



Bylaws of the Medical University Hospital Authority Board of Trustees

169 ASHLEY AVENUE
CHARLESTON, SOUTH CAROLINA 29425
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TABLE OF CONTENTS

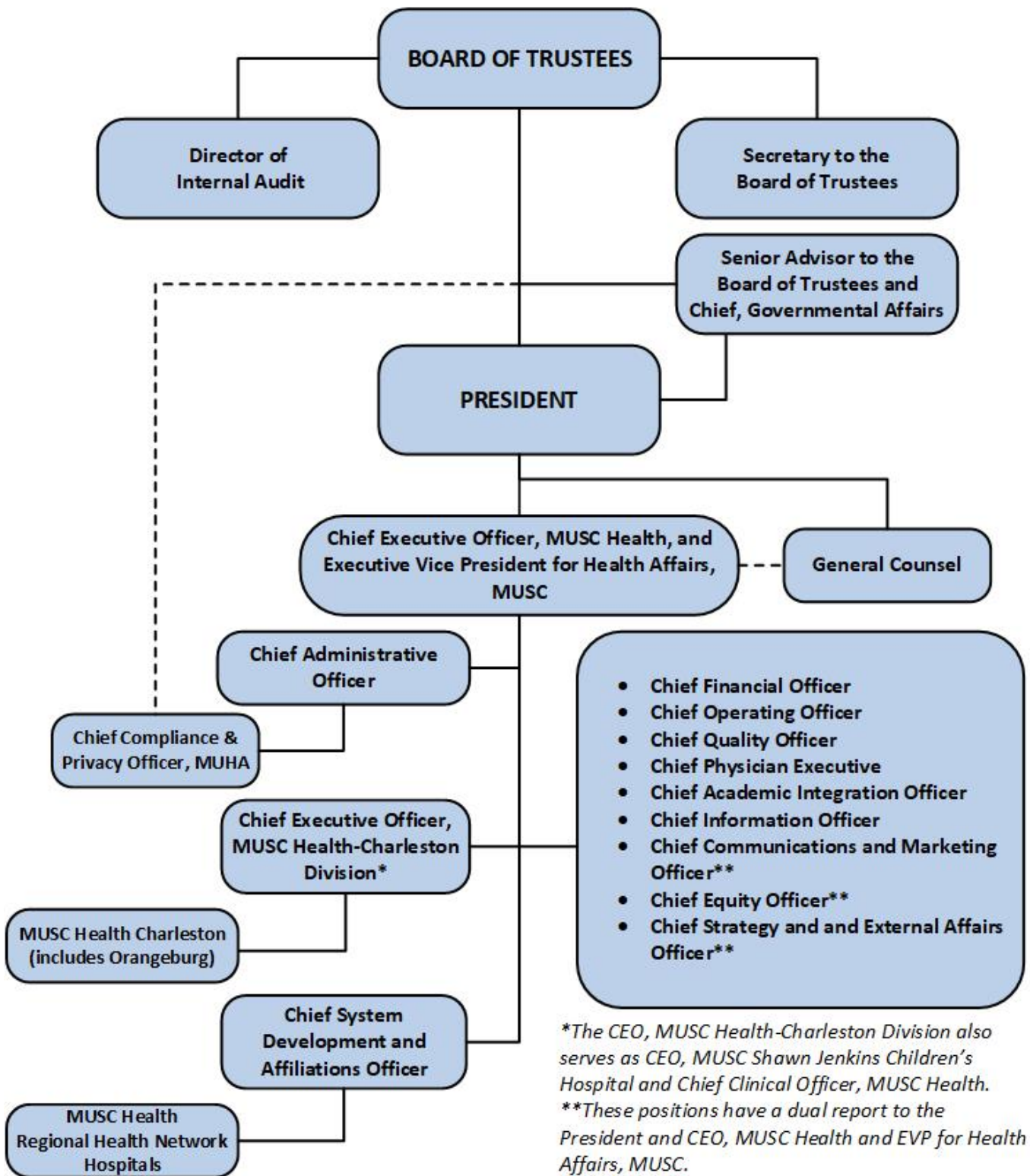
FOREWORD.....	1
MEDICAL UNIVERSITY HOSPITAL AUTHORITY ORGANIZATIONAL CHART.....	2
BYLAWS OF THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY BOARD OF TRUSTEES	3
Section I. Powers and Duties of the Board of Trustees	3
Section II. Meetings of the Board of Trustees	3
Section III. Officers of the Board of Trustees.....	5
Section IV. Committees of the Board	8
Section V. The Officers and Administration of the Authority.....	13
Section VI. The Medical Staff.	14
Section VII. Appeals to the Board.....	15
Section VIII. Certain Income Tax Exemption Purposes Matters.	15
Section IX. Requirements of Section 242 of National Housing Act, As Amended.....	15
Section X. Amendment.	16

