

EMPLOYMENT AGREEMENT (HOSPITAL PHYSICIAN)

THIS AGREEMENT OF EMPLOYMENT (“Agreement”) is entered into as of the date set forth below by and between the COUNTY of MONTEREY (“County” or “Employer”), on behalf of Natividad Medical Center (“Hospital” or “Natividad”) and [NAME] M.D. / D.O. (“Employee”).

The Union of American Physicians and Dentists (UAPD) has recently organized to represent some physicians working at Natividad. While the parties have not yet agreed on a Memorandum of Understanding (“MOU”, also known as a Collective Bargaining Agreement), in the event that a provision of the forthcoming MOU explicitly contradicts this Agreement, this contract may be amended to ensure compliance with the MOU.

1. **Employment of Physician.** Employer and Employee agree respectively to provide and accept “At-Will” employment which shall be pursuant to and governed solely and exclusively by the attached Terms and Conditions and Exhibits of this contractual Agreement, Paragraphs I through XVII, and those other Attachments (if any) appended hereto, which are incorporated herein by this reference and form an integral part of this Agreement as if recited herein in full over the signatures affixed below. No external reference(s) are intended, and none are to be implied unless specifically identified and referenced in this Agreement.

2. **Term.** The term of employment shall commence on [DATE] and continue through [DATE], unless terminated earlier as provided herein.

3. **Letters.** Reference in this Agreement to the letters below shall be to the information set forth following each letter.

- (A) **Name of Employee:** [NAME] M.D. / D.O.
California Medical License No.: _____
- (B) **Hospital Department:** _____
- (C) **Division (if any):** _____
- (D) **Percentage of full-time equivalent employment status:** _____% (____ FTE)
- (E) **Attachment(s):** Ex. “A” – Terms and Conditions of Employment Agreement;
Ex. “B” – Scope of Work
Ex. “C” – Additional Duties
Ex. “D” – Compensation
- (F) **Total Compensation:** \$ _____
One-time Employment (Sign-on) Bonus: \$ _____

Professional Expense Stipend: \$
Bilingual Skill Pay: \$
Special Assignment Pay shall not exceed \$.
The combined amount of this Agreement shall not exceed a total of \$.

- (G) Annual Leave Accrual Rate: "U6" -- hours per pay period.
- (H) Bargaining Unit: "U"

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year executed by both parties.

DATE: _____

EMPLOYER:

By _____
Charles R. Harris, M.D.
Hospital Chief Executive Officer
Natividad Medical Center

DATE: _____

EMPLOYEE:

By _____
 M.D. / D.O.

APPROVED AS TO LEGAL FORM:
LESLIE J. GIRARD, County Counsel

Stacy Saetta, Deputy County Counsel

DATE: _____

APPROVED AS TO FISCAL PROVISIONS:

Jennifer Forsyth, Auditor/Controller - Designee

DATE: _____

EXHIBIT “A”

TERMS AND CONDITIONS

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TERMS AND CONDITIONS

I. Employment and Duties.

A. Employment. Subject to and strictly within the terms, conditions and provisions of applicable law and regulations, and the Hospital Bylaws, the Employer hereby employs [NAME] M.D. / D.O., “Employee”, who is qualified and licensed to practice medicine in the State of California, to render and perform medical or other health care services under the direction and designation of the Employer, on an “at-will” basis, in the [REDACTED] Department of the Hospital. All references hereinafter to “practice of medicine,” “medical” or “medical practice” shall include those other health care practices and services for which Employee is appropriately licensed and that are the subject of Employee’s employment hereunder.

B. Duties. The Employee agrees to comply with all policies concerning the attending of patients and medical practice at the Employer’s various practice sites that are established by the Employer, its Departments, or Divisions from time to time during the term of this Agreement, or any extension thereof. The Employee agrees to practice in accordance with the applicable provisions of the Hospital’s Medical Staff Bylaws.

The Employee understands that Employer’s medical practice includes patients under a variety of payment programs and, within the scope of Employee’s medical specialty, Employee agrees to provide care to all patients, of any payor