

Valley Hospital Board of Directors Candidate Information

Thank you for your interest in Valley Hospital Association, Inc. and your consideration of a position on our Board of Directors.

Our Bylaws provide for a Board of Directors comprised of fifteen (15) elected members. Directors on the Board are elected for a three-year term. Individuals interested must submit an application for the Board and a membership application by **March 22, 2004**. (Please note, individuals applying for Board seats must submit their membership applications earlier than general members to ensure they are a valid member prior to including their names on the ballot). **The applications must be mailed to the attention of the Election Judge, c/o Valley Hospital Association, Inc., P.O. Box 1025, Palmer, Alaska 99645.** Applications will not be accepted at the Valley Hospital Medical Center in Wasilla or at Valley Hospital, so please mail your applications early.

The Board has as its purpose and responsibility:

1. To elect the Category A Joint Venture Board of Directors.
2. The Board directs the business and affairs of Valley Hospital Association, Inc. and establishes corporate policies and is responsible for the overall performance of Valley Hospital Association, Inc. - Members of this Board are kept informed of the company's business by reports and documents given to them regularly at meetings of the Board and its committees.

Any person, who is a general member of the Association at the time of his election and remains a general member, is qualified to serve on the Board. It is intended that Board members be experienced.

Notwithstanding the foregoing provision, no employee of the corporation or member of an organization representing or attempting to represent a bargaining unit of employees of the corporation may serve on an Board or Subsidiary Board, and no more than one (1) employee of the corporation or member of an organization representing or attempting to represent a bargaining unit of employees of the corporation may serve at any time on the Board.

General membership in the corporation is open to all residents of the Matanuska-Susitna Borough (verified by voter registration and/or mailing address within the Borough), who are 18 years of age or older; without regard to citizenship, race, sex, age or religious preference; who apply for membership; pay annual membership fees; and comply with the Corporation Bylaws and Regulations made pursuant thereto.

Annual membership fees are currently assessed at \$5.00 per calendar year which, when paid and accepted, allows the individual to vote in corporate membership elections and

run for and hold a position on the Board.

The Board regularly meets quarterly on the third Monday at 6:30 p.m. Meetings generally last until 9:00 p.m. These meetings are currently held in the Conference Room at Valley Hospital Medical Center in Wasilla.

The Board occasionally participates in work sessions or retreats. These may be held on an evening or Saturday during the day. This Board also participates in ongoing development and education, which sometimes involves a weekend retreat in state and occasional educational sessions out of state. The company covers normal costs associated with Board development and education.

A significant amount of reading on current issues may be disseminated each month and discussed as to their impact on the company at the Board meetings. Board meeting agendas and specifics for action, discussion, or information are delivered in advance and Board members are expected to prepare for meetings in advance.

The commitment expectations for Board members of the Board are significant - - not only in time, but in belief and support of the mission to the community served. There is no room for vested interests or those who cannot be team players.

Board members are called upon to serve on sub-committees such Marketing Committee, Election Committee, Scholarship Committee, Investment Committee, Finance Committee, etc.

The entire Board of Directors is offered some legal immunity, not yet tested in court, through state laws. In addition, directors and officers are indemnified by the Corporate Bylaws, and Directors and Officer Liability Insurance underwrites this.

Applicants are asked to provide a brief bio and photograph that will be used by the local newspaper and included with the ballots mailing.

In closing, let me say that we welcome your interest and would be pleased to answer any questions that you may have. Please do not hesitate to contact me at 376-3576 should you desire more information. Thank you.

Clyde Boyer, Chair
Valley Hospital Association, Inc.
Board of Directors

The Nominating Committee of the Board of Directors selects nominees on a basis of non-discrimination, and with the intent of providing qualified candidates for the Joint Venture Board of Directors . Some of the nominees qualifying factors used in the selection process are, geographic concerns, business experience, employee representation, community service, organization interest, and health care experience.

