

***Employment Agreement/Contract***  
(Example)

**HOSPITAL AND JANE DOE, M.D.**

This Employment Agreement (the “Agreement”) by and between (**Your Hospital**), a Michigan nonprofit corporation (“Employer”), and **Jane Doe, M.D.**, a physician duly licensed to practice medicine in the State of Michigan (the “Physician”) is effective as of (**Month, Day, Year**) (the “Effective Date”).

**RECITALS**

WHEREAS, Employer is seeking to serve the health care needs of the citizens of Jackson County and the surrounding communities; and

WHEREAS, Employer currently needs physicians to furnish (**Specialty**) Medical Services in the (**Your**) Community. Hospital has determined that an additional physician who is qualified and can furnish (**Specialty**) Medical Services would result in substantial benefits to Employer and its delivery of health care to residents of the (**Your County**) and the surrounding communities.

IT IS THEREFORE AGREED.

**ARTICLE ONE**  
**Employment of Physician**

- 1.01 **Employment.** Subject to the terms and conditions of this Agreement, Employer agrees to employ Physician to provide professional medical care services, as described in Article Two below, at the medical office facilities designated by Employer (the “Medical Offices”). In the performance of the professional services rendered under this Agreement, it is mutually understood that Physician shall be an employee of Employer, and Physician’s work and functions, at all times, are to be accomplished in accordance with this Agreement. Physician shall be available for employment no later than the Effective Date.
- 1.02 **Professional Practice.** Physician shall be responsible for all decisions regarding the treatment of patients being treated by Physician at the Medical Offices. Notwithstanding the foregoing, Physician shall perform his/her duties under the direction and control of Employer and shall be directly accountable to the Chief Executive Officer or designee of Employer with regard to all professional matters. The Chief Executive Officer’s initial designee for all purposes under this Agreement shall be Employer’s Vice President for Medical Affairs.
- 1.03 **Hospital and Other Types of Care Available “In-Network.”** For continuity of care and efficiency purposes, in the event a patient of Employer requires further

medical treatment in a hospital setting, Physician shall routinely use the facilities of **(Your Hospital)**. Similarly, if a patient requires referral to other types of health programs and services, Physician shall routinely refer such patient to programs and services affiliated with **(Your Hospital)**. However, the foregoing shall not be deemed to limit the patient's freedom of choice or compromise the patient's well-being. Therefore, in the event a patient or the patient's insurer specifically requests to use another hospital, or where the patient needs specialized services available at a hospital other than that of **(Your Hospital)**, such other hospital can and shall be used. Additionally, the expectation to utilize **(Your Hospital)** and its affiliated programs and services is limited to the extent that such programs are offered and have the capacity to appropriately meet the needs of the patient. If in the professional judgment of Physician, appropriate facilities, programs or services are not available "in-network," then patients may be referred to alternative programs and services.

## **ARTICLE TWO**

### **Physician Duties and Medical Services**

- 2.01 **Professional Duties.** Physician shall provide Medical Services to patients at the Medical Offices and perform such other duties as may be required, including but not limited to the following:
- 2.01-1 Provide outpatient Medical Services at the Medical Offices and such other sites as are determined by Employer.
  - 2.01-2 Provide inpatient Medical Services at **(Your Hospital)** as required for Employer patients, and consultations for inpatients as requested.
  - 2.01-3 Work with Employer to help provide patient coverage by a credentialed, qualified, competent physician acceptable to Employer during Physician's periods of absence.
  - 2.01-4 Rotate Emergency Department on-call coverage at **(Your Hospital)**, as required in accordance with its medical staff bylaws, rules and regulations.
  - 2.01-5 Timely prepare such records, charts and reports as may be required by Employer, all of which records will be the property of Employer and shall be kept and maintained by Employer on a confidential basis.
  - 2.01-6 Use Physician's best efforts to meet specific practice goals reasonably established by Employer and Physician to enhance the financial viability and success of the Medical Offices.
  - 2.01-7 Comply with the applicable standard of practice, and the ethics of the medical profession, with regard to rendering the Medical Services.

