SCOTTSDALE HEALTHCARE

OSBORN

SHEA

THOMPSON PEAK

MEDICAL STAFF

BYLAWS

September 24, 2013

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MEDICAL STAFF BYLAWS

PREAMBLE

Recognizing that the Medical Staff is largely responsible, subject to the ultimate authority of the Scottsdale Healthcare Hospitals Governing Board, for the quality of the medical care provided in the Hospitals the Medical Staff hereby organizes itself in conformity with these Bylaws.

MISSION

The mission of the Medical Staff is to assure high quality personalized medical care, in partnership with the Scottsdale Healthcare Hospitals ("SHC") Administration, Nursing, Staff, and Governing Body.

ARTICLE I. STRUCTURE AND DEFINITIONS

The Scottsdale Healthcare Medical Staff (the "Medical Staff") shall consist of the physicians, dentists, podiatrists and psychologists who have the rights, privileges and obligations specified in these Bylaws. The Medical Staff is divided into three divisions (each a "Division" and collectively, the "Divisions") as follows: the Scottsdale Healthcare-Osborn Division; the Scottsdale Healthcare-Shea Division and the Scottsdale Healthcare-Thompson Peak Division. Each Division shall be comprised of the health care providers who have been assigned to such Division in accordance with these Bylaws.

A. "Administrator" means the officer designated by the Chief Executive Officer of Scottsdale Healthcare Hospitals to be the chief administrative officer of a Hospital.

B. "Clinical Departments" or "Departments" means the clinical departments of each Division of the Medical Staff. A list of the Departments is set forth in Article XII, Departments of the Medical Staff.

C. "Division" means the group comprised of those members of the Medical Staff who have clinical privileges to practice at any one Hospital. The Divisions shall be named the "Osborn Division," the "Shea Division" and the "Thompson Peak" Division.

D. "Division Executive Committee" or "Executive Committee" means the Medical Executive Committee at a Hospital. There shall be an Osborn Executive Committee, a Shea Executive Committee and a Thompson Peak Executive Committee.

E. "Hospital" or "Hospitals" means any one or all, as applicable, of the following: Scottsdale Healthcare – Osborn Hospital; Scottsdale Healthcare – Shea Hospital; and Scottsdale Healthcare – Thompson Peak Hospital.

F. "Governing Body" means the Board of Directors of Scottsdale Healthcare Hospitals or Scottsdale Healthcare Corp.

G. "Member of a Division" or "Members of a Division" means a member, or members, who have clinical privileges at a Hospital associated with a Division. A member of the Medical Staff may be a Member of more than one Division.

H. "Investigation" means a process formally commenced by the Medical Executive Committee to determine the validity, if any, to a concern or complaint raised against a member of the medical staff, and does not include activity of the Physician Well Being Program. An investigation is ongoing until either formal action is taken or the investigation is closed.

I. "In good standing" means a member is currently not the object of a pending disciplinary proceeding, or under suspension, or serving with any limitation of privileges or prerogatives as a result of corrective or disciplinary action.

J. "Clinical privileges or privileges" mean the permission granted to medical staff members to provide patient care and include access to those hospital resources (including equipment, facilities and hospital personnel) which are necessary to effectively exercise those privileges.

K. "Executive Session" is a meeting of the medical staff, a meeting of a department or division, or a medical staff committee, which only voting medical staff members may attend, unless the individual is expressly requested to attend. Executive session may be called by the presiding officer at the request of any active medical staff member and shall be called by the presiding officer pursuant to a duly adopted motion. If the presiding officer declines the request for executive session, there shall be a vote of the committee, determined by majority vote.

ARTICLE II. NAME

The name of this organization shall be the Medical Staff of the Scottsdale Healthcare Hospitals.

ARTICLE III. PURPOSE

These bylaws are adopted in order to provide for the organization of the medical staff of Scottsdale Healthcare and to provide a framework for self-government in order to permit the medical staff to discharge its responsibilities in matters involving the quality of medical care and matters impacting the functioning of the medical staff. These bylaws provide the professional and legal structure for medical staff operations, organized medical staff relations with the governing board and relations with applicants to and members of the medical staff. The organized medical staff both enforces and complies with these medical staff bylaws.

These bylaws recognize that the organized medical staff has the authority to establish and maintain patient care standards, including full participation in the development of hospital-wide policy, involving the oversight of care, treatment, and services provided by members and others in the hospital. The medical staff is also responsible for and involved with all aspects of delivery of health care within the hospital including, but not limited to, the treatment and services delivered by practitioners credentialed and privileged through the mechanisms described in these bylaws and the functions of credentialing and peer review.

These bylaws acknowledge that the provision of quality medical care in the hospital depends on the mutual accountability, interdependence, and responsibility of the medical staff and the hospital governing board for the proper performance of their respective obligations.

The purposes of the Medical Staff shall include:

A. To initiate and maintain rules and regulations for self governing activities of the Medical Staff;

B. To evaluate the qualifications of applicants for admission to the Medical Staff and make recommendations to the Governing Body;

C. To continuously review and evaluate the professional performance of the Medical Staff members and to recommend clinical privileges accordingly;

D. To provide educational and other developmental programs;

E. To provide for and supervise post-graduate training programs;

F. To provide appropriate supervision and direction and, where appropriate, the credentialing of allied health personnel who provide patient care services in the hospital; and to ensure that the scope of such services shall be consistent with the individual's licensure under Arizona law, appropriate specialty certification, or training and education

G. To encourage and supervise medical research; and

H. To provide means for communication between the Governing Body, the Chief Executive Officer, the Administrator and the members of the Medical Staff.

ARTICLE IV. MEMBERSHIP

Section 1. Privilege; General Provisions

A. Membership on the Medical Staff of Scottsdale Healthcare is a privilege, and not a right, which shall be extended only to those persons who are determined by the Medical Staff to be competent in their respective fields and who continuously satisfy the standards and requirements set forth in these Bylaws.

B. Each member of the staff, upon appointment to the Staff, shall pledge to provide continuous care, agree to abide by the Bylaws, Rules and Regulations of the Medical Staff and of the Hospital and to abide by the Principles of Medical Ethics of the American Medical Association or by the Code of Ethics of the American Osteopathic Association, the American Dental Association or the American Podiatry Association, as applicable to their profession.

C. Each Medical Staff member shall practice within the scope of the delineated privileges as set forth by the Governing Body on recommendation from the Medical Staff.

D. Termination, granting, continuation or restriction of medical staff membership and privileges shall be based on clinical qualifications, professional responsibilities

and quality of care delivery and shall be uniformly applied to all applicants/members of the medical staff.

E. It is expressly prohibited as a requirement for medical staff membership to:

1. Require physicians to admit all or a large percentage of their patients only to this hospital; or

2. Prohibit the physician from association with a competing entity.

F. Individuals Providing Professional Services by Exclusive Contract

Practitioners providing clinical services under exclusive contract shall be subject to the same procedures as all other applicants for membership or privileges and shall be subject to the same obligations of Medical Staff membership and clinical privileges as described in these Bylaws. This section is not intended to negate any contractual provision.

Section 2. Prohibition against discrimination

Medical staff membership or clinical privileges shall not be denied, revoked or limited on the grounds of race, creed, sex or national origin.

Section 3. Qualifications

Membership on the Medical Staff of Scottsdale Healthcare shall be restricted to individual practitioners who meet the qualifications set forth below:

A. Licensure:

1. Physicians who are licensed to practice in the State of Arizona and who have received a degree from a school of medicine or osteopathic medicine accredited by the Accreditation Council on Graduate Medical Education (ACGME) or the American Osteopathic Association;

2. Dentists who are licensed to practice in the State of Arizona and who have received a degree from a dental school accredited by the American Dental Association;

3. Foreign medical graduates who meet the current requirements of the Arizona Board of Medical Examiners as set forth in the Arizona Revised Statutes and who are licensed to practice in Arizona;

4. Psychologists who are licensed to practice by the Arizona Board of Psychology Examiners and who have successfully completed an

accredited program in psychology recognized by the American Psychology Association;

5. Podiatrists who are licensed to practice by the Arizona State Board of Podiatric Examiners and who have successfully completed an accredited program in podiatry recognized by the Council for Podiatric Medical Education.

6. The requirement for state licensure shall not apply to members of the Retired Staff.

B. Board Certification for Physicians:

1. Each physician shall either be:

(a) board certified in a board recognized by the American Board of Medical Specialties or the Advisory Board for Osteopathic Specialists in that physician's specialty;

(b) an active candidate for board certification by a board recognized by the American Board of Medical Specialties or the Advisory Board for Osteopathic specialists who has successfully completed the associated ACGME or ABOS approved training program within the last six (6) years; or

(c) A physicians with foreign post-graduate medical training who has provided clear and convincing evidence that their post-graduate training is equivalent to training required by boards certified by the American Board of Medical Specialties or the Advisory Board for Osteopathic Specialists.

2. Failure to meet the requirements set forth in this Article IV, Section B.1b. shall result in automatic termination of Medical Staff membership and clinical privileges without fair hearing or appeal rights.

3. Physicians who are already members of the Medical Staff as of October 31, 2006 shall not be subject to the requirements set forth in subparagraphs 1a. And 1b., above.

4. Oral surgeons shall have successfully completed a postgraduate training program which is currently required for Board Certification by the American Board of Oral and Maxillofacial Surgery.

5. This section does not apply to members of the Affiliate category.

C. Other Qualifications for Medical Staff Membership:

1. Applicants under a formal probation from the Arizona Medical Board (AMB) or equivalent licensing board for substance abuse must remain in full compliance with the terms of the stipulation for

not less than two (2) years before they are eligible to apply for medical staff membership.

2. Applicants who have had a Decree of Censure from the applicable Arizona licensing board (e.g., the Arizona Medical Board or the Arizona Board of Osteopathic Examiners in Medicine and Surgery) or an equivalent judgment by a licensing board from any other state, within the last two (2) years shall not be eligible to apply for medical staff membership.

3. Applicants who have been excluded by Medicare/Medicaid, AHCCCS or any other federal or state health care program within the last five (5) years shall not be eligible to apply for medical staff membership.

4. Applicants who have had their medical license revoked involuntarily in any state within the last five (5) years shall not be eligible to apply for medical staff membership.

5. Applicants who have had their medical staff memberships revoked or involuntarily terminated by a healthcare entity within the last five (5) years shall not be eligible to apply for medical staff membership.

6. Applicants, who have resigned their medical staff membership at any healthcare entity while under investigation by that entity, within the last five (5) years, shall not be eligible to apply for medical staff membership.

7. An applicant who is a physician in a training program is not eligible for medical staff membership.

8. Physicians employed by the Hospital, either full or part-time, in duties which entail clinical responsibilities for patient care, must be members of the Medical Staff and shall be appointed and re-appointed through the same procedure applicable to other staff members. Residents or Fellows in training are exempt from this requirement.

9. Have offices or residences which are located closely enough to the hospital to provide appropriate continuity and quality care.

D. MEMBERS' CONDUCT REQUIREMENTS

As a condition of membership and privileges, a medical staff member shall continuously meet the requirements for professional conduct established in these bylaws. Non-members with privileges will be held to the same conduct requirements as members. Except as provided in these bylaws, no other codes or policy restricting or defining conduct shall apply to the medical staff and its members.

1. Acceptable Conduct

   Acceptable medical staff member conduct is not restricted by these bylaws and includes, but is not limited to:

   a. advocacy on medical matters;

   b. making recommendations or criticism intended to improve care;

   c. exercising rights granted under the medical staff bylaws, rules and regulations, and policies;

   d. fulfilling duties of medical staff membership or leadership;

   e. engaging in legitimate business activities that may or may not compete with the hospital.

2. Disruptive and Inappropriate Conduct

   Disruptive and inappropriate medical staff member conduct affects or could affect the quality of patient care at the hospital and includes but is not limited to:

   a. Harassment by a medical staff member against any individual involved with the hospital; (e.g., against another medical staff member, house staff, hospital employee, patient, vendors, contractors, etc.) on the basis, of race, religion, color, national origin, ancestry, physical disability, mental disability, medical disability, marital status, sex or sexual orientation.

   b. “Sexual harassment” defined as is unwelcome verbal or physical conduct of a sexual or gender-based nature which may include verbal harassment (such as epithets, derogatory comments or slurs), physical harassment (such as unwelcome touching, assault, or interference with movement or work), and visual harassment (such as the display of derogatory cartoons, drawings, or posters). Sexual harassment includes unwelcome advances, requests for sexual favors, and any other verbal, visual, or physical conduct of a sexual nature when (1) submission to or rejection of this conduct by an individual is used as a factor in decisions affecting hiring, evaluation, retention, promotion, or

other aspects of employment; or (2) this conduct substantially interferes with the individual's employment or creates and/or perpetuates an intimidating, hostile, or offensive work environment. Sexual harassment also includes conduct which indicates that employment and/or employment benefits are conditioned upon acquiescence in sexual activities.

c. Deliberate physical, visual or verbal intimidation or challenge, including disseminating threats or pushing, grabbing or striking another person involved in the hospital;

d. Carrying a gun or other weapon in the hospital;

e. Refusal or failure to comply with these conduct requirements.

3. This section does not preclude the imposition of more stringent contractual obligations.

ARTICLE V. CATEGORIES OF MEMBERSHIP

Section 1. Categories

The categories of the Medical Staff shall include the following categories: Active, Courtesy, And Provisional, Affiliate and Retired.

Section 2. Active Category

A. Qualifications

The Active Category shall consist of physicians and dentists who:

1. Meet the general qualifications for membership set forth in these Bylaws;

2. Regularly admit, or are otherwise regularly involved in the care of at least 12 patients a year in the hospital; and

3. Participate in Medical Staff committees and other assigned activities, including call schedules.

B. Active Category members:

1. Shall have served as Provisional Category members for one year, during which time he/she shall have participated in the care of at least 12 inpatients and/or outpatients registered with a Facility;

2. Shall be appointed to a specific Department;

3. May admit and attend to patients in any Hospital in which the member holds clinical privileges;

4. Shall be eligible to vote, hold office;

5. Shall be eligible to serve on Medical Staff committees:

6. Shall be obligated to pay Medical Staff dues and assessments**;** and

7. Shall be required to attend at least one general staff meeting annually to maintain voting privileges.

Section 3. Courtesy Category

The Courtesy Category shall consist of physicians and dentists who occasionally participate in inpatient and outpatient care.

A. Courtesy Category members:

1. Shall have served as Provisional Category members for one year and have completed all applicable requirements of the relevant Department;

2. Shall be appointed to a specific Department;

3. May admit and attend to patients in any Hospital in which the member holds clinical privileges;

4. Shall be eligible for advancement to the Active Category upon request by the member;

5. Shall be eligible to serve on Medical Staff committees, if requested;

6. Shall be obligated to pay Medical Staff dues and assessments; and

7. Shall not be eligible to serve as or vote for Medical Staff Officers, or to vote for proposed Bylaws amendments or other Medical Staff business or resolutions.

Section 4. Provisional Category

A. All initial appointments to the Medical Staff (except Retired) shall be to the Provisional Category. Appointments to the Provisional Category shall be for an initial term of at least one year, to coincide with the appointment cycle of the Medical Staff, and may be extended for an additional period of time upon the recommendation of the appropriate Department. During that period, the actions of the applicant shall be observed for demonstrated clinical competence, adherence to the Medical Staff Code of Conduct, the ability to work with others and the ability to provide patient care within the parameters of professional

competence. All relevant requirements specified by the relevant Department must be completed during the Provisional Category appointment. If the Departmental requirements have not been completed to the satisfaction of the Department during the Provisional Category appointment, the Department shall either:

1. Extend the Provisional Category appointment for an additional period of time, usually six (6) months, during which the Departmental supervisory requirements must be satisfactorily completed; or

2. Recommend to the Executive Committee of the Medical Staff that member's privileges be terminated, suspended, or modified in accordance with Article XVI.

