

## **Sample Hospitalist Employment Contract**

This contract includes the following elements:

- Compensation via a base salary plus case rate for each new patient seen
- “Non-compete” clause that prevents a doctor from practicing as a hospitalist at nearby hospitals based on zip codes (It does not prevent a hospitalist from practicing anywhere in the area as an office-based doctor with office and hospital work.)
- A sample job description

## **HOSPITALIST EMPLOYMENT**

**AGREEMENT** (“Agreement”) by and between **ABC Medical Clinics, LLC**, a State of XXX limited liability company (“Company”) and **John Doe, M.D.**, (“Physician”) is effective as of the Effective Date defined in Section 0 below.

## **RECITALS**

A. Company is a wholly owned subsidiary of ABC Medical Center, a State of XXX nonprofit corporation (“Hospital”). Hospital is the owner and operator of a general acute care hospital located in XYZ City, State of XXX. Company provides inpatient physician services for Hospital. Company was formed to own and provide various physician related services to Hospital’s service area (“Service Area”). Company, in order to fulfill its obligation to Hospital, desires to employ a team of experienced and qualified physicians to serve as hospitalists and members of Company’s inpatient team (“Inpatient Team”) providing physician and related administrative services to Hospital’s patients, as more fully described below.

B. Physician is an experienced and qualified physician, and board certified/eligible in internal medicine.

C. Company and Physician desire to enter into this Agreement pursuant to which Physician shall serve as a member of Company’s Inpatient Team and perform Hospitalist Services (as that term is further defined below).

D. It is in the best interest of Company to enter into a contractual relationship with a qualified, licensed physician upon such terms and conditions as will assist in meeting the community’s health care needs in an efficient and consistent manner.

E. Physician desires to be employed by Company to provide Hospitalist Services to patients of Hospital.

F. The parties intend by this Agreement to set forth a definitive statement of their respective responsibilities during the term of this Agreement.

**NOW, THEREFORE**, in consideration of the promises and mutual covenants and agreements contained herein, the parties agree as follows:

### **Physician's Services And Obligations**

Engagement of Physician. Company hereby employs Physician as a member of its Inpatient Team on a full-time basis, and Physician hereby accepts such employment. Physician agrees to see and treat patients by providing clinical, diagnostic and therapeutic medical services in the area of his/her experience and training, along with related administrative services pursuant to the terms of this Agreement (all such activity of Physician shall be referred to as the "Hospitalist Services", as further defined in Section 0 below). Except as specifically set forth in this Agreement, the terms and conditions of Physician's employment shall be governed by and are subject to Company's policies and procedures, as such currently exist or are hereinafter amended.

Qualifications of Physician. Physician must at all times meet the following qualifications:

Maintain a license to practice medicine in the State of State of XXX;

Obtain and maintain all appropriate approvals to prescribe and dispense drugs under applicable State of XXX state and federal laws;

Establish and maintain active participation in the Medicare and Medicaid program as an approved participating provider;

Apply for, obtain, and/or maintain active medical staff privileges at Hospital pursuant to Hospital's Medical Staff Bylaws, rules, regulations, policies and procedures;

Maintain board eligibility and/or obtain and maintain board certification in the specialty of Internal Medicine throughout the term of this Agreement;

Participate in regular Medical Staff activities and responsibilities, including, without limitation, teaching and attendance at Medical Staff meetings;

Complete and receive credit for continuing medical education as required by State of XXX state licensure requirements; and

Maintain advanced cardiac life support (ACLS) certification.

Physician shall provide documentation of compliance with all provisions of this Section 0 to Company upon reasonable request.

Physician's Obligations. Physician shall render such Hospitalist Services as may be required from time to time for the care and treatment of patients requiring Hospitalist Services in accordance with the prevailing standard of care in the community including on-call and medical administrative duties. In addition, the specific services and duties to be performed by the Physician are set forth in Exhibit A, attached hereto and incorporated herein by this reference. Physician shall devote his/her full time and exercise his/her best efforts to perform the duties set forth in Exhibit A and in this Section 1.3. Physician shall not undertake professional medical services (e.g., locum tenens, consulting, teaching, etc.) for any third party without first obtaining the prior written consent of Company, which consent shall not be unreasonably withheld. Physician shall comply with all applicable governmental laws and regulations in accordance with any applicable standards and recommendations of the Joint Commission on Accreditation of Healthcare Organizations, the American Medical Association, and any other regulatory agencies having jurisdiction over Company or the practice of medicine.

