

**BYLAWS**  
**FOR THE**  
**WORKGROUP FOR ELECTRONIC DATA INTERCHANGE**

( Last amended in May 24, 2001)

**BYLAWS  
OF THE  
WORKGROUP FOR ELECTRONIC DATA INTERCHANGE**

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**BYLAWS  
OF THE  
WORKGROUP FOR ELECTRONIC DATA INTERCHANGE**

**ARTICLE I  
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**Section 1.1 Name Section 1.1 NameSection 1.1 NameSection 1.1 Name.**

The name of the organization shall be the Workgroup for Electronic Data Interchange ("WEDI").

**ARTICLE II  
NOT FOR PROFIT PROVISIONS**

**Section 2.1 PurposesSection**

WEDI's purpose is to promote the interests of the healthcare community through the development of electronic data interchange by:

- (a) Promoting and facilitating an orderly migration to electronic data interchange in the healthcare community;
- (b) Serving as a coordinated education resource on electronic data interchange and developing materials for use by members of the healthcare community;
- (c) Monitoring and reporting on the progress of electronic data interchange implementation in the healthcare community;
- (d) Identifying obstacles to the implementation of electronic data interchange and proposing solutions for their removal; and
- (e) Building consensus on electronic data interchange issues, and on an appropriate legislative and regulatory framework.

**Section 2.2 Not for Profit Organization**

Notwithstanding the foregoing or any other provision of the Articles of Incorporation or these Bylaws:

- (a) No part of the net earnings of WEDI shall, inure to the benefit of, or be distributable to, its directors, officers, members, or other private persons; except that WEDI shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above; and
- (b) WEDI shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax and described in Section 501(c)(6) of the Internal

Revenue Code of 1986, as amended (the "Code").

### **ARTICLE III** **MEMBERSHIP**

#### **Section 3.1 Membership Classes**

WEDI shall have nine (9) Membership classes: Consumer Organizations, Government, Individuals, Mixed Provider/Payers, Payers, Providers, Standards Organizations, Affiliates and Vendors. The Membership Classes and their respective voting rights are described below:

(a) **Consumer Organizations.** Organizations that represent consumer interests and do not qualify under any of the other Membership categories. This membership category includes associations representing consumers. Voting Rights: Consumer Organization Members of WEDI may: (i) cast one (1) vote for each open Consumer Organization Board seat; (ii) cast one (1) vote on each matter brought to a vote of the Membership, (iii) and cast one (1) vote in each Advisory Group on each matter brought to a vote of the Advisory Group.

(b) **Government.** All components of the Federal, State, and local governments involved in health care electronic data interchange ("EDI") through regulation, administration, or use of health care EDI information. The Health Care Financing Administration, state Medicaid agencies, CHAMPUS, state insurance commissioners, and state-run community health information networks ("CHINS") organizations, are examples of government organizations. This Membership category includes professional and trade associations representing government. Voting Rights: Government Members of WEDI may: (i) cast one (1) vote for each open Government Board seat; (ii) cast one (1) vote on each matter brought to a vote of the Membership, (iii) and cast one (1) vote in each Advisory Group on each matter brought to a vote of the Advisory Group.

(c) **Individuals.** Individuals interested in health care EDI who would like to participate in WEDI or receive the benefits of individual Membership in WEDI and are not employed by either a for profit or a not for profit organization whose gross revenues exceed \$500,000. Individual Members shall receive all regular Membership mailings and information. Voting Rights: Individual Members of WEDI may cast one (1) vote in each Advisory Group on each matter brought to a vote of the Advisory Group. Individual members may not be elected to nor appointed to the Board of Directors, and may not vote for Director positions.

(d) **Mixed Provider/Payers.** Organizations that have characteristics of both payers and providers and choose not to be identified in either of those categories. This membership category includes professional and trade associations representing mixed provider/payers. Voting Rights: Mixed Provider/Payer Members of WEDI may: (i) cast one (1) vote for each open Mixed Provider/Payer Board seat; (ii) cast one (1) vote on each matter brought to a vote of the Membership, (iii) and cast one (1) vote in each Advisory Group on each matter brought to a vote of the Advisory Group.