FOREWORD

1. The Medical University Hospital Authority does not discriminate on the basis of race, color, religion, sex, age, national origin, disability, veteran status, genetic information, sexual orientation, or gender identity except where sex is a bona fide occupational qualification.
2. Since the English language contains no singular pronoun that includes both sexes, wherever a masculine term appears in this document it signifies both genders.
3. The meetings of the Board of Trustees are held in conformance with the Freedom of Information Act as amended, S.C. Code Ann. §30-4-10, *et seq.*

**MEDICAL UNIVERSITY HOSPITAL AUTHORITY
ORGANIZATIONAL CHART**

(As referenced in the MUHA Board of Trustees Bylaws)



BYLAWS OF THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY BOARD OF TRUSTEES

Section I. Powers and Duties of the Board of Trustees

(A) The final authority and responsibility for the governance of the Medical University Hospital Authority (the "Authority" or "MUHA"), its hospitals (including the Charleston division and hospitals within the MUSC Health Regional Health Network); clinics; outreach programs, and ancillary functions are vested in the Board of Trustees ("Board") of the Authority in accordance with the statutes of the State of South Carolina pertaining thereto. The MUHA hospitals, including remote campus(es) of the Charleston division and hospitals within the MUSC Health Regional Health Network, may have advisory boards who serve in an advisory capacity to the MUHA Board. The MUHA Board, however, retains fiduciary authority over the operations of all hospitals owned and operated by MUHA.

(B) MUSC Health is the clinical health system of the Medical University of South Carolina (MUSC) which includes MUHA, the University Medical Associates of MUSC, MUSC Community Physicians, physician practices, and other affiliated organizations.

(C) The Board, directly or through its authorized committees, shall adopt policies, rules, and regulations as it may deem proper for its own governance and the governance and management of the activities and resources of the Authority; define its general program of educational, research and clinical activity, and annually at or before its August meeting fix and approve the Authority's request for State appropriations, if any, and approve the budget for the next fiscal year.

(D) The Board avoids conflict of interest. Any Trustee having a potential or perceived conflict of interest shall provide a written and signed statement of the facts to the Chairman and refrain from voting, participating, or influencing a decision on the matter. The meeting minutes shall include a copy of the written statement that reflects the reason(s) and the Trustee shall be excused from any votes, deliberations, and other actions on the matter in accordance with S.C. Code Ann. §8-13-700.

(E) The Board shall name the principal officers of the Authority as prescribed in Section V. of these Bylaws, but it may delegate to those elected officers the employment of subordinate officers and employees.

(F) The Board shall review or review and revise these Bylaws at least every four (4) years or earlier if a material change occurs.

Section II. Meetings of the Board of Trustees

(A) Regular Meetings.

(1) Regular meetings of the Board shall be held on the second Friday of February, April, August, October, and December, and on the day before the commencement exercises of MUSC, provided that the date, place, time, and/or medium of any regular meeting may be changed by the Chairman.

(2) Regular meetings of the Board may be in person, via teleconference, or video conference.

(3) All regular meetings and any changes in the date, place, time, and/or medium thereto, shall be publicly noticed in accordance with S.C. Code Ann. §30-4-80.

(B) Special and Emergency Meetings.

(1) Special or emergency meetings of the Board may be called at the will of the Chairman; or

(2) Upon the written request of three or more Trustees, the Chairman shall call a special meeting of the Board.

(3) At least 24 hours' notice of any special meeting shall be given to the Trustees and shall be publicly noticed in accordance with S.C. Code Ann. §30-4-80.

(4) The 24-hour notice will not apply to emergency meetings in accordance with S.C. Code Ann. §30-4-80.

(5) Special or emergency meetings of the Board may be in person, via teleconference, or videoconference.

(C) Meeting Cancellation. Any regular, special, or emergency meetings of the Board may be postponed or canceled by the Chairman due to unforeseen circumstances including, but not limited to, acts of God, government regulation, and/or a declared public health emergency.

(D) Agenda. Prior to each regular meeting of the Board and with the notice of any special or emergency meeting, the Secretary of the Board shall provide a proposed agenda and pertinent information for the meeting. Any changes to the agenda shall be made in accordance with S.C. Code Ann. §30-4-80.