Patient Care. Nothing in this Agreement shall be interpreted to dictate the Physician's practice of medicine, his/her delivery of direct patient care or independent judgment in the practice of medicine. Physician shall have complete control over the diagnosis and treatment of

patients and neither Company, Hospital, nor any employee of Company or Hospital shall exercise any direct supervision or control over the individual treatment of the patient. Physician agrees that his/her practice will be consistent with any policies, procedures and rules and regulations promulgated by Hospital's Board of Trustees or its Medical Staff dealing with the general treatment of Hospital patients.

Books and Records. Consistent with Company's procedures and policies, Physician shall prepare complete, timely and accurate medical and other records (collectively "Records") with respect to the services and treatment rendered to any patient by Physician. Notwithstanding the forgoing, Records shall be the property of Company and Company shall be responsible for the maintenance of Records. A patient's treating physician shall have access to Records upon Company's receipt of a reasonable request.

Nondiscrimination. Physician shall, during the term of this Agreement, provide prompt and professional medical attention to patients irrespective of age, sex, race, religion, disability, color, national origin, or any other status protected by applicable law. Such treatment shall be consistent with the facilities, personnel and equipment available and in conformity with the prevailing professional standard of care in the community.

Confidentiality of Personnel and QA Materials. The personnel and credentials files of Physician and any employee of Company or Hospital, as well as all proceedings, files, records and related information of Physician, Company, Hospital and Hospital's Medical Staff and its committees pertaining to the evaluation and improvement of the quality of patient care in Hospital shall be kept strictly confidential by Physician. Physician shall not voluntarily disclose such confidential information, either orally or in writing, except as expressly required by law or pursuant to a written authorization by Company. This covenant shall survive the termination of this Agreement.

### **Company's Responsibilities**

Company, in the reasonable exercise of its discretion, shall be responsible to:

Establish an annual budget for maintenance and support of the Inpatient Team.

Provide the space, equipment, services and supplies reasonably necessary for the operation and conduct of the Inpatient Team.

Recruit, employ or otherwise arrange for all personnel reasonably necessary for the operation and conduct of the Inpatient Team.

Maintain accurate and timely business records that are available for review by Physician upon reasonable request.

At least annually, or upon the reasonable request of Physician, evaluate the staffing levels, workload and time off for members of the Inpatient Team, and make adjustments as necessary.

### **Billing For Services**

Billings and Collections. Company, in consultation with Physician and all other members of the Inpatient Team, shall establish and maintain a fee schedule for professional medical services provided by Physician pursuant to this Agreement. Company shall bill for all of the services provided by Physician under this Agreement. Physician shall execute such forms, including, without limitation, assignments and reassignments, as may be required by Company or others to facilitate billing by Company or others, if applicable.

Services may be billed under Physician's name and appropriate identification number(s) as determined by Company and permitted by law. Physician shall not directly or indirectly bill any party for any service provided pursuant to this Agreement, except in accordance with this Agreement, including, without limitation, Medicare beneficiaries or Physician's carrier under Part B of Medicare. Physician shall promptly remit to Company any amounts received for professional services rendered by Physician during the term of this Agreement, unless otherwise agreed to in advance and in writing by Company.

## **Insurance**

Insurance Coverage. Company shall purchase claims-made professional liability insurance covering Physician for any sums Physician shall become legally obligated to pay for injury arising out of care or services rendered by Physician on behalf of Company during Company employment in the minimum amount of Two Million Dollars (\$2,000,000) per occurrence, and Five Million Dollars (\$5,000,000) annual aggregate. No coverage is provided for occurrences before the term of Physician's employment with Company that are filed during or after the term of Physician's employment at Company. The professional liability policy covering Physician is available to Physician for inspection and governs the professional liability coverage if there is a conflict between the description in this 0 and the insurance policy. Company reserves the right to change insurance carriers and types of policies in the reasonable exercise of its discretion.

