



Santa Clara  
Family Health Plan  
*The Spirit of Care*

## Santa Clara County Health Authority Bylaws Committee Special Meeting

Friday, January 27, 2017  
9:00 am - 10:30 am  
210 E. Hacienda Avenue (Cambrian)  
Campbell, CA 95008

Via Teleconference At:  
Residence  
1985 Cowper Street  
Palo Alto, CA 94301

### AGENDA

**1. Roll Call**

**2. Public Comment**

Members of the public may speak to any item not on the agenda; two minutes per speaker. The Bylaws Committee reserves the right to limit the duration of the public comment period to 30 minutes.

**3. Meeting Minutes**

Review meeting minutes of the November 29, 2016 Bylaws Committee.

**Possible Action:** Approve November 29, 2016 Bylaws Committee minutes

**4. Amendments to the Bylaws**

Discuss and consider potential amendments to the Santa Clara County Health Authority Bylaws.

**Possible Action:** Provide direction to staff on proposed amendments to the Bylaws

**5. Adjournment**

**Notice to the Public—Meeting Procedures**

- Persons wishing to address the Committee on any item on the agenda are requested to advise the Recorder so that the Chairperson can call on them when the item comes up for discussion.
- The Bylaws Committee may take other actions relating to the issues as may be determined following consideration of the matter and discussion of the possible action.
- In compliance with the Americans with Disabilities Act, those requiring accommodations in this meeting should notify Rita Zambrano 48 hours prior to the meeting at 408-874-1842.
- To obtain a copy of any supporting document that is available, contact Rita Zambrano at 408-874-1842. Agenda materials distributed less than 72 hours before a meeting can be inspected at the Santa Clara Family Health Plan offices at 210 E. Hacienda Avenue, Campbell.
- This agenda and meeting documents are available at [www.scfhp.com](http://www.scfhp.com).



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## Santa Clara County Health Authority Bylaws Committee Special Meeting

Tuesday, November 29, 2016  
210 E. Hacienda Avenue (Cambrian)  
Campbell, CA 95008

### **Minutes – DRAFT**

#### **Members Present**

Brian Darrow  
Liz Kniss  
Paul Murphy

#### **Staff Present**

Christine Tomcala, Chief Executive Officer  
Dave Cameron, Chief Financial Officer

#### **Others Present**

Elizabeth Pianca, Secretary

#### **1. Roll Call**

Brian Darrow called the meeting to order at 3:50 pm. Roll Call was taken and a quorum was established.

#### **2. Public Comment**

There were no public comments.

#### **3. Meeting Minutes**

The minutes of the June 16, 2016 Bylaws Committee were reviewed.

**It was moved, seconded, and the** June 16, 2016 Bylaws Committee minutes were **approved** as presented. Liz Kniss abstained.

#### **4. Amendments to the Bylaws**

Proposed amendments to the Santa Clara County Health Authority Bylaws were discussed, including revisions consistent with the proposed amendments to the Community Health Authority Bylaws.

The Committee members agreed to reconvene in January to continue review and revision of the Bylaws.

## 5. Adjournment

The meeting was adjourned at 4:40 pm.

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Elizabeth Pianca, Secretary to the Board

**BYLAWS OF  
SANTA CLARA COUNTY HEALTH AUTHORITY  
(Adopted as amended May 15, 2014)**

**ARTICLE I  
AUTHORITY, PURPOSES, STATUS AND POWERS**

**Section 1.1 Authority.** These Bylaws are adopted by the Santa Clara County Health Authority (“Authority”) to establish rules for its proceedings, as authorized by Welfare and Institutions Code 14087.38 (“Section 14087.38”) and Ordinance No.300.576 (“Ordinance”), as amended from time to time. The Authority is a public agency created by the Board of Supervisors of Santa Clara County (“County”) pursuant to authority conferred by Section 14087.38.

**Section 1.2 Purposes.** The purposes of the Authority are to meet the problems of delivery of publicly assisted medical care in the County, to demonstrate ways of promoting quality care and cost efficiency, and to further such other purposes as are contemplated by Section 14087.38 and described in the Ordinance.

**Section 1.3 Status.** The Authority is an entity separate from the County. Obligations, acts, omissions or liabilities of the Authority shall be obligations, acts omissions or liabilities solely of the Authority, and shall not, directly or indirectly, be obligations, acts, omissions or liabilities of the County or any officials, employees or agents of the County.

**Section 1.4 Powers.** The Authority shall have the power to negotiate and enter into contracts with the Department of Health Care Services and to arrange for the provision of health care services for Medi-Cal beneficiaries as authorized by Section 14087.38. To the extent authorized by Section 14087.38, the Authority may also enter into contracts to arrange for the provision of health care services to individuals including, but not limited to, those covered under Subchapter XVIII (commencing with Section 1395) of Chapter 7 of Title 42 of the United States Code, those entitled to coverage under other publicly supported programs, those employed by public agencies or private businesses, and uninsured or indigent individuals. The Authority shall have all rights, powers, duties, privileges and immunities expressed, either directly or implicitly, in Section 14087.38. Chapter 1 of Division A6 of the Ordinance Code of the County, containing general rules and procedural requirements applicable to boards and commissions of the county, they may apply now.