(E) Executive Session. All meetings of the Board and its committees shall be public unless the matter being discussed falls within the provisions of S.C. Code Ann. §30-4-70 or as otherwise allowed by law, in which event the Board or committee, as applicable, may enter into executive session for the purpose of considering such matter. If it is determined either by the Chairman or by a majority of the Board or committee during the course of such considerations in executive session that the matter is not properly the subject of an exception to the South Carolina Freedom of Information Act, the Board or committee shall discontinue consideration of the matter and move on to other matters, if any, appropriate for consideration in executive session. Thereafter, the Chairman or presiding officer of the Board or committee shall terminate the executive session and reconvene the public session for consideration of such matters requiring action. Only voting members of the Board or committees shall remain for the executive session unless the Chairman deems otherwise and specifically requests such other person or persons to be in attendance.

(F) Quorum. A majority of the elected and ex-officio voting Trustees shall constitute a quorum. Except as otherwise provided in these Bylaws or as required by South Carolina law, the act of the

majority of the Trustees in attendance at a meeting at which a quorum is present shall be the act of the Board.

(G) **Voting.** All votes will occur publicly. Except as otherwise specifically provided herein, all matters coming before the Board or a committee thereof for determination shall be determined by a majority of the Trustees in attendance by voice acclamation. Upon request of any Trustee or committee member, or as otherwise required by law, a vote by the Board or committee, as applicable, shall be by a call of the roll or signed written ballot. The results of all votes shall be recorded in the minutes of the Board or committee.

(H) **Order of Business.** The order of business for all meetings of the Board shall be as follows:

(1) **Roll call.** When MUSC and MUHA Board meetings are held concurrently, a single roll call will be taken and will serve for both meetings.

(2) Corrections and approval of all minutes of regular, special, or emergency Board or committee meetings not previously approved.

(3) Reports and recommendations of the President, who may at his discretion call upon other officials of the Authority for reports on their areas of authority.

(4) Reports of standing committees.

(5) Reports of special committees.

(6) Old business.

(7) New business.

(I) **Rules of Order.** Except as charged by specific rules and regulations of the Board, the current edition of *Robert's Rules of Order* shall constitute the rules of parliamentary procedure applicable to all meetings of the Board and its several committees.

Section III. Officers of the Board of Trustees

(A) **Ex-Officio Chairman.** The Governor of the State of South Carolina is the voting ex-officio Chairman of the Board, and he shall preside at those meetings of the Board that he attends. The Governor's designee will vote for the Governor in his absence.

(B) **Chairman.** The Chairman of the MUSC Board shall serve as the Chairman of the MUHA Board. The Chairman shall:

(1) Preside at all meetings at which the ex-officio Chairman does not preside;

(2) Create board committees not otherwise provided for, including ad hoc and subcommittees, and appoint Trustees to serve;

- (3) Be an ex-officio member of all standing committees of the Board;
- (4) Execute all legal documents and instruments on behalf of the Board;
- (5) Represent the Board in making any budget requests to the General Assembly of the State;
and,
- (6) Serve as the official spokesperson of the Board.

(C) **Vice Chairman.** The Vice Chairman of the MUSC Board shall serve as the Vice Chairman of the MUHA Board. The Vice Chairman shall perform the duties of the Chairman in his absence, disability, or unavailability.

(D) **Secretary.**

(1) The Secretary of the MUSC Board shall serve as the Secretary of the MUHA Board and serve as Secretary of all Board committees.

(2) **Duties.** It is the duty of the Secretary to arrange for all Board meetings and to act as Secretary to all Board committees, to keep records and minutes of Board actions, to review and prepare proposed revisions to the Bylaws of the Board every four (4) years or earlier if a material change occurs, and to complement the links with the President. In this role, the Secretary's primary responsibility is to the Trustees.

The Secretary and staff will:

- (a) Prepare agenda, place requests in proper format for Board meetings and Board action, record minutes of all meetings, and mail notices and other information to Trustees;
- (b) Assist the Board in the review and preparation of proposed revisions to the Bylaws of the Board every four (4) years or earlier if a material change occurs. Upon completion of the review by the Board, incorporate all adopted amendments, and submit changes to other parts of the Bylaws which are reasonably implied by the adopted amendments;
- (c) Obtain necessary legal opinions pertaining to the Board as an entity and to individual Trustees in their official capacities;
- (d) Receive all direct correspondence, reports, telephone calls, etc., for the Board. Formulate proposed actions and communicate results to the Chairman and Trustees;
- (e) Relay to the President requests received by Trustees from constituents;
- (f) Make all arrangements for meetings of the Board and committees; make travel accommodations and meal arrangements, including social functions when appropriate;
- (g) Keep all records of Board actions taken via mail or telephone between meetings;

