

University of Michigan
Regents Communication
Action Request

Subject: University of Michigan Health System Board Bylaws

Action

Requested: Approval of Amendments to the University of Michigan Health System Board Bylaws

Effective

Date: March 23, 2023

UMHS Board Bylaws Amendments:

Board Composition:

The UMHS Board (the “Board”) is currently composed of up to thirteen (13) individuals who will each serve as voting members.

Per section 4.1(d), up to six (6) Board members will be individuals who have expertise in areas of importance to the UMHS, offer broad perspective, and do not represent any special interest group. Each shall be nominated by the President of the University in consultation with the Executive Vice President, Medical Affairs (EVPMA) and the Board and appointed by the Board of Regents.

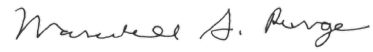
To add additional expertise and perspective to the Board, and as endorsed by the full Board, we are recommending that the Regents approve an amendment to the UMHS Board Bylaws to add an additional two (2) category (d) members, for a total of eight (8) category (d) members, and a Board member revised total of up to fifteen (15) individuals.

Other Updates with this Amendment:

- Revise UMHS to U-M Health to align with branding efforts to eliminate reference to “System.” A corresponding change will eventually be made to the Regents Bylaws where UMHS is a defined term.
- Clarify authorities and delegations applicable only to UMH (University of Michigan Hospitals on the “hill”) as opposed to the entire U-M Health.
- Revise Conflict of Interest (COI) section to comport with revised Board COI Policy.
- Provide flexibility to appoint someone other than U-M Health President to be Secretary of the Board.

We are recommending that the Regents approve these amendments to the UMHS Board Bylaws to reflect and clarify current state relative to board composition, branding and organization efforts.

Respectfully submitted,



Marschall S. Runge, M.D., Ph.D.

Executive Vice President for Medical Affairs

Dean, University of Michigan Medical School



Santa J. Ono

President, University of Michigan

March 23, 2023

Amended and Restated
Bylaws
of
The University of Michigan Health Board

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**Amended and Restated Bylaws Of
The University of Michigan Health Board**

**ARTICLE I
Definitions**

Section 1.1. Definitions. For purposes of these Bylaws, these terms will have the following meanings:

"Board" means The University of Michigan Health Board, formerly known as the University of Michigan Health System Board and the Hospitals and Health Centers Executive Board (HHCEB).

"Board of Regents" or "Regents" means the Board of Regents of the University of Michigan and the term "Regent" means an individual member of the Regents.

"Bylaws" means the Amended and Restated Bylaws of the University of Michigan Health Board.

"Chief of Staff" means the chief of staff of the Medical Staff.

"Chief Quality Officer" means the chief quality officer of the UMH.

"CMS" means the Centers for Medicare and Medicaid Services.

"Compliance Programs" means programs that assure compliance with federal and state laws, rules and regulations, accreditation standards, University rules, policies, and contract terms that govern U-M Health's clinical care, research and training activities.

"Effective Date" means March 3, 2017.

"EVPMA" means the executive vice president for medical affairs of the University, dean of the UMMS who serves as the chief executive officer of the entire academic medical center.

"Ex Officio Members" has the meaning set forth in Section 4.1(a).

"Medical Staff" means the formal organization of all licensed physicians, dentists, scientists and other licensed individuals permitted by law and the UMH's Medical Staff Bylaws to have clinical privileges to provide health care services to patients of the UMH.

“MHC” means Michigan Health Corporation.

“Regents Bylaws” means the Bylaws of the University of Michigan Board of Regents as in effect and amended from time to time.

"UMH" means the University of Michigan Hospitals, including but not limited to, all its inpatient facilities, ambulatory surgery centers, and outpatient clinics and other facilities.

“U-M Health” means the University of Michigan Health.

“U-M Health President” means the president of the U-M Health and executive vice dean for clinical affairs of the UMMS.

“UMMG” means the University of Michigan Medical Group.

“UMMS” means the University of Michigan Medical School.

"University" or “U-M” means the University of Michigan.

ARTICLE II

Purposes

Section 2.1. Purposes. The University academic medical center consists of the UMMS and the U-M Health. The U-M Health consists of the UMH, the UMMG, and MHC, as well all other University subsidiaries and affiliates that promote the mission of the clinical enterprise. All components of the academic medical center function cooperatively in teaching, research, and patient care.

The purpose of the Board is to advise the Board of Regents and U-M Health leadership on the strategy and operating performance of the U-M Health in teaching, research and patient care and as specified in these Bylaws and the Regents Bylaws. Further, the Board is the UMH governing body for the operation, maintenance, and administrative affairs of the UMH.

ARTICLE III

Establishment of Board/Delegation By Regents

Section 3.1. Establishment. The Board is established by, and is advisory to, the Regents. The Board is delegated such authority as is provided by action of the Regents, through the Regents Bylaws, approval of these Bylaws, and other actions that the Regents may take. If a conflict exists between these Bylaws and the Regents Bylaws, the Regents Bylaws will control.

Section 3.2. Powers Reserved To The Regents. The Board of Regents is responsible for establishing the mission, goals and objectives of the U-M Health, including the UMH, UMMG and MHC, as set out in the Regents Bylaws and for the quality of medical care services provided; approval of these Bylaws and any amendments proposed by the Board; approval of all major U-M Health programs and operating budgets; and approval of capital and facility plans. In all of these matters, the Board will make recommendations to the EVPMA, the President of the University and the Regents.

Section 3.3. Role As Governing Body. Subject to the powers and responsibilities of the Regents (as described in the Regents Bylaws and Section 3.2 above), the Board is authorized and designated to act as the "governing body" of UMH for hospital licensing, accreditation, compliance, quality of medical services and related purposes. The Regents remain ultimately responsible for establishing the mission, goals and objectives of the UMH and for the quality of medical services provided at the UMH.

Section 3.4 Board Meetings. The Regents will be provided the annual calendar of the regular meetings of the Board and are welcome to attend all meetings of the Board.

ARTICLE IV

Board Composition

Section 4.1. Board Membership. The Board will be composed of up to fifteen (15) individuals who will each serve as voting members:

- (a) Four (4) Board members will serve in an *ex officio* capacity: the President of the University, the Chief Financial Officer of the University, the EVPMA and the U-M Health President (“Ex Officio Members”).
- (b) One (1) Board member will be a dean or faculty member of a University school or college with a background relevant to the mission of the U-M Health nominated by the President of the University in consultation with the EVPMA and the Board, and appointed by the Board of Regents.
- (c) Two (2) Board members will be members of the Medical Staff and chairs of UMMS clinical departments nominated by the President of the University in consultation with the EVPMA and the Board, and appointed by the Board of Regents.
- (d) Up to eight (8) Board members will be individuals who have expertise in areas of importance to the U-M Health, broad perspective and do not represent any special interest group, each to be

nominated by the President of the University in consultation with the EVPMA and the Board, and appointed by the Board of Regents.

