

AGREEMENT FOR PHYSICIAN SERVICES

AGREEMENT made this ____ day of ____, ____, by and between Public Hospital District No. ____, _____ County, Washington (hereinafter, the “Hospital”), a municipal corporation, and -----, M.D. (hereinafter, “Physician”).

WHEREAS, Hospital is a part of a municipal corporation organized and existing under the laws of the State of Washington; and

WHEREAS, Physician is qualified to practice medicine and desires to provide services at Hospital.

NOW THEREFORE, in consideration of the mutual covenants and conditions herein contained, it is hereby agreed by and between the parties as follows:

1. Scope of Agreement. Hospital shall employ Physician to provide medical services to patients at Hospital, and Physician agrees to furnish such services, subject to the terms and conditions of the Agreement. Physician will provide medical services at an office in _____ unless otherwise agreed to in writing by physician.
2. Duties of Physician. Physician’s duties at Hospital shall include:
 - a. Attending to the medical needs of physician’s patients;
 - b. Being available 24 hours per week for patient contact time at Physician’s office. Patient contract in office hours will be less than 24 hours per week during weeks Physician is performing Hospitalist duty.
 - c. Making coverage arrangements to the best ability of the Physician when Physician is not available;
 - d. Being available for call for emergency problems except when other coverage is arranged.
 - e. Performing all activities reasonably required fulfilling the duties and responsibilities of a physician in hospital practice.
 - f. Additional duties to be agreed to by both parties.
3. Standard of Care. Physician agrees that he will at all times, faithfully, industriously, and to the best of his ability, experience and talent, perform all of the duties required of and from him under the terms of this Agreement.

Physician shall maintain a level of professional practice and conduct commensurate with community professional standards and required for his continued participation on the Hospital's medical staff. Physician shall comply with the standards set forth on Schedule B, which is attached hereto.

4. Compliance with Institutional and Legal Regulations. Physician shall comply with the bylaws, rules, regulations and policies of Hospital and its medical staff in effect during the term of this Agreement.
5. Facilities and Personnel Provided by Hospital.
 - a. Hospital shall provide for Physician and shall maintain in good order and repair, a properly equipped physician's office, including such physical space, equipment, supplies, utilities, housekeeping, maintenance and related services as are required to enable Physician properly to perform his duties under this Agreement.
 - b. Hospital shall provide such technical, clerical, nursing and such other support personnel to assist Physician as are necessary to enable Physician to perform his obligations hereunder.
 - c. Physician shall have the opportunity to make recommendations for the hiring, assignments, dismissal and salary level of support personnel with whom Physician works.
6. Compensation. Hospital shall pay Physician a guaranteed minimum base salary at the annual rate of \$_____ ("Base Salary") from the commencement date _____ to _____ payable on the first of each month in payments equal to one-twelfth of the Base Salary less legally required withholdings. Hospital shall also pay Physician in accordance with the Physician Incentive Plan, which is attached hereto and incorporated by reference as Exhibit A.
7. Employee Benefits. Hospital shall provide to Physician the following employee benefits.
 - a. Five-(5) weeks vacation per year, and Physician may accrue up to 10 weeks. Such vacation must be approved by Hospital and such approval must not be unreasonably withheld;

- b. Six (6) holidays (Christmas, New Year's Day, Memorial Day, July 4th, Labor Day and Thanksgiving Day);
- c. One (1) week of educational leave per year (to attend an accredited seminar of Physician's choice). Physician may accrue up to two (2) weeks;
- d. Group life insurance in the amount of \$_____ or one (1) times salary, whichever is greater;
- e. Dental insurance;
- f. Medical insurance;
- g. Opportunity to participate in tax-deferred investment plans;
- h. Disability insurance;
- i. Retirement plan;
- j. The amount of \$_____ per year for continuing medical education to include but not be limited to books, conferences and travel. Such amount may be accrued for maximum of \$_____ over a two-year period.

Physician's benefits shall be of equal or greater value as the most senior hospital exempt employees.

- 8. Liability Insurance. Beginning on the Commencement Date, Hospital shall maintain on Physician's behalf professional liability insurance (minimum limits of \$1 million per individual claim and \$3 million annual aggregate) covering acts or omissions occurring while Physician is employed by Hospital. The policy shall provide coverage for all acts or omissions occurring during the Term, regardless when a claim is brought, until all exposure to liability has been eliminated by the passing of any and all applicable statute of limitations. Upon termination of this Agreement, for any reason, Hospital shall provide an extended reporting endorsement providing coverage for all acts of Physician while employed by Hospital. Hospital shall provide a current copy of the policy to Physician prior to the Commencement Date, each time the policy is changed, and at such other times as the Physician may request.