**ARTICLE II  
GOVERNING BOARD**

**Section 2.1 Governance.** Responsibility for governing and managing the affairs of the Authority shall be vested in a governing board (“Governing Board”).

**Section 2.2 Number.** The Governing Board shall consist of thirteen (13) members (“Board Members”), each of whom shall have a fiduciary duty to act in the best interest of the Authority.

**Section 2.3 Qualifications.** Board Members shall be chosen for their willingness and ability to effectively contribute to and support the objectives of the Authority, shall have a commitment to a health care system that seeks to improve access to quality health care for persons served by the Authority and shall have a commitment to maintaining and preserving a health care safety net for the medically indigent and uninsured populations of the County. Board Members shall either reside, be employed, or provide services in the county, and shall be generally representative of the diverse backgrounds, interests and demography of persons residing in the County. When nominating members to the Governing Board candidates possessing the following backgrounds should be considered: expertise in business, finance, managed care, hospital administration, information technology, medicine, health care policy, or law.

**Section 2.4 Nominations.** Nominations shall be made as follows: Board members shall be nominated by the County Board of Supervisors.

**Section 2.5 Appointment.** Appointments shall be made upon a majority vote by the County Board of Supervisors.

**Section 2.6 Term.** The terms for all Board Members shall be two years. No Board Member may serve more than four (4) consecutive terms without a break in service from the Board of at least one year.

**Section 2.7 Resignation.** Any Board Member may resign at any time by giving written notice of such resignation to the Chairperson of the Governing Board. Such resignation shall take effect at the time specified in the notice; provided, however, that if the resignation is not to be effective immediately upon receipt of the notice by the Chairperson, the Governing Board must affirmatively vote to accept the effective date specified, and if the Governing Board does not approve such later date, the resignation shall be effective immediately.

**Section 2.8 Removal.** A Board Member may be removed from the Governing Board by either of the following methods:

2.8.1 The Governing Board, by an affirmative vote of no less than six Board Members, may remove a Board member. The reasons for removal may include:

2.8.1.1 The Board Member fails to meet the qualifications as a Board Member;

2.8.1.2 The Board Member fails to attend three (3) consecutive regular meetings of the Governing Board;

2.8.1.3 The Board Member fails during any twelve (12) month period to attend a minimum of 50% of (a) the regular and special meetings of the Governing Board, or (b) the meetings of the committees of which the Board Member is a member;

2.8.1.4 The Board Member fails to discharge legal obligations as a member of a public agency;

2.8.1.5 The Board Member is convicted of a crime involving corruption or any felony; or the Board Member is barred, suspended or excluded from participation in federal programs or has been barred from serving as a Board Member pursuant to the Knox-Keene Act;

2.8.1.6 A request for removal has been submitted by the Board of Supervisors.

2.8.1.7 Other good cause, as reasonably determined by the Board.

2.8.2 A Board Member shall be given reasonable notice and an opportunity to respond before the Governing Board prior to any vote by the Governing Board regarding potential removal of that Board Member.

**Section 2.9 Vacancies.** Any vacancy in the Board, however created, shall be filled by the County Board of Supervisors.

### **ARTICLE III** **OFFICERS**

**Section 3.1 Designation.** The Officers of the Authority shall be:

3.1.1 A Chairperson, who shall be a Board Member, and who shall preside at all meetings of the Governing Board.

3.1.2 A Vice-Chairperson who shall be a Board Member, and who in the Chairperson's absence, or inability to act, shall preside at the meetings of the Governing Board.

If both the Chairperson and the Vice-Chairperson are absent or unable to act, the Board Members present shall by resolution select one of the Board Members present to act as chairperson pro tempore, who, while so acting, shall have all of the authority of the Chairperson.

3.1.3 A Treasurer, shall be a Board Member or such other person as appointed by the Governing Board, including but not limited to the Chief Financial Officer, who is employed by the Authority, and who shall have custody of and disburse the Authority's funds. The Treasurer shall have the authority to delegate the signatory function of the Treasurer to such persons as authorized by the Governing Board.

3.1.4 A Secretary, who shall be a Board Member or other person appointed by the Governing Board, including a person employed by the Authority, and who shall be responsible for preparing and keeping the minutes of the Governing Board; shall attest to the signature of the Chairperson, Vice-Chairperson, Treasurer, Chief Executive Officer or other authorized signatory on documents executed on behalf of the Authority; shall give, or cause to be given, notice of all meetings of the Governing Board and committees of the Authority as

Deleted: Section 2.10 Reimbursement Of Expenses.¶

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2.10.1 Board Members, other than County employees, may be reimbursed for services and out-of-pocket expenses at a rate to be determined by the Board for each Board meeting attended. ¶

required by law; shall keep the seal of the Authority, if one be adopted, in safe custody; and shall have such other duties as may be prescribed by resolution of the Governing Board or these Bylaws.

