THE VANDERBILT MEDICAL GROUP BYLAWS

(Approved, as amended, on 02/01/17)
GOALS AND OBJECTIVES OF THE VANDERBILT MEDICAL GROUP

The Vanderbilt Medical Group ("VMG") is the operational unit for clinical practice by members who hold full-time or part-time faculty appointments in the Vanderbilt University School of Medicine ("VUSM") or the Vanderbilt University School of Nursing ("VUSN"), and by certain non-faculty Clinicians defined herein who are employed by Vanderbilt University Medical Center ("VUMC") or a subsidiary. It is identified and functions as an organizational unit of, and subject to the relevant rules and policies, of VUMC.

The goal of the VMG is to maintain a premier academic practice. In order to attain this goal, the VMG supports and coordinates professional practice of the group and each of its component parts, promoting the development of clinical programs in all relevant departments of the VUSM, VUSN, and VUMC. To meet this goal, the VMG shall:

(1) Encourage and assist the coordination of a multi-specialty group practice comprised of Participating Members as defined below in Section I.E.

(2) Promote recognized quality standards of patient care and advance these at VUMC and its affiliated entities and systems.

(3) Provide an adequate and appropriate patient population for the professional and educational needs of VUSM, VUSN, and VUMC students, house staff, and other trainees.

(4) Assist VUSM, VUSN, and VUMC in the growth and development of their educational programs.

(5) Promote, assist, or otherwise encourage Clinicians to undertake significant clinical research, or to enroll patients in clinical trials supporting the research mission of VUSM, VUSN, and VUMC to improve patient care.

(6) Create appropriate incentives for the Participating Members to practice in an environment that is efficient, compliant, cost-effective, and high quality.

(7) Encourage active clinical practice by providing the opportunity for Participating Members to share in the clinical professional revenues they generate in compliance with
applicable regulatory requirements and relevant policies.

(8) Develop methods and guidelines for distributing income derived from VMG participation in VUMC’s clinical programs, including managed care contracts.

(9) Develop standards, policies, and procedures, as necessary, for the administration of a group practice among the Participating Members who engage in professional practice in the care of patients.

(10) Provide the clinical environment necessary to meet VUMC’s stated missions of patient care, teaching, and research while maintaining a competitive position in the marketplace.

(11) Assist in the management of human, facility, and physical resources necessary for the Participating Members to engage in clinical practice.

The organization of the VMG and the policies and rules governing participation in the VMG are set forth in the following Bylaws.
I. DEFINITION

A. “Adult Enterprise” shall mean the business enterprise through which inpatient and outpatient services are provided to adult patients of VUMC, including through Vanderbilt University Adult Hospital and Clinics, other approved Vanderbilt practice sites, and the VMG Clinicians who care for adult patients at other practice sites.

B. “Children’s Enterprise” shall mean the business enterprise through which inpatient and outpatient services are provided to pediatric patients of VUMC, including through Monroe Carell Jr. Children’s Hospital at Vanderbilt and Clinics, other approved Vanderbilt practice sites, and the VMG clinicians caring for pediatric patients at other practice sites.

C. “Behavioral Health Enterprise” shall mean the business enterprise through which inpatient and outpatient services are provided to behavioral health patients of VUMC, including through the Vanderbilt Psychiatric Hospital and Clinics, other approved Vanderbilt practice sites, and the VMG clinicians caring for behavioral health patients at other practice sites.

D. “Clinician” shall mean physicians, psychologists, advanced practice registered nurses, and certain other health care professionals licensed by the State of Tennessee, or another state acceptable to the VMG, who provide patient care services as VMG Participating Members for which professional fees are generated.

E. “Participating Member” of the VMG shall mean:

1. Each full-time faculty member of the VUSM or VUSN who engages in professional practice in the care of patients and charges professional fees and who is approved for membership in the VMG by the appropriate Clinical Department Chair or Nursing Executive and VUMC; and

2. Any part-time faculty member of the VUSM or VUSN who engages in professional practice in the care of patients and charges professional fees, and who is approved for membership in the VMG by the appropriate Clinical Department Chair or Nursing Executive and VUMC; and
3. Any non-faculty Clinician employed by VUMC or a subsidiary who engages in professional practice in the care of patients and charges professional fees, and who is approved for membership in the VMG by the appropriate Clinical Department Chair or Nursing Executive or their designee and VUMC.