Section 4.2. Terms. The term of office of each Board member serving in an *ex officio* capacity will be contemporaneous with such Board member's respective term of office. As of the Effective Date, the term of office of the Board Members, other than the Ex Officio Members, will be established by the Regents such that approximately one-third of the Board members will have a term of one year, approximately one-third of the Board members will have a term of two years, and approximately one-third of the Board members will have a term of three years. Except for those Board members appointed as of the Effective Date or to align Board member terms with any changes to Board member numbers, the terms of Board members will expire on the third year anniversary of the date such Board member's term of office commenced, or, if earlier, upon their resignation, removal or inability to serve as determined by the EVPMA. Board members appointed pursuant to Section 4.1(b) or Section 4.1(c) are eligible to serve for two (2) consecutive terms, or up to a total of six (6) consecutive years, and Board members appointed pursuant to Section 4.1(d) are eligible to serve for three (3) consecutive terms, or for a total of up to nine (9) years, at which point their service as a Board member will terminate. A Board member whose service terminates becomes eligible for reappointment after the expiration of one (1) year. Notwithstanding the foregoing, the President of the University, in consultation with the EVPMA and the Board, may submit a Regents Action Request to the Regents to waive the one (1) year ineligibility period of a Board member who has served their maximum consecutive service terms in circumstances where the U-M Health President has demonstrated strategic or operational need to have continuity in a Board member's presence on the Board.

Section 4.3. Vacancies and Removal. Whenever a vacancy occurs on the Board, for whatever reason, notice shall immediately be given to the Chair of the Board so that a member may be appointed by the Board of Regents to fill the unexpired term. The EVPMA and the Board may submit names of recommended individuals for consideration by the Chair of the Board.

The Chair of the Board may remove a member of the Board with the approval of the Board of Regents.

Any Board member who has four (4) unexcused absences for Board meetings in an academic calendar year (July 1 through June 30), as determined by the Chair of the Board, shall be automatically removed.

ARTICLE V

Board Responsibilities for the U-M Health

Section 5.1. General. Subject to the powers and responsibilities of the Regents, the Board is responsible for the overall financial and administrative performance of the U-M Health, for the quality

of care delivered by U-M Health, and for U-M Health adherence to applicable legal, ethical and accreditation standards.

Section 5.2. Advisory Responsibilities. The Board's advisory responsibilities include:

- (a) Advise the Board of Regents, the President of the University and the EVPMA regarding the operation and governance of those aspects of U-M Health relating to the development and strategic allocation of resources.
- (b) Provide general advice for strategic planning and program development to define the scope and role of present and future U-M Health programs and facilities, and collaborative relationships within international, federal, state and regional structures for the delivery of health services.
- (c) Represent and advocate for U-M Health in relations with communities, other healthcare providers and outside agencies.
- (d) Advise the Board of Regents, the President of the University and the EVPMA regarding development and strategic allocation of U-M Health resources for clinical research, clinical education, and clinical care.
- (e) Advise the Board of Regents, the President of the University and the EVPMA regarding the planning and delivery of professional medical services, including oversight of professional services through Medical Staff and MHC clinical joint ventures.
- (f) Advise the Board of Regents, the President of the University and the EVPMA regarding implementation and effectiveness of Compliance Programs.
- (g) Advise the Board of Regents, the President of the University and the EVPMA regarding management of current and future extramural affiliation, professional services, and operating agreements.

Section 5.3. Governance Responsibilities. Subject to the powers and responsibilities of the Regents, the Board is charged with governance of the U-M Health, including responsibility for the conduct of U-M Health; approval of all major U-M Health programs and operating budgets; and the approval of capital and facility plans. In this capacity, the Board has and, except as otherwise provided in applicable laws, regulations, or accreditation standards, may exercise or delegate responsibility for administrative decisions and approval of personnel actions and personnel policies. The Board at all times remains jointly accountable, with the executive leadership and Medical Staff, for quality improvement, patient safety, and related resource allocation. In all of the above matters, the Board will make recommendations to the Board of Regents, the President of the University and the EVPMA. The Board may delegate approval of Medical Staff appointments and reappointments at the UMH to a committee of the Board.

Section 5.4 Financial And Administrative Control Responsibilities. The Board will:

- (a) Direct and participate in the development of the organizational structure and institutional plan of the U-M Health .
- (b) Establish programs, services and administrative units to meet the goals and objectives of the U-M Health and take such steps as are needed to provide for the periodic evaluation of U-M Health operations to assure that the goals and objectives are achieved.
- (c) Determine appropriate delegation of authority to the U-M Health President.
- (d) Review and approve or otherwise ratify U-M Health sponsored training programs; review and approve or otherwise ratify appropriate use of the UMH for clinical, educational and training experience by various health schools of the University and other teaching institutions.
- (e) Assure the integration of administrative functions among U-M Health units, including billing services, medical records, human resources, payroll, employee benefits, salary structure, and purchasing services.
- (f) Assure consistent monitoring and oversight throughout the U-M Health.
- (g) Assure that contracted services furnished within the U-M Health permit the U-M Health to comply with all applicable laws, regulations, and accreditation requirements and are provided in a safe and effective manner.
- (h) Recommend construction projects and building renovation projects to the Regents for action.
- (i) Ensure that telemedicine services are provided or received as required by applicable law, regulations, and accreditation standards.
- (j) Evaluate its own performance on a biennial basis.

Section 5.5. Quality Of Care Responsibilities. The Board will:

- (a) Establish, under the supervision of the U-M Health President and in coordination with the Medical Staff, a continuous quality improvement program at the UMH with clear priorities for performance improvement that reflects the complexity of the UMH organization, involves all UMH departments and services, and focuses on indicators related to improved health outcomes and the prevention and reduction of medical errors.
- (b) Assure that clear expectations for quality and safety are established.
- (c) Assure that adequate resources are allocated for measuring, assessing, improving, and sustaining U-M Health performance and reducing risk to patients.
- (d) Assure Medical Staff accountability to the Board for quality of care, directly or through collaboration with the U-M Health President working with the Medical Staff and the Chief Quality Officer, by: reviewing and approving or otherwise ratifying the Medical Staff bylaws, rules and policies that govern health care provided at the UMH; determining the categories of candidates eligible to be members of the Medical Staff; approving

- upon the recommendation of the Medical Staff, appointments and reappointments to the Medical Staff and delineation, changes in or curtailment of staff privileges for members of the Medical Staff; reviewing and approving recommendations from the Chief of Staff to establish or terminate clinical programs and/or services; ratifying nominations for service chiefs and/or program directors that have been submitted to the Board by the Medical Staff's executive committee; and acting as a final appeal body pursuant to the Medical Staff bylaws, rules and policies. The Board will consult regularly with, and receive at least two (2) reports annually from, the Chief of Staff of the Medical Staff's evaluation of patient care services provided throughout the UMH.
- (e) Assure quality of care and safety, and assure that adequate resources are allocated for measuring, assessing, improving and sustaining the performance of the UMMG, in providing care outside the UMH working with the UMMG board, its relevant committees and the Chief Quality Officer.
 - (f) Assure the care provided by the UMMG outside the UMH is consistent with U-M Health strategic goals and network development.