Continuing Coverage. Company shall, after the expiration or termination of this Agreement, maintain the insurance coverage described above in Section 0 (hereinafter "Continuing Coverage"). Company may procure such Continuing Coverage by obtaining subsequent policies which have a retroactive date of coverage equal to the retroactive date of the insurance policy in effect as of the Effective Date, by obtaining an extended reporting endorsement, i.e., "tail", applicable to the insurance coverage maintained pursuant to this Agreement, or by such other reasonable method likely to obtain the same effect.

Prior Acts Coverage. Physician represents and warrants that Physician has purchased or otherwise arranged for adequate tail insurance coverage or otherwise extinguished liability for occurrences before the Effective Date.

Certificate of Insurance. Each party shall provide the other party, if applicable and upon request of the other party, with certificates issued by the insurance carrier or its agent evidencing that insurance required by 0.

## **Compensation And Benefits**

Physician shall receive such compensation and benefits more fully described in Exhibit B, attached hereto and incorporated herein by this reference. Physician shall not be entitled to any compensation or benefits except as specifically set forth in this Agreement or in Exhibit B.

## **Confidentiality And Non-Compete**

Confidentiality. Physician acknowledges that during Physician's employment by Company, Physician may be brought into contact with Company's or Hospital's confidential patient records, business plans, methods of operations, compensation methods and formulas, performance standards, pricing policies, marketing strategies, records, trade secrets and other information about Company and Hospital's operations and business of a confidential nature ("Confidential Information"). Therefore, during the term of this Agreement and thereafter, Physician shall not in any manner, directly or indirectly, disclose or divulge to any person or other entity whatsoever, whether directly or indirectly in competition with Company or Hospital, or use for any purpose any Confidential Information, except as required by law or expressly authorized in writing by Company. Upon the expiration or termination of this Agreement for any reason, Physician shall immediately return to Company any and all Confidential Information in Physician's possession or control, including, but not limited to, any originals or copies of, or computer discs containing policies, procedures, patient medical records, operation or employment materials, billings or billing information. Physician shall not retain any Confidential Information in any form (e.g., computer hard drive, microfilm, etc.) upon the expiration or termination of this Agreement.

Non-Compete. Physician shall not, during the term of this Agreement and for a period of one (1) year from the date this Agreement expires pursuant to Section 0 or is terminated by Physician pursuant to Section 0 (the "Restriction Period"), without the prior written consent of Company, except in the performance of duties for Company pursuant to this Agreement, directly



or indirectly within the service area of Company as set forth in Exhibit C, attached hereto and incorporated herein by this reference:

Provide services as a hospitalist physician to any entity that offers inpatient hospital and emergency department services; and

Solicit, induce or attempt to influence any person who is now or is hereafter an employee of Company or Hospital or is now or hereafter engaged as an independent contractor of Company or Hospital, to become an employee or to be engaged as an independent contractor of any other entity that is engaged in the provision of inpatient hospital services.

The restriction set forth in Section 0 shall not apply if Physician is employed by Local Vertically Integrated System (not perceived as a competitor of ABC Medical Center)

Reasonableness of Protection. Physician acknowledges that the restrictions contained in this 0 are reasonable and necessary to protect the legitimate professional and business interests of Company and Hospital and that any violation of such restrictions would result in irreparable injury to Company. Company and Physician acknowledge that, in the event of a violation of any provision of this 0, Company shall be entitled to preliminary and permanent injunctive relief without having to prove actual damages or immediate or irreparable harm or to post a bond; Company shall also be entitled to an equitable accounting of all earnings, profits and other benefits arising from such violation, which rights shall be cumulative and in addition to any other rights or remedies to which Company may be entitled in law or equity. In the event of a violation of any provision contained in this 0, the Restriction Period shall extend over the time period from the commencement of any such violation until the cessation of such violation plus the amount of time remaining in the Restriction Period when such violation occurred. Notwithstanding the foregoing, if the restrictions specified above are judged unreasonable by any court of competent jurisdiction, the parties agree to the reformation of such restriction by the court to limits which may reasonably grant Company the maximum protection permitted by applicable law in such circumstances, and the parties will not assert that such restrictions should be eliminated in their entirety by such court.

