



NEW JERSEY
HEALTH CARE
**QUALITY
INSTITUTE**

**BY-LAWS
OF THE
NEW JERSEY HEALTH CARE QUALITY INSTITUTE, INC.**

Date of Adoption - 2008

May 2012 Amendment: Article II, address changed.

December 9, 2014 Amendments: Article VIII, Section 2, to increase the number of directors to up to 15.

Dec. 3, 2015 Amendments: Article II, and Article VIII, Sections 2 and 11 to update address, modernize notice and conflict of interest provision;

December 19, 2018 Amendments: Article VIII, Section 9, Terms, to add Term Limits.

May 31, 2019 Amendment: to update Article III, Section 1, Mission updated.

May 18, 2022 Amendment: Article VIII, Section 9, Terms, to address Public Health Emergency and Add To Terms.

ARTICLE I

The name of this organization shall be the "New Jersey Health Care Quality Institute, Inc. ("Institute").

ARTICLE II

OFFICES

The principal office of the corporation shall be located at Stone House at Carnegie Center, 3628 Route 1, Princeton, NJ 08540, or at such other place as may be determined from time to time by the Board of Directors.

ARTICLE III

PURPOSE

Section 1. Mission. Improving the safety, quality and affordability of health care for everyone.

Section 2. Use of Funds. The corporation is not formed for financial or pecuniary gain, and no part of the assets, income, or profits of the corporation is distributable to, or inures to the benefit of its Board of Directors, Officers or any other private person except as provided in these By-Laws, as reasonable compensation for services rendered to the Institute, and to make payments and distributions in furtherance of the purposes of the corporation as set forth in its Charter and above, or as proper indemnification of Directors or Officers.

ARTICLE IV

MEMBERSHIP

Section 1. Qualifications. For the purposes of these By-Laws, a member in good standing shall be a member who conforms with these By-Laws and who has paid his/her annual contribution as set by the Board of Directors of the Institute. Additionally, the Board of Directors of the Institute shall have sole discretion for determining the eligibility for membership of any applicant.

Section 2. Composition of Membership. Membership will be comprised of individuals or organizations from the following groups:

- A. Health Care Providers
 - 1. Hospitals
 - 2. Physicians, nurses and other health care delivery professionals
 - 3. Manufacturers of health care products
 - 4. Other deliveries of health care

- B. Health Care Purchasers

1. Employers
2. Unions
3. Governmental agencies

C. Health Care Intermediaries

1. Insurers
2. Managed care organizations
3. Third party administrators

D. Health Care Consumers

Section . Revocation of Membership. Membership of any member may be revoked by majority vote of the Board of Directors present at a scheduled meeting for:

- A. Failure to comply with the provisions of these By-Laws.
- B. Conduct which is inimical to the best interests and objectives of the Institute.
- C. False statements made in the application for membership.

An expelled member may, after six (6) months from date of such action, apply for reinstatement of membership.

ARTICLE V

FISCAL YEAR

The fiscal year for the Institute shall be set for June 1 through May 31 of each year.

ARTICLE VI

ANNUAL MEETINGS

There shall be an Annual Meeting of the members, which shall take place during the month of May. The specific time and place of the Annual Meeting shall be designated by the Board of Directors and announced by written or electronic means to each member not less than twenty (20) days in advance of the meeting.

ARTICLE VII

OFFICERS

Section 1. Officers. The officers of the Institute shall be: A chair of the Board, a vice chair, a secretary, a treasurer and the president. If any office shall become vacant, it may be filled by the Board of Directors for the remainder of the term.

Section 2. Elections. A chair, a vice chair, a secretary, and a treasurer shall be nominated and/or re-nominated by the Nominating Committee, pursuant to the process described in Article IX, below, and shall be elected or re-elected at each annual meeting.

Section 3. Duties. The officers of the Institute shall perform the duties usually performed by such officers, together with such duties as shall be prescribed by these Bylaws and the Board of Directors. In the absence of the chair, the vice chair shall perform the duties of the chair.

ARTICLE VIII

BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Institute shall be managed by a Board of Directors who shall provide oversight for the management of the Institute. However, the day-to-day management of the Institute shall be vested in a President and Chief Executive Officer (CEO) who shall be appointed by a majority of the Board of Directors. The President and CEO of the Institute responsibilities and duties are set forth in Article IX of these By-Laws.

Section 2. Number, Qualification. Method of Appointment. The Board of Directors shall be composed of no less than nine (9) and no more than fifteen (15) members, not including emeritus members, whom shall be nominated and elected to serve as ex-officio and non-voting members from time to time. One-third of the members of the Board of Directors subject to election shall be elected each year at the Annual Meeting of the Board by a majority of the Board. The membership of the board shall reflect the multi-stakeholder mission of the Institute and directors should have experience in either the delivery or purchase or public policy matters relating to the quality, transparency, or cost of health care services. The President and CEO shall serve as an ex-officio voting member of the Board of Directors.