B. Provisional Category members:

1. Shall be appointed to a specific Department;

2. Shall be eligible to serve on Medical Staff committees, if requested;

3. May admit and attend to patients in any Hospital in which the member holds clinical privileges;

4. Shall be obligated to pay Medical Staff dues and assessments; and

5. Shall not be eligible to serve as or vote for Medical Staff Officers, or to vote for proposed Bylaws amendments or other Medical Staff business or resolutions.

Section 5. Affiliate Category

A. The Affiliate Category shall consist of podiatrists and psychologists who may render services to hospital patients under the supervision or direction of a physician.

B. Affiliate Category members:

1. Shall have such clinical privileges as they are professionally qualified to exercise, as recommended by the Presidents Council and approved by the Governing Body;

2. Psychologists shall not admit patients or write orders for patient care.

3. Podiatrists may write orders and perform histories and physicals related to podiatry only, within the limits of the specified clinical privileges which they have been granted;

4. Shall be obligated to pay Medical Staff dues and assessments;

5. Shall be eligible to serve on Medical Staff committees if requested;

6. Shall not be eligible to serve as or vote for Medical Staff Officers, or to vote for proposed Bylaws amendments or other Medical Staff business or resolutions; and

7. Shall be subject to the Bylaws, Rules and Regulations of the Medical Staff and of the Hospital.

Section 6. Retired Category

A. The Retired Category shall consist of former members of the Scottsdale Healthcare Medical and Affiliate Staff who are retired from active practice. Membership in the Retired Category shall be recommended by the Executive Committee of the Medical Staff to the Governing Body. Continued membership on the Retired Staff shall be at the pleasure of the Executive Committee and the Governing Body. Members of the Retired Category shall not be subject to the reappointment process.

B. Retired Category members:

1. Shall not admit, attend or provide consultation in the Hospital;

2. Shall not hold staff office;

3. May serve as non-voting members of committees, if requested to do so;

4. Shall not be obligated to pay Medical Staff dues or assessments;

5. Shall not be eligible to serve as or vote for Medical Staff Officers, or to vote for proposed Bylaws amendments or other Medical Staff business or resolutions; and

6. Shall not be eligible for the hearing process that is set forth in 0 of these Bylaws.

ARTICLE VI. ALLIED HEALTH PRACTITIONERS

Section 1. Allied Health Practitioners (AHPs) are not eligible to become members of the Medical Staff, nor are they entitled to the rights, privileges or prerogatives attendant thereto. Although AHPs are not eligible to be appointed to the Medical Staff, they are subject to the applicable provisions of the Medical Staff Bylaws, Rules and Regulations and other policies of the Hospitals. AHPs shall be credentialed according to the policies and procedures set forth in the AHP Policy and Credentialing Manual.

ARTICLE VII. APPOINTMENT AND REAPPOINTMENT

Section 1. Terms of Appointment

A. Appointments to the Medical Staff shall be made by the Governing Body of the Hospital after receiving recommendations of the Medical Staff, in accordance with the provisions of these Bylaws.

B. Recommendations for appointment shall be made by the Presidents Council to the Governing Body in accordance with the provisions of these Bylaws.

C. A Division Executive Committee, the Presidents Council or the Credentials Committee may recommend, and the Governing Body may approve, an appointment that is time limited in order that specific issues related to credentialing can be investigated more thoroughly. Also, recommendations for appointment may be conditioned upon the physician's continuing compliance with certain conditions specified at the time of initial appointment. These conditions may relate to concerns with behavior or concerns with clinical competence. In addition, appointments may be recommended for periods of less than two (2) years in order to emphasize the seriousness of the matter and to permit more frequent monitoring or investigation of an individual's compliance with any conditions that may be imposed.

D. Except for certain conditional appointments pursuant to Article VII Section 1 C, all appointments to the staff shall expire at the end of the month of the Medical Staff Member's birth date which falls between the 12th and 24th month after initial appointment.

Section 2. Initial Appointment to the Medical Staff

A. Pre-Application

1. An individual requesting an application for appointment to the Medical Staff shall initially be given a pre-application form.

2. Upon receipt of a completed pre-application form, the Administrator or his/her designee, shall review the form to determine that all questions have been answered and that the candidate has met the criteria to apply for medical staff membership.

3. The pre-application form must be accompanied by payment of the application-processing fee or the application will be deemed incomplete.

B. Application Form

1. The application for initial appointment to the Medical Staff shall be on a form approved by the Governing Body.

2. The application form shall require detailed information about the applicant, including but not limited to:

(a) Undergraduate, medical education and postgraduate training including the name of each institution, degrees granted, programs completed, and dates attended.

(b) All current and previous medical, dental, or other professional licensures or certifications, and Drug Enforcement Administration (DEA) registration.

(c) Specialty or subspecialty board certification, re-certification, or eligibility status.

(d) Current and previous professional liability insurance carriers. Disclosure of professional liability claims history and experience including all claims, suits, and settlements made, concluded, and pending.

(e) Any pending or completed action involving the withdrawal, denial, revocation, suspension, reduction, limitation, probation, non-renewal, or voluntary/involuntary relinquishment (by resignation or expiration of:

(1) license or certificate to practice in any state or country;

(2) DEA or other controlled substance registration;

(3) specialty or subspecialty board certification or eligibility;

(4) staff membership status, prerogatives or clinical privileges at any hospital, clinic, or health care institution.

(f) The Department to which the applicant wishes to be assigned and the list of clinical privileges requested.

(g) The names and addresses of at least four (4) professional references that have direct knowledge of the applicant's clinical abilities and conduct. These letters shall be considered in recommending staff membership and clinical privileges. The Credentials Committee reserves the right to request additional letters of reference that may be deemed necessary.

(h) A signed statement that if the applicant is granted Medical Staff membership he or she will abide by the Bylaws, Rules and Regulations of the Hospital and of the Medical Staff.

(i) A signed agreement to be bound by the Medical Staff Code of Conduct.

(j) Consent to inspection of records and documents pertinent to licensure, training, experience, current competence and ability to perform privileges requested.

(k) Documentation and other evidence that the applicant is competent in his or her field and has the ability to get along with other Staff members and co-workers to assure the provision of high quality medical care.

(l) Documentation and other evidence that the applicant meets medical record and/or educational requirements for membership.

3. Information obtained from other external sources shall include, but not limited to, the American Medical Physician Master File, the Federation of State Medical Boards Physician Disciplinary Data Bank and the National Practitioner Data Bank.

4. Additional documentation for completion of an application for initial appointment may be requested by any Medical Staff committee or body involved in the appointment process.

5. An application will be deemed incomplete if the applicant fails to provide the information or documents required above within time limits set by the Medical Staff.

6. If additional time is required for study of the application, any appropriate committee may defer its recommendation for a reasonable period of time.

7. An individual, whose application is determined to be materially false, by misrepresentation or omission, may be denied appointment to the Medical Staff.

8. It is the applicant's responsibility to provide all of the requested information to the satisfaction of the Medical Staff and Governing Body.

C. Department Chair/Committee Procedure

1. The application shall be submitted by the applicant to the designated credentialing agent who shall secure letters of reference and all other pertinent material. After verifying the information provided in the application with the primary sources, the application shall be transmitted to the appropriate Department Chair/Committee of the Medical Staff. The applicant is responsible to produce all information deemed necessary for proper evaluation of competence, character, ethics and other qualifications and of resolving of any doubts about qualifications. Any initial application determined to be incomplete after six (6) months from the date of receipt, shall be determined to be voluntarily withdrawn by the applicant. This determination shall be made by the appropriate Department Chair/Committee and/or Credentials Committee of the medical staff. If an application has been voluntarily withdrawn, and the applicant desires to continue to pursue medical staff membership, the applicant shall be required to submit a new application.

2. An initial application may have an expedited appointment process if it meets criteria specified in the Medical Staff policy regarding expedited appointment.

3. The appropriate Department Chair/Committee or designee shall review the completed application and supporting documentation upon receipt from the credentialing agent to ensure completeness, accuracy and that all qualifications to apply for medical staff membership are met as outlined in these Bylaws. The Department Chair/Committee shall examine the character, qualifications, professional competence and ethical standing of the applicant through references and any other sources available to the Department Chair/Committee or designee. An interview may be required of the applicant by the Department Chair/Committee. If the applicant's interview is with a subcommittee, a recommendation from the subcommittee shall be forwarded to the Department Committee for consideration.

4. After review of the application, the Department Chair/Committee shall forward its recommendation to the Credentials Committee. This recommendation shall include the Department Chair/Committee(s) recommendation regarding the clinical privileges requested by the applicant.

5. The Department Chair/Committee's recommendation of privileges shall be based upon the criteria set forth in the Department's Rules and Regulations, and the applicant's training, experience, references, current competence, health status, ability to perform procedures requested and any other information deemed relevant by the Department Chair/Committee.

6. Applicants requesting clinical privileges that are granted by other Departments (e.g., request by a family practitioner for surgical assisting

privileges) shall be reviewed by the Department Chair/Committee responsible for granting those extended privileges. Recommendation for extended privileges may be made separately and independently from the privileges requested.

D. Credentials Committee Procedure

The Credentials Chair/ Committee shall receive for review and consideration the recommendation from the Department Chair/Committee regarding the applicant's appointment and clinical privileges. An interview may be required of the applicant by the Credentials Committee. The Credentials Chair/Committee shall present the recommendations regarding Medical Staff membership and clinical privileges requested by the applicant to the Executive Committee.

E. Division Executive Committee Procedure

The Division Executive Committees of the Medical Staff shall consider the application recommendation for Division members and make its recommendation to the Presidents Council. In making recommendations, the Division Executive Committees shall consider the reports of the Department Chairs/Committees and Credentials Chair/Committee, but are not required to concur in any or all of their recommendations.

F. Presidents Council Procedure.

The Presidents Council shall consider the application recommendation and make its recommendation to the Governing Body. In making its recommendation, the Presidents Council shall consider the reports of the applicable Division Executive Committee, the Department Chairs/Committees and Credentials Chair/ Committee, but is not required to concur in any or all of their recommendations.

G. Governing Body Action

1. The Governing Body or designated committee of the Governing Body shall consider the application and the recommendations of the Presidents Council. The Governing Body or the designated Committee of the Governing Body shall make the final decision on the application, and the Administrator shall notify the applicant and the Medical Staff Services Department.

2. If the decision of the Governing Body is to deny membership, such decision shall not be final until the applicant has been provided with notice and a hearing in accordance with 0 of these Bylaws.

H. The Governing Body, or any committee or body in the appointment process, may refer an application back to a committee or body that has previously acted on the application, for further evaluation and action.

Section 3. Denial of Appointment to the Medical Staff

A. Department Committee.

The Department Committee may make a recommendation for denial of appointment to the Credentials Committee following evaluation of the application and supporting documentation. Prior to forwarding a recommendation of denial for appointment to the Credentials Committee, the member may be afforded the opportunity for a personal interview with the Department Committee.

B. Credentials Committee

1. Upon receipt of the recommendation from the Department Committee for denial of appointment to the Medical Staff, the Credentials Committee shall review the application and supporting documentation.

2. Following review, the Credentials Committee may either refer the application back to the Department Committee for further evaluation or forward a recommendation to the Executive Committee.

3. The applicant shall be afforded the opportunity for a personal interview with the Credentials Committee prior to a recommendation for denial being forwarded to the applicable Division Executive Committee.

C. Division Executive Committee

1. After receiving a recommendation from the Credentials Committee for denial of appointment to the Medical Staff, the Division Executive Committee for the Division to which the applicant applied shall take action on such recommendation within a reasonable period of time.

2. The applicant against whom the recommendation for denial is pending may be permitted an opportunity at such meeting to make a statement in his/her behalf. The appearance, if any, shall not constitute a hearing and shall be conducted without legal representation.

3. The recommendation of the Division Executive Committee shall be forwarded to the Presidents Council.

D. Presidents Council

1. After receiving a recommendation from a Division Executive Committee for denial of an application for appointment to the Medical Staff, the Presidents Council shall make a recommendation to the Governing Board for approval or rejection of the application within a reasonable period of time.

2. The applicant against whom the recommendation for denial is pending shall be informed in writing of the basis of the recommendation and shall be afforded the opportunity to appear before the Presidents Council

before the Presidents Council takes action on the recommendation. The applicant shall be permitted an opportunity at such meeting to make a statement in his/her behalf. The appearance shall not constitute a hearing and shall be conducted without legal representation.

E. Governing Body

The Governing Body shall review the Presidents Council's recommendation and shall accept or reject the applicant's application. If the application is rejected by the Governing Body, the Administrator shall send written notice to the applicant by certified mail, stating the reasons therefore and advising the applicant of the right to a hearing to be conducted as set forth in 0, "Hearings," of these Bylaws. The notice shall specify that the applicant shall have thirty (30) days from receipt within which to request a hearing. The notice shall also state that failure to request a hearing within that period shall constitute a waiver of a right to a hearing. A request for a hearing shall be made in writing to the Administrator.

Section 4. Reappointment to the Medical Staff

A. Term of Appointment

1. Except as provided in subsection 2, below, reappointments to the Active, Courtesy, Provisional and Affiliate Categories shall be for a term of two years. Members of the Retired Category are not subject to biennial reappointment. Any changes in the appointment cycle shall be approved by the Presidents Council. The Credentials Committee and the Medical Staff Services Department shall monitor the timeliness of the reappointment process.

2. A Division Executive Committee, the Presidents Council or the Credentials Committee may recommend, and the Governing Body may approve, a reappointment that is shorter than two years in order that specific issues related to credentialing can be investigated more thoroughly. Also, recommendations for reappointment may be conditioned upon the physician's continuing compliance with certain conditions specified at the time of reappointment. These conditions may relate to concerns with behavior or concerns with clinical competence. In addition, reappointments may be recommended for periods of less than two (2) years in order to emphasize the seriousness of the matter and to permit more frequent monitoring or investigation of an individual's compliance with any conditions that may be imposed.

B. Application for Reappointment

1. An application for reappointment shall be sent to each member at least one hundred eighty (180) days prior to the expiration of the member's reappointment. The completed application form shall be returned one hundred twenty (120) days prior to expiration of the member's appointment.

2. If a member fails to return an application for reappointment within one hundred twenty (120) days prior to expiration, of the member's reappointment, the Credentials Verification Office (CVO) will send a certified letter notifying the practitioner that failure to return the reappointment documents within ten (10) days will be deemed a voluntary resignation. Failure to return the completed forms within this ten- (10) day period will be deemed a voluntary resignation from the Medical Staff by the Credentials and Executive Committees. Members resigning under these conditions and desiring medical staff membership shall be required to apply for initial appointment to the Medical Staff in accordance with the procedures as set forth in these Bylaws.

3. The completed application shall include documentation and other evidence that the applicant meets medical record and/or educational requirements for membership. Failure to do so will render the application incomplete and it will not be acted upon.

4. Additional documentation for completion of an application for reappointment may be requested by any Medical Staff committee or body involved in the reappointment process.

5. Failure to provide the information or documents required above within time limits set by the Medical Staff shall be deemed a voluntary withdrawal of the application for reappointment.

6. If additional time is required for study of the application, any appropriate committee may defer its recommendation for a reasonable period of time.

