



TAHOE FOREST HOSPITAL DISTRICT

2021-07-13 Board Governance Committee

Tuesday, July 13, 2021 at 9:30 a.m.

Pursuant to Executive Order N-08-21, issued by Governor Newsom, the Board Governance Committee meeting for July 13, 2021 will be conducted telephonically through Zoom.

Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Eskridge Conference Room will not be open for the meeting.

Board Members will be participating telephonically and will not be physically present in the Eskridge Conference Room.

If you would like to speak on an agenda item, you can access the meeting remotely: Please use this web link: <https://tfhd.zoom.us/j/91258764920>

If you prefer to use your phone, you may call in using the following numbers: (346) 248 7799 or (301) 715 8592, Meeting ID: 912 5876 4920



Meeting Book - 2021-07-13 Board Governance Committee

Governance Committee

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No related materials.

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GOVERNANCE COMMITTEE AGENDA

Tuesday, July 13, 2021 at 9:30 a.m.

Pursuant to Executive Order N-08-21, issued by Governor Newsom, the Board Governance Committee meeting for July 13, 2021 will be conducted telephonically through Zoom. Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Eskridge Conference Room will not be open for the meeting. Board Members will be participating telephonically and will not be physically present in the Eskridge Conference Room.

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Public comment will also be accepted by email to mrochefort@tfhd.com. Please list the item number you wish to comment on and submit your written comments 24 hours prior to the start of the meeting.

Oral public comments will be subject to the three minute time limitation (approximately 350 words). Written comments will be distributed to the board prior to the meeting but not read at the meeting.

1. CALL TO ORDER

2. ROLL CALL

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

4. INPUT – AUDIENCE

This is an opportunity for members of the public to address the Committee on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Committee cannot take action on any item not on the agenda. The Committee may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.

5. APPROVAL OF MINUTES OF: 03/02/2021

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Board Governance

6.1.1. Board Self-Assessment Tool ATTACHMENT
Governance Committee will review and discuss updating the board self-assessment tool.

6.1.2. Board Education

Governance Committee will review and discuss board education topics.

6.1.3. Agenda Design ATTACHMENT
Governance Committee will review and discuss the current board agenda structure and content.

6.1.4. Retreat Follow-Up ATTACHMENT
Governance Committee will discuss the recent board retreat and review proposed Board Enhancement Goals.

6.1.5. Governance Committee Goals
Governance Committee will discuss committee goals.

6.2. Policy Review

Governance Committee will review and discuss the following policies:

- 6.2.1. Conflict of Interest Policy, ABD-07** ATTACHMENT
- 6.2.2. New Programs and Services, ABD-18** ATTACHMENT
- 6.2.3. Board of Director Qualifications, ABD-04** ATTACHMENT

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

8. NEXT MEETING DATE

The Governance Committee will meet again as needed.

9. ADJOURN

*Denotes material (or a portion thereof) may be distributed later.

Note: It is the policy of Tahoe Forest Hospital District to not discriminate in admissions, provisions of services, hiring, training and employment practices on the basis of color, national origin, sex, religion, age or disability including AIDS and related conditions. Equal Opportunity Employer. The telephonic meeting location is accessible to people with disabilities. Every reasonable effort will be made to accommodate participation of the disabled in all of the District's public meetings. If particular accommodations for the disabled are needed or a reasonable modification of the teleconference procedures are necessary (i.e., disability-related aids or other services), please contact the Executive Assistant at 582-3481 at least 24 hours in advance of the meeting.

GOVERNANCE COMMITTEE

DRAFT MINUTES

Tuesday, March 2, 2021 at 1:00 p.m.

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, the Board Governance Committee meeting for March 2, 2021 will be conducted telephonically through Zoom. Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Eskridge Conference Room will not be open for the meeting. Board Members will be participating telephonically and will not be physically present in the Eskridge Conference Room.

1. CALL TO ORDER

Meeting was called to order at 1:01 p.m.

2. ROLL CALL

Board Members: Art King, Chair; Alyce Wong, RN

Staff in attendance: Harry Weis, President and Chief Executive Officer; Crystal Betts, Chief Financial Officer; Judy Newland, Chief Operating Officer; Matt Musher, In-House Counsel; Martina Rochefort, Clerk of the Board

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

No changes were made to the agenda.

4. INPUT – AUDIENCE

No changes were made to the agenda.

5. APPROVAL OF MINUTES OF: 10/14/2020

Director Wong moved to approve the Board Governance Committee minutes of October 14, 2020, seconded by Director King.

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Board Governance

6.1.1. Strategic Plan Update

Judy Newland, Chief Operating Officer, provided an update on the timeline for the Fiscal Year 2023 Strategic Plan:

- The data collection phase will be conducted March through August this year and will help leadership understand hospital usage, in-migration and out-migration.
- The Administrative Council will conduct their work on the strategic plan in September and October 2021.
- Work to finalize the strategic plan will occur October 2021 through February 2022.
- COO would like to finalize the strategic plan by March 2022 so that any new initiatives can be budgeted for in fiscal year 2023.

The three-year plan would begin on July 1, 2022.

Director Wong asked if the data collector would present to the board again. COO confirmed that is the intent.

6.1.2. Board Retreat Update

Ted Owens, Executive Director of Governance, provided an update on the spring board retreat.

The board retreat is confirmed for May 6-7, 2021 at the Cedar House Sport Hotel.

The setup of the meeting room and other logistics may be dependent on current regulations. Precautions will be taken for set up and food consumption, etc.

Facilitator will reach out to each board member in advance of the retreat.

Day one will begin with review of the following topics:

- Board self-assessment
- Board roles, governance, and board/management distinction
- Board goals
- Generative Governance
- review media policy
- board roundtable

Day two will include:

- Recap of day one
- Disruptors presentation
- Artificial Intelligence presentation
- Quality Scoring Tool
- strategic plan update
- brainstorming discussion

6.1.3. 2020 Board Self-Assessment

Governance Committee discussed the 2020 Board Self-Assessment.

Director Wong noted some answers were marked unknown but overall the results were above average and did not vary much from last year.

The following questions scored the lowest in 2020:

- All board members keep closed-session board discussions confidential.
- The board regularly reviews the organization's performance against community health needs to ensure it is meeting its obligations as a healthcare district.
- The board demands corrective action in response to under-performance on the financial and capital plans.

Harry Weis, President and CEO, commented the consistency of the scoring is good considering the amount of board member turnover in the last five years.

The Board Self-Assessment will be reviewed more in-depth at the retreat.

6.1.4. 2021 Board Goals

Governance Committee discussed possible board goals for 2021.