- 2.01-8 Actively participate with Employer in the development of a marketing plan for the Medical Offices and then actively implementing that plan, including making presentations, demonstrating/publicizing the capabilities of Physician and the Medical Offices.
- 2.01-9 Assist Employer with such other duties as Employer may request which are related to, or derived from the rendering of Medical Services.
- 2.02 **Management and Supervision.** In addition to providing Medical Services, Physician shall undertake clinical management, strategic planning, and supervisory duties, as requested by Employer. Such duties shall include, but are not limited to, the supervision of non-physician personnel designated by Employer and assigned to the Medical Offices.
- 2.03 **Standard of Care/Practice.** Physician shall provide only necessary and appropriate patient care in accordance with (i) generally accepted standards of medical practice applicable to Medical Services; (ii) all applicable federal, state and local governmental laws, rules and regulations; (iii) all applicable requirements established from time to time by third-party payors (including but not limited to Blue Cross-Blue Shield of Michigan, Medicare and Medicaid); (iv) all applicable ethical standards; (v) the philosophy and mission of Employer; (vi) all applicable policies of Employer and its Medical Staff (see 2.04); and (vii) requirements of accrediting agencies such as the Joint Commission on Accreditation of Healthcare Organizations and the National Committee for Quality Assurance.
- 2.04 **Policies.** Physician shall comply with policies and guidelines established by Employer to: (i) enable the Medical Offices to operate in an effective and efficient manner; (ii) enable all physicians in the Medical Offices to provide professional services to patients; (iii) enhance the provision of Medical Services in the greater (Your Community); and (iv) assist Employer in the development of a primary care network. Such policies and guidelines may cover other matters Employer deems appropriate, including matters of peer review and quality assurance, participation in any program of quality assurance/utilization review established by third-party payors, services performed by non-physician personnel working at the Medical Offices, appropriate utilization of supplies, equipment and other resources, risk and claims management, the form and maintenance of medical records, and the utilization of physician, hospital and other services by patients. Physician shall prepare such records, charts, reports and forms regarding the services provided as may be reasonably required by Employer, which shall remain the property of Employer and be kept at the Medical Offices on a confidential basis. These records shall not be disclosed by Physician or Physician's agents to any other person other than in accordance with the policies of Employer.
- 2.05 **Full Time Employment.** Physician shall provide patient care under this Agreement on a full-time basis. For the purposes of this Agreement, "full-time"

means forty (40) clinical hours per week as reasonably scheduled by Employer. In this regard:

2.05-1 Physician's hours at the Medical Offices shall be scheduled in advance to provide continuity and coordination in the Medical Offices among Physician, other physicians, staff and to enhance patient convenience.

2.05-2 Physician shall have the same obligation to participate in Employer educational and training programs as other physicians employed by Employer.

2.05-3 Physician shall devote his/her best efforts to the performance of responsibilities under this Agreement and shall not, during the term of this Agreement (unless Physician obtains Employer's prior written consent), directly or indirectly, whether as an employer, employee, contractor, investor, partner or otherwise, (i) own, operate or have any interest in any medical practice, medical clinic or clinical laboratory; (ii) provide Medical Services except under this Agreement; or (iii) otherwise become involved in any activities competitive with the activities of Employer so long as Physician is an employee of Employer unless mutually agreed by the parties, in advance and in writing.

2.06 **Medical Staff Membership.** Physician shall have and maintain during the term of this Agreement a permanent license to practice medicine in Michigan. As a condition prerequisite to employment under this Agreement, Physician shall have and maintain during the term of this Agreement medical staff membership and clinical privileges at (**Your Hospital**), and shall act at all times in a professional manner consistent with the standards of this institution. Physician shall not have any right to medical staff membership or clinical privileges solely by virtue of rendering services pursuant to this Agreement. The clinical privileges obtained at Employer facilities must enable Physician to provide Medical Services. Physician may establish and maintain medical staff membership and/or clinical privileges on the medical staff of another hospital or health care facility only upon the written consent of Employer, but will apply, seek, and obtain privileges at another hospital if Employer so requests, in writing. Notwithstanding the foregoing or any other provision of this Agreement, this Agreement does not afford Physician any rights under the Medical Staff Bylaws of the Hospital, and no termination or other action pursuant to this Agreement shall give rise to any rights to any hearing or appeal under the Bylaws of the Medical Staff of (**Your Hospital**). Should Physician fail to obtain or cease to be a member of the medical staff or cease to have clinical privileges to perform Medical Services for any reason, then, effective as of the date Physician fails to obtain or ceases to be a member of the medical staff, or ceases to have clinical privileges Employer may immediately terminate this Agreement. If Physician's membership or clinical privileges on the medical staff are restricted or made subject to supervision in accordance with the applicable medical staff bylaws, rules and regulations or comparable rules,