7. An application which is determined to be materially false, by misrepresentation or omission, may be denied.

C. Reappointment Process

1. A reappointment application may be processed under an expedited reappointment process if it meets criteria specified in the Medical Staff policy regarding expedited appointment.

2. The appropriate Department Chair/designee and the Credentials/ Committee shall review applications for reappointment and make recommendations to the Executive Committee of the Medical Staff. In arriving at a recommendation for reappointment and assignment of clinical privileges, consideration shall be given to any relevant factors, including:

   (a) Clinical competence and judgment in treatment of patients;

   (b) Compliance with ethical standards;

   (c) Attendance of Medical Staff meetings and participation in Medical Staff affairs;

(d) Participation in continuing medical education programs;

(e) Compliance with Medical Staff Bylaws, Rules and Regulations and Code of Conduct;

(f) Use of the Facilities, sufficient to permit an assessment of current clinical competence;

(g) Recommendations from peers, the relevant Department and/or major clinical service;

(h) Results of ongoing monitoring and evaluation of performance improvement activities relating to the physician's clinical and/or technical skills;

(i) The ability to perform privileges requested and acceptable mental and physical health.

3. The applicant shall disclose professional liability history and experience including claims, suits, and settlements made, concluded and pending. The applicant shall also disclose any pending or completed actions that resulted in or may result in any limitation or revocation of license; DEA registration; board certification; or, medical staff membership or clinical privileges at any health care facility within the preceding twenty-four (24) months.

4. The Division Executive Committee of the Medical Staff shall receive the recommendations of the Department Chair/Committee and Credentials Chair/Committee for reappointment, and make recommendations to the Presidents Council for the term of reappointment for each applicant. In all cases where staff category or clinical privileges recommended differ from the present category or clinical privileges, the reason for the changes shall be stated as a part of the recommendation.

5. The Presidents Council shall receive the recommendations of the Division Executive Committee for reappointment, and make recommendations to the Governing Body of the Hospital for the term of reappointment for each applicant. In all cases where staff category or clinical privileges recommended differ from the present category or clinical privileges, the reason for the changes shall be stated as a part of the recommendation.

6. The Governing Body of the Hospital or the designated Committee of the Governing Body shall consider the application and the recommendation of the Presidents Council. The Governing Body or the designated Committee of the Governing Body shall make the final decision on the application, and the Administrator shall notify the applicant and the Medical Staff Services Department.

D. Denial of Reappointment to the Medical Staff

1. Department Committee

   Prior to forwarding a recommendation of denial for reappointment to the Credentials Committee, the member may be afforded the opportunity for a personal interview with the Department Committee.

2. Credentials Committee

   (a) Upon receipt of the recommendation for denial of reappointment from the Department Committee, the Credentials Committee shall review the application and supporting documentation.

   (b) Following review, the Credentials Committee may either refer the application back to the Department Committee for further evaluation or forward a recommendation for denial of reappointment to the Division Executive Committee.

   (c) The member shall be afforded the opportunity for a personal interview with the Credentials Committee prior to a recommendation for denial being forwarded the Division Executive Committee.

3. Division Executive Committee

   (a) After receiving a recommendation for denial of reappointment to the Medical Staff, the Division Executive Committee shall make a recommendation to the Presidents Council within a reasonable period of time.

   (b) The Division Executive Committee may afford the member an opportunity to appear before the Division Executive Committee and make a statement on his or her behalf. This appearance, if any, shall not constitute a hearing and shall be conducted without legal representation.

4. Presidents Council.

   (a) After receiving a recommendation for denial of reappointment to the Medical Staff, the Presidents Council shall make its recommendation regarding to the Governing Body within a reasonable period of time.

   (b) Prior to making its recommendation to the Governing Board, the Presidents Council shall inform the member against whom the recommendation for denial is pending, in writing, of the basis of the recommendation and shall afford the member an the opportunity to appear before the Presidents Council and make a statement on his or her behalf. This appearance shall not constitute a hearing and shall be conducted without legal representation.

5. Governing Body

If the decision of the Governing Body is to deny reappointment or if clinical privileges are revoked, denied, suspended, reduced or modified, the Administrator shall send written notice to the applicant by certified mail, stating the reasons therefore and advising the member of the right to a hearing to be conducted as set forth in 0 of these Bylaws. The notice shall specify that the member shall have thirty (30) days from receipt within which to request a hearing. The notice shall also state that failure to request a hearing within that period shall constitute a waiver of the member's right to a hearing. A request for a hearing shall be made in writing to the Administrator.

Section 5. Procedure for Re-Application After Adverse Credentials Decision

An applicant or staff member who has received a final adverse decision regarding appointment, or reappointment; or who has resigned to avoid any adverse action regarding appointment or reappointment, shall not be eligible to reapply to the Medical Staff for a period of twenty-four (24) months from the date of the notice of the final adverse decision made by the Governing Body. Any application to the Medical Staff pursuant to this Section shall require the submission of a new application and shall be processed as an initial application in accordance with these Bylaws. In addition, the applicant or Medical Staff member must submit additional information demonstrating that the basis for the earlier adverse action has been remedied.

Section 6. Leave of Absence

A. Any absence from the Medical Staff for more than three (3) months shall require written notice. A request for leave of absence from the Medical Staff shall be submitted in writing and shall state the reason for and duration of the leave. The duration of the leave shall not exceed one year, except that an additional year may be granted with approval of the Division Executive Committee. The request will be forwarded to the appropriate Department and the Division Executive Committee. The Executive Committee shall forward its recommendation to the Presidents Council, and the Presidents Council shall forward its recommendation to the Governing Body for final action.

B. A Department committee chairperson may recommend leave of absence for a member of the Medical Staff who is under medical care, military duty, and/or for academic purposes. The recommendation will be forwarded to the Executive Committee for consideration and to the Governing Body for final action.

C. A medical staff member on leave of absence cannot admit or treat patients; and shall be excused from all medical staff meetings, but shall be required to pay staff dues during the leave.

D. A medical staff member who wishes to return to previous status from a leave of absence shall submit a written request with a summary of relevant activities,

during the leave for review and approval by the appropriate Department committee. A member returning from a medical leave of absence shall be required to submit a physician's report, including evidence of current clinical competence, supporting the physician's ability to return to practice. The appropriate Department shall forward its recommendation, including its recommendation regarding clinical privileges, to the Credentials Committee for review. The request shall then be forwarded to the Division Executive Committee, which shall make a recommendation to the Presidents Council. The Presidents Council shall make its recommendation to the Governing Body for final action.

E. Failure without good cause to request a Leave of Absence or failure to provide upon request a summary of activities as stated above may result in automatic termination of Medical Staff membership. If the staff member is denied reinstatement, then the member shall be entitled to procedural rights provided in 0, Hearings. Failure to request reinstatement and/or to follow the procedure above for reinstatement shall, without fair hearing or appeal, result in automatic termination of staff appointment thirty (30) days subsequent to the one year leave of absence.

Section 7. Resignation

A. A Staff member may resign at any time. Resignations should be submitted in writing to the Administrator and shall become effective when accepted by the Governing Body.

B. A Medical Staff Member who moves from the area without submitting a forwarding address, or a letter of resignation, may be terminated by the Governing Body upon recommendation from the Presidents Council. If the Staff member has moved from the area and has not submitted a letter of resignation, and his/her forwarding address is known, the member shall be notified by certified mail and requested to provide details concerning the member's desire to continue Medical Staff membership. If there is no response within thirty (30) days after this notice has been sent, the Presidents Council will recommend termination of Medical Staff membership to the Governing Body for final action, without any rights under Article XVI, Hearings.

Section 8. Re-Application: Application Following Resignation

A. A Medical Staff member who has resigned membership while he or she was not under investigation may apply for reappointment.

B. If the application is submitted within six (6) months after the date of resignation, the application and application process shall be as specified in 0, Section 4, of these Bylaws, "Reappointment to the Medical Staff," and the application shall be accompanied by a written statement of the applicant's professional activities since the date of termination.

C. If the application for reappointment is submitted more than six (6) months after the date of resignation, the application and application process shall be as specified in 0, Section 2 of these Bylaws, “Initial Application to the Medical Staff,” and the application must be accompanied by the initial application fee.

Section 9. Request for Reinstatement following Suspension

A. A practitioner whose Medical Staff Membership has been suspended pursuant to Article XV, Section 8, “Automatic Suspension,” will be eligible for consideration of reinstatement to the Medical Staff after the licensing board has lifted the suspension or rescinded the revocation or termination of the practitioner’s license.

B. If the request for reinstatement is submitted within six (6) months after the date of the suspension, the application and application process shall be as specified in 0, Section 4, of these Bylaws, “Reappointment to the Medical Staff,” and the application shall be accompanied by a written statement of the applicant’s professional activities since the date of suspension.

C. If the request for reinstatement is submitted more than six (6) months after the date of reinstatement, the application and application process shall be as specified in 0, Section 2 of these Bylaws, “Initial Application to the Medical Staff,” and the application must be accompanied by the initial application fee.

Section 10. Continuing Medical Education

Each Medical Staff member shall participate in continuing education activities relevant to his or her privileges and such participation shall be considered in evaluating applications for Medical Staff reappointment.

Section 11. Release and Immunity Statement

By applying for appointment or reappointment to the Medical Staff, each applicant thereby:

A. Agrees to appear for interviews in regard to his/her application;

B. Authorizes the Medical Staff or Hospital to consult with members of the medical staffs of other hospitals with which the applicant has been associated and with others who may have information bearing on his/her licensure, training, competence, experience, health status, character, moral and ethical qualifications;

C. Consents to the inspection of all records and documents that may be material to the evaluation of his/her qualifications for Medical Staff membership and clinical privileges;

D. Agrees to provide in a timely fashion any information requested by the Medical Staff or Hospital;

E. Agrees to notify the Medical Staff whenever a state licensing agency takes any disciplinary action against the practitioner's license or the practitioner becomes excluded as an eligible party to receive any federal funds under any federal payment program. Failure to notify the Medical Staff within thirty (30) days may result in loss of membership/privileges.

F. Releases from any liability all representatives of the Hospital and Medical Staff for their acts performed in good faith and without malice in connection with evaluating the applicant and his/her credentials; and

G. Releases from liability all individuals and organizations who provide information to the Medical Staff or Hospital concerning the applicant's licensure, training, competence, experience, health status, ethics, character and other qualifications for staff appointment and clinical privileges.

The application forms shall contain a statement that fully informs the applicant of the scope and extent of these authorizations, release and consent provisions.

ARTICLE VIII. DETERMINATION OF PRIVILEGES

Section 1. Exercise of Privileges

Except in an emergency, a practitioner providing clinical services at the Hospital may exercise only those clinical privileges specifically granted by the Governing Body.

Section 2. Requests for Clinical Privileges

Each application for appointment and reappointment to the Medical Staff shall include a request for the specific clinical privileges desired by the applicant. Requests from an applicant for privileges or from staff members for modification of privileges must be supported by documentation of training, experience, qualifications, and competency to exercise such privileges

Section 3. Basis for Granting Clinical Privileges

A. Clinical privileges shall be site specific and granted on the basis of the practitioner's current licensure, education, training, experience, current health status, demonstrated competence, judgment and other factors relevant to the delivery of appropriate and quality patient care in an efficient manner as documented and verified in each practitioners credentials file. Where appropriate, review of the records of patients treated in other hospitals or practice settings may also serve as the basis for clinical privileges determinations.

Section 4. Modification of Clinical Privileges

A. A Staff member seeking a modification of clinical privileges between reappointment cycles must submit a written request to the Department Chair specifying the requested changes. The appropriate Department Committee's shall make a recommendation regarding the request, and the recommendation shall be forwarded to and acted upon by the Credentials Committee, the relevant Division Executive Committee and the Presidents Council. The Presidents Council will forward its recommendation, which may include conditions on the issuance of additional privileges, to the Governing Body for its approval.

Section 5. Dental/Podiatry Staffs

A. Dental Staff

1. Dentists may be admitted to the Medical Staff under the same procedure and standards as specified for physicians.

2. Dentist members of the Staff shall be assigned to the Department of Surgery and act under the direction of the chair and committee of that Department.

3. Patients admitted for dental services or patients treated in outpatient surgery shall have an adequate medical history and examination by a physician or qualified oral/maxillofacial surgeon member of the Medical Staff before dental surgery is performed. Indicated consultation shall be obtained in complicated cases.

4. Privileges for major oral surgery shall be recommended by the Department of Surgery, and shall be confined to staff members who have received special training in this field and who have passed or are eligible to write the examination of the American Board of Oral and Maxillofacial Surgery, or whose training and experience is equivalent to the above.

B. Podiatry Staff

1. Qualified podiatrists may be admitted to the Medical Staff under the same procedure and standard as specified in these Bylaws. They will be assigned to the Affiliate Staff category.

2. All podiatry applicants requesting surgical privileges shall be certified by the American Board of Podiatric Surgery by examination or shall have completed residency training in a program accredited by the Council for Podiatric Medical Education.

3. Patients admitted for podiatric services, or patients treated in outpatient surgery, shall be co-admitted by a physician member of the Medical Staff, and these patients shall have a medical history and examination by a

physician member of the Medical Staff. Indicated consultation shall be obtained in complicated cases.

Section 6. Interim Privileges for Initial Appointment

A. Upon completion of an application for initial appointment, and review of such application by the Credentials Chair or Committee pursuant to these Bylaws, the Administrator, after consultation with the chair of the relevant Department and the President of the Medical Staff, may grant interim privileges to the applicant pending a final decision on the application by the Governing Body. Supervision may be required for interim privileges as determined by the Chair of the relevant Department. Interim privileges shall expire after ninety (90) days.

B. The applicant must submit to the Administrator a written request for interim privileges, accompanied by the applicant's signed acknowledgment that he/she has received the Bylaws and Rules and Regulations of the Medical Staff and agrees to be bound by the provisions thereof.

C. Should the application for initial appointment ultimately be denied by the Governing Body, interim privileges shall be immediately terminated by the Administrator. There shall be no right to a hearing following such termination.

Section 7. Temporary Privileges

Temporary privileges may be granted only as specified in this section 7.

A**. Care of a Specific Patient**

The Administrator may grant temporary privileges to a physician, podiatrist, psychologist or dentist who is neither a member of the Medical Staff nor an applicant for such a membership. A practitioner desiring such temporary privileges shall submit a temporary privileges request form to the Administrator along with verification of the practitioner's professional liability insurance. Confirmation of appropriate current licensure and current competence shall be obtained. Temporary privileges may be granted, in accordance with Medical Staff policy, only after approval of the President of the relevant Division and the chair of the relevant Department. These temporary privileges shall be for the care of one patient only. Temporary privileges will be granted for a period of time not to exceed 30 days and may be extended for two separate 30-day intervals upon approval as noted above. Such privileges shall not be granted to the same practitioner more than twice in any one calendar year. Supervision shall be required for privileges as determined by the relevant Department Chair.

B. **Locum Tenens Privileges**

A practitioner who seeks to apply for locum tenens privileges must demonstrate that he or she meets all of the requirements for Medical Staff membership and the requested privileges, including without limitation the requirements specified in Article IV, "Membership." The Administrator may, after approval of the President of the relevant

Division and the Chair of the relevant Department, grant locum tenens privileges to a practitioner who is serving as a locum tenens for a Medical Staff member, upon receipt of a complete application for appointment as locum tenens, including a request for specific privileges, confirmation of appropriate licensure, information regarding professional liability insurance coverage and such other information as may be required by the Administrator. Such privileges shall be limited to treatment of patients of the practitioner for whom the applicant is serving as locum tenens. Locum tenens privileges may be granted to an individual for a period of time not to exceed 30 days and may be extended for two separate 30-day intervals upon approval as noted above.

