

HOSPITAL AND PHYSICIAN AGREEMENT

THIS AGREEMENT is made and entered into as of this _____ day of _____, 2001, by and between **PUBLIC HOSPITAL DISTRICT NO.** _____, a non-profit corporation (hereinafter referred to as “Clinic”), and _____. (hereinafter referred to as “Physician”).

PART I

1.01 Clinic, under the authority of R.C.W. 70.44, which owns and operates _____, (hereinafter referred to as “_____”), has had a contractual relationship with Physician who holds a specialty of Family Practice to provide services to Clinic and it is in the best interest of the Clinic, its patients and the community to continue this contractual relationship.

1.02 Physician, is duly qualified to practice medicine in the State of Washington, wishes to continue the contractual relationship.

1.03 Both Clinic and Physician, as parties to this Agreement, wish to ensure their mutual success and to define their respective rights and responsibilities each to the other.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises and covenants hereinafter contained, the parties agree as follows:

PART II RESPONSIBILITIES OF HOSPITAL

2.01 **Compensation:** The Clinic agrees to employ the Physician during the term of this Agreement. Clinic shall compensate the Physician at the base salary of _____ per annum, paid in equal monthly installments.

2.02 **Vacation:** Physician is eligible to take up to four (4) weeks of vacation time per year, sixteen (16) days based on four (4) ten (10) hour days per week. All accrued time will be lost beyond four (4) days. Vacation time shall be accrued at the rate of 1.34 days per month (based on average of four (4) ten (10) hours workdays per week).

2.03 **Sick Leave:** Sick leave shall accrue one (1) week or four (4) days per year. Sick leave may be accumulated to 20 days. Any time beyond that will be forfeited. If the physician leaves District employment he/she shall not be paid for unused sick leave. Unused vacation time will be paid upon termination of employment.

2.04 **C.M.E.:** Hospital shall allow up to one (1) week of paid CME time. Additionally, hospital shall reimburse approved CME expenses up to \$2,500.00 per year.

2.05 **Profit Sharing:** Clinic agrees to pay Physician twenty-five (25%) of the net income of the _____, determined on an annual basis, as of the end of each of the fiscal years of the _____ during which Physician is employed by Clinic. In the event that Physician is employed for only a part of any fiscal year, the amount to be paid to Physician shall be pro-rated for the period of time that Physician was actually employed by the Clinic. Net income shall be determined in accordance with generally accepted accounting principals, uniformly applied. Deductions from gross income to determine net income shall include, but is not limited to, if applicable, depreciation and an agreed upon reasonable amount for future equipment purposes, which amount shall be placed into a segregated account by the Clinic and shall be used only for such purchases. Net profits shall not include any revenues from designated health services as such term is defined by §1877 of the Social Security Act.

2.06 **Benefits:** Physician shall receive from the Clinic, in addition to compensation, reimbursement of expenses and profit sharing provided for elsewhere in this agreement, reimbursement of the costs and expenses of membership in professional organizations including AAFP, reimbursement of hospital staff fees, fully paid medical health insurance, through the hospital insurance plan, fully paid dental insurance premiums of the plan provided to other District employees, and all benefits which are offered to other employees of _____ not specifically enumerated herein.

PART III RESPONSIBILITIES OF PHYSICIAN

3.01 **Full Time Practice:** Physician agrees to operate a full time practice in the specialty of Family Practice. Full time practice is defined as not less than forty (40) hours per week, including not less than thirty-two (32) hours in the _____. Physicians will not provide medical services or be engaged as a physician except to patients of the _____, whether through employment, contract or self-employment, except with the written consent of the Clinic at its sole discretion.

3.02 **Hospital Privileges:** Physician agrees to maintain active staff privileges at _____ during the term of this agreement. Physician further agrees to fulfill the obligations attendant to granting of such privileges, as defined in the Bylaws of Hospital's medical staff. The Clinic shall pay all fees, dues, subscriptions and other costs and expenses associated with applying and renewing such staff privileges.

3.03 **On-call Service:** Physician agrees to participate in the on-call service currently being provided by a Primary Care Physician Group. Physician will respond in a timely manner. The rotation may be altered by the Group in an equitable manner.

3.04 **Professional Liability Insurance:** Hospital agrees to provide professional liability insurance in the amount of 2 million each claim and 3 million aggregate.

3.05 **License:** Physician shall maintain an unrestricted license to practice medicine in the State of Washington.

3.06 **Quality Assurance/Improvement:** Physician shall be responsible for the procedures and care for the Clinic that assures that patients received quality care in a compassionate manner. Violation of this provision of this Agreement shall constitute grounds for termination of Physician's employment by the Clinic, but shall not provide a basis for any liability of Physician to Clinic of any nature or description, including, without limitation, any claim for damages or for indemnity, except to the extent that such claim is covered under any errors and omissions insurance provided by the Clinic for the Physician. During the term of Physician's employment, Physician shall have the authority to supervise all employees and other service providers at the _____, which supervisor authority shall include, without limitation, the right to hire and fire other employees of the _____ with the consent of administrator. Nothing contained in this agreement, including, with limitation, this Section, is intended to create enforceable rights on behalf of any person not a party to this agreement, nor is it intended that any third party beneficiary be created hereunder.

3.07 **Residence:** Physician agrees to reside in _____ County during the term of this agreement.

PART IV GENERAL PROVISIONS

4.01 **Term of Agreement:** The term of this agreement shall be for a period of thirty - six (36) months beginning _____. This agreement may be terminated before the end of the twelve-month period on the occurrence of any of the following events:

- a. By written mutual agreement of the parties hereto.
- b. Failure of Physician to meet the requirements for the medical staff membership of the Hospital or failure of Physician to be approved and appointed to the medical staff of the Hospital in accordance with its bylaws.
- c. Dismissal of Physician from said medical staff for cause, subject to due process and approval of termination by the Board.
- d. A material breach of the agreement by Physician or Hospital
- e. Death or disability of Physician
- f. Either party giving the other ninety- (90) days advance written notice.
- g. Failure of physician to be approved or maintain membership with key insurers

4.02 **Assignment:** Nothing contained in this agreement shall be construed to permit the assignment or delegation by Hospital or Physician of any rights or obligations hereunder and such assignment is expressly prohibited.

4.03 **Covenant Not to Compete:** Physician agrees she shall not compete either directly or indirectly, or through any other legal entity, by being an employee of, owning,

operating, engaging in or having any other economic interest in the family practice medical business within a radius of fifteen (15) miles of _____, Washington for the period of three (3) years commencing on the date of the termination of this agreement. Physician acknowledges that in the event of default of this covenant, District shall not have an adequate remedy at law and shall be entitled to a preliminary injunction enforcing this covenant.

4.05 **Section headings:** Section headings are included herein for the convenience of the parties and do not form a substantive part of this agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement effective the date first above written;

DISTRICT NO. _____

PHYSICIAN'S NAME.

Date

Date