

IC 16-22-2

Chapter 2. County Hospital Governing Boards

IC 16-22-2-1

Establishment

Sec. 1. (a) A county executive may establish a hospital in the following manner:

(1) The county executive shall promptly determine the following:

(A) The buildings and the estimated cost of the buildings needed to serve the needs of the county.

(B) The method of financing the hospital buildings.

(C) The estimated amount of money to be raised by the sale of general obligation bonds of the county or revenue bonds of an authority.

(2) The county executive shall enter an order establishing the hospital.

(b) The appointment of the members of the board and the acquisition and financing of hospital buildings shall be done under this article.

As added by P.L.2-1993, SEC.5.

IC 16-22-2-2

Board; qualifications; appointments; terms; vacancies

Sec. 2. (a) Except as otherwise provided in this article or in IC 16-12.1 (before its repeal on July 1, 1993), each hospital established under this article or IC 16-12.1 (before its repeal on July 1, 1993) must have a board of four (4) members, appointed by the county executive. All four (4) members must be residents of the county in which the hospital is located and one (1) member may be a licensed physician who is a member of the medical staff of the hospital. When appointing a physician member, the county executive shall consider the recommendation of the medical staff of the hospital.

(b) The initial appointments made under this section are as follows:

(1) One (1) member holds office for one (1) year.

(2) One (1) member holds office for two (2) years.

(3) One (1) member holds office for three (3) years.

(4) One (1) member holds office for four (4) years.

(c) After the initial appointments, board members shall be appointed to serve terms of four (4) years.

(d) Except as provided in section 11 of this chapter, a vacancy on the board shall be filled by the county executive, and the appointee shall be appointed to complete the unexpired term of the member whose office has been vacated.

As added by P.L.2-1993, SEC.5. Amended by P.L.91-2002, SEC.1 and P.L.100-2002, SEC.1.

IC 16-22-2-3

Governing board; qualifications; appointments; terms; residence limitations

Sec. 3. (a) This section applies to hospitals operated under IC 16-12-1 (before its repeal on July 1, 1993).

(b) The management of a hospital shall be under the control of a governing board consisting of eleven (11) members. Three (3) of the members of the governing board must be the members of the county executive.

(c) Subject to subsection (e), if the hospital is acquired or equipped without the aid of a hospital association:

(1) three (3) members of the governing board shall be appointed by the county executive; and

(2) five (5) members of the governing board, one (1) of whom may be a licensed physician, shall be appointed by the county fiscal body.

(d) Subject to subsection (e), if the hospital is acquired or equipped with the aid of a hospital association:

(1) four (4) members of the governing board, one (1) of whom may be a licensed physician, shall be appointed by the hospital association;

(2) two (2) members of the governing board shall be appointed by the county executive; and

(3) two (2) members of the governing board shall be appointed by the county fiscal body.

(e) Not more than two (2) members of a governing board appointed under this section may reside in a county other than the county in which the hospital is located. A member who is not a resident of the county in which the hospital is located must:

(1) be an Indiana resident; and

(2) be appointed upon a submission made under section 11 of this chapter by the governing board of the hospital to the appointing authority.

(f) The term of an appointed member of the governing board is two (2) years, except a person appointed by the county executive under subsection (c)(1) or (d)(2) serves a one (1) year term. Thereafter, the persons appointed by the county executive to succeed initial persons serve two (2) year terms.

As added by P.L.2-1993, SEC.5. Amended by P.L.80-2011, SEC.1.

IC 16-22-2-3.1

Governing board; members; residence limitations; terms; vacancy

Sec. 3.1. (a) This section applies to a hospital operated under IC 16-12-4-2 (before its repeal on July 1, 1993) that is located in a county having a population of more than forty-two thousand three hundred (42,300) but less than forty-three thousand (43,000).

(b) The management of a hospital is under the control of a governing board. The governing board consists of nine (9) members appointed by the county executive as follows:

(1) Three (3) members must be members of the county executive.