Section 3. Meetings. The Board of Directors of the Institute shall meet at least two (2) times a year, with one of the two meetings serving as the Institute's Annual Meeting. Special meetings of the Board may be called by the Chair or by any three (3) members of the Board of Directors.

Section 4. Notice. Notice of any meeting shall be announced by written or electronic means to each member not less than ten (10) days in advance. Under certain conditions, when issues arise requiring prompt attention, special meetings may be scheduled at less than ten (10) days' notice. Notices of special meetings shall specify the object of the meeting and no other business shall be transacted at such meeting.

Section 5. Quorum. A majority of the Board of Directors shall constitute a quorum sufficient for the transaction of business at any meeting of the Board of Directors. The members of the Board of Directors, or any committee designated by such Board, may participate

in a meeting of the Board of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence by a person at such meeting. The Board of Directors shall promptly furnish a copy of the Minutes of all Board of Director meetings.

Section 6. Manner of Acting. The act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise may be specifically provided by law, by the Charter of the Institute or by these By-Laws.

Section 7. Action Without a Meeting. Any action required or permitted to be taken by the Board of Directors or any committee thereof at a meeting may be taken without a meeting if all of the members of the Board of Directors or committee, as the case may be, consent thereto, in writing, setting forth the actions so taken, and the writing or writings are filed with the Minutes of the proceedings of the Board of Directors or committee. Such consent shall have the same force in effect as a unanimous vote of the Board of Directors or such committee.

Section 8. Vacancies. Any vacancy arising in the Board of Directors shall be filled by a majority vote of the remaining members. The person chosen shall complete the term of the Director whose place he/she has chosen to fill.

Section 9. Terms. New terms of the Board of Directors shall commence on the day of election. All Board of Directors members shall serve a three year term but are eligible for re-election for a second term of three years. Board of Directors members may serve no more than two consecutive full terms. However, after an absence of one year, a former Board of Directors member shall be eligible for re-election to the Board of Directors. Notwithstanding the foregoing, due to the COVID-19 Public Health Emergency, all board members currently serving as of May 18, 2022, are eligible to serve an additional three-year term beyond their current term limit for the purpose of maintaining organizational sustainability and structure.¹

- A. For all Board of Directors members serving at the time of adoption of the amendment establishing term limits, if they have already served more than two terms, at the end of their current term, they are allowed to accept the nomination and serve for one more three year term without having to take a one year break as set forth in section 9.
- B. Immediate Past Board Chairs are eligible to continue as a Director for an additional three year term beyond the expiration of their current term.
- C. The Board of Directors shall have the authority to extend any Director's term for an additional year due to extenuating circumstances to ensure effective governance. A majority vote of the Board of Directors is required to extend any member's term beyond those described in Section 9.

Section 10. Removal. Any or all of the Board of Directors may be removed for cause by vote of the majority of the Board of Directors. For purposes of this provision, "cause" shall mean final conviction of a felony, declaration of unsound mind by court order, adjudication

¹ Amendment adopted May 18, 2022.

of bankruptcy, non-acceptance of an office or conduct prejudicial to the interest of the Institute, or absence from two or more consecutive meetings of the Board of Directors, without excuse satisfactory to the Board.

Section 11. Conflict of Interest. The Board of Directors shall adopt a policy for handling conflicts of interest, which shall be annually reviewed and acknowledged by each Director.

ARTICLE IX

PRESIDENT & CEO

The Board of Directors, by majority vote, shall appoint a President & CEO, who will provide the general supervision and control of all the business and affairs of the Institute, subject to the direction of the Board of Directors. The duties and responsibilities of the President & CEO shall include the following:

- A. Be responsible for developing the agenda, presiding at, and recording the proceedings for each meeting of the Board of Directors.
- B. Be responsible for employing staff or engaging contract personnel as appropriate to conduct the necessary work of the Institute.

ARTICLE X

COMMITTEES

The President & CEO or the Board of Directors may appoint special committees as deemed appropriate. Members of the committees may be comprised of members or non-members of the Institute and shall be selected on the basis of their competency to address the subject of the committees' deliberations.

At least sixty (60) days before the Annual Meeting, an appointment will be made of a Nominating Committee consisting of three individuals, which shall represent current members of the Board of Directors whose terms of office extends beyond that year's Annual Meeting. Not later than thirty (30) days prior to the Annual Meeting, the Nominating Committee shall submit to the President & CEO the names of nominees for the Board to be elected at that year's Annual Meeting.

ARTICLE XI

WAIVER OF NOTICE

Whenever any notice is required to be given to any Director of the Institute under the provisions of these By-Laws, the Institute's Certificate of Incorporation, or the laws of New Jersey, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after

the time stated therein, shall be deemed equivalent to the giving of such notices. The attendance of a member of the Board of Directors at a meeting shall constitute a waiver of notice of such meeting except where a Board member attends a meeting for the expressed purposes of objecting to a transaction of any business because the meeting is not lawfully called or convened.