C. Outside Reviewers

The Administrator may grant Temporary privileges to outside reviewers who are not members of the medical staff but who are requested to conduct chart reviews or otherwise aid in peer review.

Section 8. Academic Privileges

A. Teaching Faculty Privileges

These academic privileges shall be limited to teaching faculty assigned to Scottsdale Healthcare by a teaching institution engaged through a formal contract or affiliation agreement with the Hospital to instruct local students and residents or other attending physicians. All such requests for such privileges pursuant to this category and the granting of such are within the sole and absolute discretion of the Medical Staff and Hospital, All such requests shall be made through policies and procedures set forth by the Medical Staff Office and as approved by the Chair of the applicable Clinical Department Committee, Credentialing Committee, the appropriate President of the Medical Staff and by the Chief Medical Officer.

Teaching faculty physicians who receive these specified privileges may, as appropriate, make hospital rounds with the designated students for whom they are responsible and may access hospital medical records as needed during the course of those rounds, but may not exercise clinical privileges in the Hospital, admit any patient or write in the medical record.

Termination of such privileges in this category shall be automatic upon either (1) termination of the contract or affiliation agreement with the Hospital and teaching institution or (2) at the time when the physician has not engaged in teaching for two months, whichever is earlier. The termination of these privileges or failure to appoint or reappoint such members to this category shall not give rise to any fair hearing rights as more fully set forth in Article XVI of these Bylaws.

B. Research Privileges

These academic privileges shall be available to physicians whose principal activity is in performing research through clinical trials approved through the Institutional Review Board and Scottsdale Clinical Research Institute. All requests for such privileges pursuant to this category and the granting of such privileges are within the sole and

absolute discretion of the Medical Staff and Hospital. All such requests shall be made through policies and procedures set forth by the Medical Staff Office and as approved by the Chair of the applicable Clinical Department Committee, Credentialing Committee, and the appropriate President of the Medical Staff and by the Chief Medical Officer.

Physicians participating in clinical trial(s) may admit and treat patients enrolled in the trials only if the admission and treatment are incident to the clinical trial(s) in which the physicians are participating. Such physicians may exercise all hospital privileges necessary for the proper care of such patients, subject to any limitations in the approval of their temporary privileges.

Termination of such privileges in this category shall be automatic when the physician has not been actively engaged in clinical research trial at the Hospital for two (2) consecutive months. The termination of these privileges or failure to appoint or reappoint such members to this category shall not give rise to any fair hearing rights as more fully set forth in Article XVI of these Bylaws.

C. **Special Procedure Privileges**

These academic privileges shall be available to qualified physicians who may, upon application, desire to perform a specialized procedure on an identified patient for purposes of providing education or training for a current medical staff member. All requests for such privileges and the granting of such privileges are within the sole and absolute discretion of the Medical Staff and Hospital, All such requests shall be made through policies and procedures set forth by the Medical Staff Office and as approved by the Chair of the applicable Clinical Department Committee, the appropriate President of the Medical Staff and by the Chief Medical Officer.

Termination of such privileges in this category shall be automatic when the procedure for which the privileges were sought has been performed. The termination of these privileges or failure to appoint or reappoint such members to this category shall not give rise to any fair hearing rights as more fully set forth in Article XVI of these Bylaws.

Section 9. Emergency Privileges

In the event of an emergency, any physician or dentist licensed to practice in the State of Arizona, regardless of Department, status, or designated clinical privileges, shall be permitted and assigned to do whatever is necessary to save the life of a patient. When the emergency situation no longer exists, the provisions of this section shall not apply. An “emergency” is defined as a condition which would likely result in the loss of life or serious permanent damage to a patient unless treatment is administered without delay.

Section 10. Disaster Privileges

Disaster privileges are granted only when the following two conditions are present: the emergency management plan has been activated, and the hospital is unable to meet immediate patient needs. The Administrator may, after consultation with the President of the relevant Division and the Chair of the relevant Department, grant Disaster privileges to a practitioner, in accordance with Medical Staff policy.

ARTICLE IX. DIVISION OFFICERS

Section 1. Officers and Basic Requirements

A. Each Division shall have the following officers:

1. President;

2. President-Elect; and

3. Immediate Past-President

B. Officers must be members of the Active Category at the time of their nomination and election. They must be members in good standing at the time of their election. Officers should demonstrate a high level of interest in performing the obligations of their office, be available to perform those obligations, possess organizational skills, and demonstrate objectivity and fairness.

C. Officers shall verbally disclose all actual or potential conflicts of interest as written in Article XIV, Section D, Item 3, in the course of each medical staff meeting or other events where such a disclosure is relevant.

Section 2. Nomination and Election of Division Officers

A. The President of each Division shall appoint a Nominating Committee composed of the three most immediate past Presidents of the Division plus three other Active Category Members of the Division. If three (3) past Presidents of the Division are not available to serve, the President of the Division may appoint other Active Category Members of the Division to serve on the Nominating Committee. The Nominating Committee shall elect a Chair of the Committee.

B. The Nominating Committee for each Division shall propose two nominees each for the office of President-Elect. These nominations shall be promptly made known by notice in writing to all Active Category Members of the Division.

C. Additional nominations may be made from the floor at the next general meeting of the Medical Staff. Only Active Category Members of a Division shall be eligible to offer nominations, to move the close of nominations, and to vote thereon.

Section 3. Election Procedure for Division Officers

A. The President of each Division shall prepare the official ballot listing the candidates for that Division. No other ballot will be accepted. Ballots may be sent out and returned by mail or by any electronic medium deemed reasonably reliable by the Presidents Council. The balloting procedure shall be consistent with policies and procedures approved by the Presidents Council and amended by the Presidents Council as necessary.

B. A majority of the votes cast on any ballot shall be necessary to elect. If there are more than two (2) nominees for a single office and no nominee is elected on the first ballot, except the two who receive the highest number of votes on the first ballot shall remain as candidates and a second ballot shall be taken in the same manner as the first.

C. In case of a tie vote, the election shall be determined by lot in such manner as the Division Executive Committee may prescribe.

D. The President of each Division shall certify the results of the election for that Division.

Section 4. Term of Office

Officers elected in the Osborn Division and the Thompson Peak Division shall take office on October 1st of even-numbered years and officers elected in the Shea Division shall take office on October 1st of odd-numbered years. All officers shall serve a two-year term from the date on which they take office unless they resign or are recalled in accordance with these Bylaws.

Section 5. Vacancies in Office During the Medical Staff Year

A vacancy in the office of the President of a Division shall be filled by the President-Elect of the Division. Vacancies in other Division offices shall be filled by vote of the Executive Committee of the applicable Division.

Section 6. Removal and Resignation of Division Officers.

A. Removal.

1. Removal for cause. A Division Officer who fails to meet the qualifications for office as specified in Section 1 B, above; who fails to perform the duties of his or her office as specified in these bylaws; who is deemed

unfit to hold office; or who engages in conduct detrimental to the interests of the Medical Staff or Division, may be removed as follows:

(a) A proceeding to remove an officer may be initiated by a vote of two-thirds (2/3) of a quorum of the Division Executive Committee for the Division in which the individual holds office, or by a petition signed by at least one-third (1/3) of the Active Category Members of the Division in which the officer holds office. The proposed removal shall be considered at a special meeting of the Division, as provided in these Bylaws, for the purpose of considering and acting upon the request for removal. The approval of the petition for removal shall require two-thirds (2/3) affirmative vote of the voting members present at a special meeting attended by a quorum and shall become effective immediately upon tabulation of the vote.

2. Automatic removal. An officer shall be removed from office, immediately and without any action by the Medical Staff or Division, if he or she ceases to be an Active Category Member of the Division in which he or she holds office.

3. Removal from office shall not entitle the Practitioner to any rights under Article XVI, Hearings.

B. Resignation. An officer may resign from office at any time by submitting a written resignation to the Medical Staff Services Department. Such resignation shall be effective when approved by the applicable Division Executive Committee.

Section 7. Duties of the President of a Division

The President of a Division:

A. Shall call, preside at, and be responsible for the agenda of all general staff meetings of the Division;

B. Shall act as Chair of the Division Executive Committee;

C. Shall appoint chairs of all standing and special committees of the Division;

D. Shall serve as an ex-officio member of all Division committees;

E. Shall serve as a member of the Quality Committee of the Governing Board;

F. Shall be responsible for the enforcement of Medical Staff Bylaws, Rules and Regulations within the Division;

G. Shall direct the educational activities of the Division;

H. Shall represent the views, policies, needs and grievances of the Division to the Presidents Council;

I. Shall serve as the responsible representative of the Division to review, understand, interpret and transmit the policies of the Governing Body to the Medical Staff;

J. Shall serve as a member of the Presidents Council in accordance with these Bylaws;

K. Shall act in coordination and cooperation with the Administrator in all matters of mutual concern to the Division and the applicable Hospital; and

L. Shall act as spokesman for the Division in its external professional and public relations.

Section 8. Duties of the President-Elect of a Division

The President-Elect:

A. Shall assume all of the duties and authority of the President of the Division in the absence of the President;

B. Shall serve as a member of the Credentials Committee;

C. Shall serve as a member of the Division Executive Committee ;

D. Shall serve as a member of the Presidents Council;

~~E.~~ Shall serve on any other committee or carry out another duty as assigned by the President of the Division;

F. Shall assume the office of the President of the Division upon the expiration of the prior President's term of office, and

G. May Serve on the Quality Committee of the Governing Body.

Section 9. Duties of the Immediate Past-President of a Division

The Immediate Past-President ~~shall~~:

A. Shall serve as a member of the Executive Committee of the Division and the Presidents Council;

B. Shall serve as a member of the Bylaws Committee;

C. Shall serve on the Division Nominating Committee; and

D. May serve on the Quality Committee of the Governing Body.

ARTICLE X. MEDICAL STAFF COMMITTEES

Section 1. General Provisions

A. Ten percent (10%) of the voting members of a Committee or subcommittee, but not less than two (2) members, shall constitute a quorum of such Committee or subcommittee.

B. The President of the Division, the Administrator, the Chief Nursing Officer, and the Senior Vice-President of Medical Affairs shall be non-voting ex-officio, members of all Medical Staff Committees.

C. INDEMNIFICATION

To the extent permitted by the bylaws of Scottsdale Healthcare, the hospital shall indemnify, defend and hold harmless against reasonable and necessary expenses, costs, and liabilities incurred by a Medical Staff officer, committee chairman, committee member, and/or authorized representative whose appointment and/or election has been approved by the Board of Directors ("Indemnitees") in connection with the defense of any pending or threatened action, suit or proceeding to which s/he is made a party by reason of his/her having acted in or when acting in those capacities in good faith on behalf of the hospital or medical staff. However, no member shall be entitled to such indemnification if the acts giving rise to the liability constituted willful misconduct, breach of a fiduciary duty, self-dealing, malice, or bad faith. The hospital shall retain responsibility for the sole management and defense of any such claims, suits, investigations or other disputes against Indemnities, including, but not limited to, selection of legal counsel to defend against any such actions. The indemnity set forth herein is expressly conditioned on Indemnities' good faith belief that their actions and/or communications are reasonable and warranted and in furtherance of the Medical Staff's peer review, quality assessment or quality improvement responsibilities, in accordance with the purposes of the Medical Staff as set forth in these Bylaws. In no event will the hospital indemnify an Indemnitee for acts or omissions taken in bad faith or in pursuit of the Indemnitee's private economic interests.

Section 2. Standing Committees

Standing Committees of the Medical Staff shall be:

A. Presidents Council

B. Credentials Committee

C. Joint Conference Committee

D. Allied Health Committee

E. Bylaws Committee

F. Cancer Committee

G. Education/ Committee

H. Ethics Committee

I. Peer Review Committee

J. Pharmacy and Therapeutics Committee

K. QRM (Quality Resource Management) Committee

L. Technology Assessment Committee

Section 3. PRESIDENTS COUNCIL

A. Membership. The Presidents Council shall consist of nine members: the President, President-Elect and Immediate Past President of each of the Medical Staffs of the three Division Hospitals. The Scottsdale Healthcare Chief Executive Officer or his designee; the Scottsdale Healthcare Hospitals Chief Medical Officer; and the Scottsdale Healthcare Hospitals Chief Nursing Officer shall be ex officio members of the Presidents Council, without vote.

B. Chair, Vice Chair and Secretary Treasurer. The voting members of the Presidents Council shall elect from among its voting members a Chair, a Vice-Chair and a Secretary-Treasurer to two year terms. The Chair shall establish the agenda for and chair all meetings of the Presidents Council, and shall perform the other functions and duties specified in these Bylaws. The Vice Chair shall perform the duties of the Chair as and when requested by the Chair, or when the Chair is unable to perform those duties. The Secretary-Treasurer shall: record and attest to the minutes of all meetings of the Presidents Council; account for and report on all funds controlled by the Presidents Council; and, in the absence of the Chair and Vice-Chair, perform the duties of the Chair.

C. Meetings. The Council shall meet monthly and on other occasions as deemed appropriate by the Chair.

D. Duties and Powers. The duties and powers of the Presidents Council shall be as follows:

1. To represent and act for the Medical Staff;

2. To provide a mechanism for effective communication among the three Divisions of the Medical Staff, Administration and the Governing Body;

3. To oversee and work to improve the quality of professional services provided by members of the Medical Staff and to account therefore to the Governing Body;

4. To provide leadership in the improvement of clinical processes and to measure and assess the improvement;

5. To receive, act upon and, where appropriate, make recommendations to the Governing Board regarding reports and recommendations received from the Division Executive Committees, including reports and recommendations regarding requests for appointment and reappointment to the Medical Staff and requests for clinical privileges;

6. To appoint one of the Division Presidents-Elect as the Chair of the Credentials Committee;

7. To appoint three members of the Bylaws Committee, as specified in Section 7, below;

8. To appoint the Chair of any other Medical Staff Committee, unless if these Bylaws specify otherwise;

9. To appoint a physician every two years to serve as the Representative to the Organized Medical Staff Section of the American Medical Association. The appointed physician shall provide a report of the OMSS of the AMA at a General Medical Staff meeting. The appointed physician shall attend the Arizona Medical Association House of Delegates meeting and provide a report at a General Staff meeting;

10. To coordinate and implement Medical Staff policies;

11. To initiate, participate in, and make recommendations to the Governing Body regarding Medical Staff Disciplinary Actions;

12. To establish Medical Staff dues;

13. To establish fees for applications for initial appointment and reappointment to the Medical Staff;

14. To initiate changes in the Medical Staff Bylaws, Rules and Regulations; and

15. To perform any other duties or powers reasonably necessary to the performance of the enumerated duties and powers.

E. CONTRACT EVALUATION SUBCOMMITTEE

1. COMPOSITION

a. The Contract Evaluation Subcommittee of the Presidents' Council shall be composed of no more than five (5) members of the Medical Staff, appointed by the Chairman of the Presidents' Council.

b. The Chairman of the Presidents' Council may appoint himself/herself to the Subcommittee. The Chairman of the Presidents' Council shall provide notice of proposed appointees to the Chief Executive Officer of the Hospital and to the Chairman of the Board of Directors and shall give great weight to any objection to any appointee made by either the Chief Executive Officer or the Chair of the Board.