F. “Participation Date” shall mean the date on which a Participating Member first executes a Participation Agreement and thus the date on which his/her participation in VMG shall be effective.

G. “Practice Earnings” shall mean fees received for professional services, including all Accounts Receivables (“ARs”), rendered by a Participating Member to patients or on behalf of patient care, whether in-person or by telemedicine or other means. Practice Earnings shall also include payment for fees received for patient care services under alternatives to fee for service (e.g. pay for performance and bundled care arrangements) to the extent permitted by law or applicable regulation. An explanation as to what fees are excluded from this definition is found in Section IV.C below.

II. PARTICIPATING MEMBERS

Each Participating Member of the VMG shall execute a Participation Agreement which shall specifically acknowledge the binding effect of, and incorporate by reference, these Bylaws. A Participating Member’s participation in the VMG shall be effective on the Participation Date.

III. VMG BOARD

A. BOARD COMPOSITION

The VMG Board shall consist of the following members:
1. The Clinical Department Chairs of the 16 clinical departments in VUSM/VUMC: Anesthesiology; Emergency Medicine; Hearing & Speech Sciences; Medicine; Neurology; Obstetrics and Gynecology; Ophthalmology and Visual Sciences; Orthopedics; Otolaryngology; Pathology, Microbiology and Immunology; Pediatrics; Physical Medicine and Rehabilitation; Psychiatry; Radiation Oncology; Radiology and Radiological Sciences; and the Section of Surgical Sciences. The Chair of each of these 16 clinical departments shall serve on the VMG Board (whether or not the Chair is a physician).

2. The Dean of the School of Medicine or designee;
3. The Dean of the School of Nursing or designee;
4. The Deputy Chief Executive Officer for VUMC (“Deputy CEO VUMC”);
5. The Chief Medical Officer (“CMO”) of the VMG;
6. The Chief of Clinical Staff for VUMC; and
7. *Ex officio* members include the CEO of the Adult Enterprise, CEO of the Children’s Enterprise, CEO of the Behavioral Health Enterprise, Executive Chief Nursing Officer for VUMC (“ECNO VUMC”), and Chief Financial Officer of VUMC (“CFO VUMC”). *Ex officio* members are not voting members.
8. A departmental vacancy on the Board shall be filled by the Interim or Acting Clinical Department Chair of the relevant Department.

**B. VMG BOARD CHAIR**

1. The Chair of the VMG Board shall be elected/selected by two-thirds (2/3) approval vote of the voting members of the VMG Board on a biannual basis.
2. The Chair-elect of the VMG Board shall be elected/selected by two-thirds (2/3) approval vote of the voting members of the VMG Board on an every other year basis.
3. The term of the Chair shall be two years and the Chair cannot succeed himself or herself for two years.
4. The term of the Chair-elect shall be one year, and will coincide with the second year of the Chair’s term.
5. The term of the immediate past-Chair shall be one year, and will coincide with the first year of the Chair’s term.

6. The Chair of the VMG Board will work collaboratively with the Deputy CEO VUMC, the ECNO VUMC, the Chief of Clinical Staff for VUMC, the CFO VUMC, the CMO, and other VMG officers to support function and provide accountability of the VMG at all levels of medical center responsibility.

7. The Chair of the VMG Board along with the CMO will represent the VMG at all levels of medical center governance as it relates to VMG clinical policy, operations, and finance.

C. VOTING

1. All actions of the VMG Board shall be taken by a vote of a majority of those voting members present except for amending these Bylaws and election of the Chair and Chair-elect, which shall require a vote of a two-thirds majority of the entire voting members of the Board and approval by the Deputy CEO VUMC and the Chief Executive Officer VUMC (“CEO VUMC”) or designee.

2. If a Board member is unable to attend a meeting of the Board, the Board member may delegate a representative duly authorized by the Board to attend, with the same voting rights as the absent Board member.

D. MEETINGS

The VMG Board normally will meet bi-weekly, unless the Chair deems otherwise. Special meetings may be called with at least forty-eight (48) hours’ notice by the Chair of the VMG Board or by any ten members of the VMG Board. At the Chair’s invitation, others may attend a meeting of the Board. The Board Chair may request that a VMG Board Meeting go into executive session such that the only participants would be the Dean of the School of Medicine (or designee), the Dean of the School of Nursing (or designee), the Chief of Clinical Staff VUMC, the Deputy CEO VUMC, the sixteen (16) Clinical Department Chairs, and others at the invitation of the Board Chair.
E. COMMITTEES

The Board is authorized to appoint such committees, as it may deem desirable or necessary to conduct the affairs of the VMG.