- (2) Six (6) members meeting the following requirements:
- (A) At least four (4) members must be residents of the county.
 - (B) Not more than two (2) members appointed under this subdivision may reside in a county other than the county in which the hospital is located. A member who is not a resident of the county in which the hospital is located must:
 - (i) be an Indiana resident; and
 - (ii) be appointed upon a submission made under section 11 of this chapter by the governing board of the hospital to the appointing authority.
 - (C) One (1) member appointed under this subdivision may also be a licensed physician.
- (c) The term of each member of the governing board is three (3) years.
- (d) If a vacancy occurs due to the expiration of an appointed member's term and the county executive does not fill the vacancy within sixty (60) days from the date of expiration, the member whose term has expired is automatically reappointed for another term.
- As added by P.L.56-1995, SEC.2. Amended by P.L.91-2002, SEC.2 and P.L.100-2002, SEC.2; P.L.80-2011, SEC.2; P.L.119-2012, SEC.131.*

IC 16-22-2-4

Governing board in certain counties; members; residence limitations; terms

Sec. 4. (a) This section applies to the governing boards of county hospitals in a county having a population of more than thirty-eight thousand two hundred (38,200) but less than thirty-eight thousand five hundred (38,500).

(b) Subject to subsection (c), the governing board of a county hospital consists of seven (7) members, as follows:

- (1) Three (3) members must be the members of the county executive.
- (2) Four (4) members, one (1) of whom may be a licensed physician, shall be appointed by the judge of the circuit court of the county.

(c) Not more than two (2) members of a governing board appointed under this section may reside in a county other than the county in which the hospital is located. A member who is not a resident of the county in which the hospital is located must:

- (1) be an Indiana resident; and
- (2) be appointed upon a submission made under section 11 of this chapter by the governing board of the hospital to the appointing authority.

(d) The term of office for members of the governing board, other than the members of the county executive, is two (2) years.

As added by P.L.2-1993, SEC.5. Amended by P.L.170-2002, SEC.103; P.L.80-2011, SEC.3; P.L.119-2012, SEC.132.

IC 16-22-2-5

Governing board; members; residence limitations; terms

Sec. 5. (a) This section applies to county hospitals in counties having a population of more than seventeen thousand three hundred fifty (17,350) but less than eighteen thousand (18,000).

(b) Subject to subsection (e), the hospital and the affairs and business of the hospital shall be under the management and control of a governing board consisting of seven (7) members as follows:

(1) Three (3) members must be members of the county executive.

(2) Two (2) members shall be appointed by the county fiscal body, one (1) of whom may be a licensed physician.

(3) Two (2) members shall be appointed by the county executive.

(c) One (1) of the members initially appointed by the county fiscal body serves for one (1) year and one (1) of the members initially appointed serves for two (2) years. After the initial appointment, the members serve for two (2) years.

(d) One (1) of the members initially appointed by the county executive serves for one (1) year and one (1) of the members initially appointed serves for two (2) years. After the initial appointment, the members serve for two (2) years.

(e) Not more than two (2) members of a governing board appointed under this section may reside in a county other than the county in which the hospital is located. A member who is not a resident of the county in which the hospital is located must:

(1) be an Indiana resident; and

(2) be appointed upon a submission made under section 11 of this chapter by the governing board of the hospital to the appointing authority.

As added by P.L.2-1993, SEC.5. Amended by P.L.35-1997, SEC.2; P.L.91-2002, SEC.3 and P.L.100-2002, SEC.3; P.L.80-2011, SEC.4; P.L.119-2012, SEC.133.

IC 16-22-2-5.5

Repealed

(Repealed by P.L.64-1998, SEC.8.)

IC 16-22-2-6

County hospital governing board; membership; terms of office

Sec. 6. (a) This section applies to hospitals established under Acts 1917, c.144, s.1.

(b) Except as provided in section 7 of this chapter, the management of the hospital shall be under the control of a governing board consisting of four (4) members appointed by the county executive. One (1) of the members may be a licensed physician. The members shall be chosen from the residents of the county.

(c) The initial terms of the members are as follows:

(1) One (1) member has a term of one (1) year.

(2) One (1) member has a term of two (2) years.

(3) One (1) member has a term of three (3) years.

(4) One (1) member has a term of four (4) years.