9. Moving Expenses. Hospital shall reimburse Physician for the reasonable and actual expenses incurred by Physician in moving his family to _____, Washington. All moving expenses must be approved in advance and in writing by Hospital. Physician shall repay to Hospital the moving expenses if Physician terminates this Agreement without cause within the first year of the first term of this Agreement
10. Fees for Services.
- a. Any and all income and revenue, regardless of form, generated by physician in the practice of medicine under this agreement is Hospital property.
 - b. Hospital will set the fee schedules and will bill for Physician's services and other related charges. Bills sent to Physician's patients for his services will direct patients to make payments to Hospital, and Physician authorizes Hospital to collect all fees and charges.
 - c. Physician shall reassign to Hospital all third-party reimbursement benefits assigned to Physician by his patients and will designate Hospital with all third-party payors, including but not limited to Medicare, Medicaid, and other public or private insurance plans, as the address to which all payments for Physician services are to be mailed. Physician shall participate in all third-party payor plans designated by Hospital and may not withdraw from participation in any third-party payor plan without Hospital's prior written consent.
 - d. Physician may perform services in _____ emergency room when agreed to by both parties. Physician's income from such emergency room services accrues to Physician in addition to the normal base salary and incentive plan.
11. Medical Records.
- a. Records generated by Physician under this Agreement shall be in a form acceptable to Hospital under its bylaws, rules and regulations.
 - b. All medical records generated by Physician under this Agreement shall be the property of the Hospital. Physician shall have access to

such records for use in fulfilling his professional obligations hereunder.

12. Periodic Review of Physician. Hospital shall evaluate Physician's performance at least quarterly during the first year of this agreement and annually thereafter.
13. State Licensure; Medical Staff Appointment; Clinical Privileges.
 - a. Physician shall meet the following qualifications:
 - (1) He shall be duly licensed and registered to practice medicine in the State of Washington;
 - (2) He shall be appointed to the medical staff of the Hospital;
 - (3) He shall have been granted appropriate clinical privileges for the practice of his medical specialty by the Hospital.
 - b. Nothing in this Agreement shall be construed to appoint Physician to membership on the Hospital's medical staff or to affect his responsibility for appointment or re-appointment to staff membership or to exercise clinical privileges at the Hospital in accordance with the Hospital's medical staff bylaws, rules, and regulations. The Physician shall be entitled to exercise, pursuant to this agreement, only those clinical privileges that have been approved by the Hospital's Board of Directors.
14. Exclusivity of Employment. During Physician's employment under this Agreement, Physician agrees to practice medicine solely for Hospital. Physician shall not perform his specialty or any other type of medicine, either privately, with a group, or for another employer, while this Agreement is in effect unless otherwise approved by Hospital.
15. Term of Agreement. The term of this Agreement shall be the period commencing 08/01/00 and expiring on 07/31/02, unless earlier terminated as provided for herein. After the initial term, this Agreement shall automatically renew for additional one-year terms unless the non-renewing party provides one hundred and eighty (180) days written notice of intent not to renew to the other party.

16. Termination.

- a. During the initial term, this Agreement may be terminated by either party without cause prior to the expiration of its terms upon one hundred and eighty (180) days written notice to the other party.
- b. The Hospital shall have the right to terminate this Agreement and Physician's employment upon ten (10) days written notice for any of the following reasons:
 - (1) The failure or inability of Physician to perform his duties under this Agreement for a period of one (1) week, except during vacation, educational leave, disability, illness, injury or for another reason agreed to by both parties.
 - (2) Physician is convicted of committing a felony in the course of employment that has an adverse impact on Hospital or its employees or that breaches Physician's duties to Hospital.
- c. The Hospital shall have the right to terminate this Agreement and Physician's employment immediately for any of the following reasons:
 - (1) Suspension or loss (including voluntary surrender) of Washington State medical license;
 - (2) Termination, non-renewal or other loss (including voluntary surrender) of appointment to the medical staff of the Hospital;
 - (3) Termination (including voluntary surrender) of clinical privileges at the Hospital.
- d. The Hospital shall have the right to terminate this agreement for failure to meet performance criteria as outlined in Appendix B. (Prior to such termination, the Physician must be notified in writing and allowed 15-day opportunity to cure the problem.)
- e. Upon expiration of the Agreement, at the end of its term or prior termination on notice, it shall become of no further force and effect, and the parties thereto shall be relieved and discharged therefrom;

provided, however, that Hospital shall pay Physician for services rendered prior to the termination date;