- (h) Process the Board's expenses including supplies, printing, binding, travel, subsistence, and per diem;
- (i) Handle routine correspondence on behalf of the Chairman and Trustees;
- (j) Provide copies of minutes of Board meetings to Trustees and others as appropriate;
- (k) Keep a log of term of office and appropriate filing duties and procedures for Trustees;
- (l) Collaborate with the Office of the General Counsel on compliance with the requirements of the South Carolina Freedom of Information Act as it pertains to Board meetings and records; and
- (m) Advise the Chairman on filling certain seats on affiliate boards, as specified by the affiliates' bylaws. As such positions become available, Trustees will be made aware of the open seat prior to the Chairman appointing an individual to fill the seat. Where two or more seats are available on an affiliate board consideration shall be given to filling the slots with one professional and one layperson from the Board.

(E) Internal Auditor.

(1) The Internal Auditor of MUSC shall serve as the Internal Auditor of MUHA. The Board directs that the Internal Auditor's position and its support staff shall report and be accountable directly to the Board. It is further directed that the Board shall be responsible for managing the Internal Auditor's tenure and for setting the financial budget for the Internal Audit Department, including salaries, operational expenses, and support costs.

(2) **Duties.** The Internal Auditor is responsible for managing a professional Internal Audit Department to provide analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed to management, and ultimately to the Board.

(3) The Internal Auditor is also responsible for providing the Board with information about the adequacy and effectiveness of the organization's system of internal control and the quality of performance.

(4) The Internal Auditor will assist the Audit, Compliance, and Risk Committee in carrying out its duties as stated in Section IV(D)(1) of these Bylaws.

(5) The Internal Auditor will assist the Audit, Compliance, and Risk Committee in the selection, oversight, and evaluation of the external auditor.

(F) Trustees Emeriti. The Board may recognize a former Trustee for loyal, dedicated, and significant service to the Authority. Trustee Emeritus status will be granted when a former Trustee is nominated in writing by a current Trustee and elected by a two-thirds majority vote. To be eligible, the former Trustee must have served at least eight (8) consecutive years or have been awarded an honorary degree by MUSC.

Trustees Emeriti are non-voting, ex-officio members who are elected for life and provide support for the Authority as knowledgeable friends and ambassadors. Trustees Emeriti will be invited to all Board events and will be reimbursed in accordance with the Board Travel Policy.

Section IV. Committees of the Board.

(A) **Standing Committees.** In addition to special or ad hoc committees, there shall be the following standing committees:

- (1) Audit, Compliance, and Risk
- (2) Operations, Quality, and Finance
- (3) Physical Facilities

(B) **Organization and Terms of Office.** All standing committee assignments shall be made by the Chairman from the membership of the Board within 30 days following the August meeting each even-numbered year. Their terms of service shall be for two (2) years. Each standing committee shall be composed of a minimum of three (3) members. Each standing committee shall elect its chairman from its members by a majority vote taken by voice acclamation at the first committee meeting following the August meeting of the Board at which the Chairman is elected, excluding special elections, or at the first regular meeting of a new standing committee. Upon request of any standing committee member, a vote by the committee shall be by a call of the roll, and the results of such roll call vote shall be recorded in the minutes of the committee. Trustees may only serve as Chairman of more than one standing committee of the Authority or MUSC Boards when the same committee (e.g., Physical Facilities, Audit, Compliance, and Risk) serves both entities.

(C) **Quorum.** A majority of the membership of any standing committee shall constitute a quorum.

(D) **Powers and Duties of Standing Committees.** Standing committees will make appropriate and timely reports and recommendations to the Board which, upon approval by the Board, shall become established policy. Standing committees shall also report to the Board on all financial matters in its area of concern. Members of committees shall uphold their duty of care by attending and participating in meetings, strengthening their understanding of the institution and its operations, maintaining professional skepticism, addressing appropriate subjects, gathering adequate facts, making reasonable and prudent inquiries before making a decision, and seeking outside counsel when necessary. The standing committees shall have the following powers and duties:

(1) **Audit, Compliance, and Risk Committee.**

- (a) The Audit, Compliance, and Risk Committee shall concern itself with assisting the Board in discharging its fiduciary and stewardship obligations relative to the reliability and integrity of 1) systems of internal control, 2) accounting practices, 3) annual reporting, 4) internal and external audit processes, 5) management of business exposures and 6) compliance with legal, regulatory, and ethical requirements.