(e) **Payers.** Organizations that pay claims or administer insurance products or benefits, or both. Payers include insurance companies, health maintenance organizations (HMOs), preferred provider organizations (PPOs), third party administrators (TPAs), third party organizations (TPOs), and sponsors (self insured employers, unions, etc.). This Membership category includes professional and trade associations representing payers. Voting Rights: Payer Members of WEDI may: (i) cast one (1) vote for each open Payer Board seat; (ii) cast one (1) vote on each matter brought to a vote of the Membership, (iii) and cast one (1) vote in each Advisory Group on each matter brought to a vote of the Advisory Group.

(f) **Providers.** Licensed providers of health care products or services including dentists, DME suppliers, home care agencies, hospices, hospitals, laboratories, long-term care facilities, pharmacies, physicians, etc. This Membership category includes professional and trade associations representing providers. Voting Rights: Provider Members of WEDI may: (i) cast one (1) vote for each open Provider Board seat; (ii) cast one (1) vote on each matter brought to a vote of the Membership, (iii) and cast one (1) vote in each Advisory Group on each matter brought to a vote of the Advisory Group.

(g) **Standards Organizations.** Organizations that have a mission to create or evaluate the use of standards for health care EDI and are recognized accrediting standards committees. This Membership category includes professional and trade associations representing standards organizations. Voting Rights: Standards Organization Members of WEDI may: (i) cast one (1) vote for each open Standards Organization Board seat; (ii) cast one (1) vote on each matter brought to a vote of the Membership, (iii) and cast one (1) vote in each Advisory Group on each matter brought to a vote of the Advisory Group.

(h) **Vendors.** Organizations or individuals that market, sell or provide services or products to providers, payers or government to support health care EDI. This Membership category includes professional and trade associations representing such vendors. Vendor examples include EDI clearinghouses, software and hardware vendors of systems that support or interface with EDI, suppliers of EDI materials and devices such as stripe cards, card readers, bar code readers, etc., and management consultants that provide services related to health care EDI. Voting Rights: Vendor Members of WEDI may: (i) cast one (1) vote for each open Vendor Board seat; (ii) cast one (1) vote on each matter brought to a vote of the Membership, (iii) and cast one (1) vote in each Advisory Group on each matter brought to a vote of the Advisory Group.

(i) **Affiliates.** Organizations with 150 or fewer employees that are regional or state affiliates of, and have a formal, legal or corporate structural relationship with a national organization which is a member in good standing of WEDI. Voting rights: Affiliate members of WEDI may: (i) cast one (1) vote on each matter brought to a vote of the membership, and (ii) cast one (1) vote in each Advisory Group on each matter brought to a vote of that Advisory Group. Affiliate members may not be elected to or appointed to the Board of Directors, and may not vote for Director positions.

### **Section 3.2 Membership Section**

To be considered for membership in WEDI an applicant shall submit to the WEDI Membership Committee: (a) a fully completed membership application and (b) the applicable membership dues or a letter of intent to pay the applicable dues amount.

### **Section 3.3 Dues Section**

(a) The dues of each class of Members shall be recommended by the Executive Committee to the Board of Directors and shall be subject to approval by the Board of Directors as described below. The dues structure shall relate to the needs and activities of WEDI as those needs and activities are voted upon by the Board of Directors from time to time. The Board of Directors may waive the payment of dues for any particular Member upon a satisfactory showing that the payment of dues will work an undue hardship on the Member, and that the Member is and will remain committed to support of WEDI's principles and will participate actively in WEDI's activities.

(b) The dues of each class of Members and any waiver of dues shall be subject to approval by a majority of the eligible voting members present of the Board of Directors, provided however, that for every two (2) vacancies on the Board, the number of members of the Board of Directors required to approve the dues structure or any dues waiver shall be reduced by one (1).

(c) Changes in dues shall take effect at the beginning of the fiscal year following approval by the Board. Annual dues are payable by the first day of the fiscal year.

### **Section 3.4 Meetings**

The annual meeting of the Membership shall be held each year during the fourth calendar quarter at such place, day and hour as may be determined by the Chair of WEDI. A special meeting of the Membership may be called by the Chair or by a resolution of the Board of Directors. Special meetings may also be called by a written petition to the Secretary of WEDI signed by at least one-fifth (1/5) of the Members and including at least three (3) classes of Members entitled to vote at such a meeting. The place, day and hour of a special meeting called by petition of the Members shall be fixed by the Board of Directors not less than forty-five nor more than ninety days from the date of receipt of the petition.