Please print your full name

Business Physical Address

Street _____
City _____ State _____
Work Phone _____ Fax Number _____
Email Address _____

Home Mailing Address

Street _____
City _____ State _____ Zip Code _____
Home Phone _____ Fax _____
Email Address _____

Home Physical Address

Street _____
City _____ State _____

Candidate's Previous Board Experience

Organization_____

Tenure_____

Committees Served_____

Sales Volume or Budget Size:_____

___ Under \$500,000 ___ \$500,000-\$1,000,000 ___ Over \$1,000,000

Organization_____

Tenure_____

Committees Served_____

Sales Volume or Budget Size:_____

___ Under \$500,000 ___ \$500,000-\$1,000,000 ___ Over \$1,000,000

Organization_____

Tenure_____

Committees Served_____

Sales Volume or Budget Size:_____

___ Under \$500,000 ___ \$500,000-\$1,000,000 ___ Over \$1,000,000

Candidate's Areas of Expertise
(additional documentation may be provided)

Candidate's School or Educational Affiliations
What Schools Did You Attend or Support?
(additional documentation may be provided)

Relatives Employed By the Joint Venture or Valley Hospital Association

Name_____

Relationship_____

Department_____

Name_____

Relationship_____

Department_____

Relatives (Household and Family Members) Associated with the Joint Venture, Valley Hospital Association and/or Triad Hospitals
(write category number next to type of association)

- 1 Board Member
- 2 Volunteer
- 3 Contract Business
- 4 Contract Union
- 5 Medical Staff

Name_____

Relationship_____

Type of Association From List Provided Above_____

Name_____

Relationship_____

Type of Association From List Provided Above_____

Name_____

Relationship_____

Type of Association From List Provided Above_____

Candidate's Past Association With Valley Hospital or current association with the Joint Venture, Valley Hospital Association, and/or Triad Hospitals

(check the appropriate box)

_____ Board Member

_____ Volunteer

_____ Contract Business

_____ Contract Union

_____ Medical Staff

_____ Employee

Candidate's Reason For Wanting To Serve As A Board Member

If Elected to the Board of Directors, Please Describe Any Conflicts or Items of Concern

Additional Comments

Signature

Date

VALLEY HOSPITAL ASSOCIATION, INC
REPORT OF FINANCIAL DISCLOSURE AND CONFLICT OF
INTEREST

Valley Hospital Association, Inc. requires that every Board member or members of associated Boards/committees, whether elected or appointed, shall file with Valley Hospital Administration, within thirty (30) days after such elected or appointed term begins and during the month of January of each year thereafter, a written statement containing a full report of financial disclosure and conflict of interest.

1. Following are the names of each person, firm, association or enterprise doing business with Valley Hospital Association, Inc., Triad Hospitals and/or the Joint Venture from or on behalf of which I or members of my immediate family have ownership or financial interest in excess of five percent (5%). (Note: Doing business with Valley Hospital Association, Inc., Triad Hospitals and/or the Joint Venture includes, but is not limited to, gaining income from, being employed by, receiving compensation from and having contractual relationships with.)

2. Following are the names of any corporation, firm, association or enterprise doing business with Valley Hospital Association, Inc., Triad Hospitals, and/or the Joint Venture in which I have a direct financial interest in excess of five percent (5%), provided that policies of insurance and amounts on deposit and accounts in banks, savings and loan associations or credit unions shall not be considered to be a financial interest within the meaning of this paragraph.

3. Following are the names of any corporation, firm, association or enterprise doing business with Valley Hospital Association, Inc., Triad Hospitals and/or the Joint Venture, both profit and nonprofit, in which I or my spouse holds a position of officer or member of Board of Directors and the title of each such position held.

4. This report may be renewed when due by submitting a statement that the information herein remains unchanged. Should the information become incomplete or inaccurate, this report shall be corrected within thirty (30) days.

I hereby certify that the above is true and complete as to any financial interest as noted.