Section 5.6. Grievance Committee. The Board shall establish, approve and maintain a process for prompt resolution of patient grievances at UMH and must cause each patient to be informed as to whom to contact to file a grievance. The Board shall delegate its responsibility to review and resolve patient grievances to a grievance committee and such grievances shall be resolved by the grievance committee in accordance with the process established and approved by the Board.

Section 5.7. Ethics And Compliance. The Board is responsible, subject to the oversight of the Regents, for creating a code of conduct, for the conduct of the U-M Health as an institution and, in particular, for assuring U-M Health compliance with all federal, state and local laws and regulations and for assuring the ethical operation and conduct of the U-M Health and its employees. The code of conduct will be submitted to the Regents for review and approval.

Section 5.8. Nondiscrimination. The U-M Health in employment and access to services considers people on the basis of individual merit and does not discriminate on the basis of race, color, national origin, age, marital status, sex, sexual orientation, gender identity, gender expression, disability, religion, height, weight, veteran status, or any other attribute prohibited by law or contract.

Section 5.9. Confidentiality. Each Board member shall keep confidential all, and shall not use or divulge to any other party any, of the proprietary, confidential information of U-M Health, the Board or the University, including without limitation verbal or written information relating to matters such as patient care, teaching, research, quality of care, finances, methods of operation and competition, rates, plans and strategies, and operational requirements of U-M Health, the Board or the University and information that such Board member has received from U-M Health, the Board, the University or other Board members for purposes of fulfilling their duties and exercising their rights as a Board member, unless such information (i) is or becomes generally available to the public other than as a

result of a disclosure by such Board member, or (ii) is required to be disclosed by law or by a judicial, administrative or regulatory authority.

Section 5.10. Confidentiality Of Patient Health Information. Records of patient care are confidential and will not be published nor their contents disclosed except as permitted or required by law and consistent with applicable institutional policies, including the University's Notice of Privacy Practices.

Section 5.11. Reporting Responsibilities. The Board will submit periodic reports, not less than annually, through the EVPMA and President of the University to the Regents describing its execution of the responsibilities set forth in these Bylaws and the Regents Bylaws. The Board will also submit to the Regents a copy of approved minutes of each of its meetings.

ARTICLE VI

Board Matters Generally

Section 6.1. Meetings. Regular Board meetings will be held at least quarterly, at a time and place to be determined by the Board. Special Board meetings may be called by the Chair or by the Secretary upon the request of three Board members.

Section 6.2. Notice Of Meetings. Notice of regular meetings to Board members will be through the distribution of the agenda and supporting materials for the meeting, generally at least three (3) working days in advance of a Board meeting (other than an urgent special meeting or agenda item). Notice of any special meeting of the Board will be given with as much advance notice as is practicable under the circumstances, but ordinarily at least two (2) working days prior to the meeting, by written notice sent or otherwise made available by electronic means. Unless less than three (3) working days advance notice is given (in which case the reason for the urgent meeting must be specified), neither the business to be transacted nor the purpose of any meeting of the Board must be specified in the notice.

Section 6.3. Quorum And Voting Requirements. A majority of the Board members then in office will constitute a quorum for the transaction of business at any meeting of the Board, and any action taken by a majority of the Board members attending at which a quorum is present will be the action of the Board for all purposes. If a quorum is not present at any meeting, a majority of the Board members present may adjourn the meeting, without notice other than announcement at the meeting, to such time and place as a quorum can be present.

Section 6.4. Presence. With the consent of the Chair or a majority of the members of the Board,

any or all Board members may participate in any meeting by, or through the use of, any means of communication by which all Board members participating may simultaneously communicate with each other during the meeting. A Board member so participating is deemed to be present in person at the meeting.

Section 6.5. Written Consent. Any action required or permitted at any Board or committee meeting may be taken without a meeting, without prior notice and without vote if all of the members of the Board or applicable committee entitled to vote on the action so consent in writing or electronically. Such written consent will be filed with the minutes of the proceedings and will have the same effect as a vote for all purposes.

ARTICLE VII

Officers of the Board

Section 7.1. Officers. The officers of the Board will be a Chair, a Vice-Chair, and a Secretary.

Section 7.2. Chair. The Chair of the Board will preside at Board meetings and will perform such other duties as the Board may delegate from time to time. The Chair is the President of the University.

Section 7.3. Vice-Chair. In the absence of the Chair or the Chair's inability or refusal to act, the Vice-Chair will perform the duties of the Chair and, when so acting, will have all the powers and be subject to all the restrictions of the Chair. The Vice-Chair is the EVPMA.

Section 7.4. Secretary. The Secretary will keep the minutes of the Board's meetings; see that all notices are duly given; maintain a record of attendance of the members at committee meetings and, in general, perform all duties incident to the office of the Secretary. The Secretary shall be appointed following a recommendation from the EVPMA and approval of the President of the University.

ARTICLE VIII

U-M Health President

Section 8.1. U-M Health President. Subject to the control and direction of the Regents, the Board, the President of the University and the EVPMA, the U-M Health President will be recommended by the EVPMA to the President of the University and appointed by the Regents. The U-M Health President will manage the administration and affairs of the U-M Health. The U-M Health President is responsible for managing the entire UMH as required by the Centers for Medicare and Medicaid Services and the Joint Commission and will be appointed to that role by the U-M Health Board with the approval of the Regents. The U-M Health President will be responsible to the U-M Health Board as the UMH governing body for the operation, maintenance and administrative affairs of the UMH. The U-M Health President

will have such other UMH manager roles as prescribed by the U-M Health Board.

Section 8.2. General Duties Of The U-M Health President. The U-M Health President will perform all duties incident to the office of the U-M Health President and such other duties as may be prescribed by the Board and the EVPMA from time to time. The U-M Health President will:

- (a) In coordination with Medical Staff administration, establish systems and methods to assure effective communications among the Medical Staff, the administration, the Board and all health care delivery systems that are corporately and functionally related to the UMH.
- (b) In coordination with the Medical Staff ensure that members of the Medical Staff comply with the Medical Staff bylaws and rules and regulations of the Medical Staff.
- (c) Establish and oversee a system of institutional and organizational planning consistent with applicable law and accreditation requirements, and will consult with the Medical Staff, administrative leaders, and other leaders of the U-M Health to accomplish the same.
- (d) Assist in the development of and effectuate all of the policies of the U-M Health, including personnel policies and practices that are consistent with the University's policies and practices.
- (e) Be responsible for supervising all of the U-M Health's financial and administrative affairs and for promoting prudent and cost-effective management of U-M Health funds.

The Board specifically delegates to the U-M Health President any day-to-day operational responsibilities of the Board with respect to UMH in a manner consistent with CMS requirements; Medicare Conditions of Participation; the Joint Commission's Standards and Elements of Performance; and other applicable regulatory and accreditation agencies. The U-M Health President may delegate responsibilities under this Section 8.2 as he or she deems appropriate and as consistent with the requirements of applicable regulatory and accrediting agencies.

