

## PHYSICIAN RESIDENT EMPLOYMENT AGREEMENT

### STANDARD TERMS AND CONDITIONS

**THIS PHYSICIAN RESIDENT EMPLOYMENT AGREEMENT** (the “Agreement”) is entered into by and between the Employer and Physician Resident indicated on the attached cover page. The capitalized Terms in the Physician Resident Employment Agreement Standard Terms and Conditions not otherwise defined shall have the definition of such terms as set forth in the attached cover page. In consideration of the mutual promises set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Recitals.

Employer operates a Residency Program (“Program”) under the laws of the state in which Employer is located. Employer desires to employ Physician Resident on a full-time basis, as a resident physician in training in a specialty during the Term of the Agreement. Physician Resident desires to be so employed, agrees to devote full time and attention and hereby accepts and agrees to such employment pursuant to all of the terms and conditions of this Agreement. Notwithstanding, a Physician Resident may earn income for professional activities not described under this Agreement (“Moonlighting”) if the Employer has approved, in writing, of such activities in advance and the Moonlighting does not interfere with the ability of the Physician Resident to achieve the goals and objectives of the Program.

2. Term.

The Term of this Agreement shall commence on the Practice Commencement Date, and shall continue in full force and effect thereafter for the Term of the Agreement (except as otherwise indicated, the Term of the Agreement and any extension thereof shall hereinafter be referred to as the “Term”). Prior to the Practice Commencement Date, Physician Resident agrees to: (a) submit to and successfully pass a pre-employment drug screening; (b) provide documentation of identity and right to work; (c) provide proof of compliance with the Employer’s immunization policy; and (d) submit to a criminal background and credit check as well as reference review that Employer determines, in its sole discretion, is acceptable and desirable. Physician Resident acknowledges and agrees that Physician Resident’s employment under this Agreement is conditioned upon the above referenced items. An extension of the agreement for 30 days at a reduced rate of pay at \$455 per week for the following extenuating circumstances:

- a. Physician Resident missed more than 21 days
- b. Physician Resident has been removed from schedule due to incomplete charting greater than 2 days.
- c. Physician Resident did not see the number of patients specified by the ACGME program requirements for graduate medical education in family medicine.

3. Representations and Warranties of Physician Resident.

3.1 Employer has entered into this Agreement in reliance on Physician Resident’s representations and warranties to Employer being true and accurate at the time Physician Resident entered into this Agreement and at all times during the Term as follows:

(a) Physician Resident shall possess a training license required as a resident physician in training for the Physician Resident's particular specialty and be authorized to practice medicine under the laws of the state in which Employer is located;

(b) The Physician Resident must provide official written documentation of successful completion of the USMLE Step 3 examination. This documentation must be provided to the Residency Program Director, or designee, by the end of the ninth (9<sup>th</sup>) month of the Medical Physician Resident's first year of residency training. In the event the Physician Resident fails to provide this documentation, Physician Resident will not be eligible, and a contract will not be offered, to enter the second year of training, however, Physician Resident may finish the current contract year. Residents in the Transitional Year program must provide this documentation prior to completion of the program. In extenuating circumstances, Program Director and/or Designated Institutional Official may grant an extension to provide documentation within the first year of residency training. Should required documentation be provided at a later date, the Physician Resident will be eligible to apply for a PGY-2 position, should a position be available. The Hospital shall reimburse the Physician Resident for one USMLE Step 3 examination fee. The USMLE Step 3 examination fee is determined by the Federation of State Medical Boards (FSMB). The Physician Resident is responsible for any duplicate examination fees should a Physician Resident not pass the first scheduled exam taken within the current contract year. Terms of Physician Resident reimbursement shall be as follows: Physician Resident may not submit for reimbursement of USMLE Step 3 exam taken outside the current contract year. Physician Resident may submit for reimbursement of initial payment to the Federation of State Medical Boards (FSMB) with supporting documentation, e.g. purchase receipt dated within contract year.