After the initial appointments, the members serve for four (4) years.
*As added by P.L.2-1993, SEC.5. Amended by P.L.35-1997, SEC.3;
P.L.91-2002, SEC.4 and P.L.100-2002, SEC.4.*

IC 16-22-2-7

Governing board; membership; increase or decrease in number; qualifications; terms

Sec. 7. (a) Except as provided in subsection (d), a governing board of four (4) members in existence on September 2, 1971, may petition the county executive to increase the size of the board to five (5), six (6), seven (7), eight (8), or nine (9) members. If the county executive approves the petition, the county executive shall appoint new members to increase the number of board members to the chosen size in the following manner:

(1) All members must be residents of the county in which the hospital is located except in the following circumstances:

(A) If a determination is made to increase a board size to five (5) or six (6) members, one (1) member may be a resident of an Indiana county other than the county in which the hospital is located if the member to be appointed was recommended by the governing board as set forth in section 11 of this chapter to fill the vacancy.

(B) If a determination is made to increase a board size to at least seven (7) members, not more than two (2) members may be residents of an Indiana county other than the county in which the hospital is located if the member to be appointed was recommended by the governing board as set forth in section 11 of this chapter to fill the vacancy.

(2) If a board size of five (5) members is chosen, a new member shall be appointed for an initial term of one (1) year.

(3) If a board size of six (6) members is chosen, the new members shall be appointed in the following order as necessary:

(A) One (1) new member for an initial term of one (1) year.

(B) One (1) new member for an initial term of two (2) years.

(4) If a board size of seven (7) members is chosen, the new members shall be appointed in the following order as necessary:

(A) One (1) new member for an initial term of one (1) year.

(B) One (1) new member for an initial term of two (2) years.

(C) One (1) new member for an initial term of three (3) years.

(5) If a board size of eight (8) members is chosen, the new members shall be appointed in the following order as necessary:

(A) One (1) new member for an initial term of one (1) year.

(B) One (1) new member for an initial term of two (2) years.

(C) One (1) new member for an initial term of three (3) years.

(D) One (1) new member for an initial term of four (4) years.

(6) If a board size of nine (9) members is chosen, the new

members shall be appointed in the following order as necessary:

(A) Two (2) new members for an initial term of one (1) year.

(B) One (1) new member for an initial term of two (2) years.

(C) One (1) new member for an initial term of three (3) years.

(D) One (1) new member for an initial term of four (4) years.

(7) If a board size of seven (7), eight (8), or nine (9) members is chosen, two (2) members may be licensed physicians.

(b) A governing board that has increased its size may petition the county executive to decrease the size of the board. However, a decrease under this subsection may only be accomplished through:

(1) the vacancy of a member's position, either through expiration of the member's term or any other cause; or

(2) removal of a member as provided under applicable law.

(c) There is no limit to the number of times a governing board may seek to increase or decrease its size under this section.

(d) For a governing board of four (4) members located in a county having a population of:

(1) more than fourteen thousand (14,000) but less than fifteen thousand (15,000);

(2) more than twenty-four thousand five hundred (24,500) but less than twenty-five thousand (25,000); or

(3) more than thirty-three thousand two hundred (33,200) but less than thirty-three thousand two hundred fifty (33,250);

the county executive may increase the number of board members to five (5), six (6), or seven (7), subject to the limitations of this section. After the initial appointments, each board member shall be appointed to serve for a term of four (4) years.

As added by P.L.2-1993, SEC.5. Amended by P.L.35-1997, SEC.4; P.L.91-2002, SEC.5 and P.L.100-2002, SEC.5; P.L.80-2011, SEC.5; P.L.119-2012, SEC.134.

IC 16-22-2-8

County hospitals in counties with existing city hospital operating under IC 16-23-1; creation; board and association; membership; appointment; joint operation

Sec. 8. (a) This section applies to a county where a city hospital is operated under IC 16-23-1.

(b) A county hospital may be created by an order of the county executive without filing a petition or holding an election.

(c) The county executive may create a hospital association under IC 16-22-6.

(d) An appointing board shall be formed to appoint the members of the governing board of the county hospital. The appointing board shall consist of three (3) members, as follows:

(1) The executive of the city where the city hospital is located.

(2) The judge of the circuit court of the county.

(3) A member of the county executive chosen by the county executive of the county.

(e) Each member must take and subscribe an oath for the honest

and faithful performance of the member's duties, which shall be filed in the auditor's office of the county.

(f) Subject to subsection (g), the governing board consists of seven (7) members with the following qualifications:

(1) At least five (5) members must be qualified voters in the county.