Section 8.3. Reporting Duties Of The U-M Health President. The U-M Health President will prepare and present to the Board for review and endorsement an annual U-M Health budget. The U-M Health President also will prepare periodic reports that address the clinical affairs and financial activities of the U-M Health, as well as any special reports the Board may request from time to time.

Section 8.4. Contracting Authority Of The U-M Health President. The U-M Health President may, to the extent directly delegated by the Regents, the EVPMA or by any University executive officer with authority to delegate, and in the absence of further direction from the Board consistent with direction to The Board from the Regents, execute such contracts and other instruments as the conduct of the U-M Health's business in its ordinary course requires, and, to the extent permitted in any such delegation, may further delegate this authority in writing to one or more of the officers or directors of the U-M Health.

ARTICLE IX Committees

Section 9.1. Standing Committees. The Board may establish standing and special committees as it deems necessary and will define the powers and responsibilities of such committees. Chairs and members of each committee will be appointed and may be removed at any meeting of the Board. Vacancies may be filled at any regular or special meeting of the Board. Persons who are not members of the Board may serve on such committees as the Board deems appropriate.

Section 9.2. Quorum of a Committee. A majority of the members of any committee will constitute a quorum at any meeting, and any action taken by a majority of the members attending any meeting at which a quorum is present will be the action of the committee for all purposes.

Section 9.3. Committee Reports. Committees will prepare general, periodic reports that address and summarize their activities, as well as any special reports the Board may request from time to time.

ARTICLE X UMH and Medical Staff

Section 10.1. UMH. The UMH is maintained for the purpose of providing the highest type of hospital service and medical care and of providing suitable facilities for the teaching and advancement of medicine and allied sciences, arts, and skills. It provides for the observation, diagnosis, care, and treatment of patients entitled to its benefits, pursuant to the laws of this state and the authority of the Board of Regents. Its services and facilities are available so far as possible to all units of the University conducting programs of teaching and research in medicine, dentistry, public health, nursing, dietetics, social service, hospital administration, and such other related programs as may from time to time be established by authority of the Board of Regents.

Section 10.2. Provision Of Services Generally. The professional medical service of the UMH will be rendered by the departments or units of the UMMS, functioning in their capacity as UMH departments and services. Diagnosis, care, and treatment at the UMH will be provided in accordance with the Medical Staff bylaws, rules, and other policies adopted by the Medical Staff's executive committee.

Section 10.3. Organization And Bylaws. The Board will ensure the continued operation of a medical staff organization composed of the physicians and other licensed practicing health professionals who are duly appointed to membership and granted appropriate clinical privileges in accordance with applicable law and accreditation requirements, as well as rules and procedures established by the Board, the Medical Staff and the Regents. Appointment to the Medical Staff will be a prerequisite to the exercise of clinical privileges in the UMH except as otherwise specifically provided in the Medical Staff bylaws, rules and policies. The Medical Staff will

prepare, adopt and periodically review Medical Staff bylaws and rules and policies that are consistent with UMH policy and applicable legal and accreditation requirements, subject to approval by the Board.

Section 10.4. Reports. The Chief of Staff will prepare reports to the Board as specified in Section 5.5(d) of these Bylaws.

ARTICLE XI UMMG

Section 11.1. UMMG. The UMMG combines the practice plans of the UMMS into a single, integrated, multi-specialty professional medical group, which delivers the professional medical care on behalf of the University. The purposes of the UMMG are to manage the provision of medical care by the UMMS clinical faculty, nurse practitioners and professional practitioners for the benefit of the education, research, and patient care programs of the U-M Health. The UMMG will be subject to the oversight of this Board and the EVPMA and will be governed by the UMMG bylaws, which are subject to the approval of this Board. The UMMG will prepare general, periodic reports for the Board that address and summarize its activities, as well as any special reports the Board may request from time to time.

ARTICLE XII MHC

Section 12.1. MHC. MHC is a Michigan nonprofit corporation formed for the purposes, among other things, of engaging in charitable, scientific, educational and research activities designed to promote the health of the public and contracting with individuals and entities qualified and licensed to render health care services. MHC will be governed by the MHC bylaws and will be subject to the oversight of this Board on behalf of the Board of Regents, the sole member of MHC. In addition to the business plan required to be presented to the Board of Regents annually, as specified in the MHC bylaws, MHC will prepare general, periodic reports for the Board that address and summarize its activities, as well as any special reports the Board may request from time to time.

ARTICLE XIII Volunteer Nonprofit Service Organizations

Section 13.1. Voluntary Nonprofit Service Organizations. The Board may authorize from time to time the establishment or dissolution of voluntary nonprofit service organizations such as auxiliaries. Any such voluntary nonprofit organization may be established by separate incorporation or as an unincorporated organization sponsored by the U-M Health, subject to approval of the Regents to the extent required by the Regents Bylaws or other action of the Regents. No voluntary nonprofit service organization will be established without the approval of the Board and the Board may, in its discretion, revoke any approval previously granted. Each such organization will initially, and as proposed for amendment thereafter, recommend to the Board articles, bylaws, policies, procedures and descriptions of permissible activities for the organization that will be subject to the approval of the Board. Each such organization will provide the Board with an annual report of its activities and will be subject to such direction, control, supervision and reporting requirements as the Board may deem appropriate, including those required by the University to preserve its tax exemptions.

ARTICLE XIV

General

Section 14.1. Conflict Of Interest Or Commitment. Each member of the Board will follow and abide by applicable law, and each member of the Board, member of a committee of the Board, and regular attendees to meetings of the Board or a committee of the Board will sign a written agreement governing conflicts of interest and conflicts of commitment in a form approved by the Board. If a member of the Board or committee of the Board or a regular meeting attendee of the Board or committee of the board is also an employee or faculty member of the University, that member of the Board will follow and abide by the additional applicable conflict of interest rules of the University.

Section 14.2. Liability

Each Board member or person serving at the request of the Board shall be protected against costs and expenses, including legal fees, in connection with the defense of any action, lawsuit, or proceeding in which the member or person serving at the request of the Board shall be made a party by reason of being a member or appointee of the Board. Such protection is subject to the condition that such person shall have acted in good faith and within the scope of their duties, and subject further to the specific exemptions and qualifications available under the law or University procedures.

Section 14.3. Compensation of Board and Board Committee Members

No Board member or any member of any committee appointed by the Board who is a University employee shall receive any compensation for services rendered in his/her capacity as a Board or committee member. However, nothing herein shall be construed to preclude any Board member or committee member from receiving compensation from the University for other services actually rendered or reimbursement for expenses incurred for serving the University as a Board member or committee member or in any other capacity, all in accordance with established law and University

procedures.