Goals to consider:

1. Participate in Strategic Planning for 2023-2026
2. To improve the overall health of the community with a focus on the underserved.

6.2. Policy Review

Governance Committee reviewed and discussed the following policy:

6.2.1. Conflict of Interest Code, ABD-06

Clerk of the Board noted the Conflict of Interest Code is submitted biannually to the Fair Political Practices Commission (FPPC) for review in September of even years. Three director level positions were added to the code after General Counsel reviewed each of the job descriptions. The revised code was submitted to the FPPC in September 2020. The policy is still pending review by the FPPC. The date of approval by the board is unknown at this time.

Governance Committee would like to add the policy as an informational update on the consent calendar for the March board meeting.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

General Counsel is reviewing three policies that will go to the next Governance Committee meeting.

8. NEXT MEETING DATE

The Governance Committee will meet again the week of July 12, 2021.

9. ADJOURN

Meeting adjourned at 1:59 p.m.

Assessing and Renewing Board Governance

By Pamela R. Knecht, ACCORD LIMITED

A recent report from the National Association of Corporate Directors (NACD) argues that “the pace and scale of change require a *different modus operandi* from the board governance model prevalent for the last 100 years, a new approach involving greater speed of decision making, proactive behaviors, adaptability, and innovation.”¹ Its authors also state that “boards must approach their own renewal through the lens of shifting strategic needs to ensure long-term competitive advantage.”

Although this report was developed primarily for corporate boards, its findings are just as relevant for not-for-profit healthcare boards that are helping their organizations transition from volume to value. Healthcare boards should revisit their governance models to ensure they are strategic, proactive, innovative, and able to make decisions quickly in the changing environment. And yet, according to The Governance Institute, only 58 percent of boards use the results from a formal self-assessment process to establish board performance improvement goals at least every two years.² The AHA’s 2019 governance survey found that almost one-third of boards have *not*

conducted *any* type of board assessment in the last three years.³

Rationale for Board Assessment

In addition to the rationale described above, there are other reasons for healthcare boards to assess their governance models now. Governance assessments can help assure external regulators such as the IRS and state attorneys general that the board is appropriately overseeing the community’s assets. Issues of concern include executive compensation oversight, regulatory compliance, and conflict-of-interest management. Boards that routinely assess their practices are more often perceived by regulators and legislators to be performing their roles appropriately.

A board assessment can also be a powerful tool for assuring internal stakeholders such as executives, physicians, and directors themselves that the board is doing its job well. A governance assessment can uncover issues impacting the board’s effectiveness and efficiency in each of its fiduciary duties and core responsibilities. Those issues may be task-related, such as whether the capital plan was sufficiently analyzed, or cultural, such as whether the board engages in robust conversations with management while respecting the governance-management distinction.

A board with a reputation for continuously assessing and renewing itself is also more attractive to current and potential board members. Therefore, a board assessment can be a powerful tool for recruiting and retaining highly qualified directors.

Determine Which Population(s) to Assess

The first step in board renewal is to determine which population(s) to assess: the full board, committees, chairs, or individual directors. The Governance

Key Board Takeaways

- Assess the board’s governance model to ensure it focuses on strategic issues and acts with appropriate speed.
- Carefully consider the various options for board assessment.
- Determine which population(s) to survey: full board, committees, chairs, and/or individuals.
- Decide on the appropriate scope of the assessment: targeted or comprehensive.
- Choose the best approach: document-based, survey-based, observation-based, interview-based, or a combination.
- Create a board development action plan.

Institute provides tools for assessing each of these populations.

The most common group to assess is the full board, but boards intent on becoming great also conduct other types of assessments. For instance, asking each finance committee member whether they are receiving needed information in a timely manner can help management better support that committee’s review of the annual budget. In turn, the finance committee will be more comfortable providing its recommendations to the full board.

Another group to evaluate is the board’s leaders. A chair can substantially impact the effectiveness of the board or committee, both positively and negatively. At one health system, the board chair was so concerned with keeping things “under control and on time” that he routinely cut off important discussions. After a while, board members stopped asking questions or offering suggestions, and it became an ineffective, rubber-stamp board. A chair assessment helped identify these and other issues that were creating a sub-optimal board. As a result, the chair requested individual coaching, which improved his ability to facilitate robust discussions with his peers.

Individual board member assessment is a best practice, but it is not often done. Only 28 percent of boards surveyed by The Governance Institute assess the performance of individual directors. This type of assessment can be very helpful, but it should be pursued carefully so



1 *The Report of the NACD Blue Ribbon Commission, Fit for the Future: An Urgent Imperative for Board Leadership*, 2019.

2 Kathryn C. Peisert and Kayla Wagner, *Transform Governance to Transform Healthcare: Boards Need to Move Faster to Facilitate Change*, 2019 Biennial Survey of Hospitals and Healthcare Systems, The Governance Institute.

3 American Hospital Association, *2019 National Health Care Governance Survey Report*.

that directors feel supported, not critiqued. The most successful individual assessment processes are undertaken by boards with healthy cultures that are looking to “up their game” regarding performance improvement.

Decide on the Scope and Scale

The next decision is the scope and scale of the assessment. A typical full board self-assessment instrument is comprehensive; it includes 70–80 questions covering all three fiduciary duties and six core responsibilities of boards. There are also specific questions to ascertain how well the board is functioning. These comprehensive assessments create baselines for measuring the board’s performance over time.

By contrast, some boards choose a highly targeted approach. For instance, the governance committee for a new health system board carefully selected 12 questions to help them assess whether directors felt the new board had made progress on its priorities over



the first year. This focused assessment had multiple benefits: less board member time was required to complete the assessment and leadership received specific feedback on key issues.

Choose the Appropriate Approach(es)

Choosing the correct assessment approach is critical, and yet, this step is often neglected. There are four different methods for assessing a board: document-based, survey-based, observation-based, or interview-based.

In a document-based approach, the bylaws, charters, and policies are compared to best practices. If the observation approach is used, someone attends a board or committee meeting, silently taking notes on the board’s effectiveness (e.g., amount of discussion, agenda adherence, etc.). The survey-based approach uses a written instrument that is most likely administered electronically. An interview-based approach usually entails one-on-one discussions with directors

using a common questionnaire.

The correct approach to use is dependent on many factors, such as the desire for national benchmarking, the need to identify cultural issues, the availability of governance expertise, and time. Since each assessment approach has its advantages and disadvantages, the governance committee should carefully choose the one(s) that best meet their board’s needs at this time. It may be helpful to utilize more than one approach (e.g., if the challenges the board is facing are difficult to identify).

