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Hospital

Dear Reader:

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

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Private Acts of 1957 Chapter 406

SECTION 1. That a non-profit hospital, to be known as the "White County Memorial Hospital", is hereby created and established for and in behalf of White County, Tennessee.

SECTION 2. That all actions to be taken by said County under the authority of this Act, or other applicable law, not herein or by other applicable law expressly or by necessary implication, authorized to be otherwise taken for and on behalf of said County, shall occur by or pursuant to action of the Quarterly County Court of said County, as its governing body.

SECTION 3. That the hospital established under the provisions of this Act shall be governed and controlled by a Board of Directors composed of seven (7) members who shall serve without compensation, to-wit: Ed Knowles, present County Judge of White County, Tennessee, and/or his successor in office, shall be Chairman of the Board of Directors and have a vote in like manner as any other Board member, but he may vote only once; Bailey Bockman, present Mayor of Sparta, Tennessee, and/or his successor in office. The other five (5) of said Board shall be elected by the Quarterly County Court of White County, Tennessee, at its regular session in July, 1957, one of such members to be elected from each of the Civil Districts of White County and one member from the County at large. The terms of office of the County Judge, as Board member, shall coincide with his term of office as County Judge. The term of office of the Mayor, as Board member, shall coincide with his term of office as Mayor. The terms of office of the five remaining members of the Board shall be for five (5) years except that the member elected from the First Civil District shall be elected initially for one year; the member from the Second Civil District for two years; the member from the Third Civil District for three years; the member from the Fourth Civil District for four years, and the member from the County at large for five years. At the expiration of the respective terms of office they shall each be elected for a full five year term, thus setting up a staggered system of membership so that there shall always be both new and experienced personnel on the Board and so as to prevent a complete inexperienced Board having control at any time; provided further than no physician, druggist or member of the healing arts shall be eligible for membership on said Board of Directors; nor more than two members shall be members of the County Court.

SECTION 4. That the said Board of Directors shall have full power and authority to manage and control said hospital and to make all rules and regulations necessary for the administration of same; to employ a Hospital Administrator and the necessary personnel for the operation thereof, to fix their compensation, and whose duties and responsibilities shall be determined and prescribed by the Board of Directors, except as hereinafter provided; to purchase such supplies and repairs deemed necessary; provided, however, that any expense of such supplies and repairs to be paid for by White County the same shall be approved by the Purchasing Agent. No person shall be selected by the Board of Directors as Hospital Administrator except such person as shall be approved by a majority of the membership of the White County Medical Association, and in the event the White County Medical Association does not make such recommendation after it becomes necessary to do so, within thirty (30) days the Board of Directors may choose an Administrator of their own selection without regard to the will and desire of the membership of the Medical Association.

SECTION 5. That the said Board of Directors shall receive no compensation for their services but may be paid their necessary expenses incurred in the proper discharge of their duties as Board members upon the presentation of proper vouchers showing such expenditures, which expenses will be paid as any other expenses of the hospital are paid.

SECTION 6. (a) The Board shall, in the exercise of its discretion, delegate to the Medical Staff the responsibility for providing appropriate medical care to the hospital's patients. The Board shall determine the membership and the extent of privileges and responsibilities incumbent upon membership on the Medical Staff in accordance with the procedures set forth in the Medical Staff By-Laws. Although not made members of the hospital staff, members in good standing of the Dental Society and members of the Tennessee or American Medical Associations regularly engaged in the practice of their profession may by courtesy and with the approval of the Medical Staff use the facilities of the hospital when it becomes necessary in the regular treatment of a patient. (b) The organization and government of the Medical Staff shall be regulated by the By-Laws, rules and regulations, subject to approval by the Board, which approval shall not be withheld unreasonably. The Medical Staff shall recommend to the Board the adoption of any proposed By-Laws, rules and regulations including any amendments thereto, and they shall conduct a continuing review and appraisal of the quality of professional care rendered in the hospital, reporting such activities and their results to the Board. (c) Decisions of the Medical Staff regarding applications for

membership on the hospital staff may be appealed to the Board by the following procedure:

- (1) The Director of the hospital shall receive any request for an appeal and convey it to the Chairman of the Board, who shall set a date for hearing the appeal, which date shall not exceed thirty (30) days from the date of the request;
- (2) The Director of the hospital shall notify both the applicant and the President of the Medical Staff as to the date, time, and place of the hearing;
- (3) Each party at the hearing may be accompanied by counsel;
- (4) Procedure at the hearing shall be established by the Board;
- (5) Within one (1) week following the hearing, the Board shall provide both applicant and Medical Staff with a copy of its decision;
- (6) The decision of the Board shall be final, subject only to review by a court of competent jurisdiction.

As amended by: Private Acts of 1977, Chapter 9.

SECTION 7. That said hospital, under rules and regulations promulgated by its Board of Directors, is authorized to make charges for services rendered to persons receiving treatment or admitted as patients in said hospital. Only persons who are indigent and are unable to pay for professional, medical and surgical services, including room and board in said hospital, shall be admitted thereto without paying the fees prescribed by the Board of Directors. No person other than an emergency case shall be admitted thereto without paying the fees prescribed by the Board of Directors. No person other than an emergency case shall be admitted to said hospital without arrangements made to pay, except upon order of the Administrator of the hospital or the Board of Directors, who are hereby authorized to determine in their discretion whether or not any applicant is entitled to admission to the hospital as a charity patient.

