

**ORGANIZATION MANUAL
OF
SAINT JOSEPH MEDICAL GROUP**

**ARTICLE I
PREAMBLE AND GOALS**

Section 1. Preamble. Saint Joseph Medical Group (“SJMG”) has been established as a division of Saint Joseph Regional Medical Center, Inc. d/b/a Saint Joseph Health System (“SJHS”). SJMG created this Manual for the purpose of specifying the governance structure, administrative structure, and goals of SJMG.

Section 2. Goals. The goals of SJMG include without limitation the following:

- (a) To establish the market standard for clinical and service excellence and promote consistent achievement of those standards across SJMG;
- (b) To promote health through the provision of support to SJHS facilities and their pursuit of clinical and service excellence;
- (c) To create, through a cooperative effort with SJHS, Members, and SJMG, an organization which will combine the common interests of the participating Practitioners in the delivery of quality health care for the benefit of the community;
- (d) To create a highly efficient, cost effective delivery model for quality health care for the benefit of the community;
- (e) To provide Health Care Services, through Practitioners who satisfy the qualifications set forth herein to the residents located in and around the SJHS community area;
- (f) To attract new Practitioners with similar commitments to quality and service to the SJHS system;
- (g) To conduct or cause to be conducted courses of education and training in the duties of physicians, nurses and other health care professionals; and
- (h) To conduct its activities and provide its services without regard to race, sex, religion, creed, disability, age, national origin or economic status.

ARTICLE II
DEFINITIONS

Section 1. The following definitions shall apply to this Manual:

(a) “Advanced Practice Nurse” means any person who is a Nurse Practitioner, Certified Nurse Midwife, Clinical Nurse Specialist, or Certified Registered Nurse Anesthetist.

(b) “Advanced Practice Provider” means any person who is an Advanced Practice Nurse or a Physician Assistant.

(c) “Applicant” means a Practitioner who seeks membership to SJMG and who is also a member of the Medical Staff at one of the Hospitals.

(d) “Board” or “Board of Directors” means the Board of Directors of SJHS.

(e) “Manual” means that certain document (other than a Practitioner’s individual employment agreement with SJMG) that governs the Members of SJMG.

(f) “Certified Nurse Midwife” means any person who is a registered nurse qualified to practice nursing in a specialty role and who qualifies as a certified nurse midwife under 848 IAC 3-1-1.

(g) “Certified Registered Nurse Anesthetist” means any person who is a registered nurse qualified to practice nursing in a specialty role and who qualifies as a certified registered nurse anesthetist under Ind. Code 25-23-1-1.4.

(h) “Clinical Nurse Specialist” means any person who is a registered nurse qualified to practice nursing in a specialty role and who qualifies as a clinical nurse specialist under 848 IAC 4-1-5.

(i) The VPCI in coordination with CMO is responsible for clinical quality and standards, practice innovation and provider performance of SJMG Practitioners.

(j) “Health Care Services” means the ability to render specific medical, nursing, dental, surgical, podiatric, psychological, diagnostic, or therapeutic services within the Hospital(s), and affiliated practice sites, based upon the Practitioner’s experience, license, and competency.

(k) “Hospital(s)” means Saint Joseph Regional Medical Center – South Bend Campus, Inc., and/or Saint Joseph Regional Medical Center – Plymouth Campus, Inc.

(l) “Medical Staff” means those Practitioner’s appointed to provide specific Health Care Services within such category to which each Practitioner has been appointed at a Hospital.

(m) “Member” means a Practitioner appointed to provide specific Health Care Services within such category to which each Practitioner has been appointed within SJMG.

(n) “Nurse Practitioner” means any person who is a registered nurse qualified to practice nursing in a specialty role and who qualifies as a nurse practitioner under 848 IAC 4-1-4.

(o) “Other Practitioner” means an individual licensed to provide certain health care services in Indiana and whom the SJMG Executive Council has approved such individual as a Member.

(p) “Physician” means any person who holds the degree of doctor of medicine or doctor of osteopathy or its equivalent and who holds a valid unlimited license to practice medicine or osteopathic medicine in Indiana.

