

# **BYLAWS**

## **Patient-Centered Education & Research Institute, Inc.**

### **(The Institute)**

#### **Preamble**

Patient-centered care is an essential element of healthcare in the United States and is a focus of the Affordable Care Act. This ongoing change process demands extensive research and education about and for healthcare providers and patients. The Patient-Centered Education and Research Institute is committed to conducting related research and education activities to improve the landscape for healthcare reform. The Patient-Centered Education and Research Institute is herein referred to as the "Institute."

To this end, we establish these bylaws for the governance of this organization.

#### **ARTICLE I: NAME & PURPOSE**

Section 1: This organization shall be called "Patient-Centered Education & Research Institute, Inc." It may also do business as the Patient-Centered Institute or the Patient-Centered Healthcare Institute. The Patient-Centered Education and Research Institute, the Patient-Centered Institute or the Patient-Centered Healthcare Institute are herein referred to as the "Institute."

Section 2: The Institute is organized exclusively for education, research, and charitable, purposes. In particular:

- Support and conduct non-partisan education, research, and informational activities to increase knowledge about patient-centered healthcare.
- Improve the capabilities of healthcare professionals to assist patients and their caregivers in the use of and access to health services.
- Assist patients and their caregivers in the use of health services.
- Develop and coordinate certification standards that improve patient-centered services by health professionals.

Section 3: The Institute is organized in compliance with the laws of the Commonwealth of Kentucky.

#### **ARTICLE II — MEMBERSHIP**

**Section 1 — Membership:** Membership shall consist of the board of directors.

## **ARTICLE III — BOARD OF DIRECTORS**

**Section 1 — Board role, size, and compensation:** The board is responsible for overall policy and procedure development, direction of the Institute, and delegates responsibility of operations to the Executive Director. The board shall have up to 20, but not fewer than 5 members. The board receives no compensation other than reasonable expenses.

**Section 2 — Terms:** All board members shall serve three-year terms, but are eligible for re-election for up to two consecutive terms. Terms will be staggered so that new Board members are selected each year. The initial Board shall consist of members in one, two and three year positions.

**Section 3 — Meetings and notice:** The board shall meet at least quarterly, at an agreed upon time and place. An official board meeting requires that each board member have written notice at least two weeks in advance. Members may attend via electronic media.

**Section 4 — Board elections:** During the last quarter of each fiscal year of the corporation, the board of directors shall elect director(s) to replace those whose terms will expire at the end of the fiscal year. Officers will be elected annually. These elections shall take place during a regular meeting of the board of directors, called in accordance with the provisions of these bylaws.

**Section 5 — Election procedures:** New directors shall be elected by a majority of directors present at such a meeting, provided there is a quorum present (fifty percent). Officer elections will follow the same procedure. Directors so elected shall serve a term beginning on the first day of the next fiscal year.

**Section 6 — Quorum:** A quorum must be attended by at least fifty percent of board members for business transactions to take place and motions to pass.

**Section 7 — Officers and Duties:** There shall be four officers of the board, consisting of a chair, vice-chair, secretary and treasurer. Their duties are as follows:

- The chair shall convene regularly scheduled board meetings, shall preside or arrange for other members of the Executive Board to preside at each meeting in the following order: vice-chair, secretary, treasurer.
- The vice-chair shall chair committees on special subjects as designated by the board and assume the duties of chair should that person become unavailable for service.
- The secretary shall be responsible for keeping records of board actions, including overseeing the taking of minutes at all board meetings, sending out meeting announcements, distributing copies of minutes and the agenda to each board member, and assuring that corporate records are maintained.
- The treasurer shall make a financial report at each board meeting. The treasurer shall chair any designated finance committees or teams, assist in the preparation of the

budget, help develop fundraising plans, and make financial information available to board members and the public.

**Section 8 — Vacancies:** When a vacancy on the board exists mid-term, the secretary must receive nominations for new members from present board members two weeks in advance of a board meeting. These nominations shall be sent out to board members with the regular board meeting announcement, to be voted upon at the next board meeting. These vacancies will be filled only to the end of the particular board member's term.

**Section 9 — Resignation, termination, and absences:** Resignation from the board must be in writing and received by the secretary. A board member shall be terminated from the board due to excess absences, more than two unexcused absences from board meetings in a year. A board member may be removed for other reasons by a three-fourths vote of the remaining directors.

