

## **RESIDENCY AGREEMENT**

**THIS AGREEMENT** (the "Agreement") is made as of \_\_\_\_\_ by and between **St. Vincent's East ("Hospital")** and \_\_\_\_\_ ("**Resident**").

### **RECITALS**

**WHEREAS**, in furtherance of its charitable purpose, Hospital sponsors the Family Practice Residency Program (the "Program"), offering graduate medical education and training to qualified physicians through an organized educational and training program accredited by the Accreditation Council on Graduate Medical Education ("ACGME"); and

**WHEREAS**, Resident has been appointed to participate, and desires to participate, as a resident in the Program;

**NOW, THEREFORE**, in consideration of the mutual covenants and promises hereinafter set forth, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree as follows:

**Section 1. Residency Appointment.** Subject to the provisions hereof, Hospital hereby appoints Resident to be a participant in the Program. During the term of this Agreement, Resident (a) shall devote Resident's full time and best efforts to the performance of Resident's duties under the Program, as such duties are established and communicated by Hospital to Resident from time to time, and (b) shall not at any time or place or to any extent whatsoever, either directly or indirectly, engage in professional medical practice or in any activity competitive with or adverse to Hospital business, practice or affairs, whether alone, as a partner, or as an officer, director, medical director, consultant, employee or shareholder of any other corporation or as a trustee, fiduciary or other representative, unless such activity is consistent with written Program policy on professional activities outside the scope of the Program and is expressly approved in writing by the Director of the Program (the "Director"). All volunteer and extra work outside Resident's scope of employment during the term of this Agreement shall be consistent with Hospital policies and guidelines (including, without limitation, those set forth in the Program's Resident's Handbook), as amended from time to time.

**Section 2. Duties of Resident.** Resident's duties hereunder are set forth on **Exhibit A**, which is attached hereto and made a part hereof. Such duties may be amended from time to time, but Hospital shall notify Resident of any such amendments in writing.

**Section 3. Direction of Services.** All services to be performed by Resident pursuant to this Agreement shall be performed under the supervision and direction of the Director. Resident hereby agrees to comply with such policies and procedures as Hospital (including the Program) shall from time to time adopt; provided, however, that Hospital shall not impose employment duties or constraints of any kind, which would require Resident to infringe the ethics of the medical profession or violate any ordinance or law. The relationship between Resident and Hospital is not intended to modify or affect, in any way, the physician-patient privilege or relationship or to interfere with the independent exercise of Resident's medical judgment. Resident acknowledges and agrees that Hospital will have the exclusive right to allocate the patients among its employees with due regard to the needs of the patient, the specialty and skill of the employees, and the workload of the employees.

**Section 4. Professional Standards.** Resident agrees that all services to be provided hereunder shall be provided in accordance with such standards of professional ethics and practice as may from time to time be applicable, and that Resident will comply with Hospital and Program policies, rules and regulations, and with all regulations and requirements of applicable regulatory or accrediting authorities. Before the Effective Date (as defined in Section 6 hereof), Resident shall obtain membership on Hospital's Medical Staff as a Resident Affiliate Staff Member, and Resident agrees to comply with

the bylaws and rules and regulations of such Medical Staff at all times during the term of this Agreement.

**Section 5. Fees for Services.** Except as expressly approved in writing in advance by the Director, all income generated by Resident for physician services performed during the term of this Agreement shall belong to Hospital, whether paid directly to Hospital or Resident, and Resident shall account for and remit promptly to Hospital all such fees paid to Resident.

**Section 6. Term.** Subject to the termination provisions of Section 12 hereof, the term of this Agreement shall commence on \_\_\_\_\_ (the "Effective Date"), and terminate on \_\_\_\_\_. If Resident is PGY-1 or PGY-2, Resident shall be eligible for reappointment to the Program pursuant to separate reappointment requirements and guidelines maintained by the Program. In the event of a reappointment, Resident and Hospital shall enter into a new Residency Agreement governing said new annual period.