(b) The committee will provide an open avenue of communication among the internal and external auditors, management, compliance teams, enterprise risk, and the Board. The full Board will continue to have complete access to management and the Internal Audit, Compliance, Enterprise Risk, and Legal departments and may request these departments to review areas of concern to them.

(c) The committee will also review the scope of the Compliance and Risk programs of MUHA in accordance with the Audit, Compliance, and Risk Committee Charter.

(d) The role of the committee is oversight. It is not the duty of the committee to prepare financial statements or to conduct audits to independently verify management's representations or to determine that the financial statements are complete and fairly present the financial condition of MUHA. These are the responsibilities of management and the external auditors.

(e) The committee has the full authority to review/investigate any matter or activity within the scope of its responsibilities. It shall have direct access to management, Internal Audit, Compliance Officers, Enterprise Risk Management, Office of General Counsel, and any other members of or resources within MUHA and its affiliated organizations. All employees shall be directed to cooperate as requested by members of the committee. The committee shall also have the resources and authority to retain special legal, accounting, or other experts it deems necessary in the performance of its responsibilities.

(f) Each member of the committee, including the chairman, shall be independent and by reason of education or experience possess such degree of financial literacy as required to oversee the performance of the internal and external auditors, review MUHA's financial statements, and otherwise faithfully execute the role of the Audit, Compliance, and Risk Committee set forth in the Bylaws. At least one member of the committee should have appropriate experience with internal controls, an understanding of applicable accounting principles, the application of such principles in preparing or auditing financial statements, health care compliance, and an understanding of audit committee functions.

(g) The Audit, Compliance, and Risk Committee shall meet at least two times per year.

(h) The committee will set the appropriate tone in communicating the importance of internal control and direct management to establish appropriate internal controls.

(i) The Management Development and Compensation Subcommittee shall be a subcommittee of the Audit, Compliance, and Risk Committee and reports to the Board through the Audit, Compliance, and Risk Committee.

- i. The subcommittee shall ensure that executive management and employees of the entities receive compensation that is market-level competitive, supports achieving the entities' strategic objectives, and is relevant to the individual's annual job performance while being sensitive to funding availability and longer-term budget goals. The subcommittee will review all policy matters related to the evaluation and

compensation of the President, the Vice Presidents, the Administrators, the Secretary of the Board (collectively “Executive Leadership”), the Internal Auditor, and any other positions the subcommittee may decide. The subcommittee will make recommendations to the Board via the Audit, Compliance, and Risk Committee regarding these matters. The subcommittee will assist the Board in determining a compensation package for the President and advise the President regarding appropriate compensation structures for other members of Executive Leadership.

- ii. The subcommittee shall review, at least annually, MUHA’s assessment of potential candidates for promotion (Key Employees) to, at a minimum, a Vice President, Administrator, or other senior executive position designated by the Board. The assessment should identify candidates’ potential for promotion, professional development needed to address perceived deficiencies in a candidate’s preparedness for promotion, or other actions to develop a “deep bench” of potential MUHA leaders. The subcommittee shall assist the President in determining appropriate professional development assistance for the MUHA Key Employees and in determining the best approaches to providing that assistance. The subcommittee shall review, at least annually, the Management Development plans in place and planned to ensure that all employees are encouraged to continuously improve their professional capabilities.
- iii. Members of this subcommittee will be appointed by the Chairman of the Board and are not limited to members of the Audit, Compliance, and Risk Committee. The Chairman of the Audit, Compliance, and Risk Committee will serve as the chairman of this subcommittee.
- iv. The subcommittee shall meet as needed. All Trustees are encouraged to attend and participate in the subcommittee meetings.
- v. No offer of compensation included under (ii.) above, whether written or oral, subject to the review of the Management Development and Compensation Subcommittee, shall be effective as binding on the entities without the required approval(s).

(2) Operations, Quality, and Finance Committee.