Signature

Date

Name (printed)

VALLEY HOSPITAL

CONFLICT OF INTEREST POLICY

Section 1. Definitions

The following terms shall have the following meanings when used in this Policy:

- A. "Affiliate" shall mean any organization that controls, is controlled by, or is related by common control to this Corporation.
- B. "Board Committee" means any committee that has specific authority to take final action relative to the charitable, business or clinical aspects of this Corporation delegated to it by the Board or the Bylaws of this Corporation, as opposed to committees that are simply advisory.
- C. "Board Member" shall refer to all Directors and Trustees of this Corporation, and members of all Board Committees, whether appointed, elected, or *ex officio*, and including, but not limited to, physicians.
- D. "Compensation" shall mean any remuneration, whether direct or indirect, including any gifts or favors that are substantial in nature.
- E. "Conflicting Interest" shall mean service as a member, shareholder, trustee, owner, partner, director, officer, or employee of any organization or governmental entity that either:
 - 1. competes with this Corporation or any Affiliate, or
 - 2. is involved or is likely to become involved in any litigation or adversarial proceeding with this Corporation or any Affiliate.
- F. "Financial Interest" shall mean any arrangement or transaction pursuant to which an Interested Person has, directly or indirectly, through business, investment or family, either:
 - 1. a present or potential ownership, investment interest or compensation arrangement in any entity with which this Corporation or any Affiliate has or may have a transaction or arrangement; or

2. a compensation arrangement with this Corporation or any entity or individual with which this Corporation or any Affiliate has a transaction or arrangement.
- G. "Interested Person" shall mean any person who has a direct or indirect Financial Interest or Conflicting Interest.
 - H. "Key Management Personnel" shall mean the Chief Executive Officer of this Corporation, any managers who report directly to the Chief Executive Officer or the Board, or any other personnel so designated by the Chief Executive Officer.
 - I. "Person Covered by this Policy" shall mean every Board Member, every member of any Board Committee, all Officers of this Corporation, and all Key Management Personnel of this Corporation.

Section 2. Disclosure of Conflicting Interests

Every Person Covered by this Policy shall submit in writing a Conflict of Interest Disclosure Statement listing all Financial and Conflicting Interests. Each Statement will be resubmitted with any necessary changes each year or as any additional Conflicting or Financial Interests arise. The Chairman of the Board shall become familiar with all such Disclosure Statements in case a conflict arises. The Vice-Chairman of the Board shall be familiar with the Disclosure Statement filed by the Chairman.

Section 3. Procedure to be Followed at Meetings

Whenever the Board or Board Committee is considering a transaction or arrangement with an organization, entity or individual in which a Person Covered by this Policy has a Financial or Conflicting Interest, the following shall occur:

- A. The Interested Person must disclose the Financial or Conflicting Interest and all material facts to the Board or Board Committee;
- B. The Board Chair, the Board Committee or the Board may ask the Interested Person to leave the meeting during discussion of the matter that gives rise to the potential conflict. If asked, the Interested Person shall leave the meeting, but may make a statement or answer any questions on the matter before leaving;

- C. The Interested Person will not vote on the matter that gives rise to the potential conflict; and
- D. The Board or Board Committee must approve the transaction or arrangement by a majority vote of the Board Members present at a meeting that has a quorum, not including the vote of the Interested Person.

In addition, if an Interested Person has a Financial Interest in a transaction or arrangement that might involve personal financial gain or loss for the Interested Person, the following should be observed in addition to the provisions described above:

- E. If appropriate, the Board or Board Committee may appoint a non-interested person or committee to investigate alternatives to the proposed transaction or arrangement;
- F. In order to approve the transaction, the Board or Board Committee must first find, by a majority vote of the Board Members then in office, without counting the vote of the Interested Person, that the proposed transaction or arrangement is in the Corporation's best interest and for its own benefit, and the proposed transaction is fair and reasonable to the Corporation and, after reasonable investigation, that the Corporation cannot obtain a more advantageous transaction or arrangement with reasonable efforts under the circumstances;
- G. The Interested Person will not be present for the discussion or vote regarding the transaction or arrangement; and
- H. The transaction or arrangement must be approved by a majority vote of the Board Members, not including any Interested Persons.

Section 4. Minutes of Meetings

Minutes of all Board and Board Committee Meetings shall include the following:

- A. The names of the persons who disclosed Conflicting or Financial Interests, the nature of the Conflicting or Financial Interests and whether the Board determined there was a conflict of interest; and
- B. The names of the persons who were present for discussions and votes relating to the transaction or arrangement; the content of these

discussions, including any alternatives to the proposed transaction or arrangement; and a record of the vote.