(q) “Physician Assistant” means any person who is delegated authority to practice medicine by a Physician and who qualifies as a physician assistant under 848 IAC 2.2-1.1-13.

(r) “Practitioner” means a Physician, an Advanced Practice Provider, or Other Practitioner.

(s) “SJMG” means the Practitioner network division of SJHS.

(t) “Saint Joseph Health System – Plymouth Campus, Inc.”, means an Indiana licensed hospital located at 1915 Lake Avenue, Plymouth, IN 46563, including all provider-based locations.

(u) “Saint Joseph Health System – South Bend Campus, Inc.”, means an Indiana licensed hospital located at 5215 Holy Cross Parkway, Mishawaka, IN 46545, including all provider-based locations.

(v) “SJMG Executive Council” means that certain group responsible for affecting the governance of, and developing the management and administrative policies for SJMG.

(w) “SJHS” means Saint Joseph Health System

(x) “VPCI” means the Vice President of Clinical Integration for SJMG who is responsible for the operations of SJMG and such VPCI shall report directly to the SJHS Chief Executive Officer.

ARTICLE III

GOVERNANCE AND ADMINISTRATIVE STRUCTURE

Section 1. Governance. The SJMG serves as a division of SJHS. The SJMG Executive Council exists to provide oversight and direction to SJMG relative to its contribution of SJHS’s mission, vision, and strategic objectives. The SJMG members are also governed by the SJHS Medical Staff By-Laws, Rules and Regulations, Credentials Policy and Organization Manual.

Section 2. Administrative Structure. Administration for SJMG will be provided by the Vice President Clinical Integration (VPCI) who will provide general oversight of the operations and clinical standards of SJMG. The VPCI will be responsible for the operational structure of the SJMG. The Chief Medical Officer or their designee will be responsible for the clinical quality, clinical standards, practice innovation, and Practitioner performance. Both the VPCI and the CMO will coordinate responsibilities to ensure the administrative structure of SJMG is in line with the goals as outlined in this Manual.

ARTICLE IV **MEMBERSHIP**

Section 1. Membership. All Practitioners shall be members of a Medical Staff and shall have a contractual relationship, either as an employee, or an independent contractor, with SJMG as a precursor to being an Applicant to SJMG. In addition to the aforementioned requirements, each Applicant or member Practitioner shall do the following to maintain membership in SJMG:

- (a) Become and remain board certified in the Practitioner's field of practice for the purpose of providing quality Health Care Services; in compliance with SJHS bylaws.
- (b) Meet and continue to meet the criteria for Medical Staff appointment and reappointment set forth in the bylaws and policies of SJHS and the Hospitals' Medical Staff;
- (c) Maintain clinical privileges to practice commensurate with the Health Care Services that the Practitioner will be performing pursuant to the Practitioner's employment agreement or contract with SJMG, in accordance with the bylaws, rules, regulations, and policies of SJMG, SJHS, and the Hospitals' Medical Staff;
- (d) Comply with the bylaws, rules, regulations, policies, and directives of SJHS and SJMG; The SJMG members are also governed by the SJHS Medical Staff By-Laws, Rules and Regulations, Credentials Policy and Organization Manual.
- (e) Cooperate with all SJMG and SJHS personnel;
- (f) Not be excluded or precluded from participation in the Medicare program or the Indiana Medicaid program, or any other state or federal health care program;
- (g) Perform the administrative and clinical duties described in Practitioner's SJMG contract to the reasonable satisfaction of SJMG; and
- (h) Qualify and continue to qualify for the liability carrier for all other similarly situated SJMG Practitioners.

Section 2. Meetings: Quarterly Business Meetings. Meetings of SJMG may be called at any time by fifty percent (50%) or more of the Members. The quarterly meeting of the Practitioners shall serve as a forum for Practitioner input to the SJMG Executive Council, and the transaction of other business as may properly be brought before a meeting of the Members.