(a) The principal objectives of the Authority, to include all hospitals and clinics, outreach programs, and all services rendered to all patients, are to support the tripartite mission of MUSC and the Authority including:

- i. To deliver direct health services as a corollary to the primary objective of education and to establish a healthcare system to support the needs of the State of South Carolina, and

- ii. To improve the organization and delivery of the healthcare system to society as a demonstration of responsibility, in conjunction with the appropriate State professional organizations.
- (b) In order to implement these objectives, the Operations, Quality, and Finance Committee shall concern itself with the operations of the Authority, including its hospitals, clinics, outreach programs, and all services rendered to patients. This committee will recommend and seek Board approval for necessary outpatient clinics in off-campus locations. With Board approval, these recommendations will be forwarded to the Physical Facilities Committee.
- (c) In like manner, the planning of hospital services; the organizational structure for the delivery of health care; human, financial, and informational resources of the Authority and related activities to include the development and approval of the budget, and all other specific financial and contractual matters, quality of care, quality assurance mechanisms, credentials review and privilege delineation, and review of the committee's performance annually, are also responsibilities of this committee.
- (d) The Chief Executive Officer (CEO), MUSC Health, or his designee, shall report quality assurance findings to the committee at each meeting. This report shall include quality indicators, departmental activities, and mechanisms for resolving patient care problems. The quality assurance findings of the committee shall be reported to and acted upon by the full Board. These reports should include activities related to quality assurance within the MUSC Health system.
- (e) The committee shall review the recommendation of the President for the CEO, MUSC Health, pursuant to Section V.B., and the medical staff pursuant to Section VI.A. and shall make its recommendations thereon to the Board.
- (f) The committee shall concern itself with the broad financial overview of the Authority, as well as with the operation, routine care, and maintenance of the existing physical facilities of the Authority. Specific financial details for physical facilities will be provided in the Physical Facilities Committee of the Board.
- (g) The committee shall especially concern itself with such matters as procurement, accounting, budgeting, and information systems.
- (h) The committee shall concern itself with the financial and fiscal policies and procedures of the Authority.
- (i) The committee will assist the Audit, Compliance, and Risk Committee in setting the appropriate tone in communicating the importance of internal control and directing management to establish appropriate internal controls.
- (j) The proposed annual budget for the Authority shall be prepared by the appropriate Authority officers for review by the committee.

(k) The committee shall concern itself with personnel policies and personnel administrative programs to achieve satisfactory quality, productivity, and morale of personnel of the Authority.

(3) Physical Facilities Committee.

(a) The Physical Facilities Committee shall concern itself with the real property and improvements thereto of the Authority. It shall be responsible for prioritizing and implementing all development plans for Authority properties and their improvements. It shall solicit, evaluate, and select suggestions and proposals from administration, consultants, and other professionals relating to the development and capital improvements of the physical facilities and make recommendations to the Board. This committee will only be concerned with capital projects exceeding cost limits specified in approved Board policies. This committee shall assume full responsibility of the Authority Facility Plan, to include, but not limited to, 1) selecting architects, engineers, and other related professionals; 2) prioritizing all requests for facilities; 3) conducting feasibility studies; and 4) reviewing major renovations required for the installation of equipment.

(b) To help carry out the duties of the committee, the committee chairman can appoint one member of the Physical Facilities Committee and two members of the Board at large as a separate project committee for each major building project for architect/engineer and related construction professionals' selections. There may be multiple project committees with different Trustees functioning concurrently for different projects. A project committee is an active part of the Physical Facilities Committee and serves at the supervision, control, and direction of the Physical Facilities Committee. The committee chairman shall take into account any expertise or experience of Trustees and their willingness to serve.

(c) The committee shall be charged with the responsibility of all Board matters relating to the physical properties of the Authority; the design and location of new buildings, master planning, improvements or remodeling of buildings, and all other matters having to do with the preservation of the Authority's physical facilities. It shall report to the Board with its recommendations thereon and on all contracts relating to new construction, capital improvements, and major repairs/renovations to existing buildings and grounds.

(d) The committee will establish a formal mechanism decreeing the time and appropriate ceremony to formally accept any completed project.

(e) The CEO, MUSC Health, or his designee will update the Physical Facilities Committee as needed on 1) preliminary details of costs associated with various developments and improvements of physical facilities, 2) construction progress, 3) budgetary increases on construction/facility improvements; and 4) all change orders to date.

(f) Once the committee accepts and prioritizes capital project(s) for development, the project(s) will be forwarded to the Operations, Quality, and Finance Committee for funding consideration. The Operations, Quality, and Finance Committee will have the responsibility for seeking appropriate funding in consideration of the Authority's budgetary status,

bonding requirements, and other financial requirements or restrictions of the Authority. In accordance with approved Board policies, the Operations, Quality, and Finance Committee will make recommendations for the approval of expenditures to the full Board.

Section V. The Officers and Administration of the Authority.

(A) **The President.** The Chief Executive Officer of the Authority shall be its President who shall be the President of MUSC.