Exhibit 1 includes some of the pros and cons of the four approaches.

Exhibit 1: Pros and Cons of Each Survey Approach

Evaluation Approach	Pros	Cons
Document-Based	<ul style="list-style-type: none"> Least amount of board time More objective 	<ul style="list-style-type: none"> May not provide whole picture May focus too much on documents Requires governance expertise
Observation-Based	<ul style="list-style-type: none"> Identifies cultural issues Requires little to no board time 	<ul style="list-style-type: none"> Requires governance expertise
Survey-Based	<ul style="list-style-type: none"> Allows more board involvement Enables benchmarking 	<ul style="list-style-type: none"> Takes more board time Requires survey expertise (not necessarily governance expertise)
Interview-Based	<ul style="list-style-type: none"> Provides opportunities to better understand the real issues Engages board members in issue identification and problem-solving 	<ul style="list-style-type: none"> Most amount of board time Requires governance expertise More subjective

Prioritize Board Development Action Planning

Regardless of the population, scope, or approach selected, the assessment will only lead to board renewal if it results in a board development plan. The governance committee should ensure that a written action plan is created with a limited number of agreed-upon priority actions, lead responsibility, and due dates, and that the plan is implemented.

By using a disciplined approach to assessing and then renewing its own board governance model, the board can ensure the long-term success of the organization it is responsible for overseeing.

The Governance Institute thanks Pamela R. Knecht, President and CEO, ACCORD LIMITED, for contributing this article. She can be reached at pknecht@accordlimited.com.

Agenda review

Closed Session

1. Quarterly Corporate compliance report – 1,2,3
2. Six month Risk Summary report
3. Six month Disclosure Report 1,2
4. Trade Secrets 1, 2, 3
5. Credentialling - Monthly
6. Real Property Discussion 1,2
7. Legal Discussion 1,2,3
8. Annual Complaint, Grievance Report
9. Annual Service recovery Summary Report 1,2
10. Six Month Service Excellence report1,2
11. Quarterly Quality Dashboard 1,2,3
12. Quality Assurance report
13. Peer review Summary Report
14. Annual Infection Prevention Report
15. Annual QA/PI Improvement Report

Regular Meeting

1. Normal regular agenda items include
 - a. Audience Input
 - b. Input from Employee Associations
 - c. Safety First
 - d. Employee of the month and other acknowledgments
 - e. Consent Calendar

These don't take much time and probably shouldn't be changed or eliminated
2. MEC Consent Agenda – This also doesn't take much time and is an important job of the Board
3. Items for Board Discussion
 - a. Program Update
 - b. Covid 19 1, 2, 3, 4, 5, 6
 - c. Retirement Plan Update
 - d. Patient and Family Advisor Committee update
 - e. Annual Accomplishments
 - f. Workforce Housing Update
 - g. Trauma program Update
 - h. Wellness Neighborhood Report
 - i. Cancer Center Quality Report
 - j. Legislative Update1,2
 - k. Hospital Price transparency Rule
 - l. Retirement Plan Update
 - m. Board Education – Telemedicine
 - n. Press Ganey Employee Survey

- o. UC Davis Rural Center of Excellence update
 - p. Clinic and Rural health Clinic Update
 - q. ACHD presentation
4. Items for Board Action
- a. Corporate Compliance report
 - b. Board ByLaws 1,2
 - c. General Obligation Resolution
 - d. Election of Board Officers
 - e. CEO Compensation and Incentive Compensation 1,2, 3
 - f. Investment in New Four Hospital Group
 - g. Rural Health Clinic Application
 - h. Strategic Plan Update
 - i. Corporate Compliance Work Plan
 - j. Ballot for Special District representative
 - k. Resolution in Support of Trauma Center

Prioritized Board Enhancement Goals

The Board brainstormed many possible goals for enhancing the Board’s effectiveness and efficiency over the next year, then ranked the goals. Here are the final five (5) goals that were prioritized:

	Board Enhancement Goal	Responsibility <i>(*Indicates the Lead)</i>	Due Date
1.	Determine how to better address the community’s health needs.	TBD	TBD
2.	Create more opportunities for open, strategic, and generative discussions by: <ul style="list-style-type: none"> • Changing meeting agendas to allow more time for discussion. • Holding more retreats (e.g., mini-retreats). 	Governance Committee	TBD
3.	Develop an annual Board calendar regarding topics to discuss.	Governance Committee	TBD
4.	Revise the Board Self-Assessment (BSA) tool and process to be more comprehensive. Consider: <ul style="list-style-type: none"> • Determining what the “Don’t Know” answers on the current BSA report really meant and providing any needed information and education on those topics. • Asking for Pam Knecht’s observations and advice on the current tool / process. • Determining whether to use the same BSA tool. • Determining which ‘targeted’ / ‘focused’ questions to ask / include. • Including opportunities for more comments • Encouraging the CEO to have one-on-one discussions annually with each Board member regarding how to improve their performance as a Board member (e.g., “What can I do to improve?”). 	Governance Committee	TBD
5.	Increase the Board’s understanding of macro health care trends by: <ul style="list-style-type: none"> • Creating an annual Board education calendar. • TBD 	TBD	TBD

Conflict of Interest, ABD-07

PURPOSE:

- A. To protect the interests of Tahoe Forest Hospital District ("TFHD" or "District") when it is contemplating entering into a transaction or arrangement that has the potential ~~for to~~ benefiting the private interests of a member of the Board of Directors ("Director"), committee member, or other "Interested Person," as defined below.
- B. To educate and guide Directors and staff on the statutory Conflict of Interest policy which requires that public officials, whether elected or appointed, should perform their duties in an impartial manner, free from bias caused by their own financial interests or the financial interests of persons who have supported them, (Political Reform Act, ~~Cal.~~ Gov. Code §§ 81000 et seq. ~~81016~~ and ~~Cal.~~ Gov. Code § 1090 et seq. ~~1098~~), and to supplement the multiple laws that govern conflicts of interest for public officials.
- C. To guide, assist and protect TFHD in determining whether a conflict exists under these laws and what required steps, if any, must be taken.
- D. To ensure that all individuals who, due to their position, can influence decisions affecting the business, operations, ethical, and/or competitive position of TFHD, perform their duties in an impartial manner free from any bias created by personal interests of any kind.
- E. To clarify the duties and obligations of public officials, in the context of potential conflicts of interest and to provide them with a method for disclosing and resolving potential conflicts of interest.
- F. To establish general principles for the management of conflicts of interest in order to protect against situations that could prevent a public official from acting in the best interest of the organization.