- regulations or policies applicable to the practice of physicians, Physician may continue to render services under this Agreement only in accordance with such restriction or supervision as approved by Employer. If Employer determines, in its sole discretion, that imposition of such restriction or supervision of Physician's privileges unreasonably interferes with the performance of Physician's duties under this Agreement, Employer may terminate this Agreement, effective immediately.
- 2.07 **Licensure.** Physician represents that he/she has maintained in good standing continuous licensure since the date originally licensed to practice, without revocation or suspension, except as disclosed to Employer in writing. Should Physician's license to practice medicine in the State of Michigan be suspended, revoked or cancelled, as of the date of suspension, revocation or cancellation of such license, Employer may immediately terminate this Agreement.
- 2.08 **Participation in Third Party Payor Programs.** Physician shall participate in any third-party payment or health delivery plan designated by Employer or its designee and agrees to abide by all applicable requirements and guidelines of any third-party payment or health delivery plan in which Employer or its designee participates. In addition, Physician shall not participate in any third-party payment or health delivery plan (such as Medicare, Medicaid, Blue Cross/Blue Shield, HMOs and PPOs) in connection with Physician's professional practice without the prior written consent of Employer. In the event Employer is unable to bill the Medicare or Medicaid programs, or any other payors responsible in total for more than 5% of the fees for Physician's Medical Services, for a period of more than 30 days because of errors, omissions, related to willful wrongful actions of Physician, Employer may immediately terminate this Agreement. In the event Employer is unable to bill the Medicare or Medicaid programs, or any other payors responsible in total for more than 5% of the fees for Physician's Medical Services, for a period of more than 30 days because of errors, omissions related to negligent actions of Physician, then subject to §5.10-3, Employer may terminate this Agreement.
- 2.09 **Treatment of Patients.** Physician shall provide Medical Services to all patients accepted by Employer, regardless of race, national origin, sex, disability, creed and regardless of the type of insurance or indemnity program in which the patient participates (including health maintenance programs or other alternative delivery systems) and any program for the care of the economically disadvantaged in accordance with the policies and procedures of Employer. Physician acknowledges that patients seen and treated by Physician under this Agreement are patients of Employer, not Physician.
- 2.10 **Contracted Services.** Physician understands and acknowledges that from time to time Employer may enter into contracts or agreements to provide or arrange for the provision of Physician's services to another facility or entity. Employer will consult with Physician, and Physician and Employer shall agree to Physician's

obligation to provide the services, however, Physician shall not unreasonably withhold his/her agreement to provide such services. Any other facility or entity to which Physician may be required to provide Medical Services shall be affiliated with (**Your Hospital**).

- 2.11 **Participation in Meetings.** Physician shall participate in such department meetings, quality management and other peer review activities as required.
- 2.12 **Continuing Medical Education.** Throughout the term of this Agreement, Physician shall maintain Physician's professional skills as evidenced by participation in appropriate continuing medical education activities and will maintain good standing in professional associations.

### **ARTICLE THREE** **Services Provided by Employer**

- 3.01 **General Services.** During the term of this Agreement Employer shall conduct, manage, supervise and coordinate all aspects of the day-to-day operation of the Medical Offices. Physician acknowledges that Employer may contract for the provision of specific services with third parties.
- 3.02 **Medical Offices.** Suitable and sufficient office space shall be provided to enable Physician to carry out Physician's duties during the term of this Agreement. The Medical Offices may be moved to other locations within the greater (**Your Community**) to enhance patient access and/or efficiency or for any other reason. Employer shall consult with Physician on the locations of the Medical Offices, but final determination will be within the sole discretion of Employer. Physician shall not be responsible for paying occupancy costs associated with the Medical Offices, including rent, housekeeping, maintenance, telephone, utilities and insurance. Employer, in consultation with Physician, shall establish mutually acceptable hours of operation for the Medical Offices in order to meet the needs of patients, staffing of support staff and coordination with other physicians. Physician acknowledges that the space to be provided may be shared with other physicians, osteopathic or allopathic, and that access to space may be limited as may be reasonably required by Employer or by the terms of the lease of the Medical Offices for the security of such space.
- 3.03 **Equipment, Furnishings and Supplies.** All furnishings, equipment and supplies reasonably necessary in the judgment of Employer to provide services under this Agreement shall be provided to Physician. Decisions with respect to the acquisition of equipment and furnishings shall be made in consultation with Physician. Such equipment and furnishings shall be purchased as may be reasonable for Physician to provide professional services, consistent with the current practices of Medical Services and any financial constraints of Employer and the long-term growth objectives of the parties relative to the Medical Offices.