**Section 10 — Special meetings:** Special meetings of the board shall be called upon the request of the chair, or one-third of the board. Notices of special meetings shall be sent out by the secretary to each board member at least 24 hours in advance.

**Section 11 — Conflict of Interest Policy.** To identify situations that may present potential conflicts of interest and to provide the Institute with a procedure to manage conflicts in accordance with legal requirements and the goals of accountability and transparency in the Institute's operations, a conflict of interest Policy is attached as Appendix A.

#### **ARTICLE IV — COMMITTEES**

**Section 1 — Board formation:** The Executive Board may create committees and short-term teams as needed, such as development, marketing, education, research, etc. The Board Chair appoints all committee chairs.

**Section 2 — Executive Board:** The Executive Board consist of five persons: four officers and one member elected by the board. Except for the power to amend the articles of incorporation and bylaws, the Executive Board shall have all the powers and authority of the Board of Directors in the intervals between meetings of the Board of Directors, and is subject to the direction and control of the full board.

**Section 3 — Finance Committee:** The treasurer is the chair of the Finance Committee, which includes at least two other board members. The Finance Committee is responsible for developing and reviewing fiscal procedures, fundraising plan, and annual budget with staff and other board members. The board must approve the budget and all expenditures must be within budget. Any major change in the budget must be approved by the Board or the Executive Committee. The fiscal year shall be the calendar year. Annual reports are required to be submitted to the board showing income, expenditures, and budget forecasts.

## ARTICLE V — DIRECTOR AND STAFF

**Section 1 — Executive Director:** The Executive Director is hired by the board. The executive director has day-to-day responsibilities for the organization, including carrying out the organization's goals and policies. The executive director will attend all board meetings, report on the progress of the organization, answer questions of the board members and carry out the duties described in the job description. The board can designate other duties as necessary.

## ARTICLE VI — AMENDMENTS

**Section 1 — Amendments:** These bylaws may be amended when necessary by two-thirds majority of the board of directors. Proposed amendments must be submitted to the secretary to be sent out with regular board announcements.

## ARTICLE VII: DISSOLVEMENT

The Corporation is organized exclusively for education, research and charitable purposes, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501 (c) (3) of the Internal Revenue Code, or the corresponding section of any future federal code.

In the event of the dissolution of the Corporation, all of the Corporation's assets, real and personal, shall be distributed to such charitable organization or organizations as are qualified as tax-exempt under Section 501 (c) (3) of the Code or corresponding provisions of any subsequent Federal income tax laws, as the Board of Directors of the Corporation shall determine. Any such assets not so disposed of, for whatever reason, shall be disposed of by order of the Circuit Court for Jefferson County, Kentucky to such organizations, as said Court shall determine, which are organized and operated exclusively for charitable purposes.

## CERTIFICATION

These bylaws were approved at a meeting of the board of directors by a two-thirds majority vote on March 21, 2014.

Secretary:

*Acting*

Signed:

Brian Daly

Date:

March 21, 2014

## **Appendix A: Conflict of Interest Policy**

### **Patient-Centered Education & Research Institute, Inc.**

This conflict of interest policy is designed to help directors, officers, employees and volunteers of the Patient-Centered Education & Research Institute (the Institute) to identify situations that present potential conflicts of interest and to provide the Institute with a procedure to manage conflicts in accordance with legal requirements and the goals of accountability and transparency in the Institute's operations.

1. **Conflict of Interest Defined:** For purposes of this policy, the following circumstances shall be deemed to create a Conflict of Interest:
  - a. A director, officer, employee or volunteer, including a board member (or family member of any of the foregoing) is a party to a contract, or involved in a transaction with the Institute for goods or services.
  - b. A director, officer, employee or volunteer, (or a family member of any of the foregoing) has a material financial interest in a transaction between the Institute and an entity in which the director, officer, employee or volunteer, or a family member of the foregoing, is a director, officer, agent, partner, associate, employee, personal representative, receiver, guardian, custodian, or other legal representative.
  - c. A director, officer, employee or volunteer, (or a family member of the foregoing) is engaged in some capacity or has a material financial interest in a business or enterprise that competes with the Institute.