DEFINITIONS:

- A. **Conflict of Interest:** An Interested Person has a Conflict of Interest with respect to a governmental decision, contract, transaction, or arrangement in which the District is (or would be, if approved) a party if the person has, directly or indirectly, through a business, investment, family, or other relationship:
 1. an ownership or investment interest in any entity involved in such contract, transaction, or arrangement.
 2. a compensation arrangement with an individual or entity involved in such contract, transaction, or arrangement.
 - 2.3. a real property interest that it is reasonably foreseeable will be materially affected by a District contract, transaction or arrangement.
 - 3.4. a potential ownership or investment interest in, or compensation arrangement with, an individual or entity with which the District is negotiating such contract, transaction, or arrangement.
 - 4.5. a fiduciary position (e.g., member, officer, Director, committee member) with respect to an entity involved in such contract, transaction, or arrangement.
 - 5.6. a non-economic affiliation or relationship, directly (or indirectly, through a third party) with an individual or entity with which the District is negotiating or maintains a contract, transaction, or arrangement such that the affiliation or relationship could render the Interested Party incapable of making a decision with only the best interests of the District in mind.

A conflict of interest may exist when an obligation or situation resulting from an individual's personal activities or financial interest may adversely influence, or reasonably be perceived as influencing, the individual's judgment in the performance of duties to the District. For purposes of this policy, personal activities or financial interests include, but are not limited to, a business, commercial or financial interest, either of the Director or staff deriving from family or marital relationships, from friends, or from former, existing or prospective business associations.

- B. **Interested Persons:** For purposes of applying this Policy to any contract, transaction, or arrangement involving TFHD, "Interested Person" shall mean any person in a position to exercise substantial influence over the District in the twelve months preceding formal presentation of ~~period ending on the date~~ the proposed contract, transaction or arrangement is formally presented

to the Board for approval. Interested Person includes, but is not limited to, Directors, any executive leader or manager, or members of a committee with board-delegated powers. The Board may also determine, based upon all the facts and circumstances (with the advice of legal counsel, if necessary) that a person other than an Interested Person shall be treated as an Interested Person with respect to a particular contract, transaction or arrangement.

POLICY:

- A. It is the policy of TFHD to comply with all laws, including all conflict of interest rules and regulations.
- B. Each ~~person who is a~~ Board Director, ~~or all~~ and employee~~s~~ of TFHD shall exercise good faith and best efforts in the performance of his or her duties to TFHD and all entities affiliated with TFHD. In all dealings with and on behalf of TFHD or any affiliated entity, each such person shall be held to a strict rule of honest and fair dealing with TFHD and its affiliated entities, and no such person shall use his or her position, or knowledge gained thereby, in such a manner as to create a conflict, or the appearance of a conflict, between the interest of TFHD or any affiliated entity and the interest of such person. The appearance of a conflict of interest is present if a reasonable person would conclude ~~there is a potential for it is reasonably foreseeable that an individual's personal interests will cause him or her to disregard the individual's responsibilities to TFHD~~ the personal interests of an individual to clash with his/her fiduciary duties affect undertaking of his or her responsibilities to TFHD. ~~It is the policy of TFHD to require that any~~ Any individual subject to this Policy must promptly and fully disclose a written description of the material facts of ~~the any~~ actual, apparent, or potential Conflict of Interest ~~to the Board of Directors. The disclosure requirement is an ongoing responsibility as conditions change. An oral statement reflected in the minutes of a meeting constitutes a written disclosure under this policy. consistent with the procedures described in this Policy.~~
- C. TFHD will not make a governmental decision or engage in any contract, transaction, or arrangement involving a Conflict of Interest unless the disinterested members of the Board of Directors (acting at a duly constituted meeting thereof) (with the advice of legal counsel, if necessary) determine that appropriate safeguards to protect TFHD have been implemented, ~~and, I~~ if allowed by law, ~~the~~ disinterested members shall approve the governmental decision, contract, transaction, or arrangement by a majority vote of a quorum of the Board, or with participation by interested member(s) consistently with a rule of necessity provided under the Political Reform Act or other applicable law.
- D. No ~~person who is a~~ Director, Chief, or employee of TFHD shall accept any (material) compensation, gift, or other favor which could influence or appear to a reasonable person to influence such person's actions affecting TFHD or any affiliated entity.
- E. In compliance with the law, all ~~Interested Persons and~~ individuals occupying designated positions on TFHD's Conflict of Interest Code shall complete and file Statements of Economic Interest (Form 700) annually with TFHD. Disclosure is required as determined by the individual's Disclosure Category, which is listed in the Conflict of Interest Code.

PROCEDURE:

A. Duty to Disclose.

1. An Interested Person has a continuing obligation to disclose (in the manner provided in this Policy) the existence and nature of any actual, apparent or potential conflict of interest he/she may have.
2. Whenever an Interested Person has a financial or personal interest, whether or not said ~~matter interest~~ is an actual, apparent or potential conflict of interest, in any matter coming before the Board of Directors, the affected person shall fully disclose the nature of the interest to the Board of Directors, and such disclosure shall be recorded in the minutes of the meeting, including enough of the material facts to adequately reflect the nature of the actual, apparent, or potential conflict of interest. The Statement of Disclosure may be oral or written.
 - a. **TFHD Board of Director as an Interested Person.** If the Interested Person is a member of the TFHD Board of Directors, the Director:

- i. Must publicly announce at a duly scheduled TFHD public meeting any disqualifying conflict of interest, including the specific financial interest that is the source of the disqualification, and
- ii. After announcing the financial interest, the Director must leave the room or other forum during any discussion or deliberations on the matter in question, and may not participate in the decision or be counted for purposes of a quorum, except when participation is justified under a rule of necessity; as. As consent calendar items are not the subject of discussion or deliberation, a Director need not leave the room as to such items unless they are pulled from the consent calendar for discussion;
- iii. In the case of a closed session, the Director still must publicly declare his or her conflict in general terms during open session before the Board goes into closed session, but ~~may~~ must do so in a way that does not disclose closed session information;
- iv. A disqualified Director may not attend a closed session or obtain any confidential information from the closed session.

iv.v.

~~All of t~~These restrictions are separate and apart from the Director's right to appear in the same manner as any other member of the general public before an agency in the course of its prescribed governmental function solely to represent himself or herself on a matter which is related to his or her personal interests, provided that such participation is permitted under applicable rules of the Fair Political Practices Commission.

