop and coordinate a model educational environment for the training of health science students and residents and to promote the advancement of scientific learning and research.
- 1.1.6 Attract and retain high quality faculty and staff to teach, conduct research, and provide patient care.
- 1.1.7 Enhance the development of superior patient care in a group practice setting within the academic environment of the Medical Center of the University of Kentucky.
- 1.1.8 Ensure adherence to all legal, regulatory and ethical standards applicable to the Hospital.
- 1.1.9 Serve, through its general grant of power by the University Board of Trustees as the Governing Body of the Hospital and to exercise all the powers of a Governing Body as required by the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO), as the same now exist, or shall be amended, from time to time.

ARTICLE II MEMBERSHIP

- 2.1 Members: The affairs of the Hospital shall be conducted and managed by the Members. The Members shall provide University Hospital with the direction necessary to be successful and to insure that the Hospital is managed in support of the mission of the University of Kentucky. As used herein, Members shall mean the five voting members.
- 2.2 Appointment. The Members shall be appointed by the Chair of the Board of Trustees of the University of Kentucky acting upon recommendation of the President.
- 2.3 Number: The number of voting Members composing such Committee shall be five (5) members.
- 2.4 Advisory Members: In addition to the voting Members, there shall be seven (7) Advisory Members appointed by the Board of Trustees of the University of Kentucky for the purpose of providing support and advice to the Board. The Advisory Members shall consist of the individuals holding the following positions: (1) Executive Vice President for Health Affairs (EVPHA); (2) Associate Vice President for Medical Center Operations; (3) Dean, College of Medicine; (4) a representative appointed by the President of the University of Kentucky; (5) the Chief Medical Officer of the Hospital; (6) the Chief Nursing Officer of the Hospital; and (7) the President of the Medical Staff.
- 2.5 Community Advisory Members: In addition to the voting Members and Advisory Members listed in paragraph 2.4 above, the Committee may, from time to time, have the Chair of the University Board of Trustees appoint, upon recommendation of the University President, Community Advisory Members to assist it in its functions by providing specialized advice and support. Said Community Advisory Members shall be selected on the basis of their expertise in such areas as finance, construction, management, and government. The maximum number of Community Advisory Members authorized at any one time shall be five (5).
- 2.6 Term: Members and Advisory Members and Community Advisory Members shall hold office for the terms specified below.
- 2.6.1 Each voting Trustee Member shall hold office for the term for which he/she is appointed so long as he remains a member of the Board of Trustees as provided for in the Governing Regulations. The initial appointments shall be staggered terms in the following manner: two members for three years, two members for four years, and one member for five years. Any Board member appointed thereafter shall serve for three years and may be reappointed for an additional three years. Any vacancy occurring before the expiration of the term of the appointment shall be filled for the unexpired term. The term remaining on any Trustee's University Board of Trustees appointment shall not be a limiting factor upon future appointments to this Committee.

2.6.2 Each Advisory Member shall hold office for his/her term as follows:

- A. Executive Vice President for Health Affairs, Associate Vice President for Medical Center Operations, Dean of the College of Medicine, Chief Medical Officer, and Chief Nursing Officer will hold office so long as they occupy the positions indicated.
- B. The representative appointed by the President of the University of Kentucky will hold office until such time as the appointment is rescinded by the President of the University.
- C. The President of the Medical Staff shall hold office for as long as that person holds said office of President.
- D. Community Advisory Members shall hold office for such term as specified in their appointment. However, while appointments as Community Advisory Members may be renewed by the committee, no single term of appointment shall exceed three (3) years.

ARTICLE III POWERS

- 3.1 As a means of accomplishing the foregoing purposes, the University Hospital Committee shall have the powers to function and act as a Governing Body under JCAHO without need to consult the University Board of Trustees, as well as such other powers as the Board of Trustees shall so grant.
- 3.2 Policies, Rules, and Regulations: The University Hospital Committee shall provide management oversight for the development of policies, rules, and regulations for the operations of the Hospital.
- 3.3 Budget: The University Hospital Committee shall recommend to the EVPHA on the annual, biennial, and other planned operating and capital budgets for the Hospital.
- 3.4 Planning: The University Hospital Committee shall participate in the long-term planning for Hospital.
- 3.5 Contracts, Loans
 - 3.5.1 Contracts: The Members may authorize any officer or officers, agent, or agents, to enter into any contract and to execute and deliver any instrument in the name of or on behalf of the Hospital, and such authority may be general or confined to specific instances.
 - 3.5.2 Loans: No loan shall be contracted on behalf of the Hospital and no evidence of any indebtedness shall be issued in its name except on the authorization of the Board of Trustees of the University.