### 3.04 **Clinical and Other Personnel.**

3.04-1 Employer shall provide all nursing, clerical and other non-physician personnel reasonably needed to support the provision of Medical Services by Physician including, without limitation, nurses, technicians, bookkeepers, receptionists, transcriptionists, file clerks, and management and administrative staff. At all times such non-physician personnel shall be employees or independent contractors of Employer. Physician shall not be responsible for the compensation, fringe benefits, or tax withholdings of non-physician personnel.

3.04-2 For purposes relating to the rendering of Medical Services to patients, all such nursing, clerical and other non-physician personnel assigned to the Medical Offices shall be subject to the medical supervision of Physician. For all purposes relating to the efficient and orderly operation of the Medical Offices (including without limitation, selection, termination, general supervision, and establishment of compensation and fringe benefits), such personnel shall be under the supervision and control of Employer and shall be subject to the policies, procedures and direction of Employer. Physician shall also not be responsible for the hiring, firing, discipline or scheduling of non-physician personnel, although such decisions may be made in consultation with Physician.

3.05 **Marketing.** The services of Physician may be marketed through advertising in print and electronic media, direct mail and in directories such as the Yellow Pages and by other means. Hospital agrees to arrange for and cover the cost of two (2) newspaper advertisements concerning the Physicians' services, and shall arrange for and cover the cost of sending formal announcements to members of the Medical Staff of (**Your Hospital**), announcing Physicians' services. All marketing undertaken relative to Physician or the Medical Offices shall be in conformity with prevailing professional standards and in a manner consistent with Physician's professional status. Employer may indicate its relationship with Physician in any such advertising.

### 3.06 **Billing and Collection.**

3.06-1 Employer shall bill and collect for all professional services rendered by Physician during the term of this Agreement. Physician shall provide information required to enable Employer to submit prompt and accurate billings, including all chart documentation required by third-party payors. Physician designates Employer as his/her agent for billing and collection for all professional services (including medical and ancillary service performed by or on his/her behalf) and agrees to execute all powers of attorney, agreements or other instruments which may be required from time to time to give Employer the fullest authority available to bill and collect on Physician's behalf from insurers, third-party payors, health

maintenance organizations, individual patients, governmental bodies and other payors for professional services. Whenever possible, fees for professional services shall be payable to Employer alone. Notwithstanding the foregoing, patients may pay fees directly to Physician, but any amounts collected in the name of Physician or in the joint names of Physician and Employer shall be promptly endorsed by Physician to deposit in bank accounts in the sole name of Employer. Employer shall develop and implement policies with respect to charity care, minimization of bad debts and referral of accounts for collection and Physician agrees to abide by such policies to the extent they comport with applicable law. All fees, compensation, monies and other things of value received or realized as fees for professional services of Physician under this Agreement, including all revenue generated by Physician through consultations, shall be collected under this section. Physician shall not be entitled to and shall not attempt to encumber the accounts receivables from Medical Services in any way, except in favor of Employer or its designee.