### **Section 3.5 Notice of Meetings**

Except as otherwise provided by law, written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than five (5) days nor more than forty (40) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary of WEDI to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at the Member's last known post office address as it appears on the record books of WEDI, with postage thereon prepaid. Notice of any meeting may be waived and presence of the Member at any meeting of the Membership shall be deemed to be the equivalent of such waiver.

### **Section 3.6 Agenda Section 3.6 AgendaSection 3.6 AgendaSection 3.6 Agenda**

Beginning in 1996, the agenda for the annual meeting shall include, but need not be limited to, the election of Directors, reports from Committees and from Advisory Groups, and a report from the Executive Vice President.

### **Section 3.7 Quorum**

Those Members present and eligible to vote at any annual or special meeting of the Members shall constitute a quorum.

### **Section 3.8 Voting**

(a) **Manner of Acting.** Except as otherwise provided by law or in these Bylaws, the affirmative vote of a majority of the eligible Members present and voting at a meeting of the Members at which a quorum is present shall be the act of the Members.

(b) **Authorized Representative.** Each organizational Member of WEDI shall notify the Secretary of WEDI of the authorized representative of the Member by means of a writing signed by an executive officer of the Member. If no such notification is received by the Secretary of WEDI the authorized representative of the Member shall be the chief executive officer of the Member.

(c) **Voting Lists.** At least ten (10) days before each annual meeting of the Membership the Secretary of WEDI shall prepare a complete list of the Members entitled to vote at such meeting. The list shall identify the authorized representative of each Member and be arranged alphabetically by Membership class.

### **Section 3.9 Informal Action**

Any action required or permitted to be taken at a meeting of the Membership of WEDI may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by either (i) all of the Members entitled to vote with respect to the subject matter thereof, or (ii) by the Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of the Members at which all Members entitled to vote thereon were present and voting; provided, that if such consent is signed by less than all of the Members entitled to vote, then such consent shall become effective only if, at least five (5) days prior to the effective date of such consent, a notice in writing of the proposed action is delivered to all of the Members entitled to vote with respect to the subject matter thereof, and if, after the effective date of such consent, prompt notice in writing of the taking of the corporate action without a meeting is delivered to those Members entitled to vote who have not consented in writing.

## ARTICLE IV

### BOARD OF DIRECTORS ARTICLE IV BOARD OF DIRECTORS ARTICLE IV BOARD OF DIRECTORS

#### **Section 4.1 General Powers and Responsibilities**

The overall responsibility for the affairs and properties of WEDI shall vest and be in the Board of Directors. The Board of Directors shall establish overall policies for WEDI. Among other things, the Board of Directors shall approve the annual budget, all non-budgeted expenditures over \$25,000, and Membership recommendations from the Membership Committee.

#### **Section 4.2 Number and Qualifications**

The Board of Directors shall be comprised of the following:

- (a) Thirty-two (32) members consisting of individuals representing organizational members of WEDI in good standing as follows:
  - (i) Two (2) representatives of Consumer Organization Members;
  - (ii) Three (3) representatives of Government Members, including the authorized representative of the Federal Health Care Financing Administration (“HCFA”) serving *ex officio* without vote;
  - (iii) Three (3) representatives of Mixed Provider/Payer Members;
  - (iv) Seven (7) representatives of Payer Members;
  - (v) Seven (7) representatives of Provider Members;
  - (vi) Three (3) representatives of Standards Organization Members;
  - (vii) Seven (7) representatives of Vendor Members; and
- (b) the Executive Vice President of WEDI serving *ex officio*, without vote.

#### **Section 4.3 Election and Term of Directors**

(a) Members shall elect Directors by mail ballot in accordance with procedures determined by the WEDI Board of Directors. Each organizational Member shall be entitled to one (1) vote for as many open Director positions of the same class of Member as such voting Member. For example, if two (2) of the three (3) Mixed Provider/Payer Director seats are open, then each Mixed Provider/Payer Member of WEDI may cast one (1) vote for each of the two (2) open positions. There shall be no cumulative voting. Individual Members of WEDI shall not have voting rights for the Board of Directors of WEDI.