ARTICLE IV
CONFLICT OF INTEREST AND PROHIBITIONS

- 4.1 Net Earnings: The Committee shall operate in a manner to assure that no part of the net earnings of the Hospital shall insure to the benefit of any University Trustee, Committee Member, or any private individual, except that reasonable compensation may be paid for services rendered to enable the Hospital to provide the services for which it has been organized or otherwise affecting one or more of its purposes, and no Trustee, Member or any private individual shall be entitled to share in the distribution of any of the Hospital assets.
- 4.2 Conflicts of Interest: The Hospital and this Committee shall not act under any conflict of interest. The Committee shall comply with the University Code of Ethics and the Clinical Enterprise Code of Conduct, as both have been adopted by the Board of Trustees, or may be amended, from time to time. In addition, the Committee may enact such other rules prohibiting conflicts of interest as it deems appropriate. No Committee Member shall be entitled to vote on or deliberate about any matter in which he or she shall have a financial interest.

ARTICLE V
MEETINGS

- 5.1 Regular Meetings: The University Hospital Committee shall meet the day before each University of Kentucky Board of Trustees meeting, and at such other times as the Committee Chair deems necessary to assure adequate oversight and administration of the Hospital. It shall have a meeting in May which is designated as its annual meeting for approval of the budget, election of officers, and subcommittee appointments.
- 5.2 Special Meetings: Special meetings may be called at any time by the Chair of the Committee, or by a majority of the members of the Committee.
- 5.3 Notice: Seven days' notice shall be given of any meeting of the Committee or any Subcommittee, thereof, except that the Chair may call an emergency meeting with 24 hours' notice.
- 5.4 Quorum: A quorum for the transaction of business at all meetings of the Committee or any Subcommittee, thereof, shall consist of a majority of the Trustee Members of the Committee.
- 5.5 Manner of Acting: Each Member shall be entitled to one vote at each meeting and must be present in person to vote except as allowed in any specific instance by a majority vote of the Members present. In the event a quorum is present, a majority vote of those present shall constitute the act of the Committee except as herein otherwise specifically provided. This subparagraph shall apply to any Subcommittees, as well.

- 5.6 Records: The Committee shall maintain records of its proceedings and of any meetings of subcommittees.
- 5.7 Reports: The Committee shall make a report to the University Board of Trustees at each regularly scheduled meeting, thereof, in such format as said Board shall prescribe.

ARTICLE VI OFFICERS OF THE COMMITTEE

- 6.1 Officers: The officers of the Committee shall consist of a Chair, Vice Chair, and a Secretary elected by the Committee from its voting members. In addition, the Committee may designate one or more Assistant Secretaries from among employees of the Hospital or the University to assist it in maintaining records, preparing reports, and administration.
- 6.2 Election and Term: The Committee shall elect officers from its voting membership for one-year terms.
- 6.3 Duties of Officers
- 6.3.1 Chair: The Chair shall preside at all meetings, shall sign all documents required to be signed for the Committee, shall serve as an ex-officio member of all subcommittees, and shall have such other duties as may be prescribed by the Committee.
- 6.3.2 Vice Chair: In the Chair's absence, the Vice Chair shall perform all the duties of the Chair and shall have such other duties as may be prescribed by the Committee.
- 6.3.3 Secretary: The Secretary shall maintain minutes of all meetings of the Committee, shall attest to all documents required to be signed for the Committee, shall issue proper notices of all meetings of the Committee, and shall perform such other duties as may be prescribed by the Committee. Duly appointed Assistant Secretaries may perform such functions, as requested.