## **Compliance With Law; Corporate Compliance Program**

Physician and Company shall comply in all material respects with the provisions of laws and regulations applicable to the provision of Hospitalist Services, the licensing of health care providers, the delivery of services reimbursed pursuant to governmentally regulated third party payers, and other matters related to the employment of Physician. Physician agrees to comply with Company's Corporate Compliance Program and Ethical Business Practices Program, as such may be amended from time to time. This Agreement is intended to comply with the "bona fide employment" exception to the Stark law (42 U.S.C. §13955nn) as amended and the regulations promulgated thereunder. Nothing in this Agreement shall be construed to require Physician to refer patients to Company or Hospital or to require Company or Hospital to refer patients to Physician. Physician shall be entitled to use absolute discretion in referring patients for health care services.

## **Term And Termination**

Term. This Agreement shall commence as of date (the "Effective Date") and shall continue for an initial period of five (5) years, subject to the provisions set forth below.

Introductory Period. The first twelve (12) months of employment of Physician at Company constitutes the new hire introductory period (the "Introductory Period"). During the Introductory Period, Company evaluates Physician's performance and potential for continued employment. Criteria for evaluation include, but are not limited to: performance quantity and quality; interpersonal skills and actions, including team work, establishment of effective working relationships with medical staff, hospitalist peers, hospital staff, and others; behavior consistent with the Shared Commitments, as defined by Company and Hospital; attendance; cooperative behavior; initiative; dependability; and other performance and job related criteria. Physician is also afforded the opportunity to evaluate whether his/her employment by Company meets his/her expectations. The Introductory Period is a critical component and the final selection technique in the employment process. During the Introductory Period, either party may terminate this Agreement at any time, effective upon sixty (60) days written notice of such termination, as

determined by each party in the sole exercise of its discretion. If this Agreement is terminated by Physician during the Introductory Period pursuant to this Section 0, Physician shall promptly repay to Company any relocation reimbursement paid by Company to Physician. During the Introductory Period, the termination provisions of this Section 0 shall supersede the provisions of Section 0.

End of Term. Subject to the written agreement of the parties, Physician's employment by Company may continue after expiration of the term of this Agreement on such terms as may be offered by Company and accepted by Physician.

Termination by Company for Cause. Notwithstanding the foregoing, Company shall have the right to terminate this Agreement immediately, subject to compliance with applicable law, upon the occurrence of any of the following events:

Physician fails to maintain any of the qualifications set forth in Section 0 or makes false or misleading representations, prior to or during the term of employment, to Company regarding Physician's qualifications to render professional medical services;

Physician is convicted of a felony or of any other crime involving substance abuse;

Physician is impaired by the excessive use of drugs or alcohol affecting Physician's ability to perform his/her responsibilities under this Agreement;

Physician's death or disability. For purposes of this Section 0, "disability" shall mean an illness or a disability that, notwithstanding any reasonable accommodation offered by Company, prevents Physician from performing all the essential functions of his or her regular duties under this Agreement. Notwithstanding the date of termination pursuant to this Section 0, the term of the obligation of Company to pay compensation due Physician under this Agreement shall end prior to the effective date of termination if and at the time Physician shall become entitled to disability benefits from an insurance policy maintained by Company on Physician's behalf;

Company is unable, after making a commercially reasonable effort, to obtain professional liability insurance for Physician, or Physician becomes ineligible for such insurance;

Physician fails to maintain eligibility, is excluded from or refuses to participate in Medicare and Medicaid programs;

Physician is suspended from participation in any third party payer programs in which Company participates so long as such suspension is caused by the fault of the Physician or is within the Physician's ability to control and Company has provided Physician with notice of the specific third party payer participation requirement at issue; provided, however, that if the cause of such suspension is capable of being cured, Physician shall have thirty (30) days to cure such cause from the date Company delivers written notice of such cause to Physician; and

Physician, as determined by company in the good faith exercise of its discretion, (i) materially breaches any one (1) or more of the provisions of this Agreement, (ii) fails to comply with Company policies, as such currently exist or are hereinafter amended and of which Physician had notice, or (iii) fails or is unable to discharge any of his/her professional obligations hereunder, or engages in any unprofessional conduct that interferes with or impairs the treatment, care or safety of patients; provided, however that Physician shall have thirty (30) days to cure such breach or failure after Company delivers written notice to Physician, stating the alleged breach or failure, unless such breach or failure affects the immediate care or safety of patients.