2. MEETINGS

a. The Subcommittee shall meet whenever called upon to do so by the Chairman of the Presidents' Council.

b. The CEO or his/her designee and the Chair of the Board of Directors or his/her designee, may attend meetings of the Subcommittee unless the Subcommittee votes to go into Executive Session.

c. A representative of each party affected by the proposed contracts may attend the Subcommittee unless the Subcommittee votes to go into Executive Session.

3. FUNCTION OF THE SUBCOMMITTEE

a. Notice of Proposed Contract

Except as may be necessitated by extraordinary circumstances, at least ninety 90 days before taking any action that will have the effect of creating, terminating, or changing the provider in an exclusive arrangement for the provision of physician and/or Allied Health Professional services in the Hospital, including arrangements to close a Medical Staff Department or Section or the exercise of a clinical privilege, the Hospital or his/her designee shall disclose essential elements of the proposed transaction to the President of the Medical Staff/Chair of the Combined Medical Executive Committee; provided, however, disclosure of the financial terms of the proposed agreement shall be within the discretion of the CEO or his/her designee.

4. Recusal

a. The Chairman of the Presidents' Council shall promptly convene the Contract Evaluation Subcommittee to consider the proposed action.

b. The Chairman of the Presidents' Council/Chair shall instruct any member of that Committee who has any direct financial interest in the subject matter of the proposal to recuse himself/herself.

c. The Chairman of the Presidents' Council/Chair shall inform the hospital Chief Executive Officer or his/her designee of the date of the Subcommittee meeting and identify the Subcommittee members who are proposed to attend. The Chief Executive Officer or his/her designee shall have two (2) working days within which to request that any proposed attendee be excused for good cause, including but not limited to conflict of interest. The granting of any such request shall not be unreasonably withheld by the Chair of the Presidents' Council/Chair.

5. Documentation

a. The Chief Executive Officer or his/her designee shall assemble all documents and information relevant to the proposal, including all documents/information requested by the President of the Medical Staff/Chair. Provision of any such requested information shall not be unreasonably withheld; however, the CEO or his/her designee shall have discretion whether to disclose the financial terms of the proposed transaction, which information, if provided, shall not be further disclosed without the written consent of the CEO or his/her designee. The Chairman of the Presidents' Council/Chair may also request the attendance of any person with knowledge of the proposed transaction and shall meet with interested parties. The CEO or his/her designee shall not unreasonably withhold cooperation with any such request.

b. The production of documents and information by the CEO or his/her designee shall be made within sufficient time and in sufficient detail to enable a thorough evaluation of the impact of the proposal upon quality of care at the Hospital, but except as necessitated by extraordinary circumstances no later than sixty (60) days in advance of the effective date of the proposed arrangement.

6. Evaluation and Report

a. The Subcommittee shall meet as frequently as necessary to analyze the impact of the proposed arrangement on patient care, service, and quality to prepare a report of its findings, including any recommendations for modification of the proposal. The Committee shall submit its report to the Chairman of the Presidents' Council/Chair, the hospital CEO or his/her designee in sufficient time for it to be considered and implemented, but in no

event later than thirty (30) days in advance of the effective date of the proposal unless extended by agreement with the CEO.

b. The Hospital and Board of Directors shall give serious consideration to the findings and recommendations of the Contract Evaluation Subcommittee.

7. Confidentiality

a. The members of the Subcommittee shall execute such confidentiality and non-disclosure agreements as necessary to consider matters presented to the Subcommittee.

b. The Committee may also maintain the confidentiality of the positions taken by its members. It may make its report in the name of the Committee and it may vote by ballot on any issue.

F. PLANNING SUBCOMMITTEE OF THE PRESIDENTS' COUNCIL

1. COMPOSITION

The Planning Subcommittee shall be comprised of no less than three (3) members of the Presidents' Council, appointed by the Chair of the Presidents' Council.

2. MEETINGS

The Planning Subcommittee shall meet as frequently as necessary, but at least quarterly.

3. DUTIES

a. The purpose of the Subcommittee is to formulate recommendations to be submitted to the Board of Directors regarding the capital budgeting process and the long range planning process of the Hospital. The Chief Executive Officer, Chief Financial Officer and/or Chief Operating Officer of the Hospital shall furnish to the Subcommittee on a regular basis such Information as is necessary and sufficient to permit the Subcommittee to formulate timely recommendations for capital expenditures to be considered in the budgeting process. The Chief Executive Officer shall also furnish the Subcommittee with such information as is necessary to keep the Subcommittee informed of contemplated strategic and long range plans of the Hospital. Such information shall be in sufficient detail to permit the Subcommittee to formulate

recommendations regarding matters to be considered in the long range and strategic planning process.

b. The Hospital and Board of Directors will not unreasonably fail to cooperate with the Subcommittee's requests for information, including attendance by representatives of the Hospital and/or Board of Directors at meetings of the Subcommittee.

c. The findings and recommendations of the Subcommittee shall be given serious consideration by the Hospital and the Board of the Directors. Any dispute or disagreement concerning the failure of the Hospital or Board of Directors to consider the findings and recommendations of the Subcommittee may be referred to the Joint Conference Committee.

4. CONFIDENTIALITY

Members of the Subcommittee shall execute such confidentiality and non-disclosure agreements as may be necessary to permit them to consider all information relevant to budgeting and long range planning processes of the Hospital and Board of Directors.

Section 4. Credentials Committee

A. The Credentials Committee shall include the President-Elect of each Division, one of whom shall be appointed Chair by the Presidents Council. The Chair shall appoint at least twelve other members from the Active and Courtesy Categories. The Chair's selections shall be designed to include representation from as many Departments as practical.

B. The Committee shall meet at least monthly, maintain permanent records and report its activities in writing to the Division Executive Committees and the Presidents Council.

C. The duties of the Credentials Committee shall be:

1. To review and evaluate the qualifications of each practitioner applying for initial appointment or reappointment;

2. To submit reports and information to the appropriate Department Committee and the applicable Division Executive Committee on the qualifications of each practitioner applying for membership including recommendations with respect to appointment, membership category, Department affiliation and special conditions;

3. To investigate, review and report on matters regarding the qualifications, conduct, professional character or competence of any applicant or Staff member;

4. To review applications for initial appointment and reappointment to the Allied Health Professional Staff as provided in these Bylaws; and

5. To establish criteria for the granting of clinical privileges; and to assure inter-Department uniformity in the criteria for the granting of privileges that cross over more than one Department.

6. To review and make recommendations for new specialty privileges from the Technology Assessment Committee as defined in Section 17.

7. To review annually all policies related to Credentialing. Recommendations for policy changes will be forwarded to the Medical Executive Committee.

Section 5. Joint Conference Committee

A. COMPOSITION

The Joint Conference Committee shall be composed of three representatives appointed by the Chairman of the Presidents' Council and three representatives appointed by the Chairman of the Board of Directors.

In the event that any member of the Committee has a direct financial interest in any matter which comes before the Committee, he or she shall recuse himself/herself and replacement representative shall be selected by the Chairman of the Presidents' Council or the Chair of the Board of Directors, as appropriate.

B. MEETINGS

A meeting of the Joint Conference Committee shall be convened within 5 business days of notice or recommendation of either the Chairman of the Presidents' Council, or the Chair of the Board of Directors. The Chairman of the Presidents' Council shall convene a meeting following majority vote of the Presidents' Council or a 75% vote of the Combined Medical Executive Committee. If a meeting is called by the Chairman of the President's Council, it will be chaired by the Committee's representative, chosen by the President's Council. If called by the Chairman of the Board of Directors, the meeting shall be chaired by a representative of the Board. The CEO or his/her designee and the Chair of the Board or his/her designee may attend the Committee unless the Committee votes to go into Executive Session.

C. DUTIES

The Joint Conference Committee shall be responsible for attempting to resolve any dispute or disagreement between the Medical Staff and the Board of Directors and/or Hospital Administration including, but not limited to, disputes or disagreements between the medical staff and the board of directors. The Joint Conference Committee shall not be convened for matters already reviewed by the Contract Evaluation sub-committee and presented to the Board of Directors.

D. FUNCTION OF THE COMMITTEE

With respect to any matter brought before the Committee, at the request of any three (3) members of the Committee, the hospital Chief Executive Officer, the Board of Directors and the Medical Staff shall furnish such documentation and information as maybe relevant to the matter under consideration. The Committee may also request the attendance of any person with knowledge of the matter under consideration. Compliance with all such requests shall not be unreasonably withheld. All requests and information will be furnished in sufficient time and detail to enable the Committee to thoroughly evaluate the issue under consideration and to prepare a report of its findings within thirty (30) days of the date the Committee is first convened to consider the matter.

The Committee's report shall state the basis of any conclusions or findings reached by the Committee and it shall provide such recommendations for action as it deems appropriate. The report shall be furnished to both the President's Counsel of the Medical Staff and to the Board of Directors.

E. IMPACT OF COMMITTEE RECOMMENDATION

The entity whose action, or decision is the subject of consideration shall refrain from implementing the action or decision until such time as the Joint Conference Committee has rendered a report of its findings on the matter. The entity whose action or decision is the subject of the report shall give great weight to the findings and recommendations of the Committee.

Section 6. Allied Health Committee

A. The composition and duties of the Allied Health Committee shall be specified in the Allied Health Practitioners Credentialing Manual.

Section 7. Bylaws Committee

A. The Bylaws Committee shall be comprised of the Immediate Past Presidents from each Division plus at least two other Active Category Members of the Medical Staff appointed by the Presidents Council. The Chair of the Committee shall be appointed by the Presidents Council. The Committee shall meet at the request of the Presidents Council or any Division Executive Committee.

B. The duties of the Bylaws Committee shall be :

1. To consider and propose amendments to these Bylaws. Proposed amendments shall be submitted in writing to the Presidents Council for review. If the Proposed amendments are recommended for approval by the Presidents Council, the amendments shall be presented at a General Staff meeting and voted upon by the Active Category according to these Bylaws.

2. To conduct an annual review of the Medical Staff Bylaws and propose such amendments as are deemed necessary upon this review.

3. To review the hospital bylaws and policies, which shall be provided by the hospital and made available by the medical staff office to any medical staff member upon request, for inconsistencies and conflicts with medical staff documents and reporting issues and recommendations to the Medical Executive Committee for its review.

C. Meetings

The Bylaws Committee shall meet as often as necessary at the call of its chair but at least annually. It shall maintain a record of its proceedings and shall report its activities and recommendations to the Presidents' Council.

Section 8. Cancer Committee

A. The Cancer Committee shall meet all current requirements of the Commission on Cancer on membership and attendance. The Chair shall be appointed by the Presidents Council. The members shall be appointed by the Chair.

B. Except as otherwise specified in this section, the committee shall meet in compliance with current Commission on Cancer standards, maintain permanent records, and report its activities in writing to the Executive Committee.

C. The duties of the Cancer Committee shall be:

1. To furnish periodic reports to the Medical Staff;

2. To develop and evaluate the annual goals and objectives for the clinical, educational and other program activities related to cancer;

3. To promote a coordinated multi-disciplinary approach to patient management;

4. To ensure that educational and consultative cancer conferences cover all major sites and related issues;

5. To ensure that an active supportive care system is in place for patients, families and staff;

6. To monitor quality management and improvement through completion of quality management studies that focus on quality, access to care and outcomes;

7. To promote clinical research;

8. To ensure that the content of the annual report meets requirements;

9. To publish the annual report according to American College of Surgeons standards;

10. To uphold standards of medical ethics.

Section 9. Education Committee

A. The Medical Education Committee shall be comprised of a chair, the Director of Medical Education, members of the medical staff with at least one (1) medical staff member who is a faculty member representing an approved hospital residency program, a representative from Administration, and the Manager, Health Sciences Library. The Chair shall be appointed by the Presidents Council. The other members, including a resident representative who will be a non-voting member, shall be appointed by the chair.

B. The Committee shall meet as often as necessary to carry out its duties.

C. The Chair shall report Committee activities to the Presidents Council.

D. The duties of the Medical Education Committee shall be:

1. To review and refer recommendations to the Presidents Council regarding: (a) the applications for residency/fellowship programs accredited by the Accreditation Council for Graduate Medical Education; (b) applications for residency/fellowship programs for which no formal accreditation exists, and (c) rotations of residents and fellows from other approved programs; (d) medical student clerkships; and allied health student rotations.

2. To recommend to the Presidents Council the minimum qualifications required for the medical students, residents and fellows who provide patient care in the Hospital.

3. To develop and recommend to the Presidents Council policies and procedures which shall provide for the appropriate supervision of medical students, residents or fellows in compliance with the standards established by the Medical Staff and applicable laws.

4. To review with the appropriate program director any reports of concerns identified with the behavior or performance of a medical student, resident or fellow or the patient care provided by a medical student, resident or fellow.

5. To support the activities of the Health Sciences Library and serve as an advocate of library services and an advisor on selection of materials, promotional activities and other library issues.

6. To support and promote continuing medical education activities within the Hospital.

Section 10. Ethics Committee:

A. The Ethics Committee shall consist of not less than five (5) members of the Active, Provisional or Courtesy Categories. In addition, there shall be appointed a representative of the hospital, a representative of the nursing division of the hospital, an attorney licensed under the laws of the State of Arizona, a representative of the clergy and a lay representative of the community. The members of the Committee shall be appointed by the Presidents Council. All members of the Committee shall be voting members.

The Chair of the Committee shall be a member of the Active Category and shall be appointed by the Presidents Council.

B. The Committee shall meet at least quarterly or as needed, maintain permanent records, and report its activities to the Division Executive Committees and the Presidents Council.

C. The Duties of the Ethics Committee shall be:

1. To make recommendations to the Medical Staff and administration regarding ethical issues in patient care.

2. To educate the members of the Medical Staff, Hospital staff, Allied Health Practitioners and the community regarding ethical issues in patient care. and

3. To be available for discussion of ethical issues relating to patient care.

4. The duties of the Ethics Committee shall not include responsibility for arbitration, sanction, retrospective case review, ethics of individual physicians and staff members, or allocation of resources.

Section 11. Peer Review Committee

A. The Peer Review Committee shall consist of: the Immediate Past Presidents of the Osborn Division, the Shea Division and the Thompson Peak Division; the

Chief Medical Officer of Scottsdale Healthcare; and three other members of the Medical Staff, one of whom shall be appointed by the President of each of the three Divisions. The terms of the appointed members shall expire upon expiration of the term of the President who appointed them. The Presidents should strive to appoint senior members of the Staffs, with representation from major specialties. The Immediate Past President with the longest tenure as a Medical Staff Officer shall be the chair of the Committee; the Immediate Past President with the second longest tenure as a Medical Staff Officer shall be the Vice-Chair and shall perform the Chair's obligations in the Chair's absence.

B. The committee shall meet as needed, maintain permanent records, and report its activities in writing to the Presidents Council and each Division Executive Committee.

C. The duties of the Peer Review Committee shall include oversight and management of the entire peer review process at Scottsdale Healthcare; training of incoming chairmen and medical staff officers regarding peer review matters; recommending policies and procedures regarding peer review matters; providing an annual report to the Division Executive Committees; and acting as a liaison with QRM Committee and Quality Committee of the Board.

D. The Peer Review Committee shall be convened to conduct a formal investigation:

1. Whenever a Department, despite its best efforts, has not resolved an issue regarding the clinical competence or clinical practice of any medical staff member; or has not resolved an issue regarding behavior or conduct on the part of any medical staff member that is considered below the standards of the hospital or disruptive to the orderly operation of the hospital or its medical staff, including the inability of the member to work harmoniously with others.

2. Whenever a Department recommends an adverse action, pursuant to Article XV, Disciplinary Action, that would give rise to rights under Article XVI, Hearings.