ARTICLE VII GOVERNANCE STRUCTURE AND RESPONSIBILITIES

- 7.1 Board of Trustees: Except as set forth in the Governing Regulation establishing the same, and unless said Governing Regulation is amended, the authority of the Committee is subordinate to the Board of Trustees of the University of Kentucky.
- 7.2 Executive Vice President for Health Affairs (EVPHA). The EVPHA shall represent the University's interests in matters before the Committee.
- 7.3 Associate Vice President for Medical Center Operations: The Associate Vice President for Medical Center Operations shall manage the University Hospital, report

to the EVPHA consistent with the University's Administrative Rules and Regulations, and represent the University Hospital before the Committee. The Associate Vice President for Medical Center Operations has the responsibility for carrying out the Committee's directives to achieve quality of care.

7.4 Enumerated Duties and Responsibilities: The Committee has, as its primary role, the assurance of quality of care. In addition to this role, and as a supplement to the powers and responsibilities set forth in Article I and elsewhere in these Operating Rules, the Hospital Committee shall, as a committee of the whole, have the duties and responsibilities and perform the functions listed as functions of potential Authorized Subcommittees authorized in subparagraphs 7.4.1 through 7.4.6, below (hereafter, Authorized Subcommittees). At least annually the Hospital Committee shall make a determination of which, if any, of the Authorized Subcommittees will be appointed, based upon the needs of the Hospital. Those Authorized Subcommittees deemed necessary shall then have its composition determined by and members appointed from the membership of the University Hospital Committee. The Authorized Subcommittees so established shall meet at the call of the subcommittee chair and shall be subject to the same notice, meeting, and record keeping requirements of the University Hospital Committee. The Authorized Subcommittees and their functions are as follows:

7.4.1 Quality and Safety of Care: The Quality and Safety of Care Subcommittee, subordinate to and, in addition to, the Hospital Committee, shall be responsible for all matters involving quality and safety of patient care including, but not limited to, patient flow, standard of treatment and services; provision of essential services in a timely manner; use of outside services; quality, sufficiency of staffing; adequacy of space, equipment, and other resources; policies and procedures for care treatment and services; patient education; quality measurement, assessment, and improvement; and development of clinical practice guidelines.

7.4.2 Planning: The Planning Subcommittee shall have oversight of and approve all short-term and long-term planning, including the strategic plan.

7.4.3 Finance: The Finance Subcommittee shall review and recommend to University Hospital Committee the annual operating and capital budget.

7.4.4 Audit: The Audit Subcommittee shall have oversight responsibility for the financial operation of the Hospital. It shall receive reports from any outside auditors and direct such action, as appropriate.

7.4.5 Compensation: The Compensation Subcommittee shall conduct a review, at least annually of performance and compensation of Executive Management.

7.4.6 Compliance: The Compliance Subcommittee shall have oversight responsibility of the Hospital's adherence to laws, rules, regulations, and ethical standards. It shall review the Compliance Plan, at least annually. The

University Hospital Committee also may appoint such ad hoc subcommittees as it deems appropriate.

- 7.5 Medical Staff Executive Committee: The Medical Staff Executive Committee (MSEC) is the chief executive committee of the medical staff authorized by the University Hospital Committee and established in the Medical Staff Bylaws of the Hospital. Its functions and responsibilities are set forth in said Medical Staff Bylaws and in Article VIII of these Operating Rules. The MSEC is the liaison between the members of the Hospital's medical staff and the University Hospital Committee.
- 7.6 Executive Committee of Management: The Committee authorizes the Executive Vice President for Health Affairs (EVPHA) to establish a Management Executive Committee (hereafter, the Executive Committee) consisting of key staff, as chosen by said EVPHA, to assist in the management of the Hospital. Activities of the Executive Committee shall be reported to the Committee at its meetings, and otherwise, as requested.
- 7.7 Management Committees: The management of the Hospital shall have the authority to establish such management committees as it needs to assure the safe and efficient delivery of high quality healthcare to its patients and the citizens of the Commonwealth.