(c) Physician Resident has never been disciplined, suspended or terminated from any other residency program;

(d) Physician Resident has never been reprimanded, sanctioned, or disciplined by any licensing board or state or medical society or specialty board or any healthcare facility;

(e) Physician Resident has never been denied membership or reappointment of membership on the medical staff of any hospital, and no hospital medical staff membership or clinical privileges of Physician Resident have ever been suspended, curtailed, denied or revoked; or

(f) Physician Resident has never been subject to any disciplinary order, sanction or decree of any federal or state governmental agency having jurisdiction over the practice of medicine or that Physician Resident's license to practice medicine has never been suspended, curtailed, denied or revoked by any state licensing board.

#### 4. Duties and Covenants of Physician Resident.

4.1 Physician Resident shall be responsible for the following requirements as set forth in the GME Institutional House Staff Manual and specific residency Program Manual(s) and the requirements established by each and every clinical rotation and/or specialty to which

the Physician Resident will be assigned within the scope of the Program. The Physician Resident's duties shall include, but not be limited to, the following:

(a) participate fully in the educational activities of the Residency Program including any accreditation, submission and activities as required by Residency Review Committee ("RRC") and the Accreditation Council of Graduate Medical Education ("ACGME") as well as assume responsibility for teaching and supervision other Physician Residents and students

(b) comply with Employer policies and procedures, including but not limited to, employee handbook, its quality assurance or improvement program and medical record documentation as well as Employer's Medical Staff Bylaws, Rules and Regulations; and

(c) all other reasonable administrative duties as requested by Employer.

#### 4.2 Duties and Covenants of Administrative Chief Resident:

The Administrative Chief Resident is a position offered to a resident who accepts additional responsibilities beyond those normally included in the resident's academic program. The position is one of distinction, professionalism and leadership serving as an example for other housestaff. See Appendix A for position description.

#### 5. Responsibilities of the Employer

(a) Employer shall provide a Director of the Program, who is an active member of the Employer's Medical Staff, and who oversees the clinical and didactic aspects of the Program. Additionally, Employer shall comply with the accreditation and institutional requirements in accordance with the RRC and ACGME as well as the other responsibilities as described in the GME Institutional House Staff Manual and specific residency Program Manual(s).

(b) Accommodation for Disabilities: In compliance with the Americans with Disabilities Act ("ADA"), the Accreditation Council of Graduate Medical Education ("ACGME") Institutional Requirements, and all other applicable state and local laws, the Employer will provide reasonable accommodations to residents with disabilities, as set forth in Employer's Human Resources Policy A.2, "Employee Recruiting and Retention," Section 7.0.

#### 6. Professional Billing and Collection: Other Activities.

Employer shall bill, collect and retain all professional fees for professional medical services rendered by Physician Resident under this Agreement, whether such professional medical services are provided to patients in the Hospital, or at any other location (the "Professional Fees"). Physician Resident hereby reassigns to Employer any rights Physician Resident may have to payments made by Medicare for services rendered by Physician Resident. In the event Physician Resident receives any Professional Fees directly, Physician Resident shall promptly deliver such Professional Fees to Employer. Physician Resident shall comply with those provisions of the law which affect Employer's reimbursement.

Physician Resident shall do nothing that will adversely affect such reimbursement or Employer's provider status with any third party payer.

## 7. Compensation and Benefits.

As compensation for all services rendered during the Term of this Agreement, Employer shall pay to the Physician Resident a Base Salary, as described in the attached cover sheet, which shall be payable in accordance with Employer's normal payroll policies, subject to withholding of taxes, FICA, Medicare contribution, etc. In addition, Physician Resident shall receive employee benefits in accordance with the applicable Employer policies and benefit programs, which are subject to amendment with or without notice, in Employer's sole discretion as well as described in the GME Institutional House Staff Manual and specific residency Program Manual(s). Physician Resident acknowledges that all of the compensation payable under this Agreement shall constitute compensation for rendering professional medical services, and that no portion of the compensation payable hereunder constitutes remuneration in return for the referral of patients or the ordering of tests or supplies.