- 3.06-2 Employer shall not be liable to Physician for (i) any decisions made in good faith by Employer relating to the submission of bills, including but not limited to decisions regarding whether a party shall be billed, the identity of the party billed, the amount billed and the degree to which collection will be pursued against a party for failing to remit part or all of the amount billed; or (ii) for any violation of the law by Physician with respect to billing. Physician shall not be liable to Employer for any negligent acts or omissions of Employer's other employees relating to the submission of bills. Employer shall be responsible for pursuing the collection of accounts receivable in compliance with applicable laws relating thereto.
- 3.06-3 Fees for professional services shall be established by Employer in accordance with community standards and at a rate which will take into account the ability to pay all costs and expenses related to the operation of the Medical Offices. Physician grants Employer the exclusive right, and appoints Employer as his/her agent to negotiate on Physician's behalf to provide services for health maintenance organizations, preferred provider organizations, other alternative delivery systems, insurers, employers and other payors.
- 3.06.4 Employer shall provide Physician with a monthly summary of billings and collections. Physician shall have access to the daily accounting summaries.
- 3.07 **Recruitment of Additional Physician(s).** If the Employer and Physician mutually determine that it is necessary to recruit additional physician(s) to practice with Physician at the Medical Offices, Employer agrees to use its best



efforts to recruit physician(s) to work at the Medical Offices. Physician agrees to participate in the recruitment activities, including the interviewing of candidates.

**ARTICLE FOUR**  
**Compensation**

- 4.01 **Salary.** During the term of this Agreement, Physician shall be compensated by Employer for the professional services rendered in connection with Medical Services at an annual salary of \_\_\_\_\_ **Dollars (\$000,000)**, payable in equal semi-monthly installments. Hospital shall pay the cost of any and all medical staff membership dues. If Physician executes this Agreement on or before **the \_\_\_\_ day of Month, Year**, then Physician shall be entitled to receive a Signing Bonus in the amount of \_\_\_\_\_ **Dollars (\$00,000)**, which shall become due and payable within ten (10) business days from the date upon which Physician's medical staff membership and privileges are granted and/or approved by the Board of Trustees of (**Your Hospital**). Physician acknowledges and agrees that if Physician voluntarily terminates his/her Employment, on or before the first (1st) year anniversary date from the effective date of this agreement, Physician shall repay (**Your Hospital**) the full amount of the \_\_\_\_\_ **Thousand Dollars (\$00,000)** signing bonus, and said repayment shall become due and payable on the date that Physician's employment with Employer terminates.
- 4.02 **Fringe Benefits, Paid Time Off (PTO) And Continuing Medical Education (CME).** Physician shall be entitled to fringe benefits, and Paid Time Off (PTO) in accordance with the benefit programs of Employer as they currently exist, and as may be modified unilaterally by Employer from time to time. Physician shall pay any additional premiums required under such benefit programs or as required by Physician's choice of plan upgrades, if any. Physician shall also be entitled to up to \_\_\_\_\_ **days** of pre-approved Continuing Medical Education (CME) time. Physician shall work with employer to help provide patient coverage by a credentialed, qualified, competent physician acceptable to Employer during Physician's periods of absence. CME time must be taken in the year in which the time becomes available and may not be carried forward from year to year. PTO may be taken and will accrue in accordance with Employer policies. Physician shall give Employer advance notice of any PTO/CME time and agrees that any dates selected must be satisfactory to Employer (and to other sites where Physician may render services), and Physician shall obtain approval for the same in advance.
- 4.03 **Reimbursable Expenses.** Hospital shall reimburse Physician in accordance with Hospital's then current continuing medical education (CME) reimbursement policy, up to the maximum amount of \_\_\_\_\_ **(\$0,000) Dollars**, for a combination of approved CME expenses, professional reference materials, text-books, licensing fees and expenses, and professional membership dues. Notwithstanding any provision of this Agreement to the contrary, if Physician does not currently reside within (**Your County**), Michigan, Hospital shall also

reimburse Physician for pre-approved travel expenses of up to a maximum of \_\_\_\_\_ (\$0,000) for travel to locate housing in the (**Your County**) area and for pre-approved relocation expenses (i.e., moving expenses) of up to a maximum of \_\_\_\_\_ (\$00,000).

- 4.04 **Disabilities.** If at any time during the term of this Agreement, Employer determines Physician is unable to perform the duties required of Physician under this Agreement by reason of illness or physical or mental disability, Employer shall have no obligation to pay Physician's salary during the period of disability, except as otherwise provided by Employer policies. Physician may elect the minimum disability insurance coverage offered through flexible insurance program of Employer. The direct cost of this coverage to Physician will be determined by other benefits elected by Physician.
- 4.05 **Liability Coverage.** Employer shall provide Physician with professional liability insurance coverage under the terms and conditions of its self-insurance and insurance program for Employer employees. Such professional liability coverage shall only cover services performed for Employer within the scope of Physician's duties as an employee of Employer under this Agreement, and shall NOT respond to acts or omissions of Physician that are outside the contemplated scope of this Agreement. After the termination of this Agreement, Employer agrees to indemnify, defend and hold harmless Physician for any professional liability claims brought against his/her for services performed for Employer within the scope of Physician's duties as an employee of Employer pursuant to this Agreement. In the event Physician is served with legal documents, concerning Physician's services as an employee of Employer, Physician shall immediately forward them to the General Counsel for (**Your Hospital**), and shall comply with the requirements of Employer's insurance program.