- b. **All Other Interested Persons.** All other Interested Persons, at the discretion of the Board of Directors, may be required to leave either the room or refrain from discussion during any discussion or deliberations on the matter in question or while the proposed governmental decision, contract, transaction or arrangement is discussed, and may not attend a closed session or obtain any confidential information from the closed session. ~~The Interested Person shall leave the room while the matter is voted on and only disinterested Directors may vote to determine whether to approve the transaction or arrangement. No duty to leave the room shall apply to matters on the consent calendar which are not pulled from that calendar for discussion. The Interested Person shall not be required to leave the room for matters on the consent calendar which are not pulled from that calendar for discussion.~~

3.i. In determining whether ~~and when~~ to require an Interested Person to leave the room during discussion of the proposed governmental decision, contract, transaction or arrangement, the ~~disinterested~~ Directors shall balance the need to facilitate the discussion by having such person on hand to provide additional information with the need to preserve the independence of the Board's decision.

B. Determining Whether a Conflict Exists.

- 1. Generally, it is the legal responsibility of the Interested ed Person to comply with conflict of interest laws. However, when ~~it~~ the Board has information that an Interested ed Person has an actual or potential conflict of interest with respect to one of its decisions and ~~have~~ has not voluntarily abstained, the Board shall examine each transaction under its consideration in light of the relevant laws mandating impartiality and freedom from bias, and conduct an analysis of all the facts to determine if a conflict of interest exists which triggers a disqualification requirement.
- 2. ~~At any time~~ If that an actual, apparent, or a potential Conflict of Interest is identified to the Board of Directors, whether through the voluntary submission of a Disclosure Statement, or by a disclosure by a person other than the ~~subject~~ Interested Person, the disinterested Board members shall review the matter and determine by majority vote whether a Conflict of Interest exists. While the Board may not have the power to bar an interested board member from participating in a discussion due to its conclusion he or she has a disqualifying conflict of interest, it can instruct its Clerk not to record the vote of a Director the Board determines on the advice of legal counsel to be disqualified from voting on a

matter.

3. The Board shall evaluate whether a conflict of interest exists under the multiple laws governing conflicts by first applying the four-step analysis promulgated by the Fair Political Practices Commission.
STEP 1: Is it reasonably foreseeable that the decision will have an effect on a financial interest of a public official?
STEP 2: If yes, is that effect material?
STEP 3: If the answers to steps 1 and 2 are both yes, is the effect on the public official's financial interest the same as its effect on the interests of the public generally?
STEP 4: If the effects are not the same on the public generally, will the public official be making, participating in the making of, or using their position to influence the making of the governmental decision that will cause those effects?
If the answer to the first two of these questions is "yes," the answer to the third question is "no," and the answer to the fourth question is also "yes," then the official may have a conflict of interest and be required to disqualify him/herself from all participation in that decision.
4. If disqualification of the Interested Individual Person is not required as a result of this analysis, the Board shall further evaluate whether a conflict exists or has arisen out of matters other than a financial interest, e.g., friendship, blood relationship, or general sympathy for a particular viewpoint. The potential for a conflict arises when a Board Member (or committee member) has, directly or through a family member, a material personal interest in a proposed contract, transaction, arrangement, or affiliation to which TFHD may be a party, that would place the Board Member (or committee member) in a position in which she or he may be tempted by her or his own private interests to disregard those of TFHD.
5. To the extent ~~that~~ other Federal or State laws ~~may~~ impose more restrictive conflict-of-interest standards (including more extensive disclosures of actual or potential conflicts of interest), the Board of Directors, the District and any Interested Person shall also comply with such additional standards.
6. The following is a non-exclusive list of the *types of questions* the Board may use as part of its efforts to determine whether an Interested Person's interest constitutes a conflict of interest:
 - a. With respect to an **ownership or investment interest**:
 - i. The dollar value of the interest;
 - ii. The dollar value of the interest as a percentage of ownership interest in the entity;
 - iii. The perceived importance of the transaction or arrangement to TFHD and to the entity, respectively;
 - iv. Whether the transaction or arrangement can reasonably be expected to have a materially ~~favorable~~ impact on the value of the ownership or investment interest;
 - v. The extent to which the ownership or investment interest might reasonably be expected to influence the entity in connection with its performance under the transaction or arrangement; and
 - vi. Other similar factors.
 - b. With respect to a **compensation arrangement**:
 - i. The dollar value of the arrangement;
 - ii. The dollar value of the arrangement as a percentage of all other compensations arrangements to which the person is a party;
 - iii. The nature of the underlying compensation arrangement.
 - c. With respect to **public office and campaign contributions**:
 - i. Whether a single official holds two public offices simultaneously;
 - ii. Whether jurisdiction overlaps;
 - iii. Whether there is a pending issuance of a license, permit or entitlement;
 - iv. Whether there is a receipt of contributions of more than \$250 from any affected person in the twelve months before the decision;

- v. ~~Whether there~~ There is a receipt of gift(s);
 - vi. The date of contribution(s).
- d. For **Vendors**:
- i. The dollar value of the services;
 - ii. The dollar value of the goods or services relative to the overall volume of goods or services: (i) purchased by TFHD in general; (ii) purchased by TFHD for this particular good or service, i.e., legal services, etc.; or (iii) provided by the Interested Person or Interested Person's affiliated entity in general;
 - iii. The Interested Person's position within the vendor entity, i.e., owner, partner, or employee;
 - iv. The impact the business relationship with TFHD has on the Interested Person's compensation from or career advancement within this entity;
 - v. Whether the Interested Person provides the services directly, supervises the delivery of services, or has no connection to the delivery of services; and
 - vi. Where in the TFHD organizational hierarchy lays the decision to authorize the goods or services to be purchased from the Interested Person/vendor directly or indirectly.
- e. With respect to **non-financial interests**:
- i. The materiality of the interest;
 - ii. The nature of the interest;
 - iii. The presence of specific factors that may prevent the Interested Person from acting in the best interests of TFHD in connection with the transaction or arrangement;
 - iv. With respect to multiple board memberships, the presence of specific factors indicating a potential whereby the Interested Person may subordinate his/her duty to TFHD to his/her duty to the other entity for which he serves as a board member; and
 - v. Other similar factors.
7. Common *examples of financial interests* which could potentially create a conflict of interest, include, but are not limited to the following:
- a. An ownership or investment interest in a business involved in a contract, transaction or arrangement with TFHD;
 - b. A compensation arrangement with an individual or entity involved in a contract, transaction or arrangement with TFHD;
 - c. A potential ownership or investment in, or compensation arrangement with, an individual or entity with which the non-profit organization is negotiating a contract, transaction, or arrangement for services
8. Some *examples of non-financial interests* which could potentially create a conflict of interest, include, but are not limited to the following:
- a. Director A serves on the board of a hospital, which is considering an expansion of its community ambulatory surgery centers, while simultaneously serving on the board of a local community college, which plans on establishing medical clinics to serve the needs of students, faculty, employees and those living in the area;
 - b. Foundation Director B simultaneously serves on the board of a Museum, both of which are considering the commencement of a capital campaign that will target the same community of potential donors.;
 - ~~c. The brother of Hospital Director A serves as the uncompensated chairman of the board of physician group, which is considering an affiliation with the hospital.~~
9. A finding of conflict of interest is not contingent on willful wrongdoing, or upon whether an individual's judgment has actually been affected. A conflict of interest may exist regardless of whether a monetary advantage has been or may have been given to an individual.
- 9.10. _____ The Board may request additional information from all reasonable sources and may involve General Counsel in its deliberations.
- 10.11. _____ Once all necessary information has been obtained, the Board shall make a finding

by majority vote as to whether a conflict of interest indeed exists.