### 7.1 Vacation, Parental, Sick and Other Leaves.

Physician Resident benefits include among other things, vacation, sick, parental and other leaves of absence, and education leave as described in Employer's GME Institutional House Staff Manual and specific residency Program Manual(s). Any leaves of absence must be approved by the Program Director. Any leave not taken during the Term of this Agreement will not be paid as cash or otherwise carryover to any subsequent agreement between the parties. Employer shall provide information to Resident regarding the effect any such leave(s) may have on Resident's ability to satisfy the requirements for completion of the Program.

### 7.2 Education Fund

The Resident Physician shall receive an Education Fund allowance in the amount stated on the attached cover sheet. This allowance is for use to purchase books, journals, and other educational materials and/or tests with approval by the Program Director. Submission of appropriate receipts is required according to DFMC guidelines and processes. All Travel requires prior approval using the Travel Request Form and must adhere to DFMC Travel policies. For Global rotation travel will be paid up to the amount on the Physician Agreement Cover Sheet. Educational Allowance expenses must be incurred and submitted for reimbursement by the end of the 8th month of training during the contract year (February 1st for residents beginning contract year on June 1st).

### 7.3 Eligibility for Specialty Board Examinations

Employer shall provide information to Resident related to eligibility for specialty specific board examinations.

### 7.4 Clinical and Educational Work Hours (formerly Duty Hours)

Employer is responsible for promoting patient safety and a high quality environment for education through carefully constructed clinical and educational work hour assignments in compliance with ACGME requirements. Clinical and Educational Work Hour assignments include any Employer approved "Moonlighting" activities per ACGME requirements and as set

forth in the policies and procedures in the GME Institutional House Staff Manual. Employer shall provide Resident with policies and procedures governing any professional activities performed by Resident outside the scope of the Agreement. These “Moonlighting” policies and procedures are set forth in the GME Institutional House Staff Manual and further specified by each residency Program. Professional liability insurance coverage provided for Resident for the purpose of the Program training does not extend to Moonlighting activities or other activities by Resident beyond the scope of the Program.

8. Insurance.

Employer shall procure and maintain professional malpractice liability insurance on a claims made basis in the amount of \$1,000,000 per occurrence/\$3,000,000 in the aggregate or an amount necessary to meet specific state requirements, covering Physician Resident for professional medical services provided pursuant to this Agreement. Employer shall be a named insured on such policy. Upon the expiration or termination of this Agreement, Employer shall purchase for Physician Resident an extended reporting endorsement (commonly known as “tail” coverage”) for the policy purchased pursuant to this Section. If Physician Resident engages in moonlighting, Physician Resident shall maintain, at Physician Resident’s sole cost and expense, professional malpractice liability insurance for such activities.

9. Termination.

9.1 This Agreement may be terminated immediately by Employer upon the occurrence of any of the following events:

- (a) the loss, suspension (whether temporary or permanent) or probation of Physician Resident’s training license;
- (b) the Physician Resident’s dismissal from the Program;
- (c) the Physician Resident’s death or permanent disability (as defined in accordance with Employer’s disability policy);
- (d) the cessation of operations of the Employer.
- (e) the bankruptcy, insolvency, or receivership of Employer;
- (f) the Physician Resident’s breach of any representation or warranty set forth in Section 3;
- (g) the Employer’s determination that Physician Resident’s continued employment would pose an unreasonable risk of harm to patients, other employees, or others or would adversely affect the confidence of the public in the services provided by Employer.
- (h) upon Physician Resident’s failure to pass any drug test;
- (i) conduct by the Physician Resident that is reasonably considered by the Employer to be gross insubordination, gross dereliction of duty, unethical, unprofessional, fraudulent, unlawful, or adverse to the interest, reputation or business of the Employer.