(2) Not more than two (2) members may be licensed physicians.

(3) One (1) member may be a registered nurse licensed to practice in Indiana.

(g) Not more than two (2) members of a governing board appointed under this section may reside in a county other than the county in which the hospital is located. A member who is not a resident of the county in which the hospital is located must:

(1) be an Indiana resident; and

(2) be appointed upon a submission made under section 11 of this chapter by the governing board of the hospital to the appointing authority.

(h) Initial and subsequent appointments to the hospital board shall be made for staggered terms ending on February 1 to coincide with the terms of members of the city hospital board of directors created by IC 16-23-1.

(i) The appointing board members may serve without bond. The regular meeting of the appointing board for the appointment of members to the hospital board shall be on the third Monday in January of each year following the year of the initial appointments. The meeting may adjourn periodically until the appointments for all expired or vacant memberships are made. Vacancies occurring on the hospital board may be filled at a special meeting of the appointing board called by the county auditor or by two (2) members of the appointing board on five (5) days notice to all appointing board members, or without notice if all of the appointing board members are present at the meeting. Each meeting of the appointing board shall be held at the county executive's room of the county, unless by unanimous consent the board determines to hold the meeting at another location.

(j) The county executive shall choose the board's member of the appointing board each year following the year of initial appointments at the board's regular January meeting.

(k) The governing board may operate the county hospital jointly with the city hospital operated in the same county under IC 16-23-1. The joint operation may include joint employment of an administrator and other personnel, joint policies, joint purchases, joint services, and other programs to deliver health care at a reduced cost. The governing board of the county hospital may contract with the governing board of the city hospital to allocate revenues and expenditures and for the administration of the hospitals, but records must be kept that reflect the separate ownership, financial obligations, and existence of the county hospital and the city hospital.

As added by P.L.2-1993, SEC.5. Amended by P.L.91-2002, SEC.6

and P.L.100-2002, SEC.6; P.L.80-2011, SEC.6.

IC 16-22-2-9

Board organization; bond; meetings; quorum; compensation and reimbursements

Sec. 9. (a) Each governing board member shall not more than ten (10) days after appointment and before entering on official duties take an oath to support the Constitution of the United States and the Constitution of the State of Indiana and to faithfully discharge the duties of office. The board shall adopt bylaws that provide for the election of one (1) member as chairman, one (1) member as secretary, and other officers the board considers necessary or advisable.

(b) The county treasurer of the county in which the hospital is located shall be the treasurer of the governing board. Money in the hospital fund shall be disbursed only on warrants issued by the county auditor and countersigned by the county treasurer. However, the board, with the approval of the county executive, may elect a treasurer who shall also serve as the disbursing officer of the hospital. Checks drawn by the treasurer must be countersigned by a person selected by the board. Approval by the county executive for the board to elect a treasurer is permanent and the treasurer may not be a member of the board.

(c) The executive director and all persons whose duty it is to handle funds of the hospital must execute a corporate surety bond in an amount and with conditions required by the board. If a treasurer is elected by the board, the treasurer shall be separately bonded in an amount fixed by the board but not less than twenty-five thousand dollars (\$25,000). The board may elect an assistant treasurer who may not be a member of the board and who must be separately bonded in an amount fixed by the board greater than twenty-five thousand dollars (\$25,000). The bond on all persons except the treasurer and assistant treasurer may be a blanket corporate surety bond conditioned for the faithful performance of duties. All bonds required by this subsection must be approved by the board and filed with the county recorder. The premiums shall be paid out of hospital funds.

(d) A majority of the members of the governing board constitutes a quorum and board action requires the affirmative vote of a majority of those members present at a regular or special meeting of the board at which a quorum is present. If a board member is absent from three (3) consecutive regular board meetings or is absent from four (4) regular board meetings during a year, upon recommendation by the board, the member may be removed from office by the county executive and, except as provided in section 7(b) of this chapter, the vacancy created shall be filled as provided in section 11 of this chapter.

(e) Each board member shall be reimbursed for expenditures made by the member in performing the duties of office and an itemized statement of expenses must be filed with the secretary and allowed

by the board. Each governing board member may receive annual compensation not to exceed three thousand six hundred dollars (\$3,600) with compensation to be fixed by the board.