(b) Prior to each annual Membership meeting, Directors shall be elected for a full term of two (2) years to succeed the Directors of the group whose term then expires. A Director who is elected to serve as Chair-Elect, and fulfills the positions of Chair-elect, Chair and immediate Past Chair, shall automatically serve for three (3) years as Director (filling one (1) Director position for the relevant Membership class), without being re-elected by the Members, in order to allow him or her to serve as Chair of WEDI the

subsequent year and the immediate past Chair for the year thereafter. This automatic succession process may be modified by the Board of Directors as appropriate if the Chair is elected to a two (2) year term of office.

(c) Nothing herein shall be construed to prevent amendment of these Bylaws to increase or decrease the number of Directors, except that no decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director(s).

#### **Section 4.4 Resignation, Disqualification and Removal of Directors**

Any Director may resign at any time by giving written notice to the Chair or Secretary of WEDI. Such resignation shall take effect at the time specified therein, or if no time is specified, then upon delivery. Notwithstanding any other provisions of these Bylaws, a voting director shall be disqualified and removed from office (i) if at any time during his or her term of office he or she is no longer the authorized representative of the organizational Member of WEDI that he or she represented at the time of his or her election to the Board of WEDI, or (ii) if at any time during his or her term of office the Member of which he or she is the authorized representative is no longer a Member in good standing of WEDI. Any Director who has failed or fails to attend two (2) consecutive Board meetings at any time, barring extraordinary circumstances, to be determined by the entire Board, shall be automatically removed. Consideration of extraordinary circumstances shall take place at the earliest possible Board meeting. Any Director may be removed for cause by the affirmative vote of two-thirds (2/3) of the Members of WEDI.

#### **Section 4.5 Vacancies**

If a vacancy occurs in the Board, for whatever reason, the number of Directors shall be reduced by such vacancy until a qualified replacement is appointed or elected for the unexpired term. Any vacancy not caused by the failure of the Director's organizational Member to maintain its WEDI Membership in good standing shall be filled by the former Director's organization through notification to the Secretary of WEDI of the identity of the Member's new authorized representative. If the vacancy is created because the subject organization is no longer a Member in good standing of WEDI, then the vacancy so created shall be filled by the Board from among the qualified authorized representatives of Members in the class from which the vacancy arose at an annual, regular or special meeting of the Board called for such purpose.

#### **Section 4.6 Annual Meeting**

The annual meeting of the Board of Directors shall be held each year during the fourth calendar quarter, immediately following the annual meeting of the Membership and in the same place as the annual meeting of the Membership unless another location for such meeting is approved by the Board.

#### **Section 4.7 Regular Meetings**

Meetings of the Board of Directors shall be held at least twice a year. Regular meetings shall be held at the place, day and hour designated by the Chair by announcement at the preceding Board of Directors' meeting or by written notice by the Chair to the members of the Board of Directors.

#### **Section 4.8 Special Meetings**

Special meetings of the Board of Directors may be called by or at the request of the Chair or by at least five (5) members of the Board of Directors then in office.

#### **Section 4.9 Notice**

Notice of any annual, regular or special meeting shall be given in writing by personal delivery or by mail or by electronic messaging or other form of electronic notice to each Director at least five (5) business days before the day on which the meeting is to be held. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Director at his or her last known post office address as it appears on the record books of WEDI, with postage thereon prepaid; if conveyed by electronic means, such notice shall be deemed to be delivered upon receipt of confirmation of successful delivery of such notice has been received. Notice may be waived in writing by any Director either before or after the meeting. Attendance of any Director at any meeting shall constitute a waiver of notice of such meeting unless the Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

#### **Section 4.10 Quorum**

A majority ( defined as no less than 51 % ) of the voting members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors; provided, that if less than a majority of the Board of Directors is present, those Directors present may adjourn the meeting without further notice.

#### **Section 4.11 Manner of Acting**

The act of a majority of the Directors present at a meeting of the Board of Directors at which a quorum is present shall be the act of the Board of Directors except where otherwise provided by law or these Bylaws. Board members may not vote by proxy.

#### **Section 4.12 Informal**

Any action that is required to be or may be taken at a meeting of the Board of Directors may be taken without a meeting if consents in writing, setting forth the action so taken, are signed by all of the Directors then in office.

