

**BYLAWS  
SOUTH PENINSULA HOSPITAL, INC.**

**ARTICLE I - NAME AND OBJECTIVES**

**Section 1.**

The name of this corporation shall be South Peninsula Hospital, Inc., and its mailing address shall be 4300 Bartlett Street, Homer, Alaska 99603.

**Section 2.**

The name of the Board shall be the South Peninsula Hospital Board of Directors, and shall be referred to in these Bylaws as the Hospital Board.

**Section 3.**

The objective of the Hospital Board shall be to construct, maintain, and operate a hospital and authorized services in accordance with the laws and regulations of the State of Alaska and in fulfillment of our responsibility to the taxpayers and citizens of the South Kenai Peninsula Hospital Service Area. The Hospital Board shall be responsible for the control and operation of the Hospital and authorized services including the appointment of a qualified medical staff, the conservation and use of hospital monies, and the formulation of administrative policy.

**ARTICLE II - MEETINGS**

**Section 1. Regular Meetings.**

The Hospital Board shall hold regular meetings with a minimum of ten (10) meetings a year. Meetings shall be held at South Peninsula Hospital or such other place as may be designated, or virtually through telephonic or other electronic means

**Section 2. Special Meetings.**

Special meetings may be called by the President, Vice-President, Secretary, or Treasurer, at the request of the Administrator, Chief of Staff, or three Board members. Members shall be notified of the time, place, date, and purpose of special meetings. Notice will be given verbally or by email. A minimum of five days' notice shall be given to members except in the event of an emergency. Notice will be provided to borough clerk and posted on SPHI website.

### **Section 3. Quorum.**

A quorum for the transaction of business at any regular, special, or emergency meeting shall consist of a majority of the seated members of the Hospital Board, but a majority of those present shall have the power to adjourn the meeting to a future time. Attendance may be in person through telephonic or other electronic means.

### **Section 4. Minutes.**

All proceedings of meetings shall be permanently recorded in writing by the Secretary and distributed to the members of the Hospital Board and ex-officio members. Copies of minutes will be posted on the SPHI website.

### **Section 5. Reconsideration:**

A member of the board of directors who voted with the prevailing side on any issue may move to reconsider the board's action at the same meeting or at the next regularly scheduled meeting. Notice of reconsideration can be made immediately or made within forty-eight hours from the time of the original action was taken by notifying the president or secretary of the board.

### **Section 6. Annual Meeting.**

The annual meeting of the Board of South Peninsula Hospital, Inc. shall be held in January, at a time and place determined by the Board of Directors. The purpose of the annual meeting shall include reviewing strategic plans for the coming year and may include election of officers and appointment of Board members. The Annual meeting will count as one of the ten required meetings per year, and may include the conduct of regular business items.

## **ARTICLE III - MEMBERS**

### **Section 1.**

Board members must be at least 21 years old and a resident of the South Kenai Peninsula Hospital Service Area ("Service Area") of the Kenai Peninsula Borough. The Board may establish other qualifications for Directors by resolution or policy. The Board may also establish criteria for the composition of the Board as a whole by resolution or policy, provided that at least 51% of the Board must be independent directors. By resolution or policy, the Board may impose restrictions on the eligibility of and guidelines for directors, including non-independent directors such as Medical Staff Members with privileges, to serve as committee members on Board committees.

Medical Staff Members with privileges to practice in corporation facilities, including employees of the corporation, are eligible to serve on the Board of Directors, provided that the number of such Medical Staff Members concurrently serving on the Board shall not exceed two (2)

directors at any time, and the number of non-physician medical staff members shall not exceed one (1) director at any time. Medical Staff Board Members will be recused from influencing the following Board decisions:

- o Physician compensation including pay for performance considerations
- o CEO compensation
- o Approval of the annual audit
- o Legal matters of which the Physician or a family member is the subject
- o Medical Staff Board Members cannot serve on or have family relationships with members of the Physician Peer Review Committee

Except as provided in this section, employees of the corporation's facilities may not serve as Board members while so employed or within one year after termination of employment.

The number of Directors of this corporation shall be nine (9) to eleven (11). The Board may change the number of Directors at any time by amendment to these Bylaws, but a decrease cannot have the effect of shortening the term of an incumbent Director.