C. Addressing the Conflict of Interest.

1. Once the disinterested members of the Board of Directors have determined that an actual conflict of interest exists with respect to a particular transaction or arrangement:
 - a. The disinterested members of the Board of Directors shall exercise due diligence to determine whether TFHD could obtain a more advantageous contract, transaction or arrangement with reasonable efforts under the circumstances and, if appropriate, shall appoint a non-Interested Person or committee to investigate lawful alternatives to the proposed contract, transaction or arrangement.
 - b. In considering whether to enter into the proposed contract, transaction or arrangement, the Board of Directors may approve such a contract, transaction or arrangement by a majority vote only if the disinterested Directors determine that:
 - i. The proposed contract, transaction or arrangement is in TFHD's best interests and for TFHD's own benefit; and
 - ii. The proposed transaction is fair and reasonable to TFHD, taking into account, among other relevant factors, whether TFHD could obtain a more advantageous contract, transaction or arrangement with reasonable efforts under the circumstances.

c. This section shall not apply to conflicts of interest governed by Government Code section 1090 et seq. relating to contracts between TFHD and an Interested Person that are neither a remote nor non-interested, as defined therein.

2. The Board of Directors may proceed consistent with any applicable rules of necessity provide by the Political Reform Act or other State law.

D. Violations of the Conflicts of Interest Policy.

1. If the Board of Directors or committee has reason to believe that an Interested Person has failed to comply with the disclosure obligations of this Policy, the Board of Directors shall inform that person of the basis for its belief and provide that person an opportunity to address the alleged failure to disclose.
2. After hearing the response of such person and conducting such further investigation as may be warranted under the circumstances, the Board of Directors shall determine whether such person has, in fact, violated the disclosure requirements of this conflicts of interest policy.
3. If the Board determines that there has been a violation of the conflict of interest policy, the Board shall take appropriate disciplinary and corrective action, which may include removal from a Committee, if the Interested Person is a Board or committee member, or disciplinary action up to and including termination, if the Interested Person is an employee over whom the Board has such authority, or official censure by the Board.
4. Board of Director violations of the conflict of interest policy may result in various consequences, such as citizen recall or criminal or civil sanctions or penalties imposed by the Fair Political Practices Commission (FPPC) for violations of the Political Reform Act.

E. Records of Proceedings.

The minutes of meetings of the Board of Directors and any committee with board delegated powers shall include:

1. the names of persons who disclosed or were otherwise found to have actual, apparent, or potential interests relevant to any matter under discussion at the meeting, a general statement as to the nature of such interest (e.g., employment arrangement, equity interest or board membership or officer position in another corporation), any action taken to determine whether a conflict of interest existed, and the board or committee's conclusion as to whether a conflict exists; and
2. the names of the persons (other than members of the general public) present for the discussions and votes relating to the transaction, or arrangement, a summary of the content of these discussions that contains the type of information regularly reported in board or committee minutes and identifies whether any alternatives were considered, and a record of any vote taken in connection therewith.

F. Annual Statements

1. Statement of Economic Interests (Form 700):
 - a. The Clerk of the Board or his/her designee shall notify all designated positions of

- the requirements for completion of the Statement of Economic Interests. For more information, access the form and user instructions at fppc.ca.gov.
- b. Each individual will complete the form as required and return to the Clerk of the Board as requested;
 - c. All forms are maintained by Administration as required by regulation.
2. Form 700 Filing Deadlines
- a. Individuals required to complete and file Statements of Economic Interest (Form 700) must do so:
 - ~~i. Within thirty (30) days after the effective date of the adoption of the Conflict of Interest Code;~~
 - ~~ii.i.~~ Within thirty (30) days after assuming a position requiring filing such Statement;
 - ~~ii.ii.~~ Within thirty (30) days after leaving a position requiring filing of such Statement; and,
 - ~~iv.iii.~~ Annually, no later than April 1st, each year in which the individual occupies a position requiring filing of such Statement.
 - b. In the event the Statement of Economic Interest is not filed when due, the FPPC may impose fines or other civil and criminal sanctions for non-compliance.
3. Conflict-of-Interest Policy Acknowledgement:
Each person who is a required to fill out a Form 700 shall review this Conflict of Interest Policy. Each of those individuals shall annually acknowledge that he/she:
- a. has received a copy of this Policy;
 - b. has read and understands the Policy;
 - c. agrees to comply with the Policy;
 - d. understands that the Policy applies to members of committees and subcommittees;
 - e. agrees to report to the Board any change to matters disclosed on the Form 700.
- The Conflict-of-Interest Disclosure Questionnaire is an available resource.
4. Monitoring and Auditing
The Corporate Compliance Officer shall conduct or oversee periodic auditing and monitoring of:
- a. Timely filing of Form 700s and Conflict-of-Interest Policy Acknowledgement; and
 - b. Submitted Statements of Economic Interests to determine if disclosures of actual, potential, or perceived conflicts of interest have been brought to the attention of the Board of Directors, and have been addressed, resolved, or removed.