### **Section 4.13 Telephonic Meetings**

Directors may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting in this manner shall constitute presence in person at the meeting.

### **Section 4.14 Compensation**

Directors shall not receive compensation for their services as Directors; however, nothing herein shall prohibit payment of compensation to an individual serving as a Director who renders services to WEDI in another capacity.

### **Section 4.15 Conflict of Interest**

No contract or transaction between WEDI and one or more of its Directors or officers, or between WEDI and any other corporation, partnership, association, or other organization in which one or more of its Directors or officers are directors, officers or have a financial interest, shall be void or voidable solely for this reason, or solely because the Director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, if the material facts as to his, her or their relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Directors, even though the disinterested Directors may be less than a quorum. Interested Directors may not be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee which authorizes the contract or transaction. The votes of an interested Director may not be counted in determining whether sufficient affirmative votes have been cast on the matter.

## **ARTICLE V** **OFFICERS**

### **Section 5.1 Officers**

The officers of WEDI shall be a Chair, a Chair-Elect, an immediate past Chair, a Secretary and a Treasurer, and such other officers as the Board of Directors may authorize from time to time. The Chair, the Chair-Elect, the immediate past Chair, the Secretary and the Treasurer must be members of the Board of Directors. Any other officers that the Board may authorize need not be Board members.

### **Section 5.2 Election**

The Board of Directors shall elect individuals to fill the offices of Chair-Elect, Secretary and Treasurer (and any other offices that may be created by the Board of Directors from time to time)

each year at the annual meeting of the Board of Directors.

### **Section 5.3 Term of Office**

Each officer's term of office shall be one (1) year and shall begin at the beginning of the WEDI fiscal year that begins following the annual meeting of the Board of Directors at which they are elected. The Chair may hold office for two (2) successive terms of one (1) year with approval of the Board. The Chair-Elect will hold office for a one (1) year term and following such term of office (without further action by the Board) will become Chair of WEDI. This automatic succession process may be modified as appropriate if the Chair is elected to a two (2) year term. The immediate past Chair will hold office for a one (1) year term which shall commence immediately following conclusion of his or her term of office as Chair of WEDI (without further action by the Board). The past Chair's term as a Director will end at the conclusion of one (1) year. The Secretary and the Treasurer may hold office for only two (2) consecutive terms of one (1) year each (a total term of service of two (2) years). Any individual who has served two (2) consecutive terms as Secretary or Treasurer may return to such office if duly elected to another term in such office after leaving the office for a period of at least one (1) year.

### **Section 5.4 Resignation and Removal of Officers**

Any officer may resign at any time by giving written notice to the Secretary of WEDI or in the case of the Secretary to the Chair. Such resignation shall take effect at the time specified therein, or if no time is specified shall take effect immediately. An officer may be removed with or without cause, by the affirmative vote of a majority of the Directors present at a meeting of the Directors at which a quorum is present.

### **Section 5.5 Vacancies**

A vacancy of an officer position due to death, resignation, or other cause shall be filled immediately by the Chair. Such appointments shall be subject to approval at the next meeting of the Executive Committee. The Nominating Committee shall nominate a successor to fill the vacant officer position; such nomination shall be voted on at the next meeting of the Board of Directors. An officer so elected shall hold office for the remainder of the term of the officer whose position was vacated.

### **Section 5.6 Chair**

The Chair shall preside at meetings of the Membership, the Executive Committee and the Board of Directors. He or she shall also serve as an *ex-officio* member of all Board committees. Except as otherwise provided in these Bylaws, the Chair shall appoint the Chairs or Co-Chairs of all Committees and Advisory Groups as provided in these Bylaws. Except as otherwise provided in these Bylaws, the Chair of WEDI shall appoint the members of all Board committees, subject to ratification by the Board of Directors.

### **Section 5.7 Chair-Elect**

The Chair-Elect shall assist the Chair, preside at meetings in the absence of the Chair, and have the usual powers and duties pertaining to that office in the absence of the Chair.

### **Section 5.8 Immediate Past Chair**

The immediate past Chair shall assist the Chair in special projects and preside at meetings in the absence of both the Chair and the Chair-Elect.