Termination by Physician for Cause. Physician shall have the right to terminate this Agreement upon a material breach of this Agreement by Company by providing written notice to Company of the cause for termination, which cause has not been cured (assuming such cure is possible) within thirty (30) days after Company's receipt of such written notice.

Termination Without Cause. Each party shall have the right to terminate this Agreement without cause upon providing ninety (90) days written notice to the other prior to the date of termination. If this Agreement is terminated pursuant to this Section 0, Company in its sole discretion may waive any or all of the ninety (90) day notice period and require the termination to be effective immediately, in which case Company's sole obligation to Physician shall be to continue to pay Physician's Base Compensation for any portion of the ninety (90) day period

waived by Company or until Physician commences providing professional services elsewhere, whichever occurs earlier.

Termination for Legal Necessity. If, as a result of changes in applicable federal or state laws, regulations, interpretations, or enforcement policies, the employment of Physician by Company could jeopardize: (i) the licensure of either party; (ii) the participation of either party in, or payment or reimbursement from, Medicare, Medicaid or other reimbursement or payment programs; (iii) either party's full accreditation by any State or nationally recognized accrediting organization; or (iv) the tax exempt status of Hospital or the status of any financing obligation of Hospital that is exempt from taxation or interest income, as applicable, or the Hospital's ability to seek or obtain tax exempt financing; Company may terminate the employment of Physician. In such event, Company will use its good faith, best efforts to find an acceptable alternative arrangement for continuation of Physician's practice with Company.

Effect of Termination or Expiration; Non-Disparagement. Notwithstanding the termination or expiration of this Agreement, the parties shall be required to carry out any provisions hereof that contemplate performance by them subsequent to such termination or expiration; and such termination or expiration shall not affect any liability or other obligation that shall have accrued prior to such termination or expiration, including but not limited to any liability for loss or damage on account of default. After termination or expiration of this Agreement, for any reason whatsoever, Company shall not be obligated to pay to him or her, or in the event of his or her death or disability, to his or her personal representative, any additional compensation or fringe benefits. During the term of this Agreement and at all times thereafter, the parties agree not to make any disparaging statements about each other, or their directors, officers, and employees, including statements that will call into question the ethics, morality, quality of clinical services, or business judgment of the other or its directors, officers or employees. This requirement is not intended to: interfere with the ability of any party to engage in honest differences of opinion with respect to patient diagnosis/treatment; basic program development that are debated in appropriate forums; to respond to any appropriate requests for information from any state, local or federal governmental body; or to exercise the parties' rights or obligations to report misconduct under applicable federal or state law.

## Miscellaneous

Notice. All notices and other communications required or permitted to be given hereunder shall be in writing and shall be considered given and delivered when personally delivered to the party or delivered by courier or deposited in the United States mail, postage prepaid, return receipt requested, properly addressed to a party at the address set forth below, or at such other address as such party shall have specified by notice given in accordance herewith:

To Physician:           Dr. John Doe  
                                  Street  
                                  City, State Zip

To Company:            ABC Medical Clinics, LLC  
                                  c/o ABC Medical Center  
                                  Attn: Vice President – Patient Care Services

With a copy to:        Law Firm  
                                  Address of firm

Notice of Litigation. The parties shall provide each other with written notice should either party receive a claim or be sued for damages in a matter arising out of its/his/her performance under this Agreement.

Waiver of Breach. Any waiver by Company or Physician of a breach of any provision of this Agreement shall not be deemed to be a waiver of any preceding or subsequent breach of the same or any other provision.

Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of State of XXX, without regard to the conflicts of laws provisions of such state.

Entire Agreement. This Agreement along with the Exhibits and Attachments attached hereto represent the entire agreement of Company and Physician with respect to the subject matter hereof, and supersedes all prior discussions, negotiations and agreements relating to the same subject matter.

Amendments; Assignments. This Agreement may not be amended or revised except with the written consent of the parties hereto, and may not be assigned by Physician, except with the written consent of Company. Notwithstanding the forgoing, Company may assign this Agreement to any affiliate, subsidiary, parent or related organization of Company or Hospital.