ARTICLE V
SJMG EXECUTIVE COUNCIL

Section 1. Powers. The SJMG Executive Council shall be responsible for developing management and administrative guidance for the operation of the SJMG, subject at all times to the ultimate authority of the Board which may veto any action of the SJMG Executive Council.

Section 2. Number, Term and Qualifications. The SJMG Executive Council shall consist of the VPCI, ten (10) Physicians, and two (2) Advanced Practice Providers Members. At least one member representing each county in the service area and at least twenty-five percent (25%) of members are from specialties other than Primary Care. Except as described in Section 3 of this **Article V**, each Physician or Advanced Practice Provider member of the SJMG Executive Council shall hold office for a period of two (2) years (a “Term”) or until the death, resignation, retirement, removal or disqualification of such member, or until such SJMG Executive Council member’s successor is appointed. Physician or Advanced Practice Provider members of the SJMG Executive Council may not serve more than three (3) consecutive Terms on the SJMG Executive Council. Physician and Advanced Practice Providers members to the SJMG Executive Council must be actively providing Health Care Services for SJMG as a Member. Physicians and Advanced Practice Providers are the only voting members of this committee.

Section 3. Election of Physician and Advanced Practice Provider Members to SJMG Executive Council. A slate of Physician and Advanced Practice Providers Members shall be recommended by their peers to the SJMG Executive Council and such recommendations shall be subject to the annual election by Members at the July Quarterly Business meeting.

Section 4. Selection of Administrative Support and Ex-Officio Member. SJHS shall designate and determine, through coordination with the SJMG Executive Council, the administrative staff which shall support the SJMG Executive Council. The SJMG Executive Council may include an additional ex-officio member, who cannot vote, as may be designated by the SJMG Executive Council from time to time.

Section 5. Authority of the SJMG Executive Council. The SJMG Executive Council shall have input on the SJMG issues specified below:

- (a) Participate in creation of capital and operating budgets in concert with SJMG administrative members;
- (b) Review SJMG financial statements and provide oversight of SJMG financial performance, providing input on which Practitioners to recruit to provide professional services on behalf of SJMG;
- (c) Provider participation on SJMG expansion and coverage needs by geographic region;

(d) Developing quality assessment and utilization management standards, protocols and outcome measurements;

(e) Advise on the selection and contracting with managed care payors, including advising and participating in the selection of appropriate quality factors included in such contracts, in addition to the internal management of those quality factors;

(f) Make recommendations to the SJHS Board regarding Practitioner compensation policies, including issues related to productivity and income distribution; and

(g) Assisting with strategic planning and marketing activities of the SJMG.

(h) Approve substantial changes affecting provider workflow on a systemic basis.

Section 6. Meetings. Regular meetings of the SJMG Executive Council may be held at least monthly and at such times and at such locations as the SJMG Executive Council may designate by resolution. Special meetings of the SJMG Executive Council may be held at any time upon call of the VPCI or fifty percent (50%) or more of the Members of the SJMG Executive Council.

Section 7. Attendance. SJMG Executive Council members are expected to attend at least seventy-five percent (75%) of the meetings conducted in any given fiscal year or chair may appoint their replacement for remainder of the term.

Section 8. Notice of Meetings. Regular meetings of the SJMG Executive Council may be held so long as the SJMG Executive Council has fixed the time and place of such meetings at least fifteen (15) days in advance, with such notice provided to the Members and to the members of the SJMG Executive Council. The person or persons calling a special meeting of the SJMG Executive Council shall, at least two (2) days prior to the meeting, give notice thereof by any usual means of communication to the members of the SJMG Executive Council, provided that such notice need not specify the purpose for which the meeting is called. Attendance by a member of the SJMG Executive Council at, or participation in, a meeting shall constitute a waiver of notice of such meeting, unless such member of the SJMG Executive Council at the beginning of the meeting (or promptly after his or her arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting. Other Members of the SJMG may attend meetings of the Executive Council pending the approval of the Chair with two week's advanced notice.