3. Whenever the President of a Division or the Presidents Council refers a case to the Peer Review Committee.

E. The Peer Review Committee may use a variety of methods to conduct the formal investigation including but not limited to:

1. Reviewing the Department's files relating to the Department investigation,

2. Interviewing the Department's representative(s) relating to the Department's investigation,

3. Obtaining an outside review of the case/charts in question,

4. Interviewing the Practitioner, (this appearance shall not constitute a hearing under the Fair Hearing article of these Bylaws.)

5. Interviewing other medical staff members and/or hospital staff, and

6. Any other reasonable activity as deemed necessary.

F. The Administrator of the Hospital(s) shall be notified of the referral/pending recommendation from the Department/chairman or the President of a Division to the Peer Review Committee.

G. Upon the conclusion of the formal investigation, the Peer Review Committee shall forward its conclusions and recommendation to the Division Executive Committee and Presidents Council.

H. This Committee shall perform peer review functions according to ARS: 36-445.01.

Section 12. Pharmacy and Therapeutics Committee

A. The Pharmacy and Therapeutics Committee shall be comprised of a Chair appointed by the Presidents Council; at least four (4) other members of the Active, Courtesy and Provisional Categories appointed by the Chair; one voting member each from Administration, Pharmacy and Nursing; and non-voting members appointed to the Committee from the following departments or services: Nursing; Dietary; Pharmacy; Laboratory; and Quality Resource Management.

B. The Committee shall meet at least quarterly, maintain permanent records, and make reports of its activities including conclusions, recommendations, actions taken, and the results thereof, in writing to the Division Executive Committees and the Presidents Council.

C. The duties of the Pharmacy and Therapeutics Committee shall be:

1. To review and make recommendations to the Medical Staff and Hospitals regarding the selection, distribution, handling, use, administration, and stocking of drugs and diagnostic testing materials to meet the most effective therapeutic standards and prevent unnecessary duplication;

2. To develop and keep a current formulary;

3. To evaluate clinical data concerning new drugs requested for use in the Hospitals;

4. To establish standards concerning the use and control of investigational drugs used in the Hospitals;

5. To review drug therapy practice and drug utilization within the Hospitals;

6. To consider requests and recommendations from the Medical Staff and the Hospitals relating to formulary items;

7. To evaluate and monitor adverse drug reactions;

8. To review the appropriateness, effectiveness and safety of the use of antibiotics; and

9. To perform functions that may be necessary to meet accreditation standards.

Section 13. Quality Resource Management Committee (Hereafter known as the QRM Committee)

A. The QRM Committee shall be comprised of a Chair appointed by the Presidents Council and at least twelve other voting members appointed by the Chair. The Chair may also appoint non-voting members from the following departments, services and committees: Pharmacy and Therapeutics Committee; Infection Control; Medical Records; Administration; Nursing; and QRM.

B. The Committee shall meet at least quarterly, maintain permanent records, and make reports of its activities including conclusions, recommendations, actions taken, and the results thereof, in writing to the Division Executive Committees and the Presidents Council.

C. The duties of the QRM Committee shall be:

1. To develop and oversee an ongoing performance improvement program designed to objectively and systematically monitor and evaluate the quality and appropriateness of patient care, pursue opportunities to improve patient care, and resolve identified problems;

2. Monitor and evaluate the quality and appropriateness of patient care and clinical performance, resolve identified problems, and report information to the Governing Body to assist it in fulfilling its responsibility for the quality of patient care.

3. Provide oversight of the Patient Safety Plan by:

(a) Communicating patient safety issues to the Medical Staff;

(b) Promoting involvement of Medical Staff members in patient safety initiatives; and

(c) Annually reviewing, and revising as appropriate, the Patient Safety Plan.

4. Develop and update on an annual basis written performance improvement and utilization review programs'

5. Provide summary reports of the Medical Staff performance improvement activities to the Division Executive Committee and the Presidents Council and to recommend plans for continued improvement in patient care.

6. Participate in hospital utilization management activities, including review of payment denials from the Medicare PRO.

7. Receive and evaluate reports pertaining to Hospital and Medical Staff risk management activities and to make recommendations for improving patient, staff, and visitor safety and to report the findings to the Division Executive Committees and the Presidents Council.

8. Develop and maintain the Medical Records Rules and Regulations, and report its activities in writing to the Division Executive Committees and the Presidents Council.

    (a) To assure that all medical records meet applicable standards for usefulness in patient care and validity as historical documents, and otherwise conform in all respects to the requirements set forth in the Medical Records Rules and Regulations.

    (b) To retrospectively review the records of discharged patients for adequacy, pertinence, completeness and promptness.

    (c) To perform such other functions as may be set forth in the Medical Records Rules and Regulations, including functions that may be necessary to meet the standards of JCAHO.

    (d) To determine the format of the complete written and electronic medical record, the forms used in the record, and the means of storage.

9. Delegate the performance of the following duties to the Infection Control Subcommittee of the QRM Committee:

    (a) To survey the hospital environment so as to ascertain hospital infection potentials;

    (b) To promote preventative and corrective programs designed to minimize infection hazards in all phases of hospital activity;

    (c) To review and analyze actual infections;

    (d) To take whatever appropriate preventative steps are necessary to protect the staff and the patients from transmittable disease.

10. Develop and maintain a Utilization Review plan as required by titles XVIII and XIX of the Social Security Program.

11. Report to the Quality Committee of the Governing Body at least quarterly.

Section 14. Technology Assessment Committee

The Technology Assessment Committee shall facilitate the introduction of new technology (assessment of clinical, strategic & financial outcomes), and to recommend privileging criteria to the Credentials Committee for use of new technology at Scottsdale Healthcare Osborn, Shea and Thompson Peak.

A. The Technology Assessment Committee shall consist of ~~five (5)~~ members of the Medical Staff representing Osborn, Shea and Thompson Peak, the Chief Medical Officer/or his/her designee and the Vice President for Support Services/ or his/her designee. The Chair shall be appointed by the Presidents Council. The other members shall be appointed by the Chair with representatives selected from each clinical department. The Committee may invite guests and resources who will bring expertise in designated areas.

B. The committee shall meet at least quarterly to maintain permanent records, and report its activities in writing to the Division Executive Committees.

C. The duties of the Technology Assessment Committee shall be:

1) To proactively track and assess new technology development or treatment modalities for consideration for evaluation at Scottsdale Healthcare.

2) To assess and prioritize new technology requests. Requests for new procedures/services/techniques shall be submitted initially to the Value Analysis Team for evaluation and recommendation. The Supply & Technology Steering Committee shall forward its recommendations and the application form and supporting documentation to the Committee for its review.

3) To recommend to the Medical Executive Committee what type of new technology and treatment modalities are appropriate for Scottsdale Healthcare based on clinical effectiveness (evidence-based medicine), strategic value, and financial value and supports the goals of Scottsdale Healthcare.

~~4)~~ To recommend to the Medical Executive Committee criteria for the granting of clinical privileges that are relevant to the care provided with the technology. Requests for clinical privileges that traditionally have been exercised only by individuals from a specialty other than the specialty requesting Committee review shall be submitted to the Technology Assessment Committee for evaluation and recommendation.

D. The Technology Assessment Committee shall, in consultation with the Department Committee(s), make a recommendation as to whether the procedure/service should be offered and whether the hospital has the capabilities, including support services, to perform the procedure/service. The Technology Assessment Committee shall make a recommendation regarding minimum threshold criteria for clinical privileges, including minimum education, training, and experience necessary to perform the procedure or service and the monitoring and supervision that may occur when privileges are granted. The Technology Assessment

Committee may also develop criteria and/or indications for when the procedure/ service is appropriate.

The Technology Assessment Committee shall forward its recommendations to the Division Executive Committee(s) within ninety (90) days.

Section 15. Multispecialty Committees

A. The Presidents Council may establish multispecialty committees to evaluate new technologies and establish common privileging criteria across departments. These multispecialty committees shall evaluate outcomes and provide educational opportunities for physicians and staff by means of regular M&M conferences.

B. The multispecialty committees shall develop and recommend to the Departments criteria for the granting of clinical privileges including minimum threshold criteria, such as minimum education, training, and experience necessary to perform the procedure or service and the monitoring and supervision. The committee may also develop criteria and/or indications for when the procedure/service is appropriate. Individual practitioner privileges shall be recommended by the appropriate department to the Credentials Committee, the relevant Division Executive Committee and the Presidents Council.

C. The committee may proactively monitor the quality of care provided by all practitioners with similar privileges. Quality monitors shall be developed to evaluate practitioner performance. The committee shall develop benchmarks and review data to improve the quality of care provided to the patients and develop policies/procedures and protocols to improve the quality of care provided to the patients. Concerns regarding quality of care issues of individual practitioners shall be referred to the appropriate department for further investigation.

D. The committee shall conduct M&M conference reviews for the purpose of reducing morbidity and mortality, and for the improvement of the care of patients provided in the Hospital(s) and to provide an educational forum for all practitioners with similar privileges.

E. Recommendations from the multispecialty committees will be presented to the Presidents Council, which may affirm, modify or reject the recommendation.

Section 16. Special Committees

As Hospital interests and services expand, the Presidents Council may appoint and direct ad hoc committees to address new issues.

ARTICLE XI. DIVISIONAL COMMITTEES

Section 1. General Provisions.

A. Divisional Committees shall have authority and obligations with respect to their Division(s), only.

B. Ten percent (10%) of the voting members of a Divisional Committee or subcommittee, but not less than two (2) members, shall constitute a quorum of such Committee or subcommittee.

C. The President of the applicable Division, the Administrator of the Hospital associated with the Division, the Chief Nursing Officer, and the Chief Medical Officer shall be a non-voting ex-officio, members of all Divisional Committees.

D. Divisional Committees shall report issues regarding peer review of medical staff members to the relevant clinical department/committee.

Section 2. Division Executive Committee

A. Membership. Each of the Division Executive Committees shall be comprised of the officers of the Division and the Chairs of each Clinical Department. In addition:

1. The Medical Director of Clinical Informatics and the chairs of the following committees shall be ex officio members of the Division Executive Committee: Quality Resource Management Committee, Pharmacy and Therapeutics Committee, and Credentials Committee; and

2. The Osborn Division Executive Committee shall include the Chair of the Trauma Committee and the Chair of the Critical Care Committee.

B. Chairs. The President of each Division shall be the Chair of that Division's Executive Committee.

C. Meetings. Each Division Executive Committee shall meet at least monthly, and on other occasions as deemed appropriate by the Chair of the Committee.

D. Duties and Powers. Each Division Executive Committee shall have the following duties and powers with respect to its Division:

1. To represent and act on behalf of the Division as authorized under these Bylaws;

2. To make recommendations to the Presidents Council regarding the quality of professional services provided by individuals with clinical privileges, including recommendations on requests for appointment and reappointment to the Medical Staff and requests for clinical privileges;

3. To provide leadership in the improvement of clinical processes and to measure and assess the improvement;

4. To facilitate a mechanism for effective communication among, and act as a liaison between, the Medical Staff, the Presidents Council, and the Members of the Division;

5. To appoint the Chair of any committee of the Division, unless these Bylaws specify otherwise;

6. To act upon and, where appropriate, make recommendations to the Presidents Council regarding, committee and Department reports;

7. To coordinate and implement Division policies;

8. To initiate, conduct and participate in reviews and investigations, and, where appropriate, to make recommendations to the Presidents Council regarding Medical Staff corrective and disciplinary actions;

9. To review, initiate and, where appropriate, make recommendations to the Presidents Council regarding, Medical Staff Bylaws, Rules and Regulations;

10. To make recommendations to the Administrator and the Presidents Council regarding: Medical Staff structure and processes to review credentials, processes relating to corrective and disciplinary action, the fair hearing process; and quality assurance activities;

11. To provide for Medical Staff education; and

12. To perform any other duties or exercise any powers reasonably necessary to the performance of the enumerated duties and powers.

Section 3. Critical Care Committee

A. The Critical Care Committee shall be comprised of Active, Provisional or Courtesy Category Members. The Chair shall be appointed by the Presidents Council. The other members shall be appointed by the Chair.

B. The Committee shall meet quarterly, or more often if deemed appropriate by the Chair; maintain permanent records; and report its activities in writing to the Presidents Council and the applicable Division Executive Committee(s).

C. The duties of the Critical Care Committee shall be:

1. To provide a forum for medical staff discussion and proposed action with respect to opportunities to improve patient care and problems, issues and concerns.

2. To monitor and review all clinical activities relating to the care of critical care patients.

3. To maintain continuing surveillance of the professional performance of all Members of the Medical Staff involved in the care of critical care patients. Concerns regarding individual physician performance shall be referred to the appropriate Clinical Department for formal review.

4. To develop and maintain a process improvement program.

5. To develop and maintain rules and regulations, policies, procedures, guidelines and educational activities relating to critical care.

6. To maintain written or electronic minutes ~~reports~~ of the Committee's conclusions, recommendations and actions, and the results of such actions.

Section 4. Nominating Committee

The composition and duties of the Nominating Committee are specified in Section 2 of Article IX of these Bylaws.

Section 5. Perioperative Services Committee

A. There shall be a Perioperative Services Committee at each Scottsdale Healthcare Division. Membership shall consist of surgeon representatives, service lines including trauma, and anesthesiologists currently holding privileges at that division, the Clinical Director of Perioperative Services, the Division Perioperative Managers and additional representation as needed to fulfill the committee duties as outlined below. Initial membership shall be determined by the Surgery and Anesthesia Committees of that division after which the Perioperative Services Committee will be a separate and autonomous entity reporting directly to their Division Executive Committees.

<u>Core members:</u>

2 physicians from Anesthesia (plus Anesthesia Committee Chair or designee)
2 physicians from Surgery (plus Surgery Committee Chair or designee)
1 physician from OB/Gyn
1 representative from Hospital Administration
2 Nursing Managers (1 from Inpatient, 1 from Outpatient)
2 members from non-managerial support staff (scrub tech, staff nurse)
1 other physician member to be elected by core group (to assure non-even number of voting committee members)

<u>ad hoc members</u>:

Schedulers, Central Supply technicians, others as determined by Committee (i.e. Radiology, Pathology)
Individuals may also be invited based on specialty or particular issue at hand

Members who are unable to complete a membership term will be replaced by a representative from the same department or discipline as outlined above, and as nominated by the respective department chair.

B. Each Perioperative Services Committee shall elect Co-Chairs for their division, one from Surgery and one from Anesthesia, in conjunction with divisional election cycle for officers and medical staff committee chairs.

C. The core members of the committee shall be voting members. 50% of the voting members constitute a quorum with a majority vote required for action items.

D. The committee shall meet at least monthly, maintain permanent records, and report its activities in writing to the Division Executive Committees.

E. The duties of the Perioperative Services Committee shall be:

1. To provide a collaborative forum for medical staff and perioperative services leadership to address efficiency and quality of perioperative services.

2. To maintain continuing surveillance of the professional performance of all members of the Scottsdale Healthcare Medical Staff involved in the care of surgical patients. Concerns regarding individual physician performance shall be reviewed at Perioperative Services Committee and if no resolution is reached may be referred to the respective department for formal review.

3. To review the perioperative services operations and the capital, supply and new technology budgets allowing the Perioperative Services Committee an opportunity to make recommendations and understand issues related to budget development, implementation, strategic planning and data based decision making.

4. To review staffing, ancillary services and other resource issues that affect performance or satisfaction.

5. To develop and maintain a process improvement program. Conflict resolution will initially be between the Perioperative Services Committee and the involved Department. Any unresolved conflicts will be forwarded to the appropriate Executive Committee.

