

QUALITY, COMPLIANCE & ETHICS COMMITTEE CHARTER

This charter (the “Charter”) sets forth the duties and responsibilities and governs the operations of the Quality, Compliance & Ethics Committee (the “Committee”) of the Board of Directors (the “Board”) of Grady Memorial Hospital Corporation (the “Corporation”), a nonprofit corporation organized and existing under the Georgia Nonprofit Corporation Code .

I. Purpose

The Committee’s purpose is to assist the Board in its oversight of the Corporation’s policies, procedures and operations relating to or affecting quality assurance, legal compliance and ethics.

II. Duties and Responsibilities

The Committee’s primary duties and responsibilities are as follows:

A. Quality

1. Receive, review and, if appropriate, take action with respect to periodic reports from the Corporation’s quality assurance and quality improvement personnel concerning efforts to advance quality health care.

2. Review and approve the Corporation’s policies and procedures relating to the quality of the medical care being delivered to patients by Grady Memorial Hospital (the “Hospital”) and other components of the Grady Health System.

3. Serve as Board representatives necessary to perform the joint conference function required by the Joint Commission for accredited hospitals and serve as the Board’s liaison to the medical staff of the Hospital.

4. Oversee the Hospital’s accreditation by the Joint Commission and review with the appropriate officers of the Corporation the Hospital’s accreditation status and any improvements required or suggested by the Joint Commission.

B. Compliance

1. Review and approve the Corporation’s Compliance Program, which is intended to foster compliance with all federal and state laws and regulations applicable to healthcare providers, including the Medicare and Medicaid Anti-Kickback law, the Ethics in Patient Referral Acts, and the Federal and Georgia False Claims Acts; and receive periodic reports from the compliance personnel as to the Corporation’s efforts to educate its employees concerning and promote adherence by employees to such laws and regulations.

2. Oversee the information, procedures and reporting systems the Corporation has in place to provide reasonable assurance that (i) the operations of the Corporation, the Hospital and the Grady Health System comply with applicable laws and regulations, particularly those related to healthcare providers, and (ii) the Corporation, the Hospital and the Grady Health System act in accordance with appropriate medical and healthcare ethical standards.

3. Receive, review and, if appropriate, take action with respect to (i) reports prepared pursuant to the operation of the Compliance Program of the Corporation, and (ii) material reports, notices, and inquiries received from regulators, government agencies or governments.

C. Ethics

1. Review and recommend to the Board for approval the Corporation's Codes of Conduct and Standards of Conduct that apply to directors, to executive and other officers and to employees.

2. Receive periodic reports from the appropriate officers concerning training and education programs and requirements for employees relating to applicable Codes and Standards of Conduct.

3. Monitor non-Board and non-officer services provided to the Corporation or any affiliated corporation by any director or officer and monitor other transactions between any of them and the Corporation or any affiliated corporation, pursuant to the conflict-of-interest provisions of the Bylaws and the applicable Code of Conduct or Standard of Conduct.

D. General

1. Perform any other duties and responsibilities as the Board may deem necessary, advisable or appropriate for the Committee to perform.

2. Perform such other duties and responsibilities as the Committee deems appropriate to carry out its purpose as provided in this Charter.

3. Report on a regular basis, but no less frequently than annually, to the Board concerning quality, compliance and ethics. Urgent and time sensitive matters shall be reported at the next regular or special Board meeting.

III. Organization

The Committee's membership, the chairperson, the call and conduct of Committee meetings, the preparation of Committee minutes, and the Committee's other activities shall be appointed, conducted and accomplished in accordance with applicable provisions of the Bylaws and the Corporate Governance Principles adopted by the Corporation's

Nominating and Governance Committee.

IV. Performance Evaluation

The Committee shall prepare and review with the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this Charter. The performance evaluation shall also recommend to the Board any amendments to this Charter deemed necessary or desirable by the Committee. The performance evaluation shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson or any other member of the Committee designated by the Committee to make the report.

V. Resources and Authority of the Committee

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the sole authority to select, retain, terminate, and approve the engagement and other retention terms of special counsel or other experts or consultants, as it deems appropriate.

VI. Amendment

This Charter shall not be amended except upon approval by the Board.

Adopted by the Board on _____, 2008.