ARTICLE XII

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Right of Indemnification and Standard of Conduct. Any person who is made a party to a suit or proceedings by or in the right of the Institute to procure a judgment in its favor by reason of the fact that he/she, his/her testator or intestate, is or was a Director or officer of the Institute, may be indemnified by the Institute in accordance with these By-Laws against judgments, amounts paid in settlement and reasonable expenses, including attorney's fees, actually and necessarily incurred as a result of such suit or proceedings, or any appeal therein, except in relation to matters as to which such Director or officer is adjudged to have breached his/her duty to the Institute under New Jersey law. Any person made or threatened to be made a party to a suit or proceeding other than by or in the right of this Institute to procure a judgment in its favor, whether civil or criminal, including a suit or proceeding by or in the right of any other corporation which any Director or officer of the Institute served in any capacity at the required of this Institute, by reason of the fact that he/she, his/her testator or intestate, is or was a Director or officer of this or such other corporation for served such other corporation in any capacity, may be indemnified by the Institute in accordance with these By-Laws against judgments) fines, amounts paid in settlement and reasonable expenses, including attorney's fees, actually and necessarily incurred as a result of such suit or proceeding, or any appeal therein, if such Director or officer acted in good faith for a purpose which he/she reasonably believed to be in the best interest of this Institute and, in addition, in criminal actions or proceedings, had no reasonable cause to believe that his/her conduct was unlawful.

Section 2. Determination of Right of Indemnification. Any person referred to in these By-Laws who has been wholly successful, on the merits or otherwise, in the defense of any civil or criminal action, suit or proceeding of the character described in these By-Laws shall be entitled to indemnification as a right without any further action or approval by the Board of Directors. Except as provided in the immediately preceding sentence, any indemnification under these By-Laws next above shall be made at the discretion of the Institute but only if the Board of Directors, acting by majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, present or voting, shall find that the Director or officer has met the applicable standard of conduct set forth in these By-Laws, or (b) if no such quorum of the Board of Directors is obtainable with due diligence, independent legal counsel shall deliver to the Institute their written opinion that indemnification is proper under the circumstances because such Director or officer has met such standard.

Notwithstanding the foregoing, no person referred to in these By-Laws who has been made a party to any action, suit or proceeding of the character described in these By-Laws shall be entitled to indemnification with respect to any claim, issue or matter as to which such person, his/her testator or intestate, shall have been adjudged to be liable for negligence or misconduct in

the performance of his duty to this Institute or any other corporation which such person served in any capacity at the request of this Institute, unless and except to the extent that the court in which such action, suit or proceeding was brought shall determine upon application that, despite the adjudication of liability and in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

Section 3. Advance of Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Institute in advance of the final disposition of such action, suit or proceeding, only if authorized in the specific case (a) by the Board of Directors acting by majority vote of a quorum consisting of Directors who are not parties to such action, suit or proceeding upon a finding that the Directors or officer has met the applicable standard of conduct set forth in these By-Laws, or (b) if no such quorum of the Board of Directors is obtainable with due diligence, upon the opinion in writing of independent legal counsel that indemnification is proper under the circumstances because such Director or officer has met such standard, provided that the Institute shall have received an undertaking by or on behalf of the person receiving such advancement to prepay such amount if he/she is ultimately found not to be entitled to indemnification or, where indemnification is granted, such portion of the amount so advanced by the Institute or allowed by the court in excess of the indemnification to which he/she is entitled.

Section 4. Rights of Indemnification Cumulative. The rights of indemnification provided in this Article X shall be in addition to any rights to which any such Director, officer or other person may otherwise be entitled under any By-Law, agreement or otherwise.

ARTICLE XIII

AMENDMENTS

Subject to the provisions of the Certificate of Incorporation of the Institute, the Board of Directors may amend, repeal, or alter these By-Laws of the Institute, in part or in whole, by affirmative vote of two-thirds (2/3) of all the Directors of the Institute then in office, provided that notice of intention to amend, repeal, or alter the By-Laws, in whole or in part, shall have been given in the notice of such meeting.

ARTICLE XIV

EXEMPT STATUS

The Institute has been organized and will be operated for exempt purposes within the meaning of Section 501(c)3 of the Internal Revenue Code and will be exempt from taxation under Section 501(a). Any provision of these By-Laws which would in any manner adversely affect the Institute's tax exempt status shall be void and shall be deleted or modified as necessary to comply with all applicable requirements for the Institute's maintaining its tax exempt status.

ARTICLE XV

DISSOLUTION

Upon dissolution of the corporation, all its assets shall be distributed as provided for in its Certificate of Incorporation.

These By-Laws were adopted on the 30th day of June, 2008.