Other situations may create the *appearance of a conflict*, or present a *duality of interests* in connection with a person who has influence over the activities or finances of the nonprofit. All such circumstances should be disclosed to the board or staff, as appropriate, and a decision made as to what course of action the organization or individuals should take so that the best interests of the nonprofit are not compromised by the personal interests of stakeholders in the nonprofit.

Gifts, Gratuities and Entertainment. Accepting gifts, entertainment or other favors from individuals or entities can also result in a conflict or duality of interest when the party providing the gift/entertainment/favor does so under circumstances where it might be inferred that such action was intended to influence or possibly would influence the interested person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of the Institute.

## **2. Definitions.**

- a. A "Conflict of Interest" is any circumstance described in Part 1 of this Policy.
- b. An "Interested Person" is any person serving as an officer, employee or member of the Board of Directors of the Patient-Centered Education & Research Institute, Inc. (the Institute) or a major donor to the Institute or anyone else who is in a position of control over the Institute who has a personal interest that is in conflict with the interests of the Institute.
- c. A "Family Member" is a spouse, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of an interested person.
- d. A "Material Financial Interest" in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect an Interested Person's or Family Member's judgment with respect to transactions to which the entity is a party.
- e. A "Contract or Transaction" is any agreement or relationship involving the sale or purchase of goods or services, the providing or receipt of a loan or grant, the establishment of any other type of financial relationship, or the exercise of control over another organization. The making of a gift to the Institute is not a Contract or Transaction.

## **3. Procedures.**

- a. Prior to board or committee action on a Contract or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting. If board members are aware that staff or other volunteers have a conflict of interest, relevant facts should be disclosed by the board member or by the interested person him/herself if invited to the board meeting as a guest for purposes of disclosure.
- b. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- c. A person who has a Conflict of Interest shall not participate in or be permitted to hear the board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- d. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote.

- e. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Directors of the Institute has a Conflict of Interest when he or she stands for election as an officer or for re-election as a member of the Board of Directors.
- f. Interested Persons who are not members of the Board of Directors of the Institute, or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board or committee action, shall disclose to their supervisor, or the Chair, or the Chair's designee, any Conflict of Interest that such Interested Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Interested Person. The Interested Person shall refrain from any action that may affect the Institute's participation in such Contract or Transaction.

In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to his or her Chair or the Chair's designee, who shall determine whether full board discussion is warranted or whether there exists a Conflict of Interest that is subject to this policy.

- 4. **Confidentiality.** Each director, officer, employee and volunteer shall exercise care not to disclose confidential information acquired in connection with disclosures of conflicts of interest or potential conflicts, which might be adverse to the interests of the Institute. Furthermore, directors, officers, employees and volunteers shall not disclose or use information relating to the business of the Institute for their personal profit or advantage or the personal profit or advantage of their Family Member(s).
- 5. **Review of policy.**
  - a. Each director, officer, employee and volunteer shall be provided with and asked to review a copy of this Policy and to acknowledge in writing that he or she has done so.
  - b. Annually each director, officer, employee and volunteer shall complete a disclosure form identifying any relationships, positions or circumstances in which s/he is involved that he or she believes could contribute to a Conflict of Interest. Such relationships, positions or circumstances might include service as a director of or consultant to another nonprofit organization, or ownership of a business that might provide goods or services to the Institute. Any such information regarding the business interests of a director, officer, employee or volunteer, or a Family Member thereof, shall be treated as confidential and shall generally be made available only to the Chair, the Executive Director, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.
  - c. This policy shall be reviewed annually by each member of the Board of Directors. Any changes to the policy shall be communicated to all staff and volunteers

## **Conflict of Interest Disclosure Form 2014**

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Position (employee/volunteer/director): \_\_\_\_\_

Please describe below any relationships, transactions, positions you hold (volunteer or otherwise), or circumstances that you believe could contribute to a conflict of interest between the Patient-Centered Education & Research Institute, Inc. and your personal interests, financial or otherwise:

\_\_\_\_\_ I have no conflict of interest to report

\_\_\_\_\_ I have the following conflict of interest to report (please specify other nonprofit and for-profit boards you (and your spouse) sit on, any for-profit businesses for which you or an immediate family member are an officer or director, or a majority shareholder, and the name of your employer and any businesses you or a family member own):

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by, the Policy of Conflict of Interest of The Patient-Centered Education & Research Institute, Inc.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_