## **Section 2.**

Appointments to the Hospital Board shall be made by the Hospital Board with an affirmative vote of the majority of the Board. Term of office shall be three (3) years with appointments staggered so that at least three members' terms will expire each year on December 31. Members may be reappointed by an affirmative vote of the majority of the Board. Elections shall be by secret ballot. Elections may be held by any electronic means that provides the required anonymity of the ballot.

## **Section 3.**

Vacancies created by a member no longer able to serve shall be filled by the procedure described in Section 2 for the unexpired term. Any member appointed to fill a vacated seat shall serve the remainder of the term for the seat the member has been appointed to fill. If the vacancy results in fewer than nine (9) active members, every effort will be made to fill the vacant seat as quickly as possible. There is no requirement to fill a seat, as long as the minimum required number of active board members is met.

## **Section 4.**

Any Hospital Board member who is absent from two (2) consecutive regular meetings without prior notice may be replaced. In the event of sickness or circumstances beyond the control of the absent member, the absence may be excused by the President of the Board or the President's designee. Any Board member who misses over 50% of the Board meetings during a year may be replaced.

## **Section 5.**

Censure of, or removal from the Board of any member shall require a 2/3 affirmative vote of the remaining Board members, excluding the board member in question.

## **Section 6.**

No member shall commit the Hospital Board unless specifically appointed to do so by the Hospital Board, and the appointment recorded in the minutes of the meeting at which the appointment was made.

## **Section 7.**

Hospital Board members will receive a stipend according to a schedule adopted by the board and outlined in Board Policy SM-12 Board Member Stipends.

# **ARTICLE IV - OFFICERS**

## **Section 1.**

The officers of the Hospital Board shall be a President, Vice-President, Secretary, and Treasurer. Non-independent board members may serve in executive capacities, however the President and Vice-President may not both be non-independent board members.

## **Section 2.**

At the December meeting each odd year, the officers shall be elected, all of whom shall be from among the board's own membership and shall hold office for a period of two years.

## **Section 3.**

**President.** The President shall preside at all meetings of the Hospital Board. The President may be an appointed member to any committee and shall be an ex-officio member of each committee.

## **Section 4.**

**Vice-President.** The Vice-President shall act as President in the absence of the President, or when the President has a conflict of interest regarding a topic, and when so acting, shall have all of the power and authority of the President.

## **Section 5.**

In the absence of the President and the Vice-President, the President shall appoint a presiding officer.

## **Section 6.**

**Secretary.** The secretary shall be responsible for the minutes of the meeting, act as custodian of all records and reports, maintain records of each board member's attendance of special and regular board and assigned committee meetings, training attendance, and ensure posting of the agenda and minutes on the website, ensure that notification is provided to the Kenai Peninsula Borough for any changes to board membership or officer assignments, and other duties as set forth by the Hospital Board. These duties shall be performed in conjunction with SPH Hospital Staff assigned to assist the Board.

## **Section 7.**

**Treasurer.** The Treasurer shall act as the Finance and Pension Committee Chair and have charge and custody of, and be responsible to the Hospital Board for, all funds, properties and securities of South Peninsula Hospital, Inc. in keeping with such directives as may be enacted by the Hospital Board.

# **ARTICLE V - COMMITTEES**

## **Section 1.**

The President shall appoint the number and types of committees consistent with the size and scope of activities of the hospital. The committees shall provide advice or recommendations to the Board as directed by the President. The President may appoint any person including, but not limited to, members of the Board to serve as a committee member. Only members of the Board will have voting rights on any Board committee. All appointments shall be made a part of the minutes of the meeting at which they are made.

## **Section 2.**

Non-Board Committee members shall serve without remuneration. Board Committee members will receive no additional remuneration for committee service. Reimbursement for out-of-pocket expenses of committee members may be made only by Hospital Board approval through the Finance Committee.

## **Section 3.**

Committee reports, to be presented by the appropriate committee, shall be made a part of the minutes of the meeting at which they are presented. Substance of committee work will be fully disclosed to the full board.

# **ARTICLE VI - ADMINISTRATOR**

## **Section 1.**

The Chief Executive Officer (CEO) will serve as the Administrator of the hospital and shall be selected by the Hospital Board to serve under its direction and be responsible for carrying out its policies. The CEO shall have charge of and be responsible for the administration of the hospital.

## **Section 2.**

The CEO shall supervise all business affairs such as the records of financial transactions, collection of accounts and purchases, issuance of supplies, and to ensure that all funds are collected and expended to the best possible advantage. All books and records of account shall be maintained within the hospital facilities and shall be current at all times.