Section 9. Quorum. A majority of the number of the SJMG Executive Council members (excluding any ex-officio member not entitled to vote) fixed by this Manual under Section 2 of this **Article V** shall constitute a quorum for the transaction of business at any meeting of the SJMG Executive Council. The favorable vote of a majority of the number of the SJMG Executive Council members (excluding any ex-officio members not entitled to vote) present if a quorum is present shall be necessary for any action to be taken at a meeting of the SJMG Executive Council. In the event that any deadlocked matter of the SJMG Executive Council continues for a period of

at least fourteen (14) consecutive days, no action may be taken on such matter other than fifty percent (50%) of the members of the SJMG Executive Council may require the SJMG Executive Council to submit the deadlocked dispute to the VPCI.

Section 10. Telephonic Meetings. The SJMG Executive Council may permit any or all of the SJMG Executive Council members to participate in a regular or special meeting of the SJMG Executive Council by means of conference, including by telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 11. Actions Without Meeting. Any action which may be authorized or taken at a meeting of the SJMG Executive Council may be authorized or taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by, all of the members of the SJMG Executive Council provided that such writing or writings shall be filed with or entered upon the records of SJHS.

Section 12. Removal. A Physician or Advanced Practice Provider member of the SJMG Executive Council may be removed from office with or without cause by the SJMG Executive Council, if two (2) or more members (excluding an ex-officio member) of the SJMG Executive Council call for a vote and two-thirds of those casting a vote are in favor of removal (not including the person to be removed). If three (3) or more of the SJMG Executive Council members call for a vote to remove, such a vote would go to all SJMG Members and the SJMG Executive Council member would be removed from office with or without cause if six (6) members those casting a vote are in favor of removal (not including the person to be removed). A Physician or Advanced Practice Provider member of the SJMG Executive Council shall be automatically removed from office if such member is no longer employed by or contracted with SJHS. A member of the SJMG Executive Council appointed by SJHS may be removed and replaced at any time by SJHS with or without cause.

Section 13. Vacancies. A vacancy occurring on the SJMG Executive Council in the seats subject to the appointment of a Physician or Advanced Practice Provider member will be filled based upon the recommendations of the Executive Council and the approval of the membership at the Quarterly Business Meeting. A vacancy occurring in the SJMG Executive Council in the seats subject to selection by SJHS may be filled at any time by SJHS. If a vacancy occurs, this vacancy must be filled within three (3) months from the date of occurrence.

Section 14. Compensation. The SJMG Executive Council Physician or Advanced Practice Provider members may be compensated for their service on the SJMG Executive Council at a base rate within fair market value guidelines. SJMG Executive Council members will be reimbursed for all reasonable out-of-pocket expenses incurred in the performance of their duties for or on behalf of the SJMG Executive Council, so long as such expenses are approved in advance by the VPCI. Any and all compensation must be approved by the Board.

ARTICLE VI
SJMG EXECUTIVE COUNCIL OFFICERS

Section 1. Number and Title. The SJMG Executive Council shall elect from its own membership a Chair and Vice Chair of the SJMG Executive Council.

Section 2. Election and Term. The Chair and the Vice Chair of the SJMG Executive Council shall be elected by the SJMG Executive Council. Such election by the SJMG Executive Council may be held at any regular or special meeting of the SJMG Executive Council. Each officer shall hold office for a period of one (1) year or until the death, resignation, retirement, removal or disqualification of such SJMG Executive Council member, or until such SJMG Executive Council member's successor is elected.

Section 3. Removal. Any officer elected by the SJMG Executive Council may be removed at any time with or without cause if three (3) or more members of the SJMG Executive Council call for a vote and six (6) of those casting a vote are in favor of removal (not including the person to be removed).

Section 4. Chair. The Chair shall preside at all meetings of the SJMG Executive Council and shall perform such other duties as may be prescribed from time to time by the SJMG Executive Council. The Chair shall be a Provider member of the SJMG Executive Council. The Chair, or his or her representative named by the Chair, shall represent the SJMG Executive Committee on the SJHS Physician Well Being Committee.