6. To develop and maintain policies and guidelines relating to perioperative service efficiency.

7. To maintain written or electronic minutes of conclusions, recommendations, actions taken and the results of such actions.

Section 6. Trauma Committee – Osborn

A. The Trauma Committee shall meet all current requirements of the committee on Trauma, American College of Surgeons or current certifying body on membership and attendance. The Trauma Medical Director shall be Co-Chair with an Emergency Physician Co-Chair appointed by the President of the Osborn Division in consultation with the Chair of the Emergency Department. The members shall be appointed by the Co-Chairs. The following specialties must have physician representation on the Committee: Anesthesia, Critical Care, Emergency medicine, General surgery, Neurosurgery, Orthopedic Surgery, Radiology and Rehabilitation, and/or other departments deemed necessary by the Co-Chairs.

B. Except as otherwise specified in this section, the committee shall meet in compliance with current Committee on Trauma, American College of Surgeons standards or current certifying body, maintain permanent records, and report its activities in writing to the Medical Executive Committee.

C. The duties of the Trauma Committee shall be to ensure that Scottsdale Healthcare-Osborn is in compliance with criteria for Trauma Center verification by the American College of Surgeons, Committee on Trauma or current certifying body as defined in their current document defining verification for trauma centers, and to maintain State of Arizona requirements for Level 1 Trauma Center designation:

1. To have general supervision over all clinical activities concerned with the care of trauma patients;

2. To maintain continuing surveillance of the professional performance of all members of the Medical Staff involved in the care of trauma patients;

3. To review trauma medical records on a regular basis and to conduct mortality and morbidity conferences relating to trauma patients; and

4. To maintain written minutes of conclusions, recommendations, actions taken and the results of such actions.

ARTICLE XII. DEPARTMENTS OF THE MEDICAL STAFF

Section 1. Clinical Departments.

Each Division shall have the following Departments:

A. Department of Anesthesiology. The Department of Anesthesiology shall be comprised of practitioners of anesthesiology.

B. Department of Emergency Medicine. The Department of Emergency Medicine shall be comprised of practitioners of emergency medicine.

C. Department of Family Medicine. The Department of Family Medicine shall be comprised of practitioners in family medicine.

D. Department of Medicine. The Department of Medicine shall be comprised of practitioners in the specialties of, but not be limited to, general internal medicine, allergy and immunology, cardiology, dermatology, endocrinology, gastroenterology, hematology, infectious diseases, nephrology, neurology, occupational medicine, oncology, physical medicine and rehabilitation, pulmonary diseases, psychiatry, psychology and rheumatology.

E. Department of Obstetrics and Gynecology. The Department of Obstetrics and Gynecology shall be comprised of practitioners in obstetrics and gynecology and related subspecialties.

F. Department of Pathology. The Department of Pathology shall be comprised of practitioners in pathology.

G. Department of Pediatrics. The Department of Pediatrics shall be comprised of practitioners of pediatrics, neonatal medicine and related subspecialties.

H. Department of Radiology. The Department of Radiology shall be comprised of practitioners in diagnostic and therapeutic radiology, nuclear medicine and radiation oncology.

I. Department of Surgery. The Department of Surgery shall be comprised of practitioners in general surgery, cardiovascular surgery, neurosurgery, ophthalmology, oral surgery and dentistry, orthopedic surgery, otorhinolarynogology, plastic and reconstructive surgery, colorectal surgery, thoracic surgery, vascular surgery, urology, and podiatry.

Section 2. Organizations of Departments

A. Except as provided in the next sentence, each Department shall operate and be organized as a separate body within a Division. Departments may, however, combine their meetings and their functions, including their peer review activities; this combination of meetings and functions may involve the same specialties in different Divisions, different specialties in the same Division or different specialties in different Divisions.

B. Each Department shall be directed by a Department Chair and a committee, as specified in Section 6, “Department Committees.” The Chair of a Department Committee shall also be the Chair of the Department.

Section 3. Assignment of Departments

A. Every Staff member shall be assigned to one or more Department by the Division Executive Committee or Committees, as applicable, on recommendation of the Department Committee as specified in Article VII of these Bylaws, "Appointment and Reappointment."

B. It is expected that a member assigned to a Department will confine his professional activities to those ordinarily included in that Department except in emergencies and except as specified in Subsection C below.

C. Members of the Medical Staff who are granted privileges in more than one (1) Department shall be responsible to the chair and committee of each such clinical Department with respect to his/her activities in that Department.

Section 4. Departmental Rules and Regulations

A. Each Department committee shall prepare and conduct a periodic review of the Departmental Rules and Regulations. These Rules and Regulations and any amendments thereto shall be submitted to and approved by the Executive Committee of the Medical Staff and by the Governing Body.

Section 5. Departmental Meetings

A. At least quarterly, each Department shall conduct meetings to review the care of patients treated in that Department. Such meetings shall be scheduled and conducted by the Department Chairs, who may select cases for presentation and review. The minutes of these meetings shall document the actual discussion of cases evaluated, including any conclusions, recommendations, and actions.

B. Departmental meetings may be called at any time at the discretion of the Department chair.

Section 6. Department Committees

A. Each Clinical Department shall be directed by a Department committee. The Chair and Vice-Chair of each Department committee shall be elected by the Members of the Department. The composition and size of the committee, and the manner of selecting other members of the committee, shall be as specified in each Department's rules and regulations. The Chair and Vice Chair each shall serve a two year term.

B. The Committees shall meet at least quarterly, maintain permanent records, and report their activities in writing to the Division Executive Committee.

C. The duties of each Department Chair and Department Committee shall be as set forth in such Department's Rules and Regulations and generally shall be:

1. To have general supervision over all clinical and administrative activities in the Department concerned;

2. To maintain continuing surveillance of the professional performance of individuals in the Department who have delineated clinical privileges;

3. To review selected cases involving deaths, unimproved patients, patients with infections, complications, errors in diagnosis and treatment, and other such instances as are believed to be important;

4. To establish criteria for the granting of clinical privileges;

5. To recommend approval, revocation, denial, suspension, reduction or modification of clinical privileges for applicants for appointment and reappointment to the Medical Staff, as specified in these Bylaws;

6. To assure that the quality and appropriateness of care within the Department is monitored and evaluated; and

7. To provide a schedule of "on-call" physicians for the Department. Should an insufficient number of physicians in the Department volunteer for the "on-call" schedules, the chair or committee shall have the authority to include in the Department's Rules and Regulations and implement a mandatory "on-call" schedule;

8. To prepare and keep current Departmental Rules and Regulations, subject to the approval of the Executive Committee of the Medical Staff and of the Governing Body;

9. To participate in the establishment of the type and scope of services required to meet the needs of the patients and the hospital, including the assessment of off-site sources for needed patient care services;

10. To develop and implement policies and procedures that guide and support the provision of services in the Department; and

11. To appoint Departmental subcommittees as appropriate, subject to the following:

    (a) Department subcommittees shall include all members in that subspecialty.

    (b) The duties of the Departmental subcommittee shall be to advise the Departmental committee, prepare criteria for the granting of special procedures privileges, and supervise the performance of special procedures.

    (c) The Chair of the subcommittee shall be appointed by the Department Chair.

Section 7. Special Committees

As Hospital interests and services relative to a Department expand, the Department Committee may appoint and direct ad hoc committees to address new issues.

ARTICLE XIII. MEETINGS

Section 1. Medical Staff Meetings

General meetings of the Medical Staff shall be held at least annually at a time, place and date specified by the Presidents Council. Special Meetings of the Medical Staff may be called by the Governing Body or the Presidents Council. In addition, the Presidents Council shall call a Special Meeting of the Medical Staff upon receipt of a written petition calling for a Special Meeting and signed by ten or more Active Category Members of the Medical Staff. Notice of a Special Meeting shall be sent to each Active Category Member of the Medical Staff, either by mail or by an electronic medium deemed reasonably reliable by the Presidents Council, at least ten days prior to the meeting. The notice shall specify the date, time and place of the meeting and the purpose for which the meeting is being called.

Section 2. Divisional Meetings

Meetings of the Members of a Division may be called by that Division's Executive Committee. Notice of a Divisional Meeting shall be sent to each Active Category Member of the Division, either by mail or by an electronic medium deemed reasonably reliable by the Division Executive Committee that is giving the notice, at least ten days prior to the meeting. The notice shall specify the date, time and place of the meeting and the purpose for which the meeting is being called.

Section 3. Quorum and Voting

A quorum of the Active Category Members of the Medical Staff will consist of those Active Staff members in attendance at the meeting, and only Active Category Members of the Medical Staff may vote at Medical Staff Meetings. A quorum of the Active Category Members of a Division shall constitute a quorum for a Divisional Meeting and only Active Category Members of the Division that has called a Divisional Meeting may vote at that meeting.

Section 4. Minutes of Meetings

Except as otherwise specified herein, minutes of meetings shall be prepared and retained. They shall include, at a minimum, a record of the attendance of members and the vote taken on significant matters. Further, the minutes shall include the names of those who disclosed potential conflicts of interest and those who abstained and/or recused themselves. Minutes of all medical staff meetings (except the minutes relating to peer review and matters discussed in

executive session), shall be available to any staff member upon request. A copy of the minutes shall be signed by the presiding officer of the meeting and forwarded to the Medical Executive Committee.

ARTICLE XIV. DISCLOSURE OF INTEREST AND/OR CONFLICT OF INTEREST RESOLUTION

A. For the purposes of these bylaws, INTEREST means a personal or financial relationship that may impact the individual's ability to act in the best interests of the medical staff without regard to the individual's personal or financial relationship. Such a relationship may also be held by an immediate family member of that individual, including that individual's spouse, domestic partner, child or parent.

B. The disclosure of a relationship, as set forth in these bylaws, does not automatically mean that an actual conflict of interest exists. Whether a disclosed relationship constitutes a conflict is determined as set forth in E.

C. In order to encourage unbiased, responsible management and decision making, all medical staff leaders, including officers, chairs, medical staff representatives, and medical staff members serving on committees shall comply with the disclosure of relationship and conflict of interest requirements as relevant to the position held and the circumstances, consistent with these bylaws.

D. General Requirements

1. No member may exercise any leadership or committee role unless or until the member completes the Disclosure of Interest Form approved by the Medical Executive Committee as consistent with these bylaws.

2. The Disclosure of Interest Form shall be completed annually by such members and updated within thirty (30) days of the occurrence of any changes relating to statements on that form.

3. Members holding any leadership or committee role must disclose their potential conflict of interest relevant to the subject under discussion when they address a medical staff body or prior to voting upon the subject where a potential conflict of interest exists.

E. Conflict Resolution

1. A member shall recues himself/herself if the member reasonably believes that his/her ability to render a fair and independent decision is or may be affected by a conflict of interest.

2. Any committee member may request recusal of another committee member if they are aware of a potential conflict of interest. The member with the potential

conflict of interest shall leave the room while the matter is being discussed and voted upon.

3. The minutes of the meeting shall include the names of those who disclosed potential conflicts.

F. Corrective Action

Medical staff members who fail to comply with the provisions of these bylaws concerning Disclosure of Interest and/or Conflict of Interest shall be subject to corrective action under these bylaws.

ARTICLE XV. MEDICAL STAFF DUES, ASSESSMENTS AND OFFICER STIPENDS

Section 1. Annual Medical Staff Dues

A. The amount of annual Medical Staff dues shall be established by the Presidents Council. Dues shall be assessed and payable annually. The Presidents Council shall establish a policy and procedures for notification and any attendant penalties for failure to pay dues.

Section 2. Assessments

A. The Medical Staff may levy assessments payable by all members of the Medical Staff. Any such assessment must be established at a General Staff meeting, with the following conditions:

1. Each Member of the Medical Staff shall have received written notice of the purpose, date, time and place of the meeting at least ten (10) days prior to the meeting. The notice shall state that an assessment will be considered;

2. A quorum shall be present; and

3. The motion for assessment shall receive a majority vote of those present and voting.

B. Retired Category members shall not be liable for any assessment.

Section 3. Stipends

Stipends for Medical Staff officers and other physicians who provide substantial services on behalf of the Medical Staff shall be established by a committee, appointed by the Presidents Council, consisting of Active Category Members of the Medical Staff who are not eligible to receive a stipend.

ARTICLE XVI. DISCIPLINARY ACTION

Section 1. Procedure for Requesting a Review

A. A request for review (a "Review") of conduct that may lead to disciplinary action against any member of the Medical Staff (the " Practitioner") may be requested by the Chair of a Department, the Chair of a standing committee, the President of the Practitioner's Division, the Executive Committee of the Practitioner's Division, an Administrator or the Governing Body.

B. The request for a Review shall be directed to the Practitioner's Department or Departments, as applicable, for processing in accordance with the procedures specified below.

C. The Administrator and the President of the Practitioner's Division shall be notified immediately of any request for a Review and shall be kept fully informed of all actions taken in connection with the request or Review.

Section 2. Grounds for Requesting a Review

Grounds for requesting a Review shall include, but shall not be limited to, evidence of any of the following:

A. Professional conduct considered to be below the standards of the Medical Staff or Hospital; to reflect adversely upon the reputation of the Medical Staff or Hospital; or to be seriously disruptive of the operations of the Hospital or patient care;

B. Immoral or unprofessional conduct;

C. Unethical practice;

D. Incompetence;

E. Failure to keep adequate records;

F. Failure to satisfactorily complete requirements imposed by the Department applicable to the Provisional Category appointment;

G. Failure to maintain strict compliance with the terms of a conditional appointment/reappointment; and

H. Material violation of:

1. The Medical Staff Bylaws or Rules and Regulations

2. Any applicable Department Rules and Regulations; or

3. The Medical Staff Code of Conduct.

Section 3. Review by the Department Committee

A. Within forty-five (45) days after receiving a request for a Review, the Department shall conduct a Review to determine if the issues raised in the request may have merit. This Review shall not be considered an investigation. Based on the Review, the Department committee shall:

1. Determine that no action is required, and notify the President of the relevant Division of its determination;

2. Resolve the issue within the Department using collegial intervention; or

3. If despite its best efforts, the Department can not satisfactorily resolve the issue, the Department shall refer the case to the Peer Review Committee for a formal investigation. The referral to the Peer Review Committee shall be considered the initiation of the formal investigation process.

B. Prior to making a referral to the Peer Review Committee, the Department shall provide the Practitioner with written notice of the general nature of the subject matter of the Review and may give the Practitioner an opportunity to meet with the Department and to make a statement in his/her behalf. This appearance, if requested, shall not constitute a hearing and the Practitioner shall not be entitled to counsel when appearing.

Section 4. Peer Review Committee Action

A. Upon a referral from a Department, the Peer Review Committee shall consider the Committee's report and findings and shall undertake a formal investigation of the matter. Prior to making a referral to the Presidents Council, the Peer Review Committee shall provide the Practitioner with written notice of the general nature of the subject matter of the Review and shall give the Practitioner an opportunity to meet with the Peer Review Committee and to make a statement in his/her behalf. This appearance, if requested, shall not constitute a hearing and the Practitioner shall not be entitled to counsel when appearing.

B. Upon the conclusion of its formal investigation, the Peer Review Committee shall forward its conclusions and recommendations to the Division Executive Committee (or Committees if the Practitioner has privileges in more than one Division) and the Presidents Council.

Section 5. Action by the Division Executive Committee

Any Division Executive Committee that receives a recommendation relating to a Review may, but is not required to, provide the Presidents Council with its input or recommendations with respect to the Review within sixty (60) days after receiving the Peer Review Committee's recommendation.