References:

Political Reform Act (Cal Gov. Code, §§ 87100 et seq.)
 The Brown Act (Cal Gov. Code, §§ 54950 et seq.)
 Public Reporting of Financial Interests Political Reform Act (Cal Gov. Code, §§ 87200-87313)
 Financial Interests in Contracts (Cal Gov. Code, §§ 1090 et seq.)
 Conflict of Interest Resulting from Campaign Contributions (Cal Gov. Code, § 84308)
 Prohibitions Applicable to Specified Officers (Cal Gov. Code §§ 1090-1099) Local Health Care District Law Conflict of Interest Provisions (Health & Saf. Code §§ 32110-32111) Receipt of Direct Monetary Gain or Loss (Cal Gov. Code, § 8920)
 Transportation, Gifts or Discounts Cal. Const., art. XII, § 7
 Incompatible Activities (Cal Gov. Code, §§ 1125 et seq.) (local officials); (Cal Gov. Code, § 19990) (state officials)
 Former State Officials and Their Former Agencies Political Reform Act (Cal Gov. Code, §§ 87400-87405)
 The Governance Institute

New Programs and Services, ABD-18

PURPOSE:

- A. To assist the Board of Directors with the Board's oversight and evaluation of new programs and/or services.
- B. To assist the Board of Directors in the Board's responsibility to affirm the organization's strategic direction in a manner consistent with the organization's mission, vision, and values.

POLICY:

- A. The Board (or designated Board committee) will consider the following when evaluating new programs and services:
 - 1. Congruence with mission, vision, and values
 - 2. Financial feasibility
 - 3. Impact on quality and safety with a requirement to meet quality related performance criteria
 - 4. Market potential
 - 5. Redundancy
 - 6. Impact on other organizational units (e.g., employed physician groups, independent physicians on the medical staff, the medical staff as a whole, etc.)
- B. Management will present to the Board a written analysis of proposed new programs and services that addresses, at a minimum, the components listed above.
- C. The Board will first consider the information presented in the analysis during a Board or relevant committee meeting; discussion will take place and additional information/input from others may be required. ~~The Board will ensure that m~~Management ~~provides will provide all~~the additional information/input ~~as~~requested by the Board.
- ~~D.~~ At the discretion of theThe Board may choose to not make a,-decisions on whether to move forward with a new program or service ~~may not be taken~~ during the meeting at which the ~~proposed~~new program or service is ~~initiated~~proposed. The Board may, in its discretion, choose to make a final decision may be made at a subsequent Board meeting ~~in order~~ to allow Board members ~~to have~~ additional time for discussion/consideration and to assess all information before voting.
- ~~D.~~E. All discussion amongst the Board shall occur consistent with obligations under the Ralph M. Brown Act, Government Code sections 54950 et seq.

Board of Directors Qualifications, ABD-04

PURPOSE:

To provide a written list of qualifications for prospective candidates who would like to run for a seat on the Hospital District Board of Directors or for the Hospital District Board of Directors to use when, in the event of a vacancy, it must appoint a new board member.

POLICY:

~~A. A candidate must be a registered voter and reside in the District. (Health and Safety Saf. Code, § 32100.)~~

~~A.~~

~~The elective officers of a local hospital district shall be a board of hospital directors consisting of five members, each of whom shall be a registered voter residing in the district and whose term shall be four years, with the exception of the first board.~~

~~B. Must reside in the District. Health and Safety Code 32100~~

~~The elective officers of a local hospital district shall be a board of hospital directors consisting of five members, each of whom shall be a registered voter residing in the district and whose term shall be four years, with the exception of the first board.~~

~~B. Must~~A candidate may not have been convicted of a felony designated crimes as specified in the Constitution and laws of the State. (Government Gov. Code, § -1021.) Those include:

1. Conviction of a felony or of any offense involving a violation of official duties. (Gov. Code, § 1770, subd. (h); Cal. Const. art. VII, § 8, subd. (a).)

2. Conviction of any felony involving accepting or giving, or offering to give, any bribe, the embezzlement of public money, extortion or theft of public money, perjury, or conspiracy to commit any of those crimes (Elec. Code, § 20, subd. (a); Gov. Code, § 1021.5, subd. (a).)

~~A person is disqualified from holding any office upon conviction of designated crimes as specified in the Constitution and laws of the State.~~

~~1. Within the meaning of Const. Art. 20, § 11 VII, § 8, Govt. Code §§ 1770(h), 3000 and this section, an officer shall be deemed to have been convicted when trial court judgment is entered. "Trial court judgment" means a judgment by the trial court either sentencing the officer or otherwise upholding and implementing the plea, verdict, or finding. conviction consists of a jury verdict or court finding of guilt followed by a judgment upholding and implementing such verdict or finding, and the taking of an appeal would not stay or delay the effects of such a conviction.~~

~~D.C. May~~Except as provided in subdivision (3), below, a candidate may not either (i) not possess an ownership interest in another hospital serving the same area in served by the District; or (ii) be a director, policymaking management employee, or medical staff officer of any hospital serving the same area served by the District.- (Health and & Safety Saf. Code, § 32110.)

~~1. Except as provided in subdivision (d) of Section 32110, no person who is a director, policymaking, management employee or medical staff officer of a hospital owned or operated by a district shall do either of the following:~~

~~a. Possess any ownership interest in any other hospital serving the same area as that served by the district hospital of which the person is a director, policymaking management employee or medical staff officer.~~

~~b. Be a director, policymaking management employee, or medical staff officer of any hospital serving the same area as the area served by the district hospital.~~

~~2.1.~~ For purposes of this section C, a hospital shall be considered to serve the same area as a district hospital when more than five percent (5%) of the hospital's patient admissions are residents of the district. (Health & Saf. Code, § 32110, subd. (b).)

~~3.2.~~ For purposes of this section C, the possession of an ownership interest, including stocks, bonds, or other securities by the spouse, registered domestic partner, or minor children or any person shall be deemed to be the possession or interest of the person. (Health & Saf. Code, § 32110, subd. (c).)

~~4.3.~~ No person shall serve concurrently as a director or policymaking management employee of ~~a the~~ district and as a director or policymaking management employee of any other hospital serving the same area as the district, unless the boards of directors of the district and the hospital have determined that the situation will further joint planning, efficient delivery of health care services and the best interest of the areas served by their respective hospitals, or unless the district and the hospital are affiliated under common ownership, lease or any combination thereof. (Health & Saf. Code, § 32110, subd. (d).)

~~E.D. Candidate for Director~~ A candidate who runs for the office of member of the Board of Directors of the District must disclose on the ballot occupation and place of employment if s/he who owns has stock in or works for a health care facility that does not serve the same area served by the District must disclose his or her occupation and place of employment on the ballot. (~~Health and Safety Saf. Code § 32110(e).~~)

~~E.~~ A candidate may not be financially interested in any contract made by them in their official capacity as an officer of the District. (Gov. Code, § 1090, subd. (a).)

~~1.~~ A candidate may be a physician and provide services to the District under certain circumstances. (Health & Saf. Code, § 32111.)

~~2.~~ A member of the District's medical or allied health professional staff who is an officer of the District shall not be deemed to be financially interested if all of the following conditions are satisfied: (Health & Saf. Code, § 32111, subd. (a).)