## **ARTICLE FIVE**

### **Term and Termination**

- 5.01 **Term and Termination.** This Agreement takes effect on the Effective Date and terminates when the first of any of the following happens:
- 5.01-1 One year from the Effective Date; however, this Agreement shall renew automatically, under the same terms and conditions, at the expiration of the initial one (1) year term for additional one (1) year terms, unless either party provides the other party at least sixty (60) days written notice of intent to terminate; or
- 5.01-2 Physician or Employer gives the other party ninety (90) days written notice of termination without cause; or
- 5.01-3 Physician or Employer gives thirty (30) days' written notice termination to the other for cause, because the other party failed or refused to perform

any of its duties and responsibilities under this Agreement, unless the failure can be completely corrected and is corrected within thirty (30) days after such notice is given (if so corrected, the notice will be void); or

5.01-4 Immediately upon written notice from Employer to Physician (or Physician's estate) in the event of any of the following:

- (i) Termination, revocation, suspension or permanent loss of Physician's license to practice medicine; or
- (ii) Termination, revocation, suspension or permanent loss of Physician's medical staff membership or clinical privileges at **(Your Hospital)**; or
- (iii) Termination, revocation, suspension or permanent loss of Physician's Drug Enforcement Agency Registration; or
- (iv) Exclusion from the Medicare or Medicaid programs, and/or conviction of criminal offenses or adverse action in civil proceeding relating to fraud and abuse, violation of fair billing standards, or other violation of regulatory requirements;
- (v) Physician being formally charged or convicted of any crime related to medical practice or any felony; or
- (vi) Physician's commission of acts or omissions constituting willful misconduct, dishonesty, fraud or other illegal or improper acts, that in the judgment of the CEO of Employer, is injurious to Employer, monetarily or otherwise; or
- (vii) Physician's death; or
- (viii) The permanent disability of Physician. For purposes of this Agreement, "permanent disability" shall mean the inability, with or without reasonable accommodation as defined in the Americans with Disabilities Act, to provide professional medical services under this Agreement by reason of a physical or mental impairment for a period of one hundred eighty (180) days. During the disability period, Physician shall receive whatever disability benefits Employer shall have in place for its full-time employees; or
- (ix) Physician's failure to comply with a corrective action plan agreed upon by the parties, in lieu of Employer invoking Section 5.01-3.

5.01-5 Pursuant to Section 2.08, 9.01 or 9.03.

- 5.02 **Continuing Obligations after Termination.** The parties acknowledge this Agreement imposes some duties upon them which may continue after termination of the Agreement, e.g., the duty to complete and sign medical records of services performed. The parties shall each, after termination (regardless of manner), fulfill those continuing duties which apply to them. Further, if either of the parties breaches this Agreement, the other party's termination of the Agreement for that reason shall not limit its rights to obtain damages or enforcement of those obligations which continue after termination.

## **ARTICLE SIX**

### **Records**

- 6.01 **Medical Records.** Physician shall, consistent with such policies as may be established by Employer, on a timely basis prepare reports, records, charts and other data regarding professional services provided as may be necessary to comply with applicable law, the standards of accrediting entities, applicable standards of third-party payors and applicable standards of professional practice as are necessary to ensure that Employer receives the maximum reimbursement to which it is lawfully entitled under third-party payment programs. Such records shall be (and remain to the fullest extent permitted by law and applicable professional ethics) the property of Employer and Employer agrees to maintain and preserve such records, either in their original form or on microfilm or other copy in accordance with its policy regarding record retention. Upon termination or expiration of this Agreement, Physician shall not have any right to such records or other patient lists or files except as set forth in this Agreement.
- 6.02 **Government Access to Records.** If this Agreement is determined to be a contract which is subject to Section 1861(v)(1)(I) of the Social Security Act, as amended from time to time, Physician agrees that until the expiration of four (4) years after the furnishing of services pursuant to this Agreement, Physician shall make available, upon written request, to Employer, the Secretary of Health and Human Services or upon request to the Comptroller General of the United States, or any of their duly authorized representatives, this Agreement, books and documents and records of Physician which are necessary to certify the nature and extent of costs paid by Employer under this Agreement. In the event access to books, documents and records is requested by the Secretary, the Comptroller General or any of their duly authorized representatives, Physician shall immediately notify Employer and the books, documents and records shall be made available to Employer.

