

***Letter of Intent***  
(Example)

(Insert Date)

***Confidential***

(Insert Candidate's Name)

Re: Employment Agreement

Dear (Candidate's Name),

This Letter of Intent (LOI) is entered into by and between \_\_\_\_\_(Hospital) and \_\_\_\_\_, (M.D./D.O. (Physician), collectively referred to as the Parties.

This LOI is intended to set forth the basic terms around potential relationships between (the Hospital) and (Physician) to support the delivery of health services to members of the Hospital's service area. This LOI is not intended to be a contract between the Parties; rather it is intended to set forth the terms from which (the Hospital) and (Physician) will negotiate a legally binding agreement.

1. **Description of Arrangement:** In this arrangement, (Physician) would become a full-time employee of (the Hospital), would be responsible for providing professional and administrative services for (the Hospital) and would work with (the Hospital) to develop its \_\_\_\_\_program. (The Hospital) would provide (Physician) sufficient office space to enable (Physician) to carry on the full-time practice of (specialty) medicine. (The Practice) would include all necessary support staff in ratios agreed to by (the Hospital) and (Physician). (The Hospital) would provide all billing services, equipment and other resources reasonably necessary to operate (the Practice).
2. **Employment Term:** The term of employment would be for \_\_\_\_\_ years. Provided, however, the employment agreement (Agreement) may be terminated earlier by the mutual written notice of the Parties, upon a material breach of either Party (subject to a Cure Period), upon the death or disability of the Physician, or the occurrence of certain specified events.
3. **Compensation:** Base compensation under the Agreement would be \_\_\_\_\_ (\$000000) per year. As an incentive to achieve goals and strategic objectives of (the Hospital), Physician may receive additional incentive compensation in an amount equal to \_\_\_\_\_, based on the following formula (***Insert Hospital's Physician Incentive Compensation Plan***). In addition to the base and incentive compensation paid to Physician, Physician would, subject to eligibility and any contribution requirements, participate in (the Hospital's) fringe benefits programs. Premiums for malpractice insurance coverage would be provided by (the

Hospital). Physician would also be eligible to receive \_\_\_\_\_ days of paid vacation, approved in advance by \_\_\_\_\_. Additionally, (the Hospital) would provide Physician with a \_\_\_\_\_(\$0000) CME allowance and \_\_\_\_\_ (\$0000) for professional memberships.

4. **Non-Compete:** During the term of the Agreement, and for \_\_\_\_\_ years following termination or expiration of the Agreement, Physician would agree not to compete with, or enter into a contractual relationship with a health care provider or health system in competition with, (Hospital's \_\_\_\_\_ program). However, the non-competition provision would not preclude Physician from independently establishing a private medical practice. (The Hospital), at its discretion, would be entitled to waive the non-competition provision.
  
5. **Ethical and Religious Directive:** The Parties agree and understand that nothing in this letter, subsequent discussions, or agreements shall require (the Hospital) to violate the Ethical and Religious Directives for \_\_\_\_\_. Physician further understands that he/she would conduct his professional practice in a manner that is consistent with the Ethical and Religious Directives.

The parties agree that this letter is not to be construed as a binding agreement obligating any of the Parties to carry out any of the above functions; rather, it shall be construed as a reflection of the Parties intent to negotiate in good faith and, if all Parties deem appropriate, enter into binding agreements regarding these matters. If you agree in principle to the above terms in your desire to continue negotiation of these matters, please sign and return and executed copy of this letter

Sincerely,

(The Hospital)

By: \_\_\_\_\_

Printed: \_\_\_\_\_

(Physician)

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_