**Section 7. Compensation.** During the term of this Agreement, as defined above, Hospital, in addition to any benefits paid on behalf of Resident, agrees to pay Resident as compensation for Resident's services hereunder a total salary, in the amount of \$\_\_\_\_\_, payable in arrears in equal bi-weekly installments on Hospital's regularly scheduled salary payment dates.

**Section 8. Fringe Benefits.** In addition to the compensation set forth in Section 7 above and other benefits described in this Agreement, Resident shall have the right to receive the benefits set forth on **Exhibit B**, which is attached hereto and made a part hereof, in accordance with Hospital personnel policies and procedures as adopted and modified from time to time. Such benefits are subject to amendment from time to time by Hospital in its sole discretion. Resident's rights and entitlement with respect to any such benefits shall be subject to the provisions of the relevant contracts, policies or plans providing such benefits.

**Section 9. Professional Liability Insurance.** Hospital shall furnish and pay for professional liability insurance for Resident's acts or omissions while providing professional services within the scope or under the direction of the Program in accordance with this Agreement, with such carrier (or through participation in the Alabama Hospital Association's Trust or other self-insurance program) as Hospital shall select, in the minimum amounts of \$1,000,000.00 per occurrence and \$3,000,000.00 annual aggregate. Should Hospital ever terminate its current insurance policy which covers residents, Hospital shall purchase appropriate "tail" coverage for Residents. Resident agrees to provide true, complete and correct applications as requested and to comply with Hospital risk management policies and any requirements of the insurance carrier of the policy furnished to Resident. Resident is responsible for their own professional liability insurance for any and all activities not directly related to the Program.

**Section 10. Compliance with CDC Recommendations.** Hospital will verify that Resident meets immunization and communicable disease status for healthcare workers as recommended by the Centers for Disease Control.

**Section 11. Living Quarters, Meals, Laundry, etc.** Resident shall be solely responsible for obtaining and maintaining living quarters for Resident and Resident's family, and for providing meals, laundry services and all other living expenses of Resident and Resident's family.

**Section 12. Termination.**

- (a) This Agreement shall terminate immediately upon the death or permanent disability of Resident.
- (b) Resident may terminate this Agreement at any time by providing Hospital sixty (60) days prior written notice.

- (c) This Agreement may be terminated by Hospital immediately for Cause upon written notice by Hospital to Resident. "Cause" shall exist upon the occurrence of any of the following events:
- (i) The suspension, revocation, restriction or cancellation of Resident's right to practice medicine or prescribe controlled substances in the State of Alabama;
  - (ii) The placing or imposing upon Resident of any restrictions or limitations by any governmental authority having jurisdiction over Resident which materially interfere with Resident's ability to perform the professional services for which Resident is being employed;
  - (iii) In the event the Director determines, in his or her sole discretion, that Resident's performance hereunder is unsatisfactory (based upon competence, quality of work and customary professional ethics and standards), or that Resident has failed or refused to perform Resident's duties under this Agreement faithfully or diligently, or that Resident has failed or refused to comply with the reasonable policies and regulations of Hospital or the Program from time to time established and communicated to Resident in writing;
  - (iv) Upon a finding by any state or federal authority or agency or by any board or group having the right to pass upon the professional conduct of Resident that Resident has engaged in unethical or unprofessional conduct;
  - (v) Upon Resident's voluntarily or involuntarily ceasing to maintain membership as a member of the Resident Affiliate Staff of Hospital;
  - (vi) Upon Resident's being convicted of a felony or any crime involving moral turpitude, or becoming addicted to, or excessively using, alcohol, drugs or toxic or foreign agents which tend, in the reasonable judgment of Hospital, to limit or adversely affect the performance of Resident's duties or responsibilities hereunder;
  - (vii) Upon a determination that any representation or warranty in Section 14 is false in any material respect; or
  - (viii) In the event Resident becomes uninsurable with the carrier regularly used by Hospital for insuring its physician employees, or in the event such carrier will only insure Resident for a higher premium than the standard rate for residents.
- (d) Hospital's right to terminate for Cause pursuant to Sections 12(c)(i),(ii) and (v) shall arise immediately upon Resident's exhaustion of administrative appeals to the State licensure agency or pursuant to Hospital's Medical Staff Bylaws, as the case may be. During the appeals process, Hospital may, in its discretion, suspend Resident from providing services to patients, but shall continue to pay Resident's salary under Section 7.
- (e) Hospital's ability to terminate this Agreement under Section 12(c)(iii) shall be subject to Resident's appeal rights under Hospital's Human Resource Policy and Procedure Manual. During the appeals process, Hospital may, in its discretion, suspend Resident from providing services to patients, but shall continue to pay Resident's salary under Section 7.
- (f) For purposes of this Agreement, "permanent disability" shall mean either of the following a determination by a physician licensed to practice medicine in the State of Alabama selected by, but not affiliated with, Hospital that Resident will not, in the best medical judgment of such physician, by reason of physical or mental incapacity, be able to begin fully performing personally Resident's duties under this Agreement within a period of ninety (90) days from