ARTICLE XV
Bylaws

Section 15.1. Bylaws. These Bylaws may be amended or repealed, or new Bylaws may be adopted, only by action of the Board approved by the Regents. Notwithstanding the foregoing, the Board of Regents may take direct action with respect to the amending or repeal of these Bylaws. The Board will cause these Bylaws to be reviewed and, if necessary, revised, not less frequently than once every three years by the Board or a committee of the Board, and the minutes of the Board will reflect that such review was completed. In the event an amendment is required by operation of law, regulation, or judicial or administrative order, and there is insufficient opportunity to consult with the Board, the U-M Health President or designee, in consultation with legal counsel and relevant UMH, UMMG and MHC administrative and Medical Staff leaders, may develop and implement the amendment, subject to the Board’s approval or revision at its next regularly scheduled meeting.

Section 15.2. U M H Policies. The Board will create either directly or by delegation:

- (a) A UMH policy on policies (“Policy”), designating the form, content, and approval authorities for policies affecting UMH operations, including the operations of the UMH.
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Amended and Restated
Bylaws
of
The University of Michigan Health Board

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**Amended and Restated Bylaws Of
The University of Michigan Health Board**

**ARTICLE I
Definitions**

Section 1.1. Definitions. For purposes of these Bylaws, these terms will have the following meanings:

"Board" means The University of Michigan Health Board, formerly known as the University of Michigan Health System Board and the Hospitals and Health Centers Executive Board (HHCEB).

"Board of Regents" or "Regents" means the Board of Regents of the University of Michigan and the term "Regent" means an individual member of the Regents.

"Bylaws" means the Amended and Restated Bylaws of the University of Michigan Health Board.

"Chief of Staff" means the chief of staff of the Medical Staff.

"Chief Quality Officer" means the chief quality officer of the UMH.

"CMS" means the Centers for Medicare and Medicaid Services.

"Compliance Programs" means programs that assure compliance with federal and state laws, rules and regulations, accreditation standards, University rules, policies, and contract terms that govern U-M Health's clinical care, research and training activities.

"Effective Date" means March 3, 2017.

"EVPMA" means the executive vice president for medical affairs of the University, dean of the UMMS who serves as the chief executive officer of the entire academic medical center.

"Ex Officio Members" has the meaning set forth in Section 4.1(a).

"Medical Staff" means the formal organization of all licensed physicians, dentists, scientists and other licensed individuals permitted by law and the UMH's Medical Staff Bylaws to have clinical privileges to provide health care services to patients of the UMH.

“MHC” means Michigan Health Corporation.

“Regents Bylaws” means the Bylaws of the University of Michigan Board of Regents as in effect and amended from time to time.

"UMH" means the University of Michigan Hospitals, including but not limited to, all its inpatient facilities, ambulatory surgery centers, and outpatient clinics and other facilities.

“U-M Health” means the University of Michigan Health.

“U-M Health President” means the president of the U-M Health and executive vice dean for clinical affairs of the UMMS.

“UMMG” means the University of Michigan Medical Group.

“UMMS” means the University of Michigan Medical School.

"University" or “U-M” means the University of Michigan.

ARTICLE II

Purposes

Section 2.1. Purposes. The University academic medical center consists of the UMMS and the U-M Health. The U-M Health consists of the UMH, the UMMG, and MHC, as well all other University subsidiaries and affiliates that promote the mission of the clinical enterprise. All components of the academic medical center function cooperatively in teaching, research, and patient care.

The purpose of the Board is to advise the Board of Regents and U-M Health leadership on the strategy and operating performance of the U-M Health in teaching, research and patient care and as specified in these Bylaws and the Regents Bylaws. Further, the Board is the UMH governing body for the operation, maintenance, and administrative affairs of the UMH.

ARTICLE III

Establishment of Board/Delegation By Regents

Section 3.1. Establishment. The Board is established by, and is advisory to, the Regents. The Board is delegated such authority as is provided by action of the Regents, through the Regents Bylaws, approval of these Bylaws, and other actions that the Regents may take. If a conflict exists between these Bylaws and the Regents Bylaws, the Regents Bylaws will control.

Section 3.2. Powers Reserved To The Regents. The Board of Regents is responsible for establishing the mission, goals and objectives of the U-M Health, including the UMH, UMMG and MHC, as set out in the Regents Bylaws and for the quality of medical care services provided; approval of these Bylaws and any amendments proposed by the Board; approval of all major U-M Health programs and operating budgets; and approval of capital and facility plans. In all of these matters, the Board will make recommendations to the EVPMA, the President of the University and the Regents.

Section 3.3. Role As Governing Body. Subject to the powers and responsibilities of the Regents (as described in the Regents Bylaws and Section 3.2 above), the Board is authorized and designated to act as the "governing body" of UMH for hospital licensing, accreditation, compliance, quality of medical services and related purposes. The Regents remain ultimately responsible for establishing the mission, goals and objectives of the UMH and for the quality of medical services provided at the UMH.

Section 3.4 Board Meetings. The Regents will be provided the annual calendar of the regular meetings of the Board and are welcome to attend all meetings of the Board.

ARTICLE IV Board Composition

Section 4.1. Board Membership. The Board will be composed of up to fifteen (15) individuals who will each serve as voting members:

- (a) Four (4) Board members will serve in an *ex officio* capacity: the President of the University, the Chief Financial Officer of the University, the EVPMA and the U-M Health President (“Ex Officio Members”).
- (b) One (1) Board member will be a dean or faculty member of a University school or college with a background relevant to the mission of the U-M Health nominated by the President of the University in consultation with the EVPMA and the Board, and appointed by the Board of Regents.
- (c) Two (2) Board members will be members of the Medical Staff and chairs of UMMS clinical departments nominated by the President of the University in consultation with the EVPMA and the Board, and appointed by the Board of Regents.
- (d) Up to eight (8) Board members will be individuals who have expertise in areas of importance to the U-M Health, broad perspective and do not represent any special interest group, each to be nominated by the President of the University in consultation with the EVPMA and the Board, and appointed by the Board of Regents.

Section 4.2. Terms. The term of office of each Board member serving in an *ex officio* capacity will be contemporaneous with such Board member’s respective term of office. As of the Effective Date, the term of office of the Board Members, other than the Ex Officio Members, will be established by the Regents such that approximately one-third of the Board members will have a term of one year, approximately one-third of the Board members will have a term of two years, and approximately one-third of the Board members will have a term of three years. Except for those Board members appointed as of the Effective Date or to align Board member terms with any changes to Board member numbers, the terms of Board members will expire on the third year anniversary of the date such Board member’s term of office commenced, or, if earlier, upon their resignation, removal or inability to serve as determined by the EVPMA. Board members appointed pursuant to Section 4.1(b) or Section 4.1(c) are eligible to serve for two (2) consecutive terms, or up to a total of six (6) consecutive years, and Board members appointed pursuant to Section 4.1(d) are eligible to serve for three (3) consecutive terms, or for a total of up to nine (9) years, at which point their service as a Board member will terminate. A Board member whose service terminates becomes eligible for reappointment after the expiration of one (1) year. Notwithstanding the foregoing, the President of the University, in consultation with the EVPMA and the Board, may submit a Regents Action Request to the Regents to waive the one (1) year ineligibility period of a Board member who has served their maximum consecutive service terms in circumstances where the U-M Health President has demonstrated strategic or operational need to have continuity in a Board member’s presence on the Board.