F. OFFICERS OF THE VMG

The following individuals shall be known as officers of the VMG:

1. The officers of the VMG shall consist of the Chair of the Board, the CMO, the VMG Board Chair-Elect, the immediate past Chair of the Board, and such other officers as may be recommended by the VMG Board from time to time.

   a) Chief Medical Officer – The CMO is the senior physician officer of the VMG. The CMO shall report to the Deputy CEO VUMC, and shall also have accountability to the VMG Board. The CMO shall be responsible for supervising the administrative tasks associated with all the operations of the VMG, including responsibilities for the development and implementation of VMG practice and operating standards as they relate to operations of the Adult Enterprise, Children’s Enterprise, and Behavioral Health Enterprise. He/she shall represent the VMG interests to VUMC, as determined by the VMG Board. He/she shall supervise the preparation of the annual budget of the VMG and will create the budget prior to its submission to the VMG Board for approval of the Board. When it is time to appoint a new CMO, the Deputy CEO VUMC will form a search committee consisting of the VMG Board. This Search Committee will be asked to submit up to three (3) candidates for consideration first by the VMG Board. After selection by the Board, the Deputy CEO VUMC and the CEO VUMC will approve and appoint the CMO. The CMO shall be provided with administrative support necessary to carry out his/her administrative, budgeting or other duties as required.
The officers of the VMG are responsible to the VMG Board and shall be expected to carry out faithfully the wishes of the VMG Board on all activities relating to operations of the VMG.
IV. VMG BOARD RIGHTS AND DUTIES

A. Advise and consult with the VUMC Department of Finance to establish, and revise from time to time, standard fees for professional services rendered in the care of patients by Participating Members (to include fee for service and alternative payment methods as may be permitted by law or applicable regulation).

B. Review and approve requests for Agreements for Clinicians to provide patient care services, whether in-person or by telemedicine or other means, to a hospital or agency not affiliated with the VUMC. Such Agreements must be consistent with the goals of the VMG, and must receive approval in writing by the appropriate Clinical Department Chair or Nursing Executive, followed by approval by the VMG Board.

C. Require that all Practice Earnings, including all Accounts Receivables (“ARs”), for services rendered by a Participating Member to patients or on behalf of patient care, whether in-person or by telemedicine or other means, (“Practice Earnings”) are endorsed over to, and shall become the property of, VUMC. Subject to and in accordance with relevant Conflict of Interest and Commitment policies, Practice Earnings shall not include:

1. Any fees received pursuant to agreements between a Participating Member or his or her Clinical Department and outside hospitals or agencies which involve primarily non-clinical activities;

2. Consultation fees for professional services (other than those rendered to or on behalf of patients): i.e., medical-legal or scientific consulting, and/or expert witness reviews for litigation or potential litigation;

3. Honoraria, royalties, awards, gifts and prizes; and
4. An employed Participating Member’s earnings from professional services rendered to or on behalf of patients performed outside the VMG, subject to pre-approval as specified below. For full-time employed Participating Members, prior approval and recommendation of the appropriate Clinical Department Chair or Nursing Executive, the Deputy CEO VUMC or delegate, and the VMG Board must be secured. For part-time employed Participating Members, prior approval must be secured from the appropriate Clinical Department Chair or Nursing Executive and the VMG Board Chair with the concurrence of the CMO, with any disputes being resolved by the VMG Board. All such approvals for compensated clinical professional practice by a Participating Member outside of the VMG must be granted in writing in advance of the activity and conveyed to the Participating Member by the appropriate Clinical Department Chair or Nursing Executive. The Participating Member must maintain adequate professional liability insurance apart from the VUMC Self Insurance Trust Fund for his/her non-VMG practice.

D. With the approval and recommendation of the appropriate Clinical Department Chair or Nursing Executive and the VMG Board, a Participating Member may bill for professional services rendered to or on behalf of patients performed through a non-Vanderbilt entity to fulfill an identified need at VUMC as proposed or approved by the appropriate Clinical Department Chair or Nursing executive, the Deputy CEO VUMC or delegate, and the VMG Board, and is consistent with relevant Conflict of Interest and Conflict of Commitment Policies. Such Participating Members must reassign all such billings and Practice Earnings to the VMG as described herein.
E. Practice Earnings will be distributed as follows:

1. An assessment of gross practice earnings to be determined by the CEO VUMC in consultation with the VMG Board shall be put into the funds of VUMC to cover administrative costs related to the practice.