### **Section 5.9 Secretary**

The Secretary of WEDI shall keep, or cause to be kept, the minutes of meetings of the Membership and the Board of Directors. The Secretary shall see that a registry of the Post Office address and electronic address, if any, of each Member of WEDI is kept. The Secretary shall perform all duties incident to the office of Secretary and such other duties as may be assigned from time to time by the Chair or the Board of Directors.

### **Section 5.10 Treasurer**

The Treasurer shall be the responsible fiscal officer of WEDI. The Treasurer shall keep and maintain, or cause to be kept and maintained, the financial records of WEDI. The Treasurer shall submit a written accounting of any and all funds, assets and financial transactions of WEDI to the Executive Committee or the Board of Directors upon request and to the Membership at the annual meeting of the Membership. The Treasurer shall ensure that the accounts of WEDI are audited annually by a certified public accountant. An audited financial statement will be provided to Members upon request. The Treasurer is also responsible for the preparation of WEDI's annual budget and submission of the annual budget to the Board of Directors prior to the annual meeting of the Board. The Treasurer shall perform all duties incident to the office of the Treasurer and such other duties as may be assigned from time to time by the Chair or the Board of Directors. The Board of Directors may require that the Treasurer be bonded during his or her term or terms of office, in such amounts as the Board may determine.

## **ARTICLE VI COMMITTEES & ADVISORY GROUPS**

### **Section 6.1 Designation**

(a) The standing committees of the Board of Directors shall be the Executive Committee, the Membership/Marketing Committee and the Nominating Committee and such other standing committees as the Board may create from time to time. The Board of Directors may designate by resolution one or more special committees as needed or required to conduct and transact the business of WEDI. Membership and participation on any or all of the special committees may be open to organizational and individual members of WEDI at the determination

of the Board of Directors.

(b) Any number of Advisory Groups may be designated by resolution of the Board of Directors as needed or required to fulfill the mission of WEDI. Membership on any or all Advisory Groups shall be open to all individual and organizational Members of WEDI, with voting rights as specified herein. Special rules and policies governing the Advisory Groups may be adopted from time to time by the Board of Directors as necessary and appropriate.

## **Section 6.2 Executive Committee**

(a) The Executive Committee shall be composed of (i) the Chair of WEDI (who shall be the Chair of the Executive Committee), the Chair-Elect, the Secretary of WEDI (who shall be the Secretary of the Executive Committee), the Treasurer of WEDI, the immediate past Chair of WEDI (provided that the immediate past Chair shall serve on this committee only if he or she continues to serve as a Director of WEDI), and the HCFA representative who is serving as a Director of WEDI who shall serve *ex officio* without vote, (ii) and such other Directors appointed by the Chair, subject to ratification by the Board of Directors, as shall constitute a total of not more than eleven (11) members.

(b) The Executive Committee may oversee and conduct the business of WEDI consistent with policies established by the Board of Directors, hire, evaluate and dismiss the Executive Vice President of WEDI, review the annual budget as recommended by the Treasurer, review financial reports prepared by the Treasurer and review reports and recommendations of Standing or Special Committees and of Advisory Groups prior to presentation of such reports or recommendations at the annual meeting of the Board of Directors. The Executive Committee may approve any non-budgeted expenditure of up to \$25,000. The Executive Committee shall serve as the spokespersons for WEDI upon the direction and request of the Chair.

(c) The Executive Committee shall meet upon the call of its Chair. The Executive Committee shall meet regularly but no less than twice a year

## **Section 6.3 Membership Committee**

The Membership Committee shall consist of the Chair and the Secretary, each serving *ex-officio*, with vote, and at least seven (7) other Directors, all of whom shall be appointed by the Chair, subject to ratification by the Board of Directors. The Directors serving on the Membership Committee, taken as a whole, shall be representative of all categories of Membership. The Membership Committee shall evaluate Membership applications and make recommendations to the Board of Directors and shall periodically evaluate the categories of Membership to ensure that they appropriately serve the mission of WEDI and represent all industry segments and groups interested and involved in electronic data interchange in health care. The Membership Committee may also recommend and implement programs to increase WEDI membership and encourage Members to be active in WEDI.