**Section 3.2 Election.** The Governing Board, at its first meeting of each calendar year, or as soon thereafter as possible, shall elect officers for one two-year term.

**Section 3.3 Resignation.** Any officer may resign effective on giving written notice to the Secretary or the Chairperson, unless the notice specifies a later time for his or her resignation to become effective. Upon receipt of such notice by the Secretary or the Chairperson, as applicable, the Secretary shall notify (or, if applicable, the Chairperson shall direct the Secretary to notify and the Secretary shall then notify) all the other officers of the Authority and shall enter the notice in the proceedings of the Governing Board. The acceptance of a resignation shall not be necessary to make it effective.

**Section 3.4 Vacancies.** A vacancy in any office for any cause shall be filled by a special election of the Governing Board at the next regular or special meeting of the Governing Board.

#### **ARTICLE IV** **MEETINGS**

**Section 4.1 Regular And Special Meetings.** The date, time and place of regular meetings of the Governing Board shall be established by resolution of the Governing Board. The Governing Board shall hold regular meetings during at least each of four (4) months of each calendar year, at least one of which shall be a strategic planning session. Special meetings may be held upon the call and the discretion of the Chairperson. However, upon the request of any three (3) or more Board Members, the Chairperson shall call a special meeting. Special meetings shall be subject to the rules otherwise set forth in these Bylaws.

**Section 4.2 Open And Public.** Meeting shall be open and public and all persons shall be permitted to attend, except for closed sessions, all as required and permitted by applicable law, including the Ralph M. Brown Act (Gov. Code 54950 *et. seq.*) and Section 14087.38.

**Section 4.3 Notice.**

4.3.1 Notice of every regular meeting, and any special meeting which is called at least one (1) week prior to the date set for the meeting, shall be given to each member of the Governing Board and to any person who has filed a written request for notice with the Authority. Any such mailed notice shall be mailed at least one (1) week prior to the date set for the meeting to which it applies, except that the Governing Board may give the notice as it deems practical of special meetings called less than seven (7) days prior to the date set for the meeting. Any request for notice filed pursuant to this section shall be valid for one (1) year from the date on which it is filed unless a renewal request is filed. All requests for notice shall be filed with the Secretary of the Authority. Renewal requests for notice shall be filed within ninety (90) days after January 1 of each year.

4.3.2 Written notice of each special meeting shall be delivered personally or by mail to each Board Member and, to each local newspaper of general circulation, radio and television station, requesting such written notice in writing. Such notice shall be received at least twenty-four (24) hours before the time of such meeting as specified in the notice. The notice shall specify the time and place of the special meeting and the agenda for the meeting. No other business shall be considered at such meeting. Notice shall be required pursuant to this section regardless of whether any action is taken at the special meeting. In cases of emergency, notice of special meetings may be dispensed with only to the extent permitted by applicable law.

**Section 4.4 Waiver Of Notice.** Written notice may be dispensed with as to any Board Member who, at or prior to the time the meeting convenes, files with the Secretary a written waiver of notice. Such waiver may be given by any means that allows for a permanent record and may be authorized by law. Such written notice also may be dispensed with as to any Board Member who is actually present at the meeting at the time it convenes.

**Section 4.5 Attendance And Participation.** Board Members must attend the regular meetings of the Governing Board and of committees to which they are appointed and shall contribute their time and special abilities as may be required for the benefit of the Authority.

**Section 4.6 Quorum.** A quorum is a majority of the Board Members (i.e. seven members). A quorum must be present to initiate the transaction of business at any regular or special meeting of the Governing Board.

**Section 4.7 Meeting Agendas.** For all meetings that are open and public pursuant to the Ralph M. Brown Act (Gov. Code 54950 *et seq.*), the provisions of Sections 4.7.1 through 4.7.3 shall apply.

4.7.1 The Chief Executive Officer of the Authority shall prepare an agenda for every meeting of the Governing Board setting forth a brief general description of each item of business to be transacted or discussed at the meeting and the time and location of the meeting. Each agenda for a regular meeting shall provide an opportunity for members of the public to address the Governing Board directly on items of interest to the public that are within the subject matter jurisdiction of the Authority. At least seventy-two (72) hours before a regular meeting, the Chief Executive Officer shall cause the agenda for the meeting to be posted at the main entrance of the Authority's executive offices and online on the Health Authority's website, or, as determined by duly adopted resolution of the Governing Board, any other location that is freely accessible to members of the public.

4.7.2 No action shall be taken at a regular meeting on any item not appearing on the posted agenda; provided, however, that the Board Members may take action on items of business not appearing on the posted agenda under the following conditions:

4.7.2.1 The Governing Board determines by a majority vote of the Board Members present that an emergency situation exists under Government Code 54956.5; or



4.7.2.2 The Governing Board determines by a two-thirds vote of the Governing Board, or, if less than two-thirds of the Board Member are present, by a unanimous vote of those Board Members present, that the need to take the action arose subsequent to the posting of the agenda; or

4.7.2.3 The item was included in the posted agenda for a meeting of the Governing Board occurring not more than five (5) calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

4.7.3 At least twenty-four (24) hours before a special meeting, the Chief Executive Officer shall cause the agenda for the meeting to be posted with the call and notice of the meeting at the main entrance of the Authority executive offices, or, as determined by duly adopted resolution of the Governing Board, any other location that is freely accessible to members of the public. No business not set forth in the posted agenda shall be considered by the Governing Board at such special meeting.