(j) Physician Resident's conviction of a felony; or

(k) notice that Physician Resident has been suspended, excluded, or debarred from any federal government payer program.

9.2 In addition to the termination provisions listed above, if either party materially breaches any provision in this Agreement, and fails to cure such material breach within thirty (30) days following delivery to such party of a written notice of the alleged material breach, then the other party thereafter may immediately terminate this Agreement upon written notice to the breaching party subject to any appeal process contained in the GME Institutional House Staff Manual and specific residency Program Manual(s).

9.3 The termination provisions in this Section 9 shall not be exclusive, but in addition to any other rights and remedies that the parties may have at law or in equity. Termination of this Agreement shall not release or discharge either party from any obligation, debt or liability which shall have previously accrued and remains to be performed on or after the date of termination.

9.4 This Agreement may be terminated by the Physician Resident with or without cause upon thirty (30) days written notice.

#### 10. Conditions for Reappointment and Promotion

Employer provides continuation and/or promotion of in the Resident that is contingent upon satisfactory academic and professional performance by the Resident as determined by the Program Director and Employer, and in accordance with policies and procedures described in the GME Institutional House Staff Manual and specific residency Program Manual. Achievement of satisfactory Milestone levels of competency- based goals and objective for each level of training will be used as a one measure of performance and promotion, but not the only criteria of performance. Employer is not obligated to renew or extend this Agreement for subsequent training levels in the event that the academic and professional performance by the Resident is determined to be unsatisfactory, subject to provisions due process set forth in the GME Institutional House Staff Manual and specific residency Program Manual. Employer shall provide timely notice to the Resident prior to the end of the Term of this Agreement regarding promotion to the next year of training or graduation from the Program. If the Resident will not be promoted, the Program shall endeavor to provide as much notice as circumstances reasonably allow, prior to the end of the Term of this Agreement. Disputes that arise from the promotion or graduation decision may be directed through the grievance and due proves procedure in accordance with the GME Institutional House Staff Manual and specific residency Program Manual.

#### 11. Grievance and Due Process

Employer will comply with the Grievance and Due Process policies and procedures provided in the GME Institutional House Staff Manual and specific residency Program Manual to address Resident disputes or disagreements.

#### 12. Patient Care

All duties and obligations of the Physician Resident under this Agreement shall be performed under the supervision of an attending physician who shall have complete control over the diagnosis and treatment of patients assigned to Physician Resident.

13. Confidential Information.

During the Term of this Agreement, Physician Resident may have access to confidential information, consisting of business accounts, confidential financial information, clinical protocols developed by Employer or Hospital, and other records of Employer or Hospital (some of which may be developed in part by Physician Resident under this Agreement), which items are owned exclusively by Employer or Hospital, as the case may be, and used in the operation of their businesses (the "Confidential Information"). During the Term of this Agreement, Physician Resident agrees: (a) not use or further disclose patient information other than as permitted or required by this Agreement and by applicable federal and state laws; (b) to use appropriate safeguards to prevent the use or disclosure of information other than as provided for in this Agreement; and (c) that upon termination of this Agreement, Physician Resident will return all patient information received from Employer in any form and retain no copies of such information.

14. Notices.

Any notice or other communication required or permitted by this Agreement shall be in writing and shall be effective upon hand delivery, deposit with a reputable overnight courier such as Federal Express for overnight delivery, or deposit with certified mail, postage prepaid, return receipt requested, and addressed as to Employer at Employer's address with a copy to Employer's Legal Counsel at Attn: Legal Department, 4000 Meridian Blvd., Franklin, TN 37067, or to Physician Resident at Physician Resident's last business address while employed by Employer.