## **Section 3.**

The CEO shall prepare an annual budget showing the expected receipts and expenditures of the hospital, for the review and approval of the Hospital Board.

## **Section 4.**

The CEO shall prepare and submit a written monthly report of all expenses and revenues of the hospital, preferably in advance of meetings. This report shall be included in the minutes of that meeting. Other special reports shall be prepared and submitted as required by the Hospital Board.

## **Section 5.**

The CEO shall appoint a Medical Director of the Long-Term Care Facility. The Medical Director shall be responsible for the clinical quality of care in the Long-Term Care Facility and shall report directly to the CEO.

## **Section 6.**

The CEO shall serve as the liaison between the Hospital Board and the Medical Staff.

## **Section 7.**

The CEO shall provide a Collective Bargaining Agreement to the Hospital Board for approval.

## **Section 8.**

The CEO shall see that all physical properties are kept in a good state of repair and operating condition.

## **Section 9.**

The CEO shall perform any other duty that the Hospital Board may assign.

## **Section 10.**

The CEO shall be held accountable to the Hospital Board in total and not to individual Hospital Board members.

# **ARTICLE VII - MEDICAL STAFF**

The Hospital Board will appoint a Medical Staff in accordance with these Bylaws and the Bylaws of the Medical Staff approved by the Hospital Board. The Medical Staff will operate as an integral part of the hospital corporation and will be responsible and accountable to the Hospital Board for the discharge of those responsibilities delegated to it by the Hospital Board from time to time. The delegation of responsibilities to the Medical Staff under these Bylaws or the Medical Staff Bylaws does not limit the inherent power of the Hospital Board to act directly in the interests of the Hospital.

## **Section 1.**

The Hospital Board has authorized the creation of a Medical Staff to be known as the Medical Staff of South Peninsula Hospital. The membership of the Medical Staff will be comprised of all practitioners who are eligible under Alaska state law and otherwise satisfy requirements established by the Hospital Board. Membership in this organization shall not be limited to physicians only. Membership in this organization is a prerequisite to the exercise of clinical privileges in the Hospital, except as otherwise specifically provided in the Medical Staff Bylaws. The Medical Staff organization, and its members will be responsible to the Hospital Board for the quality of patient care practiced under their direction and the Medical Staff will be responsible for the ethical and clinical practice of its members.

The Chief of Staff will be responsible for regular communication with the Hospital Board.

## **Section 2.**

The Hospital Board delegates to the Medical Staff its responsibility to develop Bylaws, and Rules and Regulations for the internal governance and operation of the Medical Staff. Neither will be effective until approved by the Hospital Board.

The following purposes and procedures will be incorporated into the Bylaws and Rules and Regulations of the Medical Staff:

1. The Bylaws and Rules and Regulations of the Medical Staff will state the purposes, functions and organization of the Medical Staff and will set forth the policies by which the Professional Staff exercises and accounts for its delegated authority and responsibilities.
2. The Medical Staff Bylaws will require adherence to an identified code of behavior within the Hospital. The Bylaws will state that the ability to work harmoniously and cooperatively with others is a basic requirement for initial appointment and

reappointment. Such Bylaws will state that appointment and reappointment is subject to compliance with Medical Staff Bylaws and Hospital Board Bylaws.

3. The Medical Staff Bylaws or Rules and Regulations will clearly define a regular method of quality assessment if not established by Hospital Board policy.

### **Section 3.**

The following tenets will be applicable to Medical Staff membership and clinical privileges:

1. The Hospital Board delegates to the Medical Staff the responsibility and authority to investigate and evaluate matters relating to Medical Staff membership, clinical privileges, behavior and disciplinary action, and will require that the Medical Staff adopt, and forward to the Hospital Board, specific written recommendations with appropriate supporting documentation that will allow the Hospital Board to take informed action when necessary.
2. Final actions on all matters relating to Medical Staff membership, clinical privileges, behavior and disciplinary action will generally be taken by the Hospital Board following consideration of Medical Staff recommendations. However, the Hospital Board has the right to directly review and act upon any action or failure to act by the Medical Staff if, in the opinion of the Hospital Board, the Medical Staff does not or is unable to carry out its duties and responsibilities as provided in the Medical Staff Bylaws.
3. In acting on matters involving granting and defining Medical Staff membership and in defining and granting clinical privileges, the Hospital Board, through the Medical Staff's recommendations, the supporting information on which such recommendations are based, and such criteria as are set forth in the Medical Staff Bylaws. No aspect of membership nor specific clinical privileges will be limited or denied to a practitioner on the basis of sex, race, age, color, disability, national origin, religion, or status as a veteran.
4. The terms and conditions of membership on the Medical Staff and exercise of clinical privileges will be specifically described in the notice of individual appointment or reappointment.
5. Subject to its authority to act directly, the Hospital Board will require that any adverse recommendations or requests for disciplinary action concerning a practitioner's Medical Staff appointment, reappointment, clinical unit affiliation, Medical Staff category, admitting prerogatives or clinical privileges, will follow the requirements set forth in the Medical Staff Bylaws.
6. From time to time, the Hospital Board will establish professional liability insurance requirements that must be maintained by members of the Medical Staff as a condition of membership. Such requirements will be specific as to amount and kind of insurance and must be provided by a rated insurance company acceptable to the Hospital Board.

## **ARTICLE VIII - AUTHORIZATION OF INDEBTEDNESS**

### **Section 1. Indebtedness.**

It shall require seventy five percent (75%) of the entire Hospital Board to commit funds beyond current income, cash available, and appropriations of the current budget.

## **ARTICLE IX - AMENDMENTS**

### **Section 1.**

The Bylaws may be altered, amended, or repealed by the Hospital Board members at any regular or special meeting provided that notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal and that said proposed alteration, amendment, or repeal shall be completed with a resolution of the Hospital Board that is to be read by title only at two meetings, prior to a vote. The vote may be conducted at the meeting of the second reading. "Read" in this capacity applies to the provision of all amendments and the reading of the resolution title.

### **Section 2.**

An affirmative vote of seventy-five percent (75%) of the entire Hospital Board membership shall be required to ratify amendments, alterations or repeals to these Bylaws.

### **Section 3.**

These Bylaws shall be reviewed and updated as required, but at a minimum will be restated at the annual meeting.

## **ARTICLE X - ORDER OF BUSINESS**

### **Section 1.**

The order and conduct of business at all meetings of the Hospital Board shall be consistent with the following procedure.

An agenda will be prepared and posted prior to each regular meeting, special meeting, or committee meeting, stating the intended topics of discussion/review at the meeting.

Except in the case of an emergent topic, no additional topics will be included in the agenda once it has been finalized and posted.

The agenda will be approved at the beginning of each meeting using the motion, second, vote process, and may include amendments to the order of business only.

If a Board Member has a conflict of interest with any item on the consent agenda, that item will be removed for individual consideration using the amendment procedure above.

Business will be conducted using a motion, second, discussion and vote format. When reviewing and discussing resolutions, amendments may be proposed using the same format and must be approved or declined before moving forward with the final approval of the resolution.

In order to keep track of the discussion, only one amendment may be introduced, discussed and voted on at a time, and “friendly amendments” should not be considered. Clear each proposed amendment and make additional amendments if desired.

## **ARTICLE XI - INDEMNIFICATION**

### **Section 1.**

The corporation shall indemnify every person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a board member, director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust of other enterprise, against expenses (including attorneys’ fees), judgment, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

### **Section 2.**

The corporation shall indemnify every person who has or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a board member, director, officer, employee or agent of the corporation, partnership, joint venture, trust of other enterprise against expenses (including attorneys’ fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which such court shall deem proper.

### **Section 3.**

To the extent that a board member, director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections 1 and 2 hereof, or in defense of any claim, issue or matter therein, he shall be

indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

**Section 4.**

Any indemnification under subsections 1 and 2 hereof (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the board member, director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections 1 and 2 hereof. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceedings, or (b) if such quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

**Section 5.**

Expenses incurred in defending a civil or criminal action, suit, or proceeding may be applied by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the manner provided in subsection 4 upon receipt of any undertaking by or on behalf of the board member, director, officer, employee or agent, to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this section.

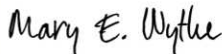
**Section 6.**

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any resolution adopted by the members after notice, both as to action in his official capacity and as to action in another capacity while holding office, and shall continue as to a person who has ceased to be a board member, director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Adopted by the South Peninsula Hospital Board of Directors on January 28, 2026.

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Aaron Weisser, President

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Mary E. Wythe, Secretary