Section 4.3. Vacancies and Removal. Whenever a vacancy occurs on the Board, for whatever reason, notice shall immediately be given to the Chair of the Board so that a member may be appointed by the Board of Regents to fill the unexpired term. The EVPMA and the Board may submit names of recommended individuals for consideration by the Chair of the Board.

The Chair of the Board may remove a member of the Board with the approval of the Board of Regents.

Any Board member who has four (4) unexcused absences for Board meetings in an academic calendar year (July 1 through June 30), as determined by the Chair of the Board, shall be automatically removed.

ARTICLE V

Board Responsibilities for the U-M Health

Section 5.1. General. Subject to the powers and responsibilities of the Regents, the Board is responsible for the overall financial and administrative performance of the U-M Health, for the quality of care delivered by U-M Health, and for U-M Health adherence to applicable legal, ethical and accreditation standards.

Section 5.2. Advisory Responsibilities. The Board’s advisory responsibilities include:

- (a) Advise the Board of Regents, the President of the University and the EVPMA regarding the operation and governance of those aspects of U-M Health relating to the development and strategic allocation of resources.
- (b) Provide general advice for strategic planning and program development to define the scope and role of present and future U-M Health programs and facilities, and collaborative relationships within international, federal, state and regional structures for the delivery of health services.
- (c) Represent and advocate for U-M Health in relations with communities, other healthcare providers and outside agencies.
- (d) Advise the Board of Regents, the President of the University and the EVPMA regarding development and strategic allocation of U-M Health resources for clinical research, clinical education, and clinical care.
- (e) Advise the Board of Regents, the President of the University and the EVPMA regarding the planning and delivery of professional medical services, including oversight of professional services through Medical Staff and MHC clinical joint ventures.
- (f) Advise the Board of Regents, the President of the University and the EVPMA regarding implementation and effectiveness of Compliance Programs.
- (g) Advise the Board of Regents, the President of the University and the EVPMA regarding management of current and future extramural affiliation, professional services, and operating agreements.

Section 5.3. Governance Responsibilities. Subject to the powers and responsibilities of the Regents, the Board is charged with governance of the U-M Health, including responsibility for the conduct of U-M Health; approval of all major U-M Health programs and operating budgets; and the approval of capital and facility plans. In this capacity, the Board has and, except as otherwise provided in applicable laws, regulations, or accreditation standards, may exercise or delegate responsibility for administrative decisions and approval of personnel actions and personnel policies. The Board at all times remains jointly accountable, with the executive leadership and Medical Staff, for quality improvement, patient safety, and related resource allocation. In all of the above matters, the Board will make recommendations to the Board of Regents, the President of the University and the EVPMA. The Board may delegate approval of Medical Staff appointments and reappointments at the UMH to a committee of the Board.

Section 5.4 Financial And Administrative Control Responsibilities. The Board will:

- (a) Direct and participate in the development of the organizational structure and institutional plan of the U-M Health.
- (b) Establish programs, services and administrative units to meet the goals and objectives of the U-M Health and take such steps as are needed to provide for the periodic evaluation of U-M Health operations to assure that the goals and objectives are achieved.
- (c) Determine appropriate delegation of authority to the U-M Health President.
- (d) Review and approve or otherwise ratify U-M Health sponsored training programs; review and approve or otherwise ratify appropriate use of the UMH for clinical, educational and training experience by various health schools of the University and other teaching institutions.
- (e) Assure the integration of administrative functions among U-M Health units, including billing services, medical records, human resources, payroll, employee benefits, salary structure, and purchasing services.
- (f) Assure consistent monitoring and oversight throughout the U-M Health.
- (g) Assure that contracted services furnished within the U-M Health permit the U-M Health to comply with all applicable laws, regulations, and accreditation requirements and are provided in a safe and effective manner.
- (h) Recommend construction projects and building renovation projects to the Regents for action.
- (i) Ensure that telemedicine services are provided or received as required by applicable law, regulations, and accreditation standards.
- (j) Evaluate its own performance on a biennial basis.

Section 5.5. Quality Of Care Responsibilities. The Board will:

- (a) Establish, under the supervision of the U-M Health President and in coordination with the Medical Staff, a continuous quality improvement program at the UMH with clear priorities for performance improvement that reflects the complexity of the UMH organization, involves all UMH departments and services, and focuses on indicators related to improved health outcomes and the prevention and reduction of medical errors.
- (b) Assure that clear expectations for quality and safety are established.
- (c) Assure that adequate resources are allocated for measuring, assessing, improving, and sustaining U-M Health performance and reducing risk to patients.
- (d) Assure Medical Staff accountability to the Board for quality of care, directly or through collaboration with the U-M Health President working with the Medical Staff and the Chief Quality Officer, by: reviewing and approving or otherwise ratifying the Medical Staff bylaws, rules and policies that govern health care provided at the UMH; determining the categories of candidates eligible to be members of the Medical Staff; approving

- upon the recommendation of the Medical Staff, appointments and reappointments to the Medical Staff and delineation, changes in or curtailment of staff privileges for members of the Medical Staff; reviewing and approving recommendations from the Chief of Staff to establish or terminate clinical programs and/or services; ratifying nominations for service chiefs and/or program directors that have been submitted to the Board by the Medical Staff's executive committee; and acting as a final appeal body pursuant to the Medical Staff bylaws, rules and policies. The Board will consult regularly with, and receive at least two (2) reports annually from, the Chief of Staff of the Medical Staff's evaluation of patient care services provided throughout the UMH.
- (e) Assure quality of care and safety, and assure that adequate resources are allocated for measuring, assessing, improving and sustaining the performance of the UMMG, in providing care outside the UMH working with the UMMG board, its relevant committees and the Chief Quality Officer.
 - (f) Assure the care provided by the UMMG outside the UMH is consistent with U-M Health strategic goals and network development.

Section 5.6. Grievance Committee. The Board shall establish, approve and maintain a process for prompt resolution of patient grievances at UMH and must cause each patient to be informed as to whom to contact to file a grievance. The Board shall delegate its responsibility to review and resolve patient grievances to a grievance committee and such grievances shall be resolved by the grievance committee in accordance with the process established and approved by the Board.

Section 5.7. Ethics And Compliance. The Board is responsible, subject to the oversight of the Regents, for creating a code of conduct, for the conduct of the U-M Health as an institution and, in particular, for assuring U-M Health compliance with all federal, state and local laws and regulations and for assuring the ethical operation and conduct of the U-M Health and its employees. The code of conduct will be submitted to the Regents for review and approval.

Section 5.8. Nondiscrimination. The U-M Health in employment and access to services considers people on the basis of individual merit and does not discriminate on the basis of race, color, national origin, age, marital status, sex, sexual orientation, gender identity, gender expression, disability, religion, height, weight, veteran status, or any other attribute prohibited by law or contract.