Survival of Terms. Section 0 and 0 shall survive the expiration or termination of this Agreement for any reason.

Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Company and Physician and their respective heirs, legal representatives, successors and assigns.

Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

Captions. Any captions to or headings of the articles, sections, subsections, paragraphs, or subparagraphs of this Agreement are solely for the convenience of the parties, are not a part of this Agreement, and shall not be used for the interpretation or determination of validity of this Agreement or any provision hereof.

Severability. The provisions of this Agreement shall be deemed severable and if any portion shall be held invalid, illegal, or unenforceable for any reason, the remainder of this Agreement shall be effective and binding upon the parties.

Counting Days. If the day for performance of any obligation under this Agreement is a Saturday, Sunday or legal holiday, then the time for performance of any obligation under this Agreement shall be extended to 5:00 p.m. on the first (1st) day following such Saturday, Sunday or legal holiday.

Construction of Agreement. The parties agree that each party and its counsel have fully participated in the review of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment hereto or exhibit to this Agreement. Whenever the singular is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

Recitals. The recitals stated above are true and accurate and are incorporated herein by this reference.

Access to Books and Records. Physician agrees to make available, upon request, to the Secretary of Health and Human Services and the Comptroller General of the United States, or their authorized representatives (the "Secretary"), this Agreement, and all books, documents and records under Physician's control relating to the nature and extent of the costs hereunder for a period of four (4) years after the furnishing of services pursuant hereto. In addition, Physician agrees, that if services under this Agreement are to be provided by subcontract with a related organization, Physician shall require in writing that the subcontractor make available to the Secretary that subcontract, and all books, documents and records relating to the nature and extent of the costs thereunder for a period of four (4) years after the furnishing of services.



IN WITNESS WHEREOF, the parties have executed this Agreement on the last date written below.

COMPANY:

ABC MEDICAL CLINICS, LLC

\_\_\_\_\_  
By: Jim Smith, CEO  
CEO of hospitalist employer

Date: \_\_\_\_\_

PHYSICIAN:

\_\_\_\_\_  
John Doe, M.D.

Date: \_\_\_\_\_

**EXHIBIT A**  
**To Hospitalist Employment Agreement**

**INPATIENT TEAM PHYSICIAN’S DUTIES**

1. Report to the Inpatient Team’s Physician Practice Director, who, as of the effective date, is: Dr. Jane Doe.
2. Accept patient referrals, and coordinate all aspects of care for hospital, medical patients, referred by medical staff members, especially in the Family Practice, and Internal Medicine sections, including:
  - Admission
  - Appropriate placement within the Hospital
  - Discussion of end of life preferences
  - Consultations with sub-specialists
  - Timely and proactive discharge planning
  - Coordination of care with primary care physician
  - Discharge including ensuring appropriate follow-up is arranged
3. Function as the Medicine consultant to all areas of the Hospital, including timely consultations to the Emergency Department, surgeons and other Medical Staff members on request, behavioral health units, etc.
4. Along with other members of the Inpatient Team, provide on call coverage 24 hours a day, 7 days a week, onsite or offsite by telephone, responding within time frames established by the medical staff for emergent, urgent and routine requests. The parties acknowledge and agree that the duties set forth in this item 4 constitute one of the essential functions of Physician’s job.
5. Physician, along with the Inpatient Team Practice Director and other Inpatient Team Members shall periodically meet to confer upon and set schedules for each Inpatient Team Members’ days-on, days-on with call and days-off. “Days-on” means Physician shall be at the Hospital during normal patient care hours. “Days-on with call” means Physician shall be at the Hospital during normal patient care hours and available to provide call coverage for a 24 hour period consistent with item 4 above and other

**EXHIBIT A**  
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standards established by the Inpatient Team Members. “Days-off” means Physician has no responsibility to be at Hospital, to provide patient care or to be available to provide call coverage. Schedules will be set by consensus when reasonably possible; provided, however that the Inpatient Team Practice Director and Company shall have ultimate authority to set each Inpatient Team Member’s schedule, subject to their good faith, reasonable best efforts to comply with the guidelines set forth below. In developing schedules, the Inpatient Team Members and Inpatient Team Practice Director shall follow the following guidelines:

- Schedules shall be set for five (5) week periods.
  - In any given five (5) week period, each Inpatient Team Member shall have a minimum of nine (9) days-off, and a maximum of seventeen (17) days-on and nine (9) days-on with call.
  - In each calendar quarter, no Inpatient Team Member shall be required to serve more than twenty three (23) days-on with call.
  - These guidelines may be modified at any time by the unanimous, mutual agreement of the Inpatient Team Members; provided, however, that if the Inpatient Team Members are unable to unanimously agree on proposed changes, the Company shall have final authority to adopt new guidelines.
  - These guidelines may be exceeded whenever necessary to accommodate vacation and other schedules, as mutually and unanimously agreed to by all affected Inpatient Team Members. If the affected Inpatient Team Members are unable to agree on necessary schedule accommodations, Company shall have the final authority to make any such accommodations it deems reasonable and necessary.
  - Schedules will also be modified as necessary to accommodate any Inpatient Team Member’s period of illness or disability.
6. During hours of scheduled hospital attendance or call, respond to all Code Blue and other emergency calls, be available to respond to and provide professional services for emergencies on all inpatient, outpatients and observation patients by request of medical staff or nursing management.

**EXHIBIT A**  
**To Hospitalist Employment Agreement**

7. Be available for and respond to provide admission and management of unassigned medical and family practice patients as requested.
8. Participate in Hospital quality improvement activities, including:
  - Participation in appropriate medical staff meetings, including internal medicine section and quality improvement committees
  - Provide leadership in the development and implementation of clinical pathways, protocols, and other clinical effectiveness projects
  - Participate with the Hospital's Clinical Resource Coordinators, Discharge Planners and staff in maintaining effective utilization and resource management, medical record appropriateness, and appropriate discharge planning.
9. Maintain excellent working relationships with, and participate in the implementation and improvement of systems to provide excellent service to patients, physicians, and other colleagues and Hospital staff. Participate in the resolution of patient and provider complaints and enhancement of patient and provider satisfaction as measured by periodic surveys.
10. Maintain excellent working relationships and communication with the other physician members of the Inpatient Team, support personnel provided to the Inpatient Team, Hospital administration, and Medical Staff leadership. Participate as requested by the team director, in periodic team meetings, email, and/or other communication methods to foster effective working relationships and reduce variation in practice patterns.
11. Complete and maintain adequate and proper medical records with respect to all patients examined or treated in accordance with all legal, accreditation, regulatory and third party payer requirements.
12. Comply with all Medical Staff Bylaws and policies, and Hospital Bylaws, policies, rules and regulations, as such currently exist or are hereinafter amended.
13. Participate as a provider of medical services with third party payers, including any HMO or PPO, with which Company contracts.
14. Comply with all applicable statutes, regulations, and other legal requirements.

**EXHIBIT A**  
**To Hospitalist Employment Agreement**

15. Perform such other services as are reasonably assigned by the Inpatient Team Physician Practice Director.
16. Conduct yourself at all times in manner consistent with and that promotes Company's and Hospital's "Shared Commitments":
  - honest and timely communication with respect for the individual
  - working together as one team
  - continuous quality improvement with customer focus
  - innovation and creativity
  - adaptability to changing roles

**EXHIBIT B**  
**To Hospitalist Employment Agreement**

**COMPENSATION AND BENEFITS**

**B.1. Definitions.**

“New Patients” means the initial encounter with a patient under any of the following circumstances:

Initial care for hospital inpatient or patient admitted on observation status;  
Initial consultation with any inpatient or outpatient; and  
Initial visit with a patient in the emergency department (ED) who is not subsequently admitted as an inpatient or to observation status.

The following will NOT be considered New Patients under any circumstances:

Any patient referred, directly or indirectly, to Hospital by the Physician;  
Any patient previously under either the (i) Physician’s care or (ii) another Inpatient Team physician’s care who is readmitted within seventy two (72) hours of discharge with the same diagnosis as the prior inpatient stay;  
Any patient previously counted as a New Patient during the same hospital visit for the same diagnosis or problem (*e.g.*, by another physician member of the Inpatient Team during the same hospital visit).