ARTICLE VII
SJMG EXECUTIVE COUNCIL SUB-COMMITTEES

Section 1. Committees Generally. The SJMG Executive Council shall establish other sub-committees which shall perform the functions set forth in this **Article VII**. The SJMG Executive Council may create additional sub-committees or eliminate existing sub-committees as may be necessary from time to time. All such sub-committees shall be subject to and all of their responsibilities shall be carried out at all times under the ultimate authority and direction of the SJMG Executive Council, and no sub-committee shall interfere with or impinge upon the duties and responsibilities of the SJMG Executive Council. The SJMG Executive Council shall accept volunteers for each subcommittee (including a chair) from among the directors, officers, employees and agents of SJHS and from the members of the SJMG with at least one (1) member of the SJMG Executive Council on each sub-committee. Except as otherwise specifically provided in this Manual, the SJMG Executive Council shall determine the number of members for each sub-committee with consideration given to the geographic and specialty mix of the sub-committee members. Each member of a sub-committee shall hold his or her office for a period of one (1) year or until the death, resignation, retirement, removal or disqualification of such sub-committee member, or until such sub-committee member's successor is appointed by the SJMG Executive Council. A vacancy or vacancies on any sub-committee, including an increase in the authorized number of sub-committee members, may be filled at any meeting. Members are voluntary and

approved by the Sub-Committee or the Chair of the Sub-Committee. The Chair of each Sub-Committee shall be a provider in the Medical Group and ex-officio of the Executive Council.

Section 2. Sub-Committee Meetings. Meetings of any sub-committee may be held at such times and at such locations as that sub-committee or the SJMG Executive Council may designate by resolution. Any member of the SJMG Executive Council who is not a member of any such sub-committee may attend any meeting of any sub-committee on an ex-officio basis (without vote). The person or persons calling a meeting of a particular sub-committee shall, at least two (2) days prior to the meeting, give notice thereof by any usual means of communication, provided that such notice need not specify the purpose for which the meeting is called. The secretary of each sub-committee shall prepare minutes of each meeting and forward copies thereof to the Chair and the Secretary of the SJMG Executive Council.

Section 3. Quorum. A majority of the number of each sub-committee (excluding any ex-officio members not entitled to vote) shall constitute a quorum for the transaction of business at any meeting of a sub-committee, and the favorable vote of a majority of the number of the sub-committee members (excluding any ex-officio members not entitled to vote) present if a quorum is present shall be necessary for any action to be taken at a meeting of that sub-committee. No sub-committee may incur any expenditure of funds for or on behalf of the SJMG Executive Council without the prior written approval of the SJMG Executive Council.

Section 4. Compensation. The SJMG Executive Council sub-committee Physician and Advanced Practice Provider members may be compensated for their service as a member of such sub-committees at a base rate within fair market value guidelines. SJMG Executive Council sub-committee members will be reimbursed for all reasonable out-of-pocket expenses incurred in the performance of their duties for or on behalf of the SJMG Executive Council, so long as such expenses are approved in advance by the VPCI. Any and all Practitioner compensation must be approved by the Board.

Section 5. Standing Sub-Committees. The following sub-committees are hereby created as standing sub-committees of the SJMG Executive Council. SJHS will have at least one (1) administrative representative on each of the following sub-committees:

(a) Finance and Practitioner Compensation Sub-Committee. The finance and Practitioner compensation sub-committee shall discharge such responsibilities as may be assigned to it by the SJMG Executive Council. These responsibilities shall include providing recommendations to the SJMG Executive Council regarding compensation formulas for current and prospective Practitioner employees or contractors of SJHS, including defining production and performance-based compensation formulas. All recommendations are subject to the ultimate approval of the Board. The sub-committee also provides recommendations to the SJMG Executive Council (i) regarding the rates to be charged to managed care companies and third party payors, (ii) assisting the SJMG Executive Council, as requested, in negotiating managed care contracts,

(iii) recommending to the SJMG Executive Council the approval or disapproval of managed care contracts, and (iv) improving the general financial efficiency of the practices.