15. Miscellaneous.

This Agreement shall be governed by and interpreted under the laws of state in which Employer is located. Venue for any action concerning this Agreement between the parties hereto shall be in the county in which the Employer is located. In the event that such action is brought in or removed to a federal court and no federal court of competent jurisdiction is located within such county, venue for such action shall lie in the nearest county in which a federal court of competent jurisdiction is located. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and no amendment, alteration or modification of this Agreement shall be valid unless in each instance such amendment, alteration or modification is expressed in a written instrument duly executed in the name of the party or parties making such amendment, alteration or modification. The headings set forth herein are for the purpose of convenient reference only, and shall have no bearing whatsoever on the interpretation of this Agreement. Any waiver of any provision hereof shall not be effective unless expressly made in writing executed by the party to be charged. The failure of any party to insist on performance of any of the terms or conditions of this Agreement shall not be construed as a waiver or relinquishment of any rights granted hereunder or of the future performance of any such term, covenant or condition, and the obligations of the parties with respect thereto shall continue in full force and effect.

The parties to this Agreement certify they shall not violate the Anti-Kickback Statute and/or the Stark Law with respect to the performance of the Agreement. Each party who meets the definition of Relevant Arrangements Covered Person (defined below) has

completed within the past year, or will complete within a year of the date of execution of this Agreement, one hour of training regarding the Anti-Kickback Statute and the Stark Law that includes examples of arrangements that potentially implicate the Anti-Kickback Statute and/or the Stark Law.

**Relevant Arrangements Covered Person** is defined as any person involved in the negotiation, preparation, review, maintenance, and approval of payments for Focus Arrangements involving any CHSPSC, LLC hospital affiliate.

**Focus Arrangement** is any arrangement that:

- is between CHSPSC, LLC or a CHSPSC, LLC hospital affiliate and any actual Source of Healthcare Business or Referrals to the CHSPSC, LLC hospital affiliate and involves, directly or indirectly, the offer, payment, or provision of anything of value; or
- is between CHSPSC, LLC or a CHSPSC, LLC hospital affiliate and a Physician or a Physician's Family Member who makes a referral (as defined at 42 U.S.C. § 1395nn(h)(5)) to a CHSPSC, LLC hospital for designated health services (as defined at 42 U.S.C. § 1395nn(h)(6)).

**Physician** is defined as an M.D., D.O., O.D., D.C., dentist, medical intern, resident, fellow or group practice, **or ANY** entity with which a Physician or a Physician Family Member has a financial relationship or interest, whether by ownership, investment, or by compensation.

**Physician Family Members** include husband, wife, birth or adoptive parent, child or sibling, stepparent, stepchild, stepbrother or stepsister, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild, and spouse of a grandparent or grandchild of a Physician.

**Source of Healthcare Business or Referrals** means any individual or entity that refers, recommends, arranges for, orders, leases, or purchases any good, facility, item, or service for which payment may be made in whole or in part by a Federal health care program.

The one hour Anti-Kickback Statute and Stark Law training may be completed through the party's internal training program or through completion of training at the following link: <http://www.chs.net/company-overview/compliance/>.

The CHSPSC, LLC Code of Conduct and Fraud and Abuse Policy are also available at this link.

#### 16. Required Approvals.

This Agreement, and/or any amendment or modification hereto, shall not be legally binding on the Parties until the Agreement has been reviewed and approved by CHSPSC, LLC, the Hospital's Management Company. **THE EFFECTIVE DATE OF THIS AGREEMENT SHALL BE THE DATE THAT IT IS ELECTRONICALLY APPROVED BY CHSPSC, LLC, HOSPITAL'S MANAGEMENT COMPANY, AND AFTER IT IS SIGNED BY ALL OTHER SIGNATORIES.**





**FEDERAL FAIR CREDIT REPORTING ACT DISCLOSURE AND AUTHORIZATION**

I understand and I authorize the Employer (which includes any persons and entities associated with it) to conduct a background investigation related to my application and/or employment which will include the obtaining of Investigative Consumer Reports and Consumer Reports. Such investigation may also include obtaining information about me such as my employment(s), personal history, character, general reputation, employment references, criminal, licensure/certification, credit and driving histories.