#### **Section 6.4 Nominating Committee**

The Nominating Committee shall consist of at least seven (7) Directors representing each category of organizational Membership, all of whom shall be appointed by the Chair, subject to ratification by the Board of Directors. Beginning with the Board elections to be held at the annual meeting of the Membership held in the second calendar quarter of 1996, the Nominating Committee shall recommend to the Board for the Board's approval prior to the annual meeting a slate of Directors representing each Membership category to be presented to the Membership at the annual meeting.

#### **Section 6.5 Terms of Office**

Each member of any standing or special Board of Directors' committee shall serve until the next annual meeting of the Board of Directors or until a successor is appointed.

#### **Section 6.6 Resignation, Disqualification and Removal**

Any committee member may resign at any time by giving written notice to the Secretary of WEDI. Such resignation shall take effect at the time specified therein, or if no time is specified shall take effect immediately. Any committee member may be removed by a majority vote of the Board of Directors. Any Board Committee member who ceases to be a Board member for any reason shall be disqualified and removed from such committee.

#### **Section 6.7 Vacancies**

Vacancies in the membership of any committee shall be filled by the Chair of WEDI, subject to ratification by the Board of Directors.

#### **Section 6.8 Notice**

Committees shall meet at the call of the chair of the committee. Oral, written or electronic notice of any committee meeting shall be given at least one (1) business day before the meeting is to be held.

#### **Section 6.9 Quorum**

A majority of the committee membership shall constitute a quorum for the transaction of business at any meeting of the committee.

#### **Section 6.10 Voting and Manner of Acting**

Unless otherwise required by law or these Bylaws, each member of a Board committee shall have one vote on each matter brought to a vote. Unless otherwise required by law or these Bylaws or otherwise provided in any rules or policies adopted by the Board of Directors from time to time, each organizational Member of a Advisory Group shall have only one (1) vote in each Advisory

Group on each matter brought to a vote of the Advisory Group, regardless of the number of individual representatives that may attend Advisory Group meetings and each Individual Member shall have only one (1) vote in one (1) Advisory Group on each matter brought to a vote of such Advisory Group, regardless of the number of Advisory Groups in which the Individual Member may choose to participate. The act of a majority of the Members present at a meeting at which a quorum is present shall be the act of the committee.

### **Section 6.11 Minutes**

Each committee and Advisory Group shall keep minutes of its meetings.

### **Section 6.12 Reports**

All standing and special committees and all Advisory Groups shall submit formal reports of the year's activities and recommendations to the Executive Committee and subsequently to the Board of Directors prior to the annual meeting of the Membership. Such reports and recommendations shall also be presented at the annual meeting of the Membership as deemed appropriate by the Chair and in the form and manner specified by the Chair.

### **Section 6.13 Rules**

Each committee and Advisory Group may adopt rules for its own governance not inconsistent with these Bylaws or with any actions taken by the Board of Directors or rules that may be adopted by the Board of Directors from time to time.

### **Section 6.14 Informal Action**

Any action that is required to be taken at a meeting of the Executive Committee or any other committee of the Board may be taken without a meeting if consents in writing, setting forth the action so taken, are signed by all of the members of the committee.

### **Section 6.15 Telephonic Meetings**

Committee members may participate in a meeting of the committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting in this manner shall constitute presence in person at the meeting.

## **ARTICLE VII** **FISCAL MATTERS**

### **Section 7.1 Fiscal Year**

The fiscal year of WEDI shall be January 1 to December 31.

## **Section 7.2**

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of WEDI.

## **Section 7.3 Loans**

No loans or borrowings shall be contracted for or on behalf of WEDI unless authorized by a resolution of the Board of Directors. No loans shall be granted to any officer or Director of WEDI.

## **Section 7.4 Checks and Drafts**

All checks, drafts, or other orders for the payment of money, and all notes or other evidences of indebtedness issued in the name of WEDI or to WEDI, shall be signed and endorsed by such officer or officers, agent or agents of WEDI and in such manner as shall from time to time be determined by resolution of the Board of Directors.

## **Section 7.5 Deposits**

All funds of WEDI, not otherwise employed, shall be deposited from time to time to the credit of WEDI in such banks, trust companies, or other depositories as the Board of Directors may select.