**Section 4.8 Conduct Of Business.** The items on the agenda shall be considered in order unless the Chairperson shall announce a change in the order of consideration. Unless an agenda item identifies a particular source for a report, the Chief Executive Officer, the Board Members, the Authority staff and consultants shall report first on the item, after which the item shall then be open to public comment upon recognition of the speaker by the Chairperson. To the extent that conduct of the meeting is not governed by these bylaws or the Ralph M. Brown Act, the meetings shall be guided by Robert's Rules of Order, newly revised. Provided, further, that the failure to follow Robert's Rules of Order shall not invalidate any action taken.

Deleted: current edition of Robert's Rules of Order shall apply.

**Section 4.9 Resolutions and Motions.** All official acts of the Authority shall be taken either by resolution or a motion, duly made, seconded and adopted by vote of the Board Members.

**Section 4.10 Voting.** Except as otherwise provided by these Bylaws, when a quorum is present all official acts of the Governing Board shall require the affirmative vote of a majority of the Board Members present and eligible to vote.

**Section 4.11 Disqualification From Voting.** A Board Member shall be disqualified from voting on any motion or resolution relating to a transaction in which he or she has a financial interest, as required by law or by the Conflicts of Interest Policy of the Authority, as described in Article IX. Except as required by law or by the Conflict of Interest Policy of the Authority, no Board Member shall be disqualified from serving as a Board Member or taking part in any proceedings of the Governing Board because of any financial interest of a Board Member.

**Section 4.12 Minutes.** The Secretary shall cause to have prepared the minutes of each meeting of the Governing Board. The minutes shall be an accurate summary of the Governing Board. The minutes shall be an accurate summary of the Governing Board's consideration of each item on the agenda and an accurate record of each action of the Governing Board. At a subsequent meeting, the Secretary shall submit the minutes to the Governing Board for approval by a majority vote of Board Members in attendance at the meeting covered by the minutes.

When approved, the minutes shall be signed by the Secretary and kept with the proceedings of the Governing Board.

**Section 4.13 Closed Sessions.** The Governing Board shall meet in closed session only as permitted by applicable law, including, but not limited to, the Ralph M. Brown Act (Gov. Code 54950 *et seq.*) and Section 14087.38. The Governing Board shall post an agenda and report the actions taken at a closed session to the public to the extent required by applicable law. A closed session minute book may be established and maintained for minutes of closed sessions, which shall reflect only the topics of discussion and decisions made at the session. The closed session minute book shall be kept confidential, shall not be a public record, and shall be available to the Board Members, the Chief Executive Officer, and the Governing Board's legal counsel, except as otherwise required by applicable law.

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**Section 4.14 Public Records.** All documents and records of the Authority, not exempt from disclosure under applicable law, shall be public records under the California Public Records Act (Government Code 6250 *et seq.*). The Governing Board and the Chief Executive Officer shall take appropriate steps to maintain the confidentiality of all documents and records of the Governing Board for which exemptions from disclosure are available under applicable statutes.

**Section 4.15 Adjournment.** The Governing Board may adjourn any meeting to a time and place specified in the resolution of adjournment, notwithstanding less than a quorum may be present and voting. If no member of the Governing Board is present at a regular or adjourned meeting, the Chief Executive Officer or his or her designee may declare the meeting adjourned to a stated time and place and shall cause written notice to be given in the same manner as provided in Section 4.3 of the Bylaws for special meetings, unless such notice is waived as provided for special meetings. A copy of the order or notice of adjournment shall be posted as required by applicable law.

## **ARTICLE V**

### **COMMITTEES OF THE GOVERNING BOARD**

**Section 5.1 Bylaws Committee.** The Governing Board shall appoint a three (3) member Bylaws Committee, all of whom shall be Board Members. Proposed amendments to these Bylaws shall not be effective unless approved by a majority vote of the Bylaws Committee, and by the affirmative vote of no less than a majority of Board Members, as set forth in Article XII.

**Section 5.2 Executive Committee.** The Governing Board shall appoint a five (5) member Executive Committee. One Alternate may be appointed by the Governing Board. The Alternate shall be entitled to vote as an Executive Committee member when an Executive Committee member is absent from the Executive Committee meeting.

5.2.1 The Executive Committee shall consist of its Chair and Vice Chair, plus 3 other Board members. The Alternate shall be a Board member. At least one of the members of the Executive Committee shall have financial expertise. The Chief Executive Officer of the Health Authority shall serve as an ex officio member of the Executive Committee, without vote.

5.2.2 In the event of a financial, operational, legal, personnel or public relations emergency, which the Chief Executive Officer or the Executive Committee reasonably determines requires handling before the next scheduled meeting of the Governing Board or before a special meeting of the Governing Board can be called, the Executive Committee shall have all of the powers and authority of the Board of Directors to act in the intervals between meetings of the Board of Directors.