“Procedure(s)” means:

EKG interpretation  
Central line insertion  
Treadmill test (supervision plus interpretation)  
24-hour Holter monitor  
Lumbar puncture  
Arthrocentesis  
Thoracentesis

**EXHIBIT B**  
**To Hospitalist Employment Agreement**

Intubation  
Paracentesis  
CPR

**B.2. Base Compensation.** Company shall pay Physician compensation at the annual rate of One XXX dollars (\$XXX) (“Base Compensation”) until Physician has completed eighteen full months of employment. Base Compensation will increase to \$XXX+Y annually upon Physician completing the eighteenth full month of employment. Base Compensation shall be paid in accordance with Company’s standard payroll practices, subject to all applicable federal, state and local withholding and payroll tax requirements.

**B.3. Incentive Compensation.** Physician shall receive incentive compensation (“Incentive Compensation”) based on the number of New Patients and Procedures performed by Physician during the twelve month period beginning on the Effective Date. The applicable rates for such Incentive Compensation are as follows:

<b>Number of New Patients</b>	<b>Rate</b>
1 – 300	\$AAA each
301 – 500	\$BBB each
Over 501	\$CCC each
Procedures	50% of Medicare allowable

Incentive Compensation shall be paid once per month, in the month following the month in which a New Patient was seen or a Procedure performed, subject to all applicable federal, state and local withholding and payroll tax requirements. Company will make available to Physician information reasonably necessary for Physician to review the calculation of Incentive Compensation. The payment of Incentive Compensation is contingent upon the Physicians satisfactory completion of the duties set forth in this Agreement, including completion of records and provision of accurate CPT coding information required by Company to bill accurately and to determine the number of New Patients and Procedures.

**EXHIBIT B**  
**To Hospitalist Employment Agreement**

In order to comply with various federal and state laws and regulations, Physician and Company agree that in no event shall compensation under this Agreement, including Base Compensation and Incentive Compensation, exceed one hundred twenty percent (120%) of the 90<sup>th</sup> Percentile of compensation, as set forth in the most recent survey of hospitalist salaries as published by the Medical Group Management Association.

The compensation levels and arrangements set forth in this Agreement will be reviewed, compared with available market salary data, and adjusted annually as necessary.

**B.4 Benefits.** Physician shall be eligible to receive all benefits provided by Company to its employees, subject to all eligibility and contribution requirements and other conditions included in the plans and programs, including the specific exceptions set forth below in Section B.5.

Benefits generally include:

- Standard Company retirement plan benefits (subject to specific eligibility requirements), Life/AD&D insurance and long term disability insurance
- Standard Company medical and dental insurance for Physician and immediate family members (subject to standard eligibility and contribution requirements)
- Dues, subscriptions and fees for professional medical associations and medical staff membership, professional licenses, board certification, Drug Enforcement Agency certification, and CME fees, all of which are subject to an annual aggregate limit of Two Thousand Dollars (\$2,000)
- Professional liability insurance

**B.5. Exceptions to Standard Benefit Plan Accrual for Hospitalist Physicians:** As an exempt employee, a hospitalist physician has considerable flexibility and control over the scheduling of 24-hour shifts, onsite work planning, and offsite on-call availability. Physician will not therefore be required to fill out time cards or keep track of time worked or time off; except as may be necessary during Physician's initial twelve (12) month period of employment in order to document qualification in Company's retirement benefit plans, as may be required by



**EXHIBIT B**  
**To Hospitalist Employment Agreement**

such plans. The payroll department will not keep track of days or hours worked, nor days and hours of time off taken. The base salary will be paid each pay period regardless of actual time off or worked in that pay period. There will be no tracking of "PTO" or "sick time" accrued, used, or unused, nor will any unused time off be paid out at termination.

Other benefits may be accrued monthly, quarterly, or annually on the assumption that the individual hospitalist has worked the equivalent of "full time" during that time period. Physician and the team's medical director will be responsible for notifying Company's Human Resources and Payroll departments of any exceptions that might affect benefit calculations.

**EXHIBIT C**  
**To Hospitalist Employment Agreement**

**SERVICE AREA**

For purposes of Section 0, ABC's Service Area shall be defined by reference to the following United States Postal Service Zip Codes:

**ABC Service Area Zip Codes**