Section 5. Dissemination and Acknowledgment of Policy

- A. This policy shall be distributed to all Persons Covered by this Policy.
- B. Each Person covered by this Policy shall sign an **annual** statement that the person:
 - 1. Received a copy of the Policy;
 - 2. Has read and understands the Policy;
 - 3. Agrees to comply with the Policy;
 - 4. Understands that the Policy applies to the Board and all Board Committees; and
 - 5. Understands that this Corporation and its Affiliates are organized to advance charitable purposes and that, in order to maintain tax-exempt status, they must continuously engage primarily in activities which accomplish one or more tax-exempt purposes.

Section 6. Compensation Committees

- A. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- B. Physicians who receive compensation, directly or indirectly, from the Corporation, whether as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

Section 7. Periodic Reviews

To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- A. Whether compensation arrangements and benefits are reasonable and is the result of arm's-length bargaining.
- B. Whether acquisitions or other arrangements with providers result in inurement or impermissible private benefit.
- C. Whether partnership and joint venture arrangements and arrangements with other organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Corporation's charitable purposes and do not result in inurement or impermissible private benefit.
- D. Whether agreements to provide health care and agreements with other health care providers, employees, and third party payors further the Corporation's charitable purposes and do not result in inurement or impermissible private benefit.

Section 8. Penalties for Non-Compliance

Failure to comply with this Policy shall constitute grounds for removal from office and, in the case of Key Management Personnel, termination of employment.

VALLEY HOSPITAL ASSOCIATION, INC.
BOARD MEMBER CONFIDENTIALITY AGREEMENT

As a member of the Valley Hospital Board (hereinafter referred to as "the Board"), I realize that I will be exposed to confidential information and business strategies . The information is privileged, and much of it is protected by law. This information is disclosed to me only for use by me in fulfilling my official duties, and I recognize the importance of protecting the confidential information and strategies. I also realize that use of this information for any other purpose may cause severe damage to the Association and its affiliated organizations, as well as to individual persons, and may create personal liability both to me and to the Association. Therefore, in consideration of my service as a member of the Board, and intending to be legally bound hereby, I agree to the following terms:

1. I shall treat all written and verbal information received as a Board member in the strictest confidence, shall safeguard this information and shall not share any such information beyond the Board, the administrative staff, or legal counsel of the Association without approval of the Chairman of the Valley Hospital Board or the Chairman's designee.
2. I agree that I shall not use, disclose or publish any confidential information related to the Association, its affiliated organizations, its employees, either during or at any time after my term as a Board member. Such confidential information includes, but is not limited to, employee information, statistical data , etc. It does not, however, include any such information that would otherwise be publicly available.
3. In addition, during the time I serve on the Board and for three

years thereafter, I shall not use, disclose or publish any trade secrets related to the Association or its affiliated organizations without the express written consent of the Chairman designee. Trade Secrets include, but are not limited, to business strategies, financial data, strategic and business plans, computer programs, market research, market plans and any other business-related information kept in the normal operation of the Association and its affiliated organizations. It does not include any such information that would otherwise be publicly available.

4. I agree that this Confidentiality Agreement shall be broadly construed to provide maximum protection for the interests of the Association and its affiliated organizations and its employees. Therefore, any ambiguity in the terms hereof shall be construed in favor of said entities. Additionally, I agree that if any information which I am considering using or disclosing has the potential for being construed as protected by this Agreement, I will request a formal decision in advance by the Chairman or the Valley Hospital Board as to the appropriateness of said disclosures or use.
5. If I intentionally and willfully violate the terms of this Agreement by divulging either trade secrets or confidential information, I understand that such violation may constitute grounds for action such as termination of my membership on the Board. An "intentional and willful violation" of this agreement means an act done voluntarily and knowingly for the purpose of using, disclosing, or publishing trade secrets and/or confidential information in a manner prohibited by this Agreement. I agree that I will indemnify and hold harmless the Association and its affiliated organizations from and against any and all liability resulting from my intentional and willful violation of the terms of this Agreement. I also understand that any violation of this Agreement, whether or not such violation is intentional and willful, may give rise to additional remedies to which the Association and its affiliates may be entitled by law.