5.2.3 Notwithstanding the above, the Executive Committee shall not have authority to: amend or repeal the Bylaws or adopt new Bylaws; fill vacancies on the Governing Board; or fix compensation of Directors. By majority vote of the Governing Board, the Board may at any time revoke or modify the authority delegated to the Executive Committee.

5.2.4 Any action taken by the Executive Committee must be reported for discussion to the Governing Board at the next meeting.

5.2.5 The Executive Committee shall also serve as the Finance Committee of the Governing Board, responsible for: developing and reviewing fiscal policy; monitoring investment activity and financial performance; reviewing and making recommendations regarding financial statements, audits, financial management and business plan objectives; and reviewing with, and making recommendations to the Governing Board, regarding the annual budget and variations from the budget. The Governing Board must approve the budget and all expenditures must be within budget. Any major change in the budget must be approved by the Governing Board or the Executive Committee. Annual and periodic financial reports shall be submitted to the Governing Board.

**Section 5.3 Additional Committees.** The Governing Board may by resolution, from time to time, create and appoint the members of such additional committees and subcommittees of the Governing Board as it deems necessary to carry out its purposes. Except as provided in Article VI, only Board Members shall serve on committees and subcommittees, but no committee or subcommittee may be composed of a number of Board Members constituting a quorum of voting Board Members. The Governing Board may designate one (1) or more Board Members as alternate members of any committee or subcommittee to stand in for any absent member at any meeting of the committee or subcommittee.

**Section 5.4 Authority.** All such other committees and subcommittees shall be advisory only, unless otherwise specified by the Governing Board.

**Section 5.5 Meetings.** Regular meetings of the committees and subcommittees shall be held at such times and places as are determined by the chairperson of the committee or subcommittee. Special meetings may be held at any time and place as may be designated by the Chairperson, the chairperson of the committee or subcommittee, the Chief Executive Officer or a majority of the members of the committee or subcommittee. Except for the Executive Committee, at least one third of the authorized number of members of the committee or subcommittee shall constitute a quorum for the transaction of business. In the case of the Executive Committee, a majority of the seated members of the committee shall constitute a quorum for the transaction of business.

**Section 5.6 Open and Public.** Meetings of committees and subcommittees shall be open and public, except such meetings that may be held in closed session to the extent permitted by applicable law, including, but not limited to, the Ralph M. Brown Act (Gov. Code 54950 *et seq.*) and Section 14087.38.

**Section 5.7 Notice and Agenda Posting.** To the extent that meetings of committees and subcommittees are subject to the Ralph M. Brown Act (Gov. Code 54950 *et seq.*), notice and agenda posting regarding such regular and special meetings shall be carried in the same manner as that applicable to regular and special meetings of the Governing Board as set forth in Article IV of these Bylaws.

**Section 5.8 Minutes.** The Secretary or his or her designee shall prepare minutes of each meeting of every committee and subcommittee. The minutes shall be an accurate summary of the committee's or subcommittee's consideration of the matters before it and an accurate record of each action of the committee or subcommittee. At a subsequent meeting, the Secretary or designee shall submit the minutes to the committee or subcommittee for approval by a majority vote of members in attendance at the meeting covered by the minutes. When approved, copies of minutes shall be forwarded by the Secretary or designee to the Board Members and to the Chief Executive Officer.

## **ARTICLE VI** **ADVISORY AND STANDING COMMITTEES**

### **Section 6.1 Provider Advisory Council.**

6.1.1 The Governing Board shall establish one or more Provider Advisory Council, composed of participating providers, to provide expertise to the Authority relative to their respective specialties. Each Provider Advisory Council shall have a sufficient number of members to provide the necessary expertise and to work effectively as a group. The Governing Board shall determine the number and composition of each Council with the assistance of recommendations made by the Chief Executive Officer. Provider Advisory Council members shall serve for a maximum of three two-year terms.

6.1.2 Each Provider Advisory Council shall have a chairperson and a vice chairperson appointed by the Governing Body. The Chief Executive Officer shall designate a staff person to serve as secretary and to be responsible for notifying members of the dates and times of meetings and preparing a record of the Council's meetings.

6.1.3 Each Provider Advisory Council shall meet on a regular basis, and shall make recommendations and reports to the Governing Board. Meetings of the Provider Advisory Council shall be open and public pursuant to the Ralph M. Brown Act (Gov. Code § 54950 *et seq.*).

### **Section 6.2 Consumer Affairs Committee.**

6.2.1 The Governing Board shall establish a standing Committee of the Board to be called the Consumer Affairs Committee, which shall be responsible for participating in establishing public policy of the health care service plan (“the Plan”) established by the Authority. Public policy includes, but is not necessarily limited to, policies to assure the comfort, dignity, and convenience of the members, as described in the Knox-Keene Act, Section 1369 of the Health and Safety Code. The Consumer Affairs Committee shall constitute the “Community Advisory Committee,” referenced in Section A-18-334 of the Ordinance. The Consumer Affairs Committee shall have a sufficient number of members to provide community involvement and an appropriate representation of the interests of enrolled Plan members. The Governing Board shall determine the number and composition of the Committee with the assistance of recommendations made by the Chief Executive Officer. Committee members shall serve for a maximum of three two-year terms, unless the committee member who is appointed to represent plan members is no longer qualified for Plan enrollment or otherwise loses eligibility for Plan membership.