In connection with this investigation I authorize, without reservation, the Employer to obtain information from other persons and entities (such as other employers, companies, schools, government entities and credit agencies) for information about me, and for those persons or entities to release it, without reservation.

This Authorization, in original, electronic or copy form, shall be valid for this and any future investigation(s) related to this application and/or employment.

I am aware that if I am denied employment based on a report by a consumer-reporting agency, I will be furnished the name and address of such agency upon my written request.

\_\_\_\_\_  
Print legal first, middle and last name (**AS ISSUED ON SOCIAL SECURITY CARD**)

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Date of Birth

\_\_\_\_\_  
Driver's License # & State Issued

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Health License/Certificate # & State Issued

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**AUTHORIZATION AND NOTICE**

I authorize the Employer (which includes associated persons and entities) to procure consumer reports and/or investigative consumer reports about me. I understand such reports may include information such as my character, employment references, general reputation, personal characteristics or mode of living, criminal, credit, and professional licensure and/or certification.

I authorize all persons and entities, including any government entities, to supply the Employer with any information that is requested and I release all persons and entities from all liability whatsoever related to the information or its furnishing. I also agree to execute any additional consent that any persons and entities may require in order to release the information.

THIS IS A DRUG FREE WORKPLACE. I MUST PASS A PRE-EMPLOYMENT DRUG TEST. I STILL CHOOSE TO APPLY FOR EMPLOYMENT.

Applicant Signature

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Date

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Address and Telephone Number:

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## APPENDIX A - ADMINISTRATIVE CHIEF RESIDENT POSITION

### I. Definition

The Administrative Chief Resident is a position offered to a resident who accepts additional responsibilities beyond those normally included in the resident's academic program. The position is one of distinction, professionalism and leadership serving as an example for other housestaff.

The position is offered to programs that do not have a post training year individual or individuals to fulfill this role. The position is funded on a year to year basis depending on the approved budget process for the fiscal year. Funding will be allocated by the GME office to individual programs.

### II. Duties of the Administrative Chief Resident(s)

1. Assist the Program Director with all delegated administrative duties including but not limited to:
  - a. Scheduling
  - b. Evaluations
  - c. Conference planning and execution
  - d. Counseling residents
  - e. Teaching
  - f. Scholarly activities
  - g. Faculty development
2. Serve as a liaison between residents and faculty when appropriate.
3. Serve on appointed program, hospital and institutional committees such as:
  - a. Graduate Medical Education Committee
  - b. Resident Forum

### III. Policy

1. The Administrative Chief Resident may be selected per program policy or tradition, but serves at the discretion of the Program Director.
2. The Program Director may select more than one chief or appoint Associate Administrative Chief Residents to complete duties. Stipend amounts will be adjusted to reflect the total number of individuals appointed to such positions.
3. The Administrative Chief Resident may be relieved of his/her duties by the Program Director without cause and without academic or human resources appeal at any time.
4. Programs may add additional definitions, expectations and duties to the position description and incorporate in the training program's handbook. See program specific job description for current duties and assignments.
5. The Administrative Chief Resident understands that his/her first commitment and foremost priority at all times is his/her educational curriculum and learning as a resident.
6. The Administrative Chief Resident will not at any time sacrifice his/her curriculum, personal learning plan or professional development for Administrative Chief Resident responsibilities.

7. The Administrative Chief Resident will be evaluated on his/her performance by the Program Director, Associate Program Director(s) and residents (in a confidential, non-identifiable manner) at the end of the academic year. Formative feedback will be presented continuously as needed.

#### IV. Stipend

1. Administrative Chief Resident will be paid a monthly stipend of the amount listed on the Physician Resident Employment Agreement Cover Sheet.

#### V. Appointment procedure

1. The Program Director will appoint chief resident(s) for the program.
2. Terms may be less than one year, in which case the resident will be paid the pro-rated stipend only for the period in which he/she is appointed.