- f. If Hospital should terminate this Agreement pursuant to paragraph 17 (a) or 17(c)(2 or 3) (if termination, non-renewal or other loss of clinical privileges or medical staff appointment is due to economics) Hospital shall pay to Physician, in addition to all Base Salary and Incentive Plan payments due and owing, one (1) year of Base Salary.
17. Assignment. Nothing contained in this Agreement shall be construed to permit an assignment by either party of any rights or obligations hereunder, and any such assignment by one party is expressly prohibited without the prior written consent of the other.
18. Waiver of Breach of Agreement. The waiver by Hospital of a breach of any provision of this Agreement by Physician, shall not operate or be construed as a waiver of any subsequent breach by Physician and vice versa.
19. Notices. Any notices by either party shall be in writing and sent by registered or certified mail to their respective addresses as shown above, or such other address as either party may designate by notice in accordance with this provision.
20. Integration. This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof, and no amendment, change or modification shall be effective unless in writing and signed by both parties hereto.
21. Applicable Law. This Agreement shall be governed by the laws of the State of Washington.
22. Severability. If any provision of this Agreement is invalid, illegal or incapable of being enforced by reason of any rule of law, administrative order, judicial decision or public policy, all other conditions and provisions of the Agreement shall, nevertheless, remain in full force and effect and no covenant or provision unless so expressed herein.
23. Use of Captions. Captions have been used in this Agreement for convenience only, and are not to be considered in construing any portion of the Agreement.

24. Upon execution of this Agreement by both parties, Hospital shall reimburse Physician the amount Physician has paid for legal fees incurred by Physician relating to this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

Public Hospital District No. _____,
_____ County, Washington

By:

_____ M.D.

APPENDIX A

1. Annual Physician Work RVUs units (inpatient + outpatient) covered in base salary payment = 2,300 RVU.
2. Incentive payment will be \$33 per Physician Work RVUs over 2,300 during any contract year.
3. Payment to be made on a semiannual basis no later than 60 days after the end of the 2nd and 4th quarters of the contract year.
4. Calculation for such payment shall be based upon days worked and expected units per day. The following illustrates how the calculation will work.
 - a. Expected days worked in a year equals **132 days**.
 1. **156 days** (52 weeks*3 days) **less**
 2. **15 vacation days** (5 weeks*3 days) **less**
 3. **3 education leave days** (1 week*3days) **less**
 4. **6 holidays**.
 - b. Expected annual Physician Work RVUs units will equal 2,300.
 - c. Expected daily physician RBRVS units will equal **17.4** Physician Work RVUs **units/day** (2,300 units/132 days.)
 - d. Expected units for which incentive plan will be based during a six month period will equal:
 1. Number of worked days **multiplied by**
 2. Expected daily RBRVS units (27.84)
 - e. Physician Work RVUs units exceeding the expected amount (as calculated as described in #d above) for the six month time period shall be compensated at \$33 per unit.

Initial below:

PUBLIC HOSPITAL DISTRICT NO. 2,
_____ COUNTY, WASHINGTON

By: _____

_____ M.D.

APPENDIX B

Physician Standards

1. Physician shall use his best efforts to:
 - A. Be available and ready during scheduled duty hours to see patients, or make coverage arrangements to the best of his ability when Physician is unavailable.
 - B. See patients without consideration for payor status, or type of problem.
 - C. Treat patients, family members, and office and Hospital staff with respect and courtesy.

Conflict Resolution

2. Physician shall use his best efforts to:
 - A. Resolve disputes with fellow physicians, non-physician office and hospital personnel, hospital administration and outside agencies in a professional manner.
 - B. Participate in regularly scheduled system improvement and conflict resolution activities.
 - C. Work with office staff and hospital administration to improve services and to resolve patient and family disputes conducive to improving customer and community relations.

Initial below:

PUBLIC HOSPITAL DISTRICT NO. 2,
_____ COUNTY, WASHINGTON

By: _____

_____, M.D.: _____