~~a.~~ The officer abstains from any participation in the making of the contract.

~~b.~~ The officer's relationship to the contract is disclosed to the body or board and noted in its official records.

~~c.~~ If the requirements of paragraphs (a) and (b) are satisfied, the body or board does both of the following, without any participation by the officer:

~~i.~~ Finds that the contract is fair to the District and in its best interest.

~~ii.~~ Authorizes the contract in good faith.

~~3.~~ Subdivision (2) shall apply to the following contracts (Health & Saf. Code, § 32111, subd. (b)):

~~a.~~ A contract between the District and the officer for the officer to provide professional services to the District's patients, employees or medical staff members and their respective dependents, provided that similar contracts exist with other staff members and the amounts payable under the contract are no greater than the amounts payable under similar contracts covering the same or similar services.

b. A contract to provide services to covered persons between the District and any insurance company, health care service plan, employer or other entity that provides health care coverage, and that also has a contract with the officer to provide professional services to its covered persons.

c. A contract in which the District and the officer are both parties, if other members of the District's medical or allied health professional staff are also parties, directly or through their professional corporations or other practice entities, provided the officer is offered terms no more favorable than those offered any other party who is a member of the District's medical or allied health professional staff.

4. Subdivisions (2) and (3) do not permit an otherwise prohibited candidate to be a member of the board of directors of the District, including, but not limited to (Health & Saf. Code, § 32111, subd. (c)):

a. A candidate barred under sections C – D above.

b. An employee of the District (Gov. Code, § 53227, subd. (a)).

4. For purposes of this section E, a contract entered into by a professional corporation or other practice entity in which the officer has an interest shall be deemed the same as a contract entered into by the officer directly.

~~0. Any candidate who elects to run for the office of member of the board of directors of a district, and who owns stock in, or who works for any health care facility that does not serve the same area served by the district in which the office is sought, shall disclose on the ballot his or her occupation and place of employment.~~

~~G. May be a physician and provide services to the District under certain circumstances. Health and Safety Code 32111.~~

~~0. A member of a health care district's medical or allied health professional staff who is an officer of the district shall not be deemed to be "financially interested," for purposes of Section 1090 of the Government Code, in any of the contracts set forth in subdivision (b) made by any district body or board of which the officer is a member if all of the following conditions are satisfied:~~

~~— The officer abstains from any participation in the making of the contract.~~

~~— The officer's relationship to the contract is disclosed to the body or board and noted in its official records.~~

~~— If the requirements of paragraphs (1) and (2) are satisfied, the body or board does both of the following, without any participation by the officer:~~

~~— Finds that the contract is fair to the district and in its best interest.~~

~~— Authorizes the contract in good faith.~~

~~0. Subdivision 6.1 shall apply to the following contracts:~~

~~— A contract between the district and the officer for the officer to provide professional services to the district's patients, employees or medical staff members and their respective dependents, provided that similar contracts exist with other staff members and the amounts payable under the contract are no greater than the amounts payable under similar contracts covering the same or similar services.~~

~~— A contract to provide services to covered persons between the district and any~~

~~insurance company, health care service plan, employer or other entity that provides health care coverage, and that also has a contract with the officer to provide professional services to its covered persons.~~

~~—A contract in which the district and the officer are both parties, if other members of the district's medical or allied health professional staff are also parties, directly or through their professional corporations or other practice entities, provided the officer is offered terms no more favorable than those offered any other party who is a member of the district's medical or allied health professional staff.~~

~~0. This section does not permit an otherwise prohibited individual to be a member of the board of directors of a district, including, but not limited to, individuals described in Section 32110 of the Health & Safety Code or in Section 53227 of the Government Code. Nothing in this section shall authorize a contract that would otherwise be prohibited by Section 2400 of the Business and Professions Code.~~

~~0. For purposes of this section, a contract entered into by a professional corporation or other practice entity in which the officer has an interest shall be deemed the same as a contract entered into by the officer directly.~~

~~T. May not be an employee of the District. Government Code 53227.~~

~~0. An employee of a local agency may not be sworn into office as an elected or appointed member of the legislative body of that local agency unless he or she resigns as an employee. If the employee does not resign, his or her employment shall automatically terminate upon his or her being sworn into office.~~

~~V.F. _____ May~~A candidate may not be a Director and simultaneously hold ~~another public office~~another incompatible public office. ~~Government (Gov. Code, § 1099.)~~

- ~~1. A public officer, including, but not limited to, an appointed or elected member of a governmental board, commission, committee or other body, shall not simultaneously hold two public offices that are incompatible.~~ Offices are incompatible when any of the following circumstances are present, unless simultaneous holding of the particular offices is compelled or expressly authorized by law:
 - a. ~~Either of the offices may audit, overrule, remove members of, dismiss employees of, or exercise supervisory powers over the other office or body.~~ A member of a multimember body holds an office that may audit, overrule, remove members of, dismiss employees of, or exercise supervisory powers over another office when the body has any of these powers over the other office or over a multimember body that includes that other office.
 - b. Based on the powers and jurisdiction of the offices, there is a possibility of a significant clash of duties or loyalties between the offices.
 - c. Public policy considerations make it improper for one person to hold both offices.
2. When two public offices are incompatible, a public officer shall be deemed to have forfeited the first office upon acceding to the second. ~~(Gov. Code, § 1099, subd. (b).) This provision is enforceable pursuant to Section 803 of the Code of Civil Procedure.~~
3. This section F does not apply to a position of employment, including a civil service position that does not constitute a public office. ~~(Gov. Code, § 1099, subd. (c).)~~
4. This section F shall not apply to a governmental body that has only advisory powers. ~~(Gov. Code, § 1099, subd. (d).)~~

~~0. For purposes of paragraph (1) of subdivision (a), a member of a multimember body holds an office that may audit, overrule, remove members of, dismiss employees of, or exercise supervisory powers over another office when the body has any of these powers over the other office or over a multimember body that includes that other office.~~

~~X.G.~~ As a Director, ~~you~~ may not make, participate in making or in any way attempt to use your position as a Director to influence a decision of the District when you know or have a reason to know that you have a financial interest in the decision. ~~Government (Gov. Code, § 87100.)~~

~~No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a material financial interest distinguishable from its effect on the public generally.~~

~~Y. — When you are a director, neither you nor the District may make any contract you are financially interested in. Government Code 1090.~~

~~1. Members of the Legislature, state, county, district, judicial district, and city officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Nor shall state, county, district, judicial district, and city officers or employees be purchasers at any sale or vendors at any purchase made by them in their official capacity.~~