the date of such determination. Resident hereby agrees to permit any physician selected by Hospital for purposes of making such determination to conduct such examinations of Resident as are reasonably appropriate for purposes of making such determination and hereby authorizes the release to such physician of any medical records relating to Resident and authorizes any physician treating Resident to discuss Resident's condition with such physician for purposes of the making of a determination of permanent disability. The date of termination shall be the ninetieth (90th) day of the onset of the disability, as determined by the above-described physician.

- (g) Resident hereby agrees that this Agreement is independent of the bylaws and rules and regulations of Hospital's Medical Staff, and that Hospital's rights to terminate this Agreement are independent of, and not subject to, any procedural rights afforded Resident respecting membership on the Staff or privileges of such membership contained in such bylaws or rules and regulations.
- (h) No failure of Hospital to terminate Resident for Cause arising out of any particular grounds therefore shall constitute a waiver of the right to terminate Resident for Cause on any other grounds therefore, whether or not such grounds are similar in nature. Resident shall have no claim against Hospital for damages or otherwise by reason of such termination for Cause.
- (i) Upon termination of employment for any reason, all rights of Resident to receive any payments hereunder not theretofore made to Resident shall cease, provided that Resident shall be paid the amount of salary accrued but unpaid pursuant to Section 7 hereof. No payments shall be made, in the event of any termination, in respect of accrued but unused vacation or sick leave, unless provided otherwise in the personnel policies and procedures adopted from time to time by Hospital.

**Section 13. Program Closure/Reduction.** In the event Hospital decides to close or reduce the size of the Program, Hospital shall inform Resident as soon as possible. In the event of such a determination, Hospital shall either allow Resident to complete his or her education or assist Resident in enrolling in another ACGME accredited residency program in which Resident can continue his or her education.

**Section 14. Resident's Representations, Warranties and Covenants.** Resident represents, warrants and covenants with Hospital as follows:

- (a) Resident will be before the Effective Date, and during the term of this Agreement shall remain, duly licensed, certified, registered and/or otherwise qualified to provide services as a resident in the Program.
- (b) Resident will be before the Effective Date, and during the term of this Agreement shall remain, a member of the Affiliate Resident Staff of Hospital.
- (c) Neither the execution and delivery of this Agreement, nor the rendering of services hereunder will violate the provisions of, constitute a default under, or impose liability on Hospital under, any other contract, arrangement, commitment or agreement to which Resident is a party or by which Resident is bound, and Resident is not in default of any of them.
- (d) Resident represents and warrants that he/she has not been nor is about to be excluded from participation in any Federal Healthcare Program, Federal Procurement or Non-Procurement Program. Resident agrees to notify Hospital within one (1) business day of Resident's receipt of a notice of intent to exclude or actual notice of exclusion from any such programs. The listing of Resident or any Resident-owned subsidiary on the Office of Inspector General's exclusion list (OIG website) or the General Services Administration's

Lists of Parties Excluded from Federal Procurement and Non-Procurement Programs (GSA website) for excluded individuals and entities shall constitute "exclusion" for purposes of this paragraph. In the event that Resident is excluded from any Federal Healthcare Program, Federal Procurement or Non-Procurement Program, this Agreement shall immediately terminate. For the purposes of this paragraph, the term "Federal Healthcare Program" means the Medicare program, the Medicaid program, the Maternal and Child Health Services Block Grant program, the Block Grants for State for Social Services program, any state Children's Health Insurance program, or any similar program.