(1) The President shall have and exercise full executive powers over the Authority and its related operations within the framework of the policies established by the Board.

(2) The President shall be authorized to bind the Authority and make delegations as he deems necessary in accordance with South Carolina law, except for powers that the Board retains.

(3) More specifically, the President shall be charged with the organization of the administrative and professional personnel of the Authority and the method of selecting the personnel, subject only to the limitations imposed by these Bylaws, South Carolina laws, and applicable State policies and procedures. He shall be the medium of formal communication between the Board and the administrative organization of the Authority and also the official spokesman of the Authority except as to matters within the special province of the Board, in which realm the Chairman shall be the official spokesman. The President, with his appropriate executive officers and the appropriate committees, shall prepare or receive and forward all requisite reports, budgets, and presentations to public agencies and to the Board.

(4) The President shall present to the Board an organizational chart showing divisions, departments, and lines of reporting and command in the administrative organization of the Authority. After approval of such organizational chart, any changes shall be made only after the proposed change has been approved by the Board.

(B) **Chief Executive Officer, MUSC Health and Executive Vice President for Health Affairs.** By and with the advice of the President and/or appropriate standing committee, the Board shall elect the CEO, MUSC Health, and Executive Vice President for Health Affairs. The Board shall also approve his total compensation package and subsequent changes thereto. The CEO, MUSC Health, and Executive Vice President of Health Affairs, will be elected by a majority vote of the Trustees in attendance and the vote shall be conducted in accordance with Section II.G. of these Bylaws.

(1) The CEO, MUSC Health, and Executive Vice President for Health Affairs, is administratively responsible to the President and Board for all clinical services delivery of MUSC Health as well as human, financial, informational resources, and related activities. The CEO shall exercise overarching control and responsibility for all hospitals owned and operated by MUHA including remote campus(es) of the Charleston Division and hospitals within the MUSC Health Regional Health Network.

(2) The CEO, MUSC Health and Executive Vice President for Health Affairs, is expected to align strategically with the Executive Vice President for Academic Affairs and Provost related to the

development and implementation of joint initiatives to ensure overall alignment of the mission and vision of the clinical enterprise and shall ensure that MUSC Health provides a supportive environment for high quality sophisticated clinical teaching and research programs carried out by MUSC Faculty. This officer shall formulate policies with respect to the clinical, educational, and research activities of MUSC Health and is expected to align strategically with the Dean, College of Medicine, and Vice President for Medical Affairs, for all College of Medicine clinical activities as well as MUSC Physicians.

(3) The CEO, MUSC Health, shall be authorized to bind the Authority and make delegations as he deems necessary in accordance with South Carolina law, except for powers that the Board or the President retains.

(4) The CEO, MUSC Health, shall appoint the officers and administrators of the Authority including, but not limited to, the CEO, of MUSC Health-Charleston Division and the Chief System Development and Affiliations Officer.

Section VI. The Medical Staff.

(A) The Board shall create a medical staff organization (the “Medical Staff”), whose membership shall be comprised of professional healthcare providers (i.e., physicians, dentists, osteopaths, etc.), who are privileged to attend to patients in Authority hospitals. The selection of the Medical Staff is made by the Board upon the review and recommendation of the Operations, Quality, and Finance Committee. The Medical Staff shall propose and adopt bylaws for its internal governance, as specified in its Medical Staff Bylaws, which shall be effective when approved by the Board. According to Joint Commission standards, neither the Board nor the Medical Staff can unilaterally amend the Medical Staff Bylaws or Rules and Regulations. These Bylaws shall set forth the policies by which the Medical Staff exercises and accounts for its delegated authority and responsibilities. The Bylaws shall include a mechanism for the review of decisions, including the right to be heard at each step of the process, when requested by a member of the Medical Staff. Whenever the Board does not concur with the Medical Staff recommendation relative to appointment and clinical privileges, there must be a provision in the Bylaws for a review of the recommendation by a joint committee of the Medical Staff and the Board before a final decision is reached by the Board.

(B) While the medical care provided to the patients in Authority hospitals is the ultimate responsibility of the Board, it is the policy of the Board to delegate this function, insofar as is legally permissible, to the Medical Staff. Thus, the Medical Staff is responsible for the delivery of health services, keeping pace with advances in medical science, evolving new concepts of improved organization, and promoting better health care, education, and research. Nevertheless, the Board shall review the efforts of the Medical Staff in its conduct of ongoing appraisal of the quality of care provided at Authority facilities. In addition, the Board shall have the final authority on all appointments, reappointments, and other changes in the Medical Staff, the granting of clinical privileges, and disciplinary actions, including a provision for the termination of professional healthcare providers who are members of the Medical Staff in a medico-administrative position in accordance with procedures as established in the Medical Staff Bylaws, and all matters relating to professional competency.