6.2.2 The Consumer Affairs Committee shall have a chairperson and a vice-chairperson appointed by the Governing Board. The Chief Executive Officer shall designate an employee of the Authority to serve as secretary and to be responsible for notifying members of the dates and times of meetings and preparing a record of the Committee’s meetings.

6.2.3 The Consumer Affairs Committee shall meet not less than two times per year, and shall make recommendations and reports to the Governing Board. Meetings of the Consumer Affairs Committee shall be open and public pursuant to the Ralph M. Brown Act (Gov. Code § 54950 *et seq.*).

6.2.4 The Consumer Affairs Committee recommendations and reports shall be regularly and timely reported to the Governing Board. The Governing Board shall take action upon the Committee’s recommendations. Such action shall be recorded in the minutes of the Governing Board.

**Section 6.8 Additional Advisory Committees.** The Governing Board may, as it deems necessary, establish advisory committees. A resolution of the Governing Board establishing any additional advisory committee shall specify the number and qualifications of members, scope of matters on which such group or committee will provide review and recommendations, parameters for the conduct of proceedings, and conditions and procedures for dissolution for the advisory committee.

## **ARTICLE VII** **EXECUTION OF DOCUMENTS**

### **Section 7.1 Contracts and Instruments.**

7.1.1 The Governing Board may authorize any officer or officers, agent or agents, employee or employees to enter into any contract or execute any instrument in the name of and on behalf of the Authority, and this authority may be general or confined to specific instances; and, unless so authorized or ratified by the Governing Board, no officer, agent or

employee shall have any power or authority to bind the Authority by any contract or engagement or to render it liable for any purpose or for any amount.

7.1.2 The Secretary shall have the authority to attest to the signatures of those individuals authorized to enter into contracts or execute instruments in the name of and on behalf of the Authority and to certify the incumbency of those signatories.

7.1.3 Each and every contract, indenture, mortgage, loan or credit document, lease, or other instrument or obligation of the Authority shall contain a statement to the effect that the Authority is a separate legal entity from the County, that the County, and its officials, employees and agents, are not responsible for the obligations of the Authority, and that (except if the county is a direct party to the particular document or instrument) the parties to the particular document or instrument do not intend to, or have the power to, confer on any person or entity any rights or remedies against the County or any officials, employees or agents of the County.

**Section 7.2 Checks, Drafts, Evidences of Indebtedness.** All checks, drafts or other orders for payment of money, notes or other evidences issued in the name of or on behalf of the Authority or payable to the order of the Authority, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Governing Board.

## **ARTICLE VIII** **CHIEF EXECUTIVE OFFICER**

**Section 8.1 Appointment and Tenure.** The Governing Board shall select and appoint a Chief Executive Officer who shall be its direct executive representative in the management of the affairs and activities of the Authority. The Chief Executive Officer shall serve at the pleasure of the Governing Board, subject to the provisions of any contract of employment between the Authority and the Chief Executive Officer. The Governing Board shall adopt by resolution a program (including timing and method) for evaluating the Chief Executive Officer.

**Section 8.2 Duties.**

8.2.1 The Chief Executive Officer shall have the necessary authority and responsibility to conduct the Authority's activities, subject to the oversight and authority of the Governing Board and the Chairperson. The Chief Executive Officer shall be responsible to carry out the formal and informal policies, procedures and practices of the Authority.

8.2.2 The Chief Executive Officer shall act as the duly authorized representative of the Authority in all matters in which the Authority has not formally designated some other person to act.

8.2.3 The Chief Executive Officer shall designate a Chief Financial Officer and a Medical Director of the Authority both of whom shall be employees of the Authority. The Chief Executive Officer may also appoint and engage individuals to fill such other executive, administrative and management positions for the Authority as the Governing Board shall

authorize by resolution. All personnel shall serve at the pleasure of the Chief Executive Officer, subject to any contract of employment between the Authority and any such employee and the personnel policies adopted by the Governing Board.

**ARTICLE IX**  
**CONFLICT OF INTEREST POLICY**

**Section 9.1 Adoption.** The Governing Board shall by resolution adopt and from time to time may amend a Conflict of Interest Code for the Authority as required by applicable law.

**Section 9.2 Board Member Statements.** Each Board Member shall file statements disclosing reportable investments, business positions, interests in real property and income in accordance with the Political Reform Act of 1974 (Government Code 81000 *et seq.*) and the regulations of the Fair Political Practices Authority.

**Section 9.3 Prohibition On Board Members With Financial Interest.** Except as may be permitted by Section 9.4, a Board Member shall not make, participate in making, or in any way attempt to influence a Governing Board decision in which the Board Member knows, or has reason to know, that he or she has a financial interest as defined by California law or as set forth in the Authority's Conflict of Interest Code.