6. I acknowledge that I have read the Valley Hospital Board of Directors' policy on conflict of interest, and I understand that the provisions of said policy are incorporated into this Agreement by reference. I agree to honor and abide by all terms of said policy.
7. This Agreement is made freely and voluntarily, and is entered into in consideration of the opportunity to serve on the Board. This Agreement shall be deemed to extend past my participation on the Board to the extent specified herein.

DATED this _____ day of _____, 20 _____.

Signature

Name (Printed)

Addendum: Conflict of Interest Agreement for Attorney Board Members

As an attorney elected to serve on the Valley Hospital Board (hereinafter referred to as “Board of Directors” or “Board”), I recognize that my participation raises unique conflict of interest issues, which may not be adequately addressed by Rules of Professional Ethics applicable to attorneys in the State of Alaska. In order to avoid potential conflicts, which might ensue from my professional activities as an attorney, I agree to the following terms and I understand that my service on the Valley Hospital Board of Directors is conditioned on agreement to these terms.

1. I understand and agree that my service as a member of the Valley Hospital Board of Directors constitutes legal representation of the Valley Hospital Association, as well as its subsidiaries and affiliates, as professional clients. Because of this, I agree that I will not engage in any professional activities, either during my term as a Board member or at any time in the future that would create an actual or apparent conflict with the interests of said entities.
2. I understand that a unique relationship exists between Valley Hospital (as well as its subsidiaries), and that because of this relationship the interests of these parties are inseparable. In acknowledgment of this, I agree that I will not at any time in the future represent any client in a professional malpractice case involving a physician who, during the time I am serving on the Valley Hospital Board, is employed by Valley Hospital (or by one of its subsidiaries), or who holds privileges to practice medicine therein. I further agree that I will not assist any other attorney to prosecute such a case, either by direct participation or through providing information acquired during my tenure as a Board member.
3. I acknowledge that my service as a Board member will expose me to information of a confidential nature that could potentially be used to advance an interest adverse to that of the hospital, its subsidiaries, or affiliated physicians. Such information includes, but is not limited to, information concerning the peer review process, credentialing, physician discipline, case review, statistical data concerning patient outcomes for physicians, etc. I agree that no information obtained through my Board service will ever be used, either directly or indirectly, to advance a legal case against Valley Hospital, its subsidiaries, or any physicians affiliated with said entities before, during or after my term as a Board of Directors member.
4. In order to promote trust and openness between the Board of Directors and the physicians affiliated with the Hospital, I agree that, during my tenure as a Board member, I will not participate in any professional malpractice action involving a health care provider on behalf of any third party, regardless of the identity or location of the health care provider involved.

5. I understand that the rapidly changing nature of the health care industry has motivated the Valley Hospital Board to consider forming alliances of an uncertain nature with other health care providers, and that these potential affiliates cannot be identified with precision at this time. In order to avoid creating unnecessary animosity with potential future affiliates, I agree to refrain from participation in any professional malpractice action on behalf of any third party which involves a health care provider in the Southcentral Alaska region for a period of five years following termination of my membership on the Board of Directors. I further understand and agree that the geographical scope within which potential affiliates may exist will likely expand over time, and that this agreement shall be construed to include such expanded areas as they may be determined to exist by the Board.

6. I agree that this Agreement shall be broadly construed to provide maximum protection for the interests of the Valley Hospital Association and its subsidiaries and affiliates. Any ambiguity in the terms hereof shall therefore be construed in favor of said entities. Additionally, I agree that if any professional activities I am considering pursuing have the potential for being construed as a violation of this agreement, I will request a formal decision by the Board as to the appropriateness of said activities before undertaking them.

7. This agreement is made freely and voluntarily, and the limitation on professional activity agreed to herein are granted in consideration of the opportunity to serve on the Valley Hospital Board of Directors. This agreement shall be deemed to extend past my participation on the Board of Directors to the extent specified herein. Whenever this agreement refers to "Valley Hospital" or the Valley Hospital Association," this shall be construed to include the subsidiaries, affiliates and any successor entities thereof.

Dated this _____ day of _____, 20____.

Signature	Name (printed)
-----------	----------------

Name of law firm or other employer	Address of law firm or other employer
------------------------------------	---------------------------------------