Section VII. Appeals to the Board.

(A) **Medical Staff.** The right of appeal to the Board by any member of the Medical Staff or the administration is a right recognized by the Board and shall be exercised in accordance with the respective grievance procedures for the Medical Staff as approved by the Board as outlined in the Medical Staff Bylaws.

(B) **Administrative Personnel.** With respect to administrative personnel, the Board, in its sole discretion, may grant a review of any adverse administrative action. However, if this review is granted, the Board shall not be required to conduct a hearing or hear arguments but shall review the record of any proceedings.

Section VIII. Certain Income Tax Exemption Purposes Matters.

(A) **General.** In addition to the other purposes of the Authority as set forth in the Authority's enabling legislation which is codified under S.C. Code Ann. §59-123-10 et seq., and other purposes set forth below, the Authority is constituted so as to attract substantial support from contributions, directly or indirectly, from a representative number of persons in the community in which it operates and other sources which are appropriate under the applicable provisions of the Internal Revenue Code of 1986, as amended ("Code"), governing income tax-exempt organizations, and has not been formed for pecuniary profit or financial gain, and no part of the assets, income, or profits of the Authority is or shall be distributable to, or inure to the benefit of, its trustees or officers except to the extent permitted under the applicable laws of South Carolina, and the applicable provisions of the Code governing income tax-exempt organizations. No substantial part of the activities of the Authority shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Authority shall not participate in, nor intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of the Authority's enabling legislation, which is identified above, the Authority shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Code section 501(c)(3) or (ii) by a corporation, contributions to which are deductible under Code section 170(c).

(B) The funds or assets of the Authority shall not be distributed or otherwise made available to any organization or entity other than the State of South Carolina and its agencies and instrumentalities (including, without limitation, MUSC) unless such funds or assets are transferred or exchanged in accordance with applicable South Carolina law; and in return for goods or services of equal value or unless such funds or assets are distributed or otherwise made available in furtherance of a scientific, educational, or charitable purpose, or for the purpose of lessening the burdens of government, qualifying as exempt under the aforementioned provisions of the Code.

Section IX. Requirements of Section 242 of National Housing Act, As Amended.

(A) The Authority shall provide on a nonprofit basis hospital facilities and services for the care and treatment of persons who are acutely ill who otherwise require medical and related services of the kind customarily furnished most effectively by hospitals, pursuant to Section 242 of the National Housing Act, as amended.

(B) The Authority shall have the power to mortgage or otherwise hypothecate its real and personal property and to do and perform all acts reasonably necessary to accomplish the purposes of the Authority including the execution of a Regulatory Agreement with the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, and of such other instruments and undertakings as may be necessary to enable the Authority to secure the benefits of financing with the assistance of mortgage insurance under the provisions of the National Housing Act. Such Regulatory Agreement and other instruments and undertakings shall remain binding upon the Authority, its successor and assigns, so long as a mortgage on the Authority's property is insured or held by the Secretary of Housing and Urban Development.

(C) So long as a mortgage on the Authority's property is insured or held by the U.S. Department of Housing and Urban Development, these provisions within the Authority's Bylaws may not be amended without the prior written approval of the said Secretary.

(D) In the event of a conflict between any of the provisions of these Bylaws and any of the provisions of the Note, Mortgage, Security Agreement, or Regulatory Agreement (the "HUD Loan Documents"), the provisions of the HUD Loan Documents shall govern and be controlling in all aspects.

(E) The Authority may adopt Bylaws at any regular meeting of the Authority or at any special meeting called for that purpose, so long as they are not inconsistent with these Articles or with the Regulatory Agreement between the Authority and the Secretary of the U.S. Department of Housing and Urban Development.

Section X. Amendment.

These Bylaws may be amended at any regular meeting of the Board by a favorable vote of at least two-thirds of the members present and voting, but the proposed amendment must first have been stated in writing and sent to each member of the Board at least 15 calendar days prior to such meeting.

Revisions: June 16, 2000, October 12, 2001, December 12, 2003, February 13, 2004, April 7, 2006, April 11, 2008, April 9, 2010, December 14, 2012, August 9, 2013, April 11, 2014, October 9, 2014, October 9, 2015, December 9, 2016, April 2, 2020, April 8, 2022, October 13, 2023.