Section 5.9. Confidentiality. Each Board member shall keep confidential all, and shall not use or divulge to any other party any, of the proprietary, confidential information of U-M Health, the Board or the University, including without limitation verbal or written information relating to matters such as patient care, teaching, research, quality of care, finances, methods of operation and competition, rates, plans and strategies, and operational requirements of U-M Health, the Board or the University and information that such Board member has received from U-M Health, the Board, the University or other Board members for purposes of fulfilling their duties and exercising their rights as a Board member, unless such information (i) is or becomes generally available to the public other

than as a result of a disclosure by such Board member, or (ii) is required to be disclosed by law or by a judicial, administrative or regulatory authority.

Section 5.10. Confidentiality Of Patient Health Information. Records of patient care are confidential and will not be published nor their contents disclosed except as permitted or required by law and consistent with applicable institutional policies, including the University's Notice of Privacy Practices.

Section 5.11. Reporting Responsibilities. The Board will submit periodic reports, not less than annually, through the EVPMA and President of the University to the Regents describing its execution of the responsibilities set forth in these Bylaws and the Regents Bylaws. The Board will also submit to the Regents a copy of approved minutes of each of its meetings.

ARTICLE VI

Board Matters Generally

Section 6.1. Meetings. Regular Board meetings will be held at least quarterly, at a time and place to be determined by the Board. Special Board meetings may be called by the Chair or by the Secretary upon the request of three Board members.

Section 6.2. Notice Of Meetings. Notice of regular meetings to Board members will be through the distribution of the agenda and supporting materials for the meeting, generally at least three (3) working days in advance of a Board meeting (other than an urgent special meeting or agenda item). Notice of any special meeting of the Board will be given with as much advance notice as is practicable under the circumstances, but ordinarily at least two (2) working days prior to the meeting, by written notice sent or otherwise made available by electronic means. Unless less than three (3) working days advance notice is given (in which case the reason for the urgent meeting must be specified), neither the business to be transacted nor the purpose of any meeting of the Board must be specified in the notice.

Section 6.3. Quorum And Voting Requirements. A majority of the Board members then in office will constitute a quorum for the transaction of business at any meeting of the Board, and any action taken by a majority of the Board members attending at which a quorum is present will be the action of the Board for all purposes. If a quorum is not present at any meeting, a majority of the Board members present may adjourn the meeting, without notice other than announcement at the meeting, to such time and place as a quorum can be present.

Section 6.4. Presence. With the consent of the Chair or a majority of the members of the Board,

any or all Board members may participate in any meeting by, or through the use of, any means of communication by which all Board members participating may simultaneously communicate with each other during the meeting. A Board member so participating is deemed to be present in person at the meeting.

Section 6.5. Written Consent. Any action required or permitted at any Board or committee meeting may be taken without a meeting, without prior notice and without vote if all of the members of the Board or applicable committee entitled to vote on the action so consent in writing or electronically. Such written consent will be filed with the minutes of the proceedings and will have the same effect as a vote for all purposes.

ARTICLE VII

Officers of the Board

Section 7.1. Officers. The officers of the Board will be a Chair, a Vice-Chair, and a Secretary.

Section 7.2. Chair. The Chair of the Board will preside at Board meetings and will perform such other duties as the Board may delegate from time to time. The Chair is the President of the University.

Section 7.3. Vice-Chair. In the absence of the Chair or the Chair's inability or refusal to act, the Vice-Chair will perform the duties of the Chair and, when so acting, will have all the powers and be subject to all the restrictions of the Chair. The Vice-Chair is the EVPMA.

Section 7.4. Secretary. The Secretary will keep the minutes of the Board's meetings; see that all notices are duly given; maintain a record of attendance of the members at committee meetings and, in general, perform all duties incident to the office of the Secretary. The Secretary shall be appointed following a recommendation from the EVPMA and approval of the President of the University.

ARTICLE VIII

U-M Health President

Section 8.1. U-M Health President. Subject to the control and direction of the Regents, the Board, the President of the University and the EVPMA, the U-M Health President will be recommended by the EVPMA to the President of the University and appointed by the Regents. The U-M Health President will manage the administration and affairs of the U-M Health. The U-M Health President is responsible for managing the entire UMH as required by the Centers for Medicare and Medicaid Services and the Joint Commission and will be appointed to that role by the U-M Health Board with the approval of the Regents. The U-M Health President will be responsible to the U-M Health Board as the UMH governing body for the operation, maintenance and administrative affairs of the

UMH. The U-M Health President

will have such other UMH manager roles as prescribed by the U-M Health Board.

Section 8.2. General Duties Of The U-M Health President. The U-M Health President will perform all duties incident to the office of the U-M Health President and such other duties as may be prescribed by the Board and the EVPMA from time to time. The U-M Health President will:

- (a) In coordination with Medical Staff administration, establish systems and methods to assure effective communications among the Medical Staff, the administration, the Board and all health care delivery systems that are corporately and functionally related to the UMH.
- (b) In coordination with the Medical Staff ensure that members of the Medical Staff comply with the Medical Staff bylaws and rules and regulations of the Medical Staff.
- (c) Establish and oversee a system of institutional and organizational planning consistent with applicable law and accreditation requirements, and will consult with the Medical Staff, administrative leaders, and other leaders of the U-M Health to accomplish the same.
- (d) Assist in the development of and effectuate all of the policies of the U-M Health, including personnel policies and practices that are consistent with the University's policies and practices.
- (e) Be responsible for supervising all of the U-M Health's financial and administrative affairs and for promoting prudent and cost-effective management of U-M Health funds.

The Board specifically delegates to the U-M Health President any day-to-day operational responsibilities of the Board with respect to UMH in a manner consistent with CMS requirements; Medicare Conditions of Participation; the Joint Commission's Standards and Elements of Performance; and other applicable regulatory and accreditation agencies. The U-M Health President may delegate responsibilities under this Section 8.2 as he or she deems appropriate and as consistent with the requirements of applicable regulatory and accrediting agencies.

Section 8.3. Reporting Duties Of The U-M Health President. The U-M Health President will prepare and present to the Board for review and endorsement an annual U-M Health budget. The U-M Health President also will prepare periodic reports that address the clinical affairs and financial activities of the U-M Health, as well as any special reports the Board may request from time to time.

Section 8.4. Contracting Authority Of The U-M Health President. The U-M Health President may, to the extent directly delegated by the Regents, the EVPMA or by any University executive officer with authority to delegate, and in the absence of further direction from the Board consistent with direction to The Board from the Regents, execute such contracts and other instruments as the conduct of the U-M Health's business in its ordinary course requires, and, to the extent permitted in any such delegation, may further delegate this authority in writing to one or more of the officers or directors of the U-M Health.

ARTICLE IX

Committees

Section 9.1. Standing Committees. The Board may establish standing and special committees as it deems necessary and will define the powers and responsibilities of such committees. Chairs and members of each committee will be appointed and may be removed at any meeting of the Board. Vacancies may be filled at any regular or special meeting of the Board. Persons who are not members of the Board may serve on such committees as the Board deems appropriate.