2. The remainder of practice earnings shall be allocated among the Clinical Departments and/or divisions, and subsidiaries. In each instance, any distribution to the Participating Member will be in accordance with each Clinical Department’s criteria for compensation or a written Departmental compensation plan approved by the appropriate Clinical Department Chair, Nursing Executive, Dean or Dean’s designee, and the CEO VUMC, which may be amended and modified from time to time. Such compensation plans shall be consistent with VMG guidelines approved by the VMG Board.

3. In all distribution of Practice Earnings, there may be incentives for activities which are compliant with applicable law, and add value to the clinical enterprise in accordance with the overall goals of the VMG. The mechanism of any such incentive distributions will occur under each of the compensation plans described above.

F. The periodic audits performed by the VUMC Department of Internal Audit will be reported to the VMG Board. In addition, an outside audit of VMG operations can be requested by the VMG Board with the approval of the CEO VUMC.

G. Periodic meetings of all Participating Members may be called not less than annually by the Chair of the VMG Board with the approval of the VMG Board, at which time the Chief Medical Officer will lead the meeting following an agenda prepared in collaboration with the VMG Board. Each Participating Member shall be given notice by e-mail or other means as approved by the VMG Board of every meeting of the VMG membership not less than five (5) days prior to the meeting.
V. THE VMG BOARD OPERATIONAL DUTIES

A. The VMG Board is responsible for all operations of the VMG, including specifically:
   1. Participating in the evaluation of the executives who are engaged in the oversight of the practice environment for the members of the VMG and VUMC operations, including the CMO, the CEO of the Adult Enterprise, the CEO of the Children’s Enterprise, the CEO of Behavioral Health, the ECNO of VUMC, and the CFO of VUMC.
   2. Directing and providing medical leadership for all inpatient and ambulatory medical practice at VUMC and VUMC practice sites.
   3. Providing billing and collection activities for all Participating Members who engage in clinical practice.
   4. Developing and implementing care and service improvement processes related to the clinical practice of the Participating Members including, but not limited to, practice standards, service standards, quality and safety standards, and productivity standards.
   5. Developing a mechanism for approval by the CEO VUMC or designee to allow for the equitable distribution of income from managed care contracts, pay for performance contracts, and other similar “at risk” contracts.
   6. Developing an annual budget for the VMG for approval by the VUSM Dean or designee, the VUSN Dean or designee, Deputy CEO VUMC, and the CEO VUMC.
   7. Recommending and developing strategies for building and managing appropriate referral networks and clinically integrated networks for the VMG.
   8. Keeping the Participating Members informed about their financial, quality and service performance and that of the VMG.
   9. Providing a mechanism for broad input by Participating Members on clinical practice activities.
VI. COMPENSATION

A. In consideration for the performance of clinical, teaching, research, and other duties, Participating Members shall receive an annual letter describing their estimated compensation from their Clinical Department Chair or Nursing Executive with the approval of the appropriate Dean and VUMC CEO or designee. Participating Members employed by a VUMC subsidiary will receive an annual letter describing their estimated compensation from the appropriate executive authority of the subsidiary.

B. In addition to the annual compensation letter mentioned above, Participating Members who engage in clinical practice may receive incentive income determined by their Clinical Department’s criteria or Departmental compensation plan consistent with VMG guidelines.

C. In no event shall compensation or compensation plans include any payment of Accounts Receivable (ARs) upon or following the departure of a Participating Member from the VMG or VUMC.

VII. AMENDMENT OF BYLAWS

A. The Bylaws of the VMG may be amended only by the vote of a two-thirds (2/3) majority of the entire voting members of the VMG Board and with the approval of the Deputy CEO VUMC and the CEO VUMC, or their designee. Any member of the VMG Board or at least 10% of the Participating Members of the VMG may submit a proposed amendment of the Bylaws to the Board for consideration. Board members may vote on amendments by means of conference telephone, electronic mail or similar communications equipment. Voting by such means shall constitute attendance and presence in person at such meeting.