**Section 15. Working Facilities and Sexual Harassment Policy.** Hospital shall provide and maintain such facilities (including appropriate personnel), equipment and supplies, as it deems necessary for the Program and for Resident's performance of Resident's professional duties under this Agreement. Hospital shall maintain a separate written policy regarding sexual and other forms of harassment in the workplace.

**Section 16. Relationship of Parties.** The relationship between Resident and Hospital is that of the employee and employer. Resident shall not have any authority to enter into any contracts binding upon Hospital or to create any obligations on the part of Hospital, except such as shall be specifically authorized by Hospital. All amounts to be paid to Resident hereunder are in the nature of compensation for Resident's employment by Hospital and shall be subject to withholding, income, occupation, and payroll taxes and other charges applicable to such compensation.

**Section 17. Proprietary Information.** In the event of termination of this Agreement for any reason or upon the expiration of the term hereof, Resident shall return to Hospital any and all material in printed or other tangible form obtained by, used by, or developed by Resident in connection with the Program or the performance of services under this Agreement and shall not maintain or retain any copies thereof, including, but not limited to, all memoranda, studies and correspondence received or generated by Resident in connection with Resident's participation in the Program and all policies, procedures, papers and files maintained, secured or developed pursuant to Resident's participation in the Program. Resident hereby assigns to Hospital all rights Resident may have in and to any and all proprietary information or inventions developed by Resident during the term of this Agreement in connection with the Program. None of the above may be removed from the premises of Hospital upon the termination of this Agreement. The provisions of this Section 17 shall survive the termination of this Agreement.

**Section 18. Confidential Information; Patient Records.** Resident recognizes and acknowledges that, by virtue of entering into this Agreement and providing the services hereunder, Resident will have access to certain information of Hospital that is confidential and constitutes valuable, special and unique property of Hospital. Resident agrees that Resident will at no time, either during or subsequent to the term of this Agreement, without prior written consent of Hospital, disclose to others, use, copy or permit to be copied or used, except pursuant to Resident's duties for or on behalf of Hospital, any trade secrets or other confidential information of Hospital, including, without limitation, information with respect to the names, whereabouts and needs of patients of Hospital, costs, prices, marketing plans, and treatment methods and protocols at any time used, developed, or made by or for Hospital during the term of this Agreement. All patient lists, case records, case histories, X-ray films, or personal or medical files pertaining to or contained in the files of patients of Hospital or patients consulted, interviewed, treated or cared for by Resident shall belong to and remain the property of Hospital. Hospital will release a copy of patient records to patients upon receipt of a release from the patient and upon receipt of the reasonable costs of such copying, all in accordance with Hospital policies and procedures. The provisions of this Section 18 shall survive the termination of this Agreement.

**Section 19. Assignment.** This Agreement may be assigned by Hospital to any successor in interest, or to any entity controlling, controlled by, or under common control with Hospital. This Agreement is personal to Resident and may not be assigned by Resident, whether voluntarily or by operation of law, except with the prior written consent of Hospital. Subject to such limitation on assignment, the

provisions of this Agreement shall be binding upon and inure to the benefit of both Hospital and Resident and their respective heirs, personal representatives, successors and permitted assigns. Notwithstanding anything herein to the contrary, in the event of the death of Resident all payments due to be made under this Agreement shall be made to Resident's personal representative, if any, or to the person reasonably believed by Hospital to have guardianship or custody of Resident's personal affairs, and Hospital shall have no further responsibility with respect thereto.