**Section 9.4 Conflict of Interest Exemption.** In accordance with Welfare & Institutions Code § 14087,38(h), a Board Member shall not be deemed to be interested in a contract entered into by the Authority within the meaning of Government Code 1090, *et. seq.* if all of the following apply:

- (a) The Board of Supervisors appointed the Board Member to represent the interests of physicians, health care practitioners, hospitals, pharmacies, or other health care organizations, or beneficiaries.
- (b) The contract authorizes the Board Member or the organization the Board Member represents to provide services to beneficiaries under the Authority's programs.
- (c) The contract contains substantially the same terms and conditions as contracts entered into with other individuals or organizations that the Board Member was appointed to represent.
- (d) The Board Member does not influence or attempt to influence the Governing Board or another Board Member to enter into the contract in which the Board Member is interested.
- (e) The Board Member discloses the interest to the Governing Board and abstains from voting on the contract.

(f) The Governing Board notes the Board Member's disclosures and abstention in its official records and authorizes the contract in good faith by a vote of the Governing Board sufficient for the purpose without counting the vote of the interested Board Member.

**ARTICLE X**  
**PROCEDURES, PRACTICES AND POLICIES**  
**RELATING TO IMPLEMENTATION OF THE TWO-PLAN MODEL**

**Section 10.1 Compliance With Two-Plan Model.** The Authority shall, in connection with the conduct of its business and the discharge of its responsibilities, comply fully with the concepts and philosophy of the Medi-Cal Two-Plan Model for Managed Care ("Two-Plan Model"), as issued by the State Department of Health Care Services ("DHCS"). In conducting its business and discharging its responsibilities, the Authority shall meet the particulars set forth in this Article X.

**Section 10.2 Contract Negotiation and Renegotiation.** The Authority shall, in negotiating and renegotiating contracts, give preference to providers (sometimes referred to herein as "preferred providers"); (1) based on (a) the number of Section 10.2.1 categories a provider is within, and (b) the number of and extent to which the factors set forth in each Section 10.2.1 category apply to the provider; (2) in the manner prescribed in Section 10.2.2; and (3) in accordance with the standards set forth in Section 10.3.

10.2.1 The following are the preference categories that shall be applicable for the Authority in negotiating and renegotiating contracts:

(a) **Disproportionate Share Hospitals.** The Authority shall give substantial preference to those hospitals that have regularly and repeatedly qualified for disproportionate share status under the Medi-Cal program. For purposes of the Section 10.2.1(a), "regularly and repeatedly" means that, at any particular time, the hospital has been recognized as a disproportionate share hospital under the Medi-Cal program for no less than three (3) of the most recent four (4) years. Among hospitals that have regular and repeatedly qualified for disproportionate share status, the Authority shall give greater preference to those hospitals that historically have had the highest levels of disproportionality, as measured on both a relative and absolute basis, over the most recent four (4) years.

(b) **Safety Net Providers.** The Authority shall give preference to FQHCs and any other providers that DHCS has defined as safety net providers in the general policies relating to the Two-Plan Model.

(c) **Traditional Medi-Cal Providers.** The Authority may give preference to community-based clinics and private providers with a history of serving a substantial proportion of Medi-Cal patients. For purposes of this Section 10.2.1(c), "substantial proportion" means that in each of two (2) of the most recent four (4) years, a community-based clinic or private provider has received at least \$25,000 in payments per year from serving Medi-Cal patients.



(d) Medically Indigent and Uninsured Care Providers. The Authority shall give substantial preference to providers that have regularly and repeatedly provided the highest levels of ratios of care to the medically indigent and uninsured.

10.2.2 The following prescribes the manner in which the Authority shall give preference to providers in negotiating and renegotiating contracts:

(a) Generally. Preference shall be given in a fashion to preserve the health care safety net in the County, including public health services, as envisioned by the Two-Plan Model and in accordance with the standards set forth in Section 10.3.

(b) Disproportionate Share Hospitals. The Authority shall give substantial preference to those hospitals that have regularly and repeatedly qualified for disproportionate share status under the Medi-Cal program in a fashion to ensure that these hospitals have sufficient Medi-Cal patient participation so that: (1) all available federal funding is retained for the geographic area of the county; and (2) among these hospitals, the hospitals that historically have had the highest levels of disproportionality receive federal funding commensurate with their higher levels of disproportionality. The most recent four (4) years shall be the "historical" period for purposes of this provision.

(c) All Preferred Providers. Subject to provider capacity and patients' medical interests, the Authority may take one or more of the following measures, as necessary or appropriate to meet the requirements of the Section 10.2.2: (1) assign patients to preferred providers, especially to those providers entitled to substantial preference under Section 10.2.1(a) and 10.2.1(d); (2) give preferential pricing terms to preferred providers; (3) give rights of first refusal on negotiating and renegotiating contracts to preferred providers; and (4) furnish preferred providers with such special or additional administrative or clinical support services as may be necessary or appropriate to assist such providers in transitioning to a managed care environment.