SECTION 8. That it shall be the duty of the Board of Directors to hold a meeting at least once a month at some place designated by them. They shall meet at any other time upon call of the Chairman, or upon call of any four Directors, which call shall be in writing and delivered to the other members five (5) days in advance of such called meeting. Said Board shall keep a complete, permanent record and minutes reflecting all business transactions of the Board. Such Board shall, at its regular meeting in July of each year, organize by electing one of its members as Secretary.

SECTION 9. That the powers and duties of said Board, among other things, shall include that, specifically to engage, employ, contract with or otherwise obtain, retain, regulate and control the services of a Hospital Administrator or Superintendent, with the restrictions hereinafter provided for, to be in immediate charge of and to personally administer or superintend the maintenance and operation of such a hospital by the County, which Administrator or Superintendent shall so serve at the will, consistent with any applicable contract provisions, of the Board and to be directly responsible and accountable to it for and in connections with such operation of the hospital. The compensation of such Administrator or Superintendent, and any other benefits or other matters in connection with his compensation or basis therefor, shall be as prescribed by the Board. Such Administrator or Superintendent shall execute and remain under surety bond payable to the State of Tennessee for the use and benefit of the County in such amount and with such surety or sureties as may be prescribed by the Board and be approved by its Chairman and Secretary, to be conditioned so as to assure the full, faithful, complete and honest performance of the duties of such Administrator or Superintendent and the accounting for and paying over into the office of the County Trustee, in the manner as hereinafter provided, all funds collected or otherwise received in or by virtue of the operation of the hospital by the County, and to account for, preserve or turn over to the Board all funds on hand, materials, supplies and equipment. Any person authorized by the Board to countersign checks shall also be required to execute a like surety bond in an amount to be determined by the Board. The services of such Hospital Administrator shall be contracted for in writing, such contract to be for a definite period of time, and said contract shall contain a general provision to the effect that such Administrator may not be removed except for cause during the term of his or her contract. The term "cause", for the purpose of this Act, shall mean malfeasance or misfeasance in office, incompetency or failure to properly keep the books and records of the hospital and to faithfully account for the funds of the same, and any conduct on the part of an Administrator which would subject him to prosecution for violation of any of the statutes of the State of Tennessee.

SECTION 10. That the Board of Directors shall administer its own financial affairs and maintain separate banking arrangements from the County. All disbursements made by the Board shall be made by check, signed by the Hospital Administrator and counter-signed by either the Chairman or Secretary of the Board of Directors. The Board shall install and maintain a system of double entry accounting of all funds received and expended. Said Board shall annually prepare and submit to the Quarterly County Court a budget reflecting in detail all estimated receipts and disbursements of the hospital. Said budget shall be for the fiscal year July 1st to June 30th, and shall be submitted by the Board and placed on record in the office of the County Court Clerk not later than June 1st, prior to the commencement of the fiscal year. The

initial Board shall prepare and submit such budget as soon after the effective date of this Act as may be practical; but, in any event, not more than sixty (60) days after the commencement of the terms of the members of said Board. The Board shall be required to operate said hospital within the budget adopted by the Quarterly County Court and on a cash or pay-as-you-go basis.

SECTION 11. That the Quarterly County Court be, and the same is, hereby authorized to appropriate to the Board of Hospital Directors from the general funds of the County, such sums as may be required and necessary, in its discretion and within the budgetary requirements of the hospital, to commence and maintain the operation of such hospital, and thereafter such sums as may be required to pay any deficits arising in the operation and maintenance of said hospital; and said Quarterly County Court is further authorized and empowered to levy a hospital tax sufficient for this purpose upon all of the taxable properties located in said County, said tax to be a special tax and not to exceed Forty (40) Cents upon each One Hundred (\$100.00) Dollars worth of taxable property; and provided that the funds derived from such levy shall be carried on the official books and records of said County, separate and apart from other accounts, and which tax shall be in addition to the levy for general county purposes.

SECTION 12. That on the first day of July of every year hereinafter, such profits or funds as are in the hands of the Board of Hospital Directors, after retaining such amount as they may deem necessary or advisable for working capital, shall be delivered over to the Trustee of White County, taking his receipt therefor, and said funds shall be applied to the requirement of the amount previously advanced by the County for working capitol and/or operating expenses.

SECTION 13. That the Board of Directors shall cause an audit to be made annually of the books and records of said hospital by a Certified Public Accountant and reports of said audit, properly certified, shall be delivered to the County Judge who shall present the same to the Quarterly County Court. A copy of said audit shall be filed with the County Court Clerk, which shall become a public record and be open to the inspection of any interested citizen or taxpayer, and is required to be filed not later than thirty (30) days before the first day of July of each year.

SECTION 14. That should any section, or part of a section, word, phrase or paragraph of this Act be declared unconstitutional, or for any reason invalid, same shall not be held to impair or invalidate the constitutionality, validity, force or effect of any other section of this Act, it being expressly declared by the General Assembly that this Act and the remaining sections, would have been approved without regard to the invalidity or unconstitutionality of the material referred to.

SECTION 15. That this Act shall have no effect unless and until the same shall have been approved by two-thirds (2/3) of the Quarterly County Court of White County, Tennessee, on or before the regular meeting of said Quarterly County Court occurring more than sixty (60) days after its approval by the Chief Executive of the State. Its approval or non-approval shall be proclaimed by the Chairman of the Quarterly County Court of White County, Tennessee, and shall be certified by him to the Secretary of State.

SECTION 16. That all laws, or parts of laws, in conflict with or inconsistent with the provisions of this Act, or any part thereof, are hereby repealed, and this Act shall take effect from and after its passage and approval by two-thirds (2/3) majority of the Quarterly County Court, as hereinabove provided for, the Public Welfare requiring it.

Passed: March 22, 1957.

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