**Section 20. Notices.** Any and all notices required or permitted to be given under this Agreement will be deemed given if furnished in writing and personally delivered or if sent by certified or registered mail, postage prepaid addressed to the party to whom notice is being given as follows (or to such other address or addresses as may from time to time hereafter be designated by the parties in writing by like notice):

If to Resident:

If to Hospital:

St. Vincent's East  
810 St. Vincent's Drive  
Birmingham, AL 35215  
Attention: Administration

Copy to:

Southeast Regional Legal Office  
102 Woodmont Blvd., Suite 800  
Nashville, TN 37205  
Attention: Associate General  
Counsel

**Section 21. Amendment; Waiver.** This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof. All prior negotiations, agreements, and understandings with respect to the subject matter of this Agreement, insofar as they relate in any manner to the employment of Resident by Hospital, are superseded hereby. This Agreement may not be amended or revised except as mutually agreed upon by all parties hereto, and as evidenced by a writing signed by all parties hereto. No provision hereof may be waived except by an agreement in writing signed by the waiving party. A waiver of any term or provision of this Agreement shall not be construed as a waiver of any other term or provision hereof. The waiver by any party hereto of a breach or violation of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach hereof.

**Section 22. Severability.** If any provision of this Agreement or the application of any provision to any person or to any circumstances shall be determined to be invalid or unenforceable, then such determination shall not affect any other provision of this Agreement or the application of such provision to any other person or circumstances, all of which other provisions shall remain in full force and effect, and it is the intention of the parties hereto that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision unenforceable, then the provision shall have the meaning which renders it enforceable.

**Section 23. Governing Law.** This Agreement shall be interpreted, construed and enforced according to the laws of the State of Alabama, without reference to principles governing conflicts of law.

**Section 24. Captions.** The captions contained in this Agreement are for convenience only and shall in no manner be construed as part of this Agreement.

**Section 25. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

**Section 26. Corporate Compliance.** Hospital has in place a Corporate Responsibility Program ("Program"), which has as its goal to ensure that Hospital complies with federal, state and local laws and regulations. The Program focuses on risk management, the promotion of good corporate citizenship, including the commitment to uphold a high standard of ethical and legal business practices, and the prevention of misconduct. Resident acknowledges Hospital's commitment to Corporate Responsibility and agrees to conduct all business transactions, which occur pursuant to this Agreement in accordance with the Program, Hospital's Code of Conduct and Medicare billing requirements.

**Section 27. Ethical and Religious Directives.** The parties acknowledge that Hospital is a member of Ascension Health and that the operation of Hospital in accordance with the Ethical and Religious Directives for Catholic Health Care Services, as promulgated by the United States Conference of Catholic Bishops, Washington, D.C. of the Roman Catholic Church or its successor ("Directives") and the principles and beliefs of the Roman Catholic Church is a matter of conscience to Hospital. It is the intent and agreement of the parties that neither this Agreement nor any part hereof shall be construed to require Hospital to violate said Directives in its operation and all parts of this Agreement must be interpreted in a manner that is consistent with said Directives. In performing services under this Agreement, Resident shall conduct his/her activities in a manner consistent with said Directives. A copy of the Ethical and Religious Directives may be obtained by contacting the legal services department.

**IN WITNESS WHEREOF**, Resident has executed this Agreement and Hospital has caused this Agreement to be executed by its duly authorized officer, as of the dates set forth below their signatures.

**"Hospital"**

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

Title: \_\_\_\_\_

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

By: \_\_\_\_\_  
*Program Director*

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

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

**EXHIBIT A**

Resident's duties under the Program shall include, but not be limited to, the following:

- (a) Performing all medical services as assigned to Resident by the Director, including "on duty" and "on-call" assignments at night and on weekends and holidays. Resident will perform all such services under the direct supervision of an attending physician. Resident recognizes that Hospital shall have complete authority with regard to the acceptance for treatment of or for the refusal to treat any patient and Hospital shall have complete authority with regard to the establishment of the appropriate fee for professional services. Resident will provide medical care to indigent and Medicaid patients in accordance with Hospital policies and procedures.
- (b) Keeping and maintaining (or causing to be kept and maintained) appropriate records relating to all professional services rendered by Resident under this Agreement.
- (c) Fully cooperating with Hospital and providing assistance to Hospital in meeting all requirements for The Joint Commission accreditation and for participation and payment associated with third-party payment programs and participating as necessary in all third-party payment programs in which Hospital is a participant.
- (d) Performing all things reasonably desirable to maintain and improve Resident's professional skills.
- (e) Performing such other duties as the Director may from time to time assign to Resident.
- (f) Complying with the Program's Resident's Handbook, as such handbook may be amended from time to time.



## EXHIBIT B

### Fringe Benefits Summary

In accordance with Section 8 of this Agreement, Hospital shall provide Resident with the following fringe benefits during the term of this Agreement:

- (a) **Relocation Assistance.** Hospital will reimburse Resident up to \$1,000.00 for reasonable expenses incurred by Resident in relocating to the Birmingham, Alabama area in order to participate in the Program. Such expenses will be reimbursed in accordance with Hospital's policies and procedures.
- (b) **License Expenses.** Hospital shall pay all business and professional license fees reasonably required for Resident to practice in Alabama during the term of this Agreement, including fees for an Alabama medical license and a Drug Enforcement Agency (DEA) permit. Hospital shall also pay during the term of this Agreement dues for an AAFP Resident Membership and registration fees for BCLS, ACLS, PALS, ATLS, ALSO and NALS.
- (c) **Vacation; Sick Leave; CME; Holidays.** Resident shall receive paid time off for vacation, illness, CME holidays or death in the immediate family in accordance with Hospital's Paid Time Off policy, as such policy shall be described in the personnel policies and procedures adopted from time to time by Hospital or the Program.
- (d) **Leaves of Absence.** The Program maintains a separate written policy on professional and medical, parental and caregiver leaves of absence, in compliance with applicable law; said policy addresses the effect of such leaves of absence on satisfying the criteria for completion of the Program.
- (e) **Continuing Education Expenses.** Hospital shall pay or reimburse Resident for expenses in attending continuing medical education seminars in the maximum amount of: \$500.00 if Resident is PGY-1; \$1,000.00 if Resident is PGY-2; and \$1,250.00 if Resident is PGY-3. Resident will be allowed time off from the Program to attend courses without charge to Resident's earned time account as follows: BCLS (1/2 working day), ATLS (1 working day), PALS (1 working day), NALS (1 working day), ACLS (1 working day), ALSO (1 working day), and USMLE Step 3/NBOME Step 3 (2 working days). The Director must approve attendance at all seminars in advance.
- (f) **Health Insurance.** Resident may purchase family health insurance coverage from a carrier selected by Hospital, provided all eligibility requirements are met.
- (g) **Life Insurance.** Hospital shall provide Resident, at no charge to Resident, life insurance with a death benefit equal to the amount of annual salary under this Agreement, provided all eligibility requirements are met.
- (h) **Disability Insurance.** Resident is entitled to long-term disability insurance coverage offered to Hospital employees, in accordance with Hospital personnel policies as adopted and modified from time to time. Resident shall also be eligible to purchase short-term disability insurance coverage for disabilities resulting from activities that are part of the Program.
- (i) **Counseling and Educational Services.** The Program offers confidential counseling, medical and psychological support services to Resident, pursuant to written policies separately maintained by the Program. The Program also offers an educational program for Residents regarding physician impairment, including substance abuse. The Program maintains a separate written policy describing how physician impairment problems, including substance abuse problems, are handled by the Program.

- (j) **Meals.** When at the Hospital performing services in connection with the Program, Resident shall receive meals free of charge at Hospital's cafeteria.
  
- (k) **Miscellaneous.** Each PGY-1 Resident shall receive two white coats. Each PGY-2 and PGY-3 resident may be entitled to work in a practice management practicum not to exceed five (5) days, as available and as approved by the Director, once Resident eligibility requirements are met.