Section 6. Action by the Presidents Council

A. Within ninety (90) days after the Presidents Council's receipt of a recommendation from the Peer Review Committee, the Presidents Council shall take action on such recommendation.

B. Prior to taking any action on the recommendation, the Presidents Council shall

1. Review input or suggestions, if any from Division Executive Committees. and

2. Notify the Practitioner of the general nature of the charges against him or her, and afford the Practitioner an appearance before the Presidents Council to make a statement in his or her behalf. This appearance, if requested, shall not constitute a hearing and the Practitioner shall not be entitled to counsel when appearing.

C. The action of the Presidents Council may take any appropriate action, including without limitation one or more of the following:

1. Determine that no action is warranted and dismiss the investigation;

2. Administer a warning to the Practitioner;

3. Issue a letter of admonition or reprimand to the Practitioner;

4. Require the Practitioner to obtain consultation or observation in the conduct of clinical practice;

5. Recommend to the Governing Body that the Practitioner's clinical privileges be terminated, suspended, reduced or otherwise modified;

6. Recommend to the Governing Body that the Practitioner's membership on the Medical Staff be suspended or revoked; and

7. Recommend to the Governing Body that any adverse action taken by the Governing Body be effective immediately.

D. When the action of the Presidents Council includes a recommendation for termination, suspension, reduction or other modification of clinical privileges, or suspension or revocation of membership in the Medical Staff, this action shall be transmitted to the Administrator or the relevant Hospital, who shall promptly inform the Practitioner by Special Notice according to Article XVI, Hearings.

Section 7. Decision by the Governing Body

A. Within sixty (60) days after receiving a recommendation from the Presidents Council to suspend or revoke membership on the Medical Staff; or to terminate,

suspend, reduce or modify clinical privileges, the Governing Body shall make a decision on such recommendation.

B. If the Governing Body disagrees with the recommendation of the Presidents Council, the matter shall be submitted to the Joint Conference Committee for review and recommendation, after which the Governing Body shall make its decision.

C. When the Governing Body has made a decision on a request for disciplinary action, it shall notify the Practitioner and the President of the relevant Division(s). If the Governing Body's decision is to impose disciplinary action, such decision shall not be final and disciplinary action shall not be imposed until the Practitioner has been provided with notice and a hearing in accordance with XVIII of these Bylaws.

Section 8. Summary Suspension

A. Any of the following individuals shall each have the authority, whenever, in their judgment, action must be taken immediately to avoid imminent danger to the health of any individual, to summarily suspend all or any portion of the clinical privileges of a Member of the Medical Staff: the President of any Division within which an Practitioner practices; the Chief Medical Officer; or the Governing Body. Any such summary suspension shall become effective immediately and shall apply to all Divisions within which the Practitioner practices.

B. A suspended practitioner shall be entitled to an appearance before the Presidents Council within a reasonable time after the suspension is imposed, not to exceed fifteen (15) days. Within fifteen (15) days after this appearance, the Presidents Council shall:

1. Terminate the summary suspension; or

2. Recommend continuance or modification of the terms of the summary suspension, in which event the suspended practitioner shall be provided with notice and a hearing in accordance with 0, "Hearings," of these Bylaws; providing, however, that the terms of the summary suspension as sustained or modified by the recommendation of the Executive Committee shall remain in effect pending a final decision under 0.

C. Immediately upon the imposition of summary suspension, the relevant President or Chair of the relevant Department shall have the authority to provide for alternative medical coverage for the patients of the suspended practitioner by appointing another member of the Medical Staff to care for any such patient(s) in the Hospital. The patient or his or her legal representative shall be consulted before the selection of such other member is made.

Section 9. Automatic Suspension

A. If a practitioner's ability to practice medicine has been suspended, revoked or terminated by the Arizona Medical Board, the Osteopathic Board of Medical Examiners or an equivalent licensing board, such practitioner's privileges shall be suspended automatically and immediately.

B. Immediately upon notification by the licensing board, the Administrator, the Chief Medical Officer, or the President of a Division within which the practitioner practices, shall notify the practitioner that his or her privileges have been suspended.

ARTICLE XVII. HEARINGS

Section 1. Request for a Hearing

A. In all cases in which the Presidents Council has made a recommendation to the Governing Body for an action that constitutes grounds for a hearing, the Practitioner shall be notified in writing by certified mail of the proposed action. The notice shall:

1. State that the individual has a right to a hearing and that such right must be exercised within the thirty (30) day period;

2. State in concise language the reasons for the proposed action, including any acts or omissions with which the Practitioner is charged.

3. Transmit a copy of Article XVIII. of the Medical Staff Bylaws, "Hearing;"

4. Advise the Practitioner that he or she has thirty (30) days from the date on which the notice was mailed to request for a hearing pursuant to this Article XVIII.

B. The Practitioner's request for a hearing must be mailed or hand delivered to the Administrator of any Hospital at which the Practitioner practices. Failure to request a hearing within the thirty day period specified above shall constitute a waiver of a right to a hearing and consent by the Practitioner to the action recommended by the Presidents Council without a hearing.

C. Regardless of whether the Practitioner has, or has applied for, Medical Staff membership and clinical privileges at more than one Division, the Practitioner shall be entitled to only one hearing with respect to the action that gave rise to a right to a hearing.

D. Except as specifically provided in these Bylaws, including Subsection E, below, any of the following recommendations by the Presidents Council shall constitute grounds for a hearing:

1. Denial of application for appointment or reappointment to the Medical Staff; or

2. Suspension of Medical Staff membership or clinical privileges lasting more than thirty days; or

3. Termination, reduction or other modification of clinical privileges.

E. The following shall not constitute grounds for a hearing:

1. Termination of medical staff membership/privileges for failure to complete supervision or provisional requirements within the specified time frame.

2. Termination of medical staff membership/privileges for failure to pay staff dues within the specified time frame.

3. Reduction or denial of advancement in medical staff category for failure to meet the requirements specified in Article V, “Categories of Membership.”

4. Termination of medical staff membership/privileges for failure to maintain a current active Arizona license.

5. Issuance of a letter of admonishment or reprimand.

6. Automatic termination of medical staff membership and clinical privileges for failure to obtain board certification as required under these Bylaws.

7. Denial of a request for appointment or reappointment for failure to complete the application form or process.

8. Failure to request reinstatement, or follow the process specified in these Bylaws for reinstatement, following a leave of absence.

9. Denial of an application for appointment or reappointment to the Medical Staff based on failure to complete the pre-application process in a timely fashion.

10. Denial of an application for appointment or reappointment to the Medical Staff for failure to complete the application process in a timely fashion.

11. Any other action as to which these Bylaws specify that the Practitioner is not entitled to rights under Article XVI, Hearings.

Section 2. Hearing Procedure

A. Upon receipt of a request for a hearing, the Administrator shall fix the place, time, and date of the hearing and shall send notice of same to the Practitioner by certified mail. The hearing shall be convened within ninety (90) days after receipt by an Administrator of the request for a hearing; provided, however, that the date

set for the hearing shall not be less that thirty (30) days from the date on which the request was received by the Administrator. Requests by the Practitioner for a continuance of the hearing shall not be granted absent extraordinary circumstances.

B. The Chair of the Presidents Council shall appoint:

1. The Hearing Panel. The Hearing Panel shall be composed of three (3) members of the Medical Staff who shall not have personally participated at any staff level in the formulation of recommendations concerning the Practitioner and who are not in direct economic competition with the Practitioner.

2. An individual to serve as the non-voting Presiding Officer of the Hearing Panel. The Presiding Officer shall preside over the hearing process and the hearing and shall ensure that all participants in the hearing have a reasonable opportunity to be heard. The Presiding Officer shall make all decisions regarding the procedure to be followed, the conduct of the hearing, the admissibility of evidence and related procedural issues. The hearing need not be conducted in accordance with strict legal rules of procedure and any relevant and potentially probative evidence, whether considered hearsay or not, may be admitted by the Presiding Officer. The Presiding Officer may participate in the deliberations of the Hearing Panel but shall have no vote.

3. An individual to act as the representative of the Medical Staff at the hearing.

C. Within thirty days of the Administrator's receipt of the Practitioner's request for a hearing, the Chair of the Presidents Council shall send the Practitioner the names of the Hearing Panel members; a list of all witnesses (if any) that the Medical Staff expects to call at the hearing; and copies of the documents that the Medical Staff intends to introduce at the hearing. Within ten (10) days after receipt of the Medical Staff's list of witnesses and exhibits, the Practitioner shall submit to the Administrator a list of all witnesses (if any) he or she expects to testify at the hearing and copies of the documents Practitioner intends to introduce at the hearing. If either party plans to introduce documents that have been previously provided to the other party, a list of those documents may be provided in lieu of copies of the documents. The failure of the Practitioner to object in writing to the composition of the Hearing Panel, within ten days after receiving notice of the composition of the Hearing Panel, shall be deemed a waiver of any such objection.

D. Both the Practitioner and the Medical Staff shall be entitled to be represented at the hearing by an attorney or other person of their choice; the Medical Staff may select the General Counsel of SHC as its representative. The Practitioner shall notify the Administrator in writing no later than ten (10) days prior to the scheduled hearing that he or she intends to be represented at the hearing and shall provide the Administrator with the name of the representative. Failure to provide the notification within this time period shall constitute a wavier of representation.

Irrespective of the individual's decision to be represented by counsel at the hearing, the Medical Staff may be represented by an attorney at the hearing.

E. As a prerequisite to being qualified to participate as a member of the Hearing Panel, each member of the Medical Staff serving on the hearing Panel shall certify for the record at the commencement of the hearing that he or she is not in direct economic competition with the Practitioner. Failure to make the required certification shall not affect the validity of the hearing provided that no member of the Hearing Panel is in direct economic competition with the Practitioner.

F. The General Counsel of SHC or designee may attend the hearing.

G. The hearing is convened to provide appropriate hearing and review to the Practitioner. Therefore, the evidence presented at the hearing shall be limited to evidence relevant to the charges that were the basis of the Presidents Council's recommendation. The Presiding Officer has the authority to exclude irrelevant evidence and to limit the amount of time allotted to the parties to present their evidence. Where the right to a hearing was based on a recommendation or action resulting from the Practitioner's failure to maintain strict compliance with the conditional appointment/ reappointment, the scope of the hearing under Article XVII shall be limited to a determination of whether the Practitioner maintained strict compliance with the terms of the conditional appointment/ reappointment and not the basis of whether the conditions was appropriate and/or reasonable.

H. The Presiding Officer may schedule a pre-hearing conference with counsel for the Medical Staff and the Practitioner, to discuss the hearing, objections to evidence, timeframes and other procedural issues.

I. The Practitioner and the Medical Staff shall have the right to present documentary evidence and to call, examine and cross-examine witnesses. Any evidence offered by any party shall be admitted if the Presiding Officer of the hearing determines that the evidence is relevant and probative, even though such evidence may not be admissible in a court of law. A verbatim record shall be made of the proceedings. The Practitioner may obtain a copy of this record upon written request to the Administrator for such a copy and upon the payment of reasonable charges to the Medical Staff for cost of such copy.

J. After the representatives of the Medical Staff have presented the facts in support of their recommendations and/or actions, the Practitioner shall have the burden of coming forward with evidence which demonstrates by a preponderance of the evidence that the adverse decision or recommendation lacks any substantial factual basis or is otherwise arbitrary, unreasonable or capricious.

K. The Presiding Officer conducting the hearing may adjourn the hearing and reconvene same for the convenience of the participants or for the purpose of obtaining additional evidence. After all the evidence has been presented, the hearing shall be closed. At the discretion of the Presiding Officer, the Medical Staff and the Practitioner may submit a written statement to the Hearing Panel at the close of the hearing. The Hearing Panel may then conduct its deliberations at a time convenient to itself, outside the presence of the Practitioner.

L. Within ten 10) days after the close of the hearing, the Hearing Panel shall make a written report to the Presidents Council. The report shall include the Hearing Panel's recommendation and a statement of the basis for the recommendation. The Hearing Panel may recommend confirmation, modification or rejection of the recommendation or action that was the basis for the hearing. A copy of the report shall be transmitted t the Practitioner.

M. Within thirty (30) days after receipt of the report from the Hearing Panel, the Presidents Council shall make its final recommendation to the Governing Body.

N. Within sixty (60) days after receipt of the final recommendation from the Presidents Council, the Governing Body shall make a final decision in the matter. The final decision of the Governing Body shall be effective immediately and shall not allow the Practitioner further appeal. The Practitioner shall be notified in writing by certified mail of the decision and a statement for the basis for the decision.

O. If the Governing Body disagrees with the President's Council's recommendation, the Joint Conference Committee will review the Executive Committee's recommendation and any input from the Governing Body, and make a recommendation t the Governing Body.

ARTICLE XVIII. AMENDMENTS TO THESE BYLAWS

Section 1. Amendment Process.

These Bylaws may be amended by a vote of the Active Category Members of the Medical Staff. Proposed amendments shall be developed by the Bylaws Committee and recommended to the Presidents Council. If the Presidents Council recommends a proposed amendment, the proposed amendment shall be discussed at a meeting of the Medical Staff. Notice of the meeting at which the proposed amendment(s) is to be discussed, and a copy of the proposed amendment(s), shall be provided to all Active Category Members of the Medical Staff, at least fourteen (14) days in advance of the meeting, either by mail or by an electronic medium deemed reasonably reliable by the Presidents Council. Within thirty (30) days after the meeting, ballots shall be sent to all Active Category Members of the Medical Staff, either by mail or by an electronic medium deemed reasonably reliable by the Presidents Council. Only ballots completed and returned to Medical Staff Services Office within thirty (30) days after the ballots are sent to the Members of the Medical Staff shall be counted. Approval shall require a majority vote of those Active Category Members of the Medical Staff who vote.

Amendments so approved shall become effective when approved by the Governing Body.

Section 2. Effect of an Amendment.

Upon approval by the Governing Body, these Bylaws and any amendments to the Bylaws shall be equally binding on the Medical Staff and the Governing Body. Neither body may unilaterally amend these Bylaws or the Medical Staff Rules and Regulations.

ARTICLE XIX. RULES AND REGULATIONS

In the interest of proper and effective conduct of the Medical Staff organization, the Presidents Council, with input from the Division Executive Committees, is authorized to propose such rules and regulations as may be deemed necessary to implement the Bylaws of the Medical Staff. Such rules and regulations will be enacted, revised or amended by the affirmative vote of the majority of the members of the Presidents Council, but shall only be effective after approval thereof by the Governing Body.

ARTICLE XX. PARLIAMENTARY AUTHORITY

All committee meetings will be conducted with the intent of allowing interested parties an opportunity to provide their input and to achieve a fair resolution. Robert's Rules of Order, Newly Revised then in effect shall govern and provide general guidance for the conduct of meetings, but adherence to Robert's Rules of Order shall not be required.

ADOPTION AND APPROVAL

ADOPTED by vote of the Active Category of the Osborn Division on July 17, 2013:

_____
President of the Osborn Division Medical Staff

ADOPTED by vote of the Active Category of the Shea Division on July 17, 2013:

_____
President of the Shea Division Medical Staff

ADOPTED by vote of the Active Category of the Thompson Peak Division on July 17, 2013:

_____
President of the Thompson Peak Division
Medical Staff

Upon recommendation of the Medical Staff, APPROVED by the Scottsdale Healthcare Board of Directors on September 24, 2013:

_____
Chair of the Board of Directors