(b) Information Technology Sub-Committee and Work Group. The information technology sub-committee shall discharge such responsibilities as may be assigned to it by the SJMG Executive Council. These responsibilities shall include: (i) recommendations on new innovative approaches to utilizing technology to better serve patient and Practitioner needs; (ii) education on the optimal use of existing technologies; (iii) recommendations on process changes to better utilize technology; (iv) liaison with SJHS information technology personnel to communicate Practitioner information technology needs; and (v) performing such other duties as may be assigned by the SJMG Executive Council from time to time.

(c) Quality Sub-Committee. The quality sub-committee shall discharge such responsibilities as may be assigned to it by the SJMG Executive Council. These responsibilities shall include, but are not limited to, supervising all quality assessment programs, utilization review activities, peer review and credentialing functions when requested by the SJMG Executive Council, Practitioner wellness, and performing such other monitoring of medical functions as may be requested by the SJMG Executive Council from time to time. Peer Review Committee will be a part of this committee. These responsibilities may include:

- i. To monitor the quality of Health Care Services practiced by the Practitioners and to oversee professional patient care services provided, including without limitation ensuring all Practitioner's compliance with all ethical standards, laws and regulations applying to health care professionals;
- ii. To monitor whether any disciplinary action or medical malpractice action is initiated against any Practitioner and inform the SJMG Executive Council of such action and the underlying facts and circumstances;
- iii. To conduct quality assessment and utilization management as required by law or contract or otherwise deemed necessary or desirable by the SJMG Executive Council for the efficient and effective delivery of Health Care Services by the Members of the SJMG;
- iv. To monitor that all Practitioners are insurable, remain insured, and participate in an on-going risk management program;
- v. To develop and implement a Practitioner grievance process, as well as a mechanism to handle Practitioner disciplinary issues related to quality; and
- vi. To develop and implement a continuing medical education compliance program and for monitoring all professional education activities of SJMG Practitioners.

- vii. Credentialing matters will be reviewed including the credentials of all Applicants and new Members of SJMG for the purpose of inclusion in the insurance programs in which SJMG participates. This committee will provide the same scrutiny of all SJMG Members at the time of required re-credentialing.

(d) Indiana Law. In accordance with Indiana Statutes, SJMG maintains the confidentiality of all peer review information, including all information related to patients and Practitioners involved in the peer review process, from unauthorized disclosure; and a professional health care provider, a peer review committee, and the governing board of SJMG may use information obtained by peer review committees for legitimate internal business purposes pursuant to I.C. § 34-30-15-21.

ARTICLE VIII **PROTECTION FROM LIABILITY**

SJHS shall indemnify, to the fullest extent permitted by Indiana law, any member of the SJMG Executive Council or member of any other committee of the SJMG Executive Council, as the case may be, who is or was 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, by reason of the fact that he or she is or was a member of the SJMG Executive Council or a member of any other committee of the SJMG Executive Council, as the case may be, so long as such member of the SJMG Executive Council or member of any other committee of the SJMG Executive Council, as the case may be, is or was acting for or on behalf of the SJMG Executive Council. Any claim for indemnification by a member of the SJMG Executive Council or a member of any other committee of the SJMG Executive Council pursuant to this **Article VIII** shall be junior and subject to any rights or payments that may be available either to SJHS or such SJMG Executive Council or committee member pursuant to any policy or policies of insurance.

ARTICLE IX **AMENDMENTS**

Section 1. Authority of SJHS. This Manual may be restated, amended or repealed by SJHS, but only after notification of the Members and meeting with the SJMG Executive Council regarding any such restatement, amendment or repeal.

Section 2. Periodic Review. The SJMG Executive Council shall review this Manual periodically. If the SJMG Executive Council determines that this Manual should be revised in any respect, the SJMG Executive Council shall submit its recommendations to the Board. The Board shall consider such recommendations but shall not be obligated to adopt or approve any particular recommendation of the SJMG Executive Council.