

Attachment A

Summary of Revisions to Standard Physician Employment Agreements for Natividad

Natividad recommends the following revisions to the "Employment Agreement (Hospital Physician)" for Unit U employed physicians and the "Public Health Emergency Temporary Employment Agreement (Physician)" for employed emergency temporary physicians at Natividad, as indicated below.

EMPLOYMENT AGREEMENT (HOSPITAL PHYSICIAN)

EXHIBIT "A"

TERMS AND CONDITIONS

V. Employment Benefits and Benefit Programs.

B. Professional Liability Insurance Benefit. In addition to the general liability coverage that Monterey County carries on each and every Employee, the Employer shall, at its own cost and expense, obtain and maintain in force during the term hereof a professional liability insurance policy or policies, in amounts to be determined by Employer covering only those medical services and administrative services rendered by the Employee within the course and scope of his/her employment hereunder. Such insurance coverage shall include any self-insured retention by Employer. Employer may change deductibles, modify any self-insured retention, and/or adopt any other insurance arrangement as Employer deems appropriate within its sole discretion, so long as Employer maintains the minimum liability insurance coverage for the medical and administrative services rendered by the Employee that is required by the Hospital Medical Staff Bylaws, as currently amended.

1. The Employer maintains "claims made" professional liability insurance coverage. As a condition of employment, Employee shall be required from time to time to complete all insurance forms and supply other information deemed necessary or appropriate by Employer or by any insurer who provides or may provide coverage to Employer.

2. **"Continuous Coverage."** Because Employer has procured professional liability insurance covering Employee on a "claims made" basis, Employer shall hereafter at its sole cost and expense obtain and maintain "Continuous Coverage" that provides professional liability coverage to the Employee after this agreement expires or terminates for occurrences during employment. The Continuous Coverage shall be in such amounts as Employer deems appropriate for medical services and administrative services rendered by the Employee within the course and scope of his/her employment hereunder. ~~The Continuous Coverage will expire or terminate if~~ If the current underlying insurance agreement between Employer and its insurance carrier expires or terminates, the Continuous Coverage will expire or terminate and unless Employer shall obtain and maintain, at its expense, Extended Reporting Period coverage and/or Prior Acts coverage is obtained, providing coverage equal to or greater than that provided by the expired/terminated Continuous Coverage.

3. **Investigation of Professional Liability Claims.** To the extent that (1) a professional liability insurance policy or policies is/are provided pursuant to this Paragraph V.B.3, and/or (2) the Employee was acting within the course and scope of his/her duties under this Agreement at the time of the alleged act or omission, the insurer and/or Employer shall have the complete authority to process and administer any investigation and/or defense of any claims brought either (1) under the professional liability insurance policy, or any claim within the retained limits of such policy, or (2) based on the employer-Employee relationship, on behalf of or for the benefit of Employee. Such authority shall include, without limiting the foregoing, authority to appoint an agent to process and administer the

investigation and/or defense of (i) all claims within the limits of such professional liability policy, and (ii) all claims within the retained limits of such professional liability policy. The applicable provisions of the Governmental Tort Claims Act, Government Code §810, *et seq.*, shall govern the Employer's duty to defend and indemnify the Employee. Employee shall have a duty to cooperate fully with Employer and/or the insurer in any and all such matters, without additional compensation, in the prosecution and/or defense of any threatened or initiated legal proceeding, claim, investigation, or hearing of any nature whatsoever with respect to which the Employer's and/or Employee's liability is at issue or the Employer is/ may be entitled to indemnification hereunder. Such duty shall survive the termination of this Agreement for any incident(s) occurring, either all or in part, within the term of this Agreement.

PUBLIC HEALTH EMERGENCY TEMPORARY EMPLOYMENT AGREEMENT (PHYSICIAN)

EXHIBIT "A"

TERMS AND CONDITIONS

V. Employment Benefits and Benefit Programs.

B. Professional Liability Insurance Benefit. In addition to the general liability coverage that Monterey County carries on each and every Employee, the Employer shall, at its own cost and expense, obtain and maintain in force during the term hereof a professional liability insurance policy or policies, in amounts to be determined by Employer covering only those medical services and administrative services rendered by the Employee within the course and scope of his/her employment hereunder. Such insurance coverage shall include any self-insured retention by Employer. Employer may change deductibles, modify any self-insured retention, and/or adopt any other insurance arrangement as Employer deems appropriate within its sole discretion, so long as Employer maintains the minimum liability insurance coverage for the medical and administrative services rendered by the Employee that is required by the Hospital Medical Staff Bylaws, as currently amended.

1. The Employer maintains "claims made" professional liability insurance coverage. As a condition of employment, Employee shall be required from time to time to complete all insurance forms and supply other information deemed necessary or appropriate by Employer or by any insurer who provides or may provide coverage to Employer.

~~2. **"Tail" Coverage.** Because Employer has procured professional liability insurance covering EMPLOYEE on a "claims made" basis, Employer shall hereafter at its sole cost and expense obtain and maintain extended reporting coverage ("Tail Coverage") that covers the Employee when any of the following occur: (i) this Agreement terminates or expires; or (ii) there is any further change in professional liability coverage; or (iii) there is an amendment, reduction or other material change in the then-existing professional liability coverage for Employee, if such termination, expiration, amendment, reduction or other material change in professional liability insurance coverage would otherwise result in a gap in Employee coverage. Tail Coverage shall have liability limits in the amounts set forth above, and shall continue in existence until the longest statute of limitations period for professional liability for acts and omissions has expired.~~

2. **"Continuous Coverage."** Because Employer has procured professional liability insurance covering Employee on a "claims made" basis, Employer shall hereafter at its sole cost and expense obtain and maintain "Continuous Coverage" that provides professional liability coverage to the Employee after this agreement expires or terminates for occurrences during employment. The Continuous Coverage shall be in such amounts as Employer deems appropriate for medical services and

administrative services rendered by the Employee within the course and scope of his/her employment hereunder. If the current underlying insurance agreement between Employer and its insurance carrier expires or terminates, the Continuous Coverage will expire or terminate and Employer shall obtain and maintain, at its expense, Extended Reporting Period coverage and/or Prior Acts coverage, providing coverage equal to or greater than that provided by the expired/terminated Continuous Coverage.

3. Investigation of Professional Liability Claims. To the extent that (1) a professional liability insurance policy or policies is/are provided pursuant to this Paragraph V.B.3, and/or (2) the Employee was acting within the course and scope of his/her duties under this Agreement at the time of the alleged act or omission, the insurer and/or Employer shall have the complete authority to process and administer any investigation and/or defense of any claims brought either (1) under the professional liability insurance policy, or any claim within the retained limits of such policy, or (2) based on the employer-Employee relationship, on behalf of or for the benefit of Employee. Such authority shall include, without limiting the foregoing, authority to appoint an agent to process and administer the investigation and/or defense of (i) all claims within the limits of such professional liability policy, and (ii) all claims within the retained limits of such professional liability policy. The applicable provisions of the Governmental Tort Claims Act, Government Code §810, *et seq.*, shall govern the Employer's duty to defend and indemnify the Employee. Employee shall have a duty to cooperate fully with Employer and/or the insurer in any and all such matters, without additional compensation, in the prosecution and/or defense of any threatened or initiated legal proceeding, claim, investigation, or hearing of any nature whatsoever with respect to which the Employer's and/or Employee's liability is at issue or the Employer is/may be entitled to indemnification hereunder. Such duty shall survive the termination of this Agreement for any incident(s) occurring, either all or in part, within the term of this Agreement.