**ARTICLE SEVEN**  
**Noncompetition and Nonsolicitation**

During the term of this Agreement and for a period of one (1) year after termination of Physician's employment with Employer, Physician shall not:

- a) accept employment with any facility providing professional medical or hospital services, nor directly or indirectly own, manage, operate, control, be employed by, participate in or be connected in any manner with the ownership, management, operation or control of, any Medical Services, in any part of the area within a 00 mile radius of the Medical Office(s) where Physician was primarily assigned to perform Medical Services, or
- b) actively solicit any of Employer's staff or employees for employment or other contractual relationship involving clinical or support services.

Notwithstanding the above, the foregoing noncompetition and nonsolicitation clause shall not apply in the event Physician exercises his option to purchase the practice under 5.04, and thereafter operates the practice in the **(Your Community)**.

**ARTICLE EIGHT**  
**Confidentiality**

In the event Physician shall have access to, or knowledge of, information of a confidential or sensitive nature, including but not limited to medical records, business or financial records, or other matters or practices of Employer, Physician shall not, directly or indirectly, disclose or use any such information for purposes other than those necessary and proper for the performance by Physician of the services rendered under this Agreement.

**ARTICLE NINE**  
**Compliance**

9.01 **Avoidance of Fraud and Abuse.** The parties enter into this Agreement with the intent of conducting their relationship in full compliance with applicable state, local, and federal law including the Medicare/Medicaid anti-fraud and abuse statutes. Notwithstanding any unanticipated effect of any of the provisions in this Agreement, neither party will intentionally conduct itself under the terms of this Agreement in a manner to constitute a violation of the Medicare and Medicaid fraud and abuse provisions. Further, if legislation is passed, the effect of which would be to hinder Employer's ability to obtain reimbursement from Medicare/Medicaid due to the existence of this Agreement, or if this Agreement becomes illegal under any subsequent law or regulation, then this Agreement shall terminate immediately.

- 9.02 **Anti-Kickback Compliance.** Except as described in § 1.03, nothing contained in this Agreement shall require Physician to admit or refer any patients to Hospital or any hospital or other facility or program affiliated with Hospital as a precondition to receiving the benefits set forth in this Agreement.
- 9.03 **Tax-Exempt Status.** Notwithstanding anything to the contrary, Employer may modify or terminate this Agreement at any time, without liability, if it reasonably determines that its continued participation in this Agreement could or reasonably may threaten the federal tax exemption of Employer or any entity affiliated with Employer under Internal Revenue Code Section 501(c) (3) or threaten any other relevant tax exemption these entities now or hereafter may enjoy.
- 9.04 **Regulatory Compliance Hotline and Reporting.** Employer maintains a corporate compliance program to prevent, detect and remedy activities and conduct that are non-compliant with legal, regulatory and/or ethical requirements and standards. Physician has been advised that Employer maintains an anonymous toll-free hotline (1-877-9COMPLY) and employs a Compliance Officer (517.788.4828) for the reporting of activities or conduct that may involve non-compliant behavior. Physician shall report any instances of potential non-compliant activity, and shall similarly inform and require any subcontractors, employees or agents to report such activity.
- 9.05 **Exclusion From Government Programs.** Neither party is, nor employs or contracts with:
- a) any individual or entity excluded from Medicaid or Medicare participation under §§ 1128 (42 USC 132a-7) or 1128A (42 USC 1320a-7a) of the Social Security Act for the provision of health care, utilization review, medical social work, or administrative services;
  - b) any entity for the provision of such services (directly or indirectly) through an excluded individual or entity; or
  - c) any individual or entity excluded from Medicaid participation.  
Both parties shall immediately notify the other party if and when that party falls out of compliance with Section 9.05(a), (b) or (c).
- 9.06 **HIPAA Compliance.** The parties shall comply with the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and implementing statutes and regulations when they are effectively implemented.