ARTICLE VIII MEDICAL STAFF

- 8.1 Organization, Appointments, Reappointments, and Corrective Action
- 8.1.1 Authority for the development of relationships between the medical staff and the Hospital and for the development of quality assurance systems will be vested in the University Hospital Committee. The Medical Staff Executive Committee (MSEC) is the committee of the Medical Staff that functions as the principal liaison between Medical Staff, Hospital Administration, and the University Hospital Committee.
- 8.1.2 The University Hospital Committee shall establish, appoint, and maintain medical staff comprised of qualified physicians, dentists, and other credentialed healthcare providers and shall encourage its organization into a responsible administrative unit, the medical staff. The medical staff shall be governed by the Medical Staff Executive Committee. The Medical Staff Executive Committee shall recommend medical staff bylaws, rules and regulations for the governance of the medical and dental practice in the Hospital, as well as governance of the practice of any other healthcare providers permitted to practice in the Hospital. When approved by the University Hospital Committee, such bylaws, rules, and regulations shall be binding upon both the medical staff and the Medical Staff Executive Committee.

- 8.1.3 The University Hospital Committee shall consider recommendations of the Medical Staff Executive Committee for appointment to the Medical Staff, consistent with the educational, research, patient care, and community service goals of the Hospital, physicians, and dentists who meet the qualifications for membership as set forth in the Medical Staff Bylaws. Each member of the Medical Staff shall have appropriate authority and responsibility for the care of their patients, subject to such limitations as are contained in these bylaws and the Bylaws, Rules, and Regulations of the Medical Staff and subject further to any limitation attached to their appointment or clinical privileges.
- 8.1.4 All applications for Medical Staff membership and clinical privileges shall be in writing and addressed to the University Hospital Committee through the Associate Vice President for Medical Center Operations from the Medical Staff Executive Committee. The applications shall include detailed information concerning the applicant's qualifications, education and training, professional competence and experience, physical and mental health status, ethical character, ability to work with others, and any additional qualifications as required for a specific staff category to which an applicant seeks appointment and privileges.
- 8.1.5 At its next regular meeting, following receipt of the application from the Associate Vice President for Medical Center Operations, the University Hospital Committee shall act upon the application.

The Chief Medical Officer shall notify the applicant in writing of the University Hospital Committee's approval, or disapproval, of the application, including the recommended delineation of privileges or any changes in clinical privileges differing from those recommended.

- 8.1.6 Upon receipt of the action of the University Hospital Committee on any application, the Chief Medical Officer also shall send a copy of said written notification to the Associate Vice President for Medical Center Operations, the Executive Committee, and the chair of the department concerned (Chief of Clinical Service).
- 8.1.7 All actions of the University Hospital Committee shall be effective when taken, including the delineation of clinical privileges.

8.2 Medical Care and Its Evaluation

- 8.2.1 The Committee shall, in the exercise of its discretion, grant to the Medical Staff the responsibility for providing appropriate professional care to the Hospital's patients.
- 8.2.2 The Medical Staff shall conduct a continuing review and appraisal of the quality of professional care rendered in the Hospital, and shall report such activities and their results to the University Hospital Committee as specified by the Medical Staff Executive Committee.

- 8.2.3 The Medical Staff Executive Committee shall make recommendations to the University Hospital Committee concerning: (1) appointments, reappointments, and of Medical Staff terminations status, (2) granting of clinical privileges to Medical Staff members and health professional affiliates, (3) disciplinary actions, (4) all matters relating to professional competency, and (5) such specific matters as may be referred to it by the Committee.
- 8.2.4 All corrective actions shall be consistent with the grounds, criteria, and hearing procedures outlined in the Medical Staff Bylaws.

ARTICLE IX HOSPITAL AUXILIARY

- 9.1.1 Organization: There may be organized a Hospital Auxiliary to render service to the Hospital and its patients. Membership shall be open to all interested in contributing their time and talents to serve the Hospital. There shall be formal bylaws, approved by the University Hospital Committee, which set forth the purpose, membership, methods of assignment, election of officers, duties of officers, and committees of the organization.

ARTICLE X AMENDMENTS

- 10.1 Process: Except as herein provided, these Bylaws may be amended, altered, or repealed only by the consent and approval of a majority of the members of the entire Committee. No amendment or other change in the Bylaws shall be effective unless and until it has been approved by the Board of Trustees of the University of Kentucky.

ARTICLE XI FISCAL YEAR

- 11.1 The fiscal year of the Hospital shall commence on July 1.