(d) Impact of Preferences. As among preferred providers, it is expected that higher levels of funding may be given by the Authority to those entitled to substantial preference, as compared to other preferred providers. The Authority shall fulfill its obligations under this Section 10.2 notwithstanding any detriment or adverse impact to non-preferred providers that may be caused by the fulfillment of such obligations, and notwithstanding that certain special or additional administrative clinical support services may be unavailable to non-preferred providers.

**Section 10.3 Establishment and Maintenance of Provider Network.** The Authority shall meet the standards set forth in this Section 10.3 in establishing and maintaining the provider network and in implementing the preferences described in Section 10.2.

10.3.1 The Authority shall foster and maintain the clinical relationships between Medi-Cal, medically indigent and uninsured patients and their health care providers.

10.3.2 The Authority shall, in establishing and maintaining the provider network, recognize and accommodate the cultural and linguistic diversity of Medi-Cal, medically indigent and uninsured patients.

10.3.3 The Authority shall, in establishing and maintaining the provider network, recognize, accommodate and support those special programs and activities of providers that have been regularly and repeatedly successful in addressing the medical and social needs of Medi-Cal, medically indigent and uninsured patients.

**ARTICLE XI**  
**MISCELLANEOUS, PROCEDURES, PRACTICES AND**  
**POLICIES, INSURANCE, BONDS**

**Section 11.1 Purchasing, Hiring, Personnel, Etc.** The Governing Board shall by resolution adopt and, from time to time may amend, procedures, practices and policies for purchasing and acquiring the use of equipment and supplies, acquiring, constructing and leasing real property and improvements, hiring employees, managing its personnel and for all other matters, in the determination of the Governing Board, as are necessary and appropriate for the proper conduct of the Authority's activities and affairs and the furtherance of its authorized purposes. Copies of all such procedures, practices and policies shall be maintained with the minutes of proceedings of the Governing Board.

**Section 11.2 Enforcement.** Subject to the ultimate authority of the Governing Board, the Chief Executive Officer shall be responsible to implement all procedures, practices and policies adopted by the Governing Board.

**Section 11.3 Insurance.** The Chief Executive Officer shall procure, at the Governing Board's direction, such liability, property, casualty, workers' compensation, and such other insurance (including, without limitation, directors' and officers' liability, professional liability, and health plan re-insurance) in such amounts and with such carriers as the Governing Board shall from time to time determine is prudent in the conduct of its activities; provided, the Governing Board may in its discretion provide self-insurance or participate in consortia or similar associations to obtain coverage in lieu of commercial coverage.

**Section 11.4 Bonds.** The Authority shall require all of the Board Members, as well as the Authority's officers, employees and agents, to be covered by fidelity bonds to the extent required by law, and otherwise to the extent the Governing Board determines prudent in the conduct of its activities. The cost of such bonds shall be paid for by the Authority.

**Section 11.5 Defense and Indemnification.** So long as such individual was acting within the scope of his or her employment or official capacity, the Authority shall defend and hold harmless its current and former members, officers, employees, and other agents to the full extent set forth by the California Tort Claims Act (Gov. Code 810 *et seq.*) and Section 14087.38(j).

**Section 11.6 Immunities.** The Authority, all Board Members, and all officers, employees, and agents of the Authority shall, to the full extent set forth by law, be protected by the Immunities

applicable to public entities and individuals as provided by the California Tort Claims Act (Gov. Code 810 *et seq.* and Section 14087.38(j)).

**Section 11.7 Reports to County Board of Supervisors.** The Governing Board shall prepare and deliver to the County Board of Supervisors an annual written report describing the activities of the Authority during the preceding year, and outlining, in general terms, the anticipated nature of the Authority's activities for the forthcoming year.

**ARTICLE XII**  
**AMENDMENT OF BYLAWS**

The Bylaws may be amended or repealed. Proposed changes to amend or repeal the Bylaws may be forwarded in writing by any Governing Board member to the Chairperson of the Bylaws Committee. The Bylaws Committee by a majority vote must approve proposed changes in advance of submitting proposed Bylaws changes to the governing Board. If approved by the Bylaws committees, the proposed Bylaws changes shall be placed on the agenda and provided to the Governing Board members at least 7 (seven) days prior to the Board meeting at which the proposed Bylaw changes shall be considered. The Governing board shall adopt the proposed changes by the voting approval of at least a majority of members of the Governing Board. The Bylaws Committee shall also nominate Officers of the Authority to the Governing Board for consideration.

**CERTIFICATE OF SECRETARY**

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of the Santa Clara County Health Authority, a local public agency; and

The foregoing Bylaws, comprising 22 pages, including this page, constitute the Bylaws of the Authority, as duly adopted by the Authority at a regular meeting, duly called and held on January 18, 1996, at San Jose, California, and subsequently amended on January 20, 2000, May 23, 2002, January 23, 2003, November 18, 2004, September 22, 2005, April 21, 2011, and May 15, 2014.

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Elizabeth G. Pianca  
Secretary of the Authority