(f) The governing board shall hold at least ten (10) regular meetings each year and special meetings of the board may be called at any time by the chairman or two (2) members of the board. The secretary of the board shall keep a complete record of all proceedings.

(g) A board member may receive group health and life insurance benefits paid by the hospital. Health and life insurance benefits are not considered compensation under subsection (e).

(h) A board member may attend meetings and seminars for the benefit of the hospital with the cost of the meetings and seminars paid by the hospital. A payment made by the hospital under this subsection to a board member is not considered compensation under subsection (e).

As added by P.L.2-1993, SEC.5. Amended by P.L.35-1997, SEC.5.

IC 16-22-2-10

Conflicts of interest; disclosure; abstention; removal

Sec. 10. (a) An individual is not prohibited from serving as a member of the governing board if the member:

- (1) has a pecuniary interest in; or
- (2) derives a profit from;

a contract or purchase connected with the hospital. However, the member shall disclose the interest or profit in writing to the board and provide a copy to the state board of accounts. The member shall abstain from voting on any matter that affects the interest or profit.

(b) The governing board shall adopt a written conflict of interest policy that meets the requirements of subsection (a). The written conflict of interest policy may contain other requirements as determined by the board.

(c) A member of a governing board who violates this section or the written conflict of interest policy described in subsection (b) may be removed from the governing board by action of the board.

- (d) The county executive may not:
- (1) reappoint to a governing board; or
 - (2) appoint to a governing board;

an individual who violates this section or the written conflict of interest policy described in subsection (b) while serving or after serving as a member of a governing board.

As added by P.L.2-1993, SEC.5. Amended by P.L.125-2006, SEC.3.

IC 16-22-2-11

Vacancies on governing board

Sec. 11. (a) Except as provided in section 12 of this chapter, whenever a vacancy occurs on the governing board, the existing governing board shall submit a list of the following:

- (1) At least one (1) but not more than three (3) candidates for each vacancy to be filled to the appointing authority.

(2) Qualifications for assessment of a candidate for each vacancy.

(b) For each vacancy, the appointing authority may do one (1) of the following:

(1) Appoint one (1) of the candidates submitted by the governing board.

(2) Request and receive from the governing board a second list of at least one (1) but not more than three (3) candidates.

(3) Appoint an individual who meets the requirements concerning board members and who was not named in the initial list submitted by the governing board.

The appointing authority shall consider the list of qualifications submitted by the governing board under subsection (a)(2) when making an appointment.

(c) If the appointing authority requests and receives a second list of candidates under subsection (b)(2), the appointing authority may do one (1) of the following:

(1) Appoint one (1) candidate named in the second list.

(2) Appoint an individual who meets the requirements concerning board members and who was not named in the second list of candidates submitted by the governing board.

(d) The appointment for a vacancy shall be made not more than sixty (60) days after submission of the initial list of candidates under subsection (a).

(e) If the vacancy occurred due to the expiration of a member's term and the vacancy is not filled within sixty (60) days of the expiration date, the member whose term expired is automatically reappointed for another term.

(f) Each candidate submitted by the governing board must meet the requirements concerning governing board members.

As added by P.L.2-1993, SEC.5. Amended by P.L.56-1995, SEC.4; P.L.80-2011, SEC.7.

IC 16-22-2-12

Vacancies on governing board for certain counties

Sec. 12. (a) This section applies to governing boards of a county hospital in a county having a population of more than:

(1) seventeen thousand three hundred fifty (17,350) but less than eighteen thousand (18,000);

(2) twenty-six thousand (26,000) but less than twenty-six thousand five hundred (26,500); and

(3) forty-two thousand three hundred (42,300) but less than forty-three thousand (43,000).

(b) The appointing authority shall appoint a member to fill a vacancy on the governing board within sixty (60) days after the vacancy occurs.

As added by P.L.56-1995, SEC.5. Amended by P.L.170-2002, SEC.104; P.L.119-2012, SEC.135.

IC 16-22-2-13

Governing board membership limitation

Sec. 13. Except as otherwise required by state law, a member of an appointing authority for the governing board of a hospital established and operated under this article, except a hospital established and operated under IC 16-22-8, may not serve on the hospital's governing board.

As added by P.L.100-2002, SEC.7.