## **Section 7.6 Books, Records and Accounts**

WEDI shall keep or cause to be kept correct and complete books and records of account and shall also keep minutes of the proceedings of the Board of Directors and its committees. In addition, WEDI shall annually cause to be filed the necessary reports, tax returns or other documents as may be required by law on its own behalf.

# **ARTICLE VIII**

## **INDEMNIFICATION ARTICLE VIII INDEMNIFICATION ARTICLE VIII INDEMNIFICATION ARTICLE VIII INDEMNIFICATION**

## **Section 8.1 Indemnification**

(a) To the extent permitted by law, WEDI may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of WEDI) by reason of the fact that he or she is or was a Director, officer, Board committee member, Advisory Group chair, employee or agent of WEDI or is or was serving at the request of WEDI as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with

such action, suit, or proceeding, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of WEDI, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of WEDI or, with respect to any criminal action or proceeding, that the person had no reasonable cause to believe that his or her conduct was unlawful.

(b) To the extent permitted by law, WEDI may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of WEDI to procure a judgment in its favor by reason of the fact that such person is or was a Director, officer, employee or agent of WEDI, or is or was serving at the request of WEDI as a director, officer, Board committee chair or member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) and amounts paid in settlement actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of WEDI, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to WEDI unless and only to the extent that the court in which the action or suit was brought determines 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 which the court shall deem proper.

(c) To the extent that a Director, officer, Board committee member, Advisory Group chair, employee or agent of WEDI has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in subsections (a) and (b) hereof, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

(d) Any indemnification under subsections (a) and (b) hereof (unless ordered by a court) shall be made by WEDI only as authorized in the specific case, upon a determination that indemnification of the Director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in subsections (a) or (b) hereof. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) by the Members entitled to vote.

(e) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by WEDI in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the

Director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by WEDI as authorized in this Section.

(f) The indemnification provided herein shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any other bylaw or any agreement, vote of members or disinterested directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, Board committee member, Advisory Group chair, employee or agent.

(g) WEDI may purchase and maintain insurance on behalf of any person who is or was a Director, officer, Board committee member, Advisory Group chair, employee or agent of WEDI, or who is or was serving at the request of WEDI as a director, officer, Board committee member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not WEDI would have the power to indemnify such person against such liability under the provisions hereof.

(h) The indemnification provided herein shall inure to the benefit of the Directors, officers, Board committee members, Advisory Group chairs, employees, agents and their heirs, executors or administrators as of the date of the adoption of these Bylaws.

## **ARTICLE IX** **AMENDMENTS**

### **Section 9.1 Bylaw Amendments**

These Bylaws may be altered, amended, or repealed and new Bylaws adopted subject to approval by a majority of the eligible voting members present of the Board of Directors.

### **Section 9.2 Article Amendments**

The Articles of Incorporation of WEDI may be amended or restated subject to approval by a majority of the eligible voting members present of the Board of Directors.

**ARTICLE X**  
**SEVERABILITY ARTICLE XSEVERABILITYARTICLE**  
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**Section 10.1 Severability**

The invalidity of any clause, provision, or Article of these Bylaws shall not affect the validity or enforceability of the remaining clauses, provisions, or Articles.

**ARTICLE XI**  
**DISSOLUTION**

**Section 11.1 Dissolution**

In the event of WEDI's dissolution or liquidation, the Board of Directors of WEDI shall, after paying or making provision for the payment of all of the liabilities of WEDI, dispose of all of the remaining assets of WEDI (except any assets held upon condition requiring return, transfer or other conveyance in the event of dissolution, which assets shall be returned, transferred or conveyed in accordance with such requirements) exclusively for the purposes of WEDI by transferring such assets to such other domestic or foreign corporations, societies or organizations engaged in activities substantially similar to those of WEDI, or, in the event no such similar organization exists, to another organization as the Board of Directors of WEDI shall determine, provided, however, that WEDI shall only make transfers or conveyances to entities organized and qualified under Sections 501(c)(3), 501(c)(4) or 501(c)(6) of the Code. Any of such assets not so disposed of shall be disposed of by the court of general jurisdiction of the county in which the principal office of WEDI is then located, exclusively for the purposes of the corporation in such manner, or to such tax-exempt organization or organizations described in Section 501(c)(3), 501(c)(4) or 501(c)(6) of the Code, as said court shall determine.