10.04 **Confidentiality.** In addition to the confidentiality provisions of Article VIII, neither Physician nor Employer shall disclose any terms of this Agreement except as may be required to comply with regulatory, contractual, legal or other written requirements without the written consent of the other party.

10.05 **Dispute Resolution.** Any dispute which otherwise might result in litigation shall be resolved by the alternative Dispute Resolution mechanism provided in Exhibit A. Subject to and limited by Exhibit A, and the foregoing sentence, if any controversy arises concerning or related to this Agreement for which litigation is permissible under this Agreement, venue shall be in the appropriate court having subject matter jurisdiction over the controversy, sitting within the judicial district or circuit in which the principal offices of Employer are located on the date of the dispute.

10.06 **Authority to Execute Agreement.** Each party represents and warrants that it has the authority to execute this Agreement, and that the executive signing on behalf of Employer has been authorized to do so.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date specified in the opening paragraph of this Agreement.

**(Your Hospital)**

**(Physician's Name)**

\_\_\_\_\_  
(Executive's Name and Title)

\_\_\_\_\_  
(Physician's Name)

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

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

Attachment A: Dispute Resolution Procedures



## EXHIBIT A

### DISPUTE RESOLUTION PROCEDURES

- A. **Informal Procedures.** Whenever Employer or Physician gives a notice of termination of the Agreement under Article V, the receiving party may, by immediate written request to the party which gave notice, obtain a meeting to discuss the differences between the parties. Such meeting shall be scheduled so it takes place prior to the effective date of termination or expiration, unless the termination is immediate by reason of a gross, irremediable breach. Such meeting shall be attended by Physician and the CEO and/or designee of Employer. Both parties shall have the opportunity at such meeting to set forth their position on the perceived deficiency or remedy (if any) to the circumstances giving rise to the notice.
- B. **Arbitration.** Any dispute which may arise under the Agreement, which is not subject to resolution or is not resolved in accordance with (A) above, shall be, at either party's written request to the other, exclusively submitted to and governed by the determination reached as a result of arbitration in **(Your County)** consistent with the Commercial Arbitration Rules of the American Arbitration Association in effect at the time of any such dispute (although it need not be conducted under the auspices of the American Arbitration Association). The arbitration shall be conducted by a panel of three arbitrators, each of whom must be an attorney or certified public accountant licensed to practice in the State of Michigan, except where the matter in dispute is clinical in nature, in which case, the third mutually agreed to arbitrator shall be a physician, licensed to practice allopathic or osteopathic medicine in the State of Michigan, who is not a member of the Medical Staff. One arbitrator shall be selected by each party subject to the arbitration, and those two arbitrators shall select the third arbitrator. Each arbitrator shall execute an agreement with the parties, which shall provide as follows:
- (a) Each arbitrator shall accept the appointment and agree to complete the arbitration with reasonable diligence and pursuant to a majority vote and otherwise in accordance with the then pertaining Commercial Arbitration Rules of the American Arbitration Association;
  - (b) Each arbitrator shall agree to keep all information made available to him/her with respect to Physician and Employer in strict confidence; and
  - (c) The parties to the arbitration shall agree to be jointly responsible for the costs of the arbitration (including the hourly charges of the arbitrators at their customary levels), which in turn may be awarded to any or all parties to the arbitration as the arbitrators shall determine.

- C. A demand for arbitration shall be made within six (6) months after the claim shall have accrued, plus the time of any written extensions given to the party demanding arbitration from the other party. The foregoing requirement for arbitration shall not foreclose the institution of litigation by any party hereto in the **(Your County)** Circuit Court (in which exclusive jurisdiction and venue is acknowledged) seeking immediate injunctive relief for a breach of the provisions of this Agreement pending the outcome of arbitration or to compel the arbitration process. Any arbitration award shall be entitled to enforcement by decree of any court of competent jurisdiction and shall be final and binding upon all parties here or claiming an interest here. Arbitration may proceed in the absence of any party who fails or refuses to attend after notice deemed by the arbitration panel to be appropriate.