Section 9.2. Quorum of a Committee. A majority of the members of any committee will constitute a quorum at any meeting, and any action taken by a majority of the members attending any meeting at which a quorum is present will be the action of the committee for all purposes.

Section 9.3. Committee Reports. Committees will prepare general, periodic reports that address and summarize their activities, as well as any special reports the Board may request from time to time.

ARTICLE X

UMH and Medical Staff

Section 10.1. UMH. The UMH is maintained for the purpose of providing the highest type of hospital service and medical care and of providing suitable facilities for the teaching and advancement of medicine and allied sciences, arts, and skills. It provides for the observation, diagnosis, care, and treatment of patients entitled to its benefits, pursuant to the laws of this state and the authority of the Board of Regents. Its services and facilities are available so far as possible to all units of the University conducting programs of teaching and research in medicine, dentistry, public health, nursing, dietetics, social service, hospital administration, and such other related programs as may from time to time be established by authority of the Board of Regents.

Section 10.2. Provision Of Services Generally. The professional medical service of the UMH will be rendered by the departments or units of the UMMS, functioning in their capacity as UMH departments and services. Diagnosis, care, and treatment at the UMH will be provided in accordance with the Medical Staff bylaws, rules, and other policies adopted by the Medical Staff's executive committee.

Section 10.3. Organization And Bylaws. The Board will ensure the continued operation of a medical staff organization composed of the physicians and other licensed practicing health professionals who are duly appointed to membership and granted appropriate clinical privileges in accordance with applicable law and accreditation requirements, as well as rules and procedures

established by the Board, the Medical Staff and the Regents. Appointment to the Medical Staff will be a prerequisite to the exercise of clinical privileges in the UMH except as otherwise specifically provided in the Medical Staff bylaws, rules and policies. The Medical Staff will prepare, adopt and periodically review Medical Staff bylaws and rules and policies that are consistent with UMH policy and applicable legal and accreditation requirements, subject to approval by the Board.

Section 10.4. Reports. The Chief of Staff will prepare reports to the Board as specified in Section 5.5(d) of these Bylaws.

ARTICLE XI UMMG

Section 11.1. UMMG. The UMMG combines the practice plans of the UMMS into a single, integrated, multi-specialty professional medical group, which delivers the professional medical care on behalf of the University. The purposes of the UMMG are to manage the provision of medical care by the UMMS clinical faculty, nurse practitioners and professional practitioners for the benefit of the education, research, and patient care programs of the U-M Health. The UMMG will be subject to the oversight of this Board and the EVPMA and will be governed by the UMMG bylaws, which are subject to the approval of this Board. The UMMG will prepare general, periodic reports for the Board that address and summarize its activities, as well as any special reports the Board may request from time to time.

ARTICLE XII MHC

Section 12.1. MHC. MHC is a Michigan nonprofit corporation formed for the purposes, among other things, of engaging in charitable, scientific, educational and research activities designed to promote the health of the public and contracting with individuals and entities qualified and licensed to render health care services. MHC will be governed by the MHC bylaws and will be subject to the oversight of this Board on behalf of the Board of Regents, the sole member of MHC. In addition to the business plan required to be presented to the Board of Regents annually, as specified in the MHC bylaws, MHC will prepare general, periodic reports for the Board that address and summarize its activities, as well as any special reports the Board may request from time to time.

ARTICLE XIII
Volunteer Nonprofit Service Organizations

Section 13.1. Voluntary Nonprofit Service Organizations. The Board may authorize from time to time the establishment or dissolution of voluntary nonprofit service organizations such as auxiliaries. Any such voluntary nonprofit organization may be established by separate incorporation or as an unincorporated organization sponsored by the U-M Health, subject to approval of the Regents to the extent required by the Regents Bylaws or other action of the Regents. No voluntary nonprofit service organization will be established without the approval of the Board and the Board may, in its discretion, revoke any approval previously granted. Each such organization will initially, and as proposed for amendment thereafter, recommend to the Board articles, bylaws, policies, procedures and descriptions of permissible activities for the organization that will be subject to the approval of the Board. Each such organization will provide the Board with an annual report of its activities and will be subject to such direction, control, supervision and reporting requirements as the Board may deem appropriate, including those required by the University to preserve its tax exemptions.

ARTICLE XIV
General

Section 14.1. Conflict Of Interest Or Commitment. Each member of the Board will follow and abide by applicable law, and each member of the Board, member of a committee of the Board, and regular attendees to meetings of the Board or a committee of the Board will sign a written agreement governing conflicts of interest and conflicts of commitment in a form approved by the Board. If a member of the Board or committee of the Board or a regular meeting attendee of the Board or committee of the board is also an employee or faculty member of the University, that member of the Board will follow and abide by the additional applicable conflict of interest rules of the University.

Section 14.2. Liability

Each Board member or person serving at the request of the Board shall be protected against costs and expenses, including legal fees, in connection with the defense of any action, lawsuit, or proceeding in which the member or person serving at the request of the Board shall be made a party by reason of being a member or appointee of the Board. Such protection is subject to the condition that such person shall have acted in good faith and within the scope of their duties, and subject further to the specific exemptions and qualifications available under the law or University

procedures.

Section 14.3. Compensation of Board and Board Committee Members

No Board member or any member of any committee appointed by the Board who is a University employee shall receive any compensation for services rendered in his/her capacity as a Board or committee member. However, nothing herein shall be construed to preclude any Board member or committee member from receiving compensation from the University for other services actually rendered or reimbursement for expenses incurred for serving the University as a Board member or committee member or in any other capacity, all in accordance with established law and University procedures.

ARTICLE XV

Bylaws

Section 15.1. Bylaws. These Bylaws may be amended or repealed, or new Bylaws may be adopted, only by action of the Board approved by the Regents. Notwithstanding the foregoing, the Board of Regents may take direct action with respect to the amending or repeal of these Bylaws. The Board will cause these Bylaws to be reviewed and, if necessary, revised, not less frequently than once every three years by the Board or a committee of the Board, and the minutes of the Board will reflect that such review was completed. In the event an amendment is required by operation of law, regulation, or judicial or administrative order, and there is insufficient opportunity to consult with the Board, the U-M Health President or designee, in consultation with legal counsel and relevant UMH, UMMG and MHC administrative and Medical Staff leaders, may develop and implement the amendment, subject to the Board’s approval or revision at its next regularly scheduled meeting.

Section 15.2. U M H Policies. The Board will create either directly or by delegation:

- (a) A UMH policy on policies (“Policy”), designating the form, content, and approval authorities for policies affecting UMH operations, including the operations of the UMH.
- (b) The Policy will be reviewed at least once every three (3) years and whenever a significant change is proposed.

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Re-approved by the Regents on December 8, 2016 with amendments, and ADOPTED by the Board on March 3, 2017, and effective as of March 3, 2017, upon convening the Board as composed in accordance with amended and restated Section 4.1.

Re-approved by the Regents on September 17, 2020 with amendments and ADOPTED by the Board effective September 17, 2020.

Re-approved by the Regents on December 9, 2021 with amendments upon direct action by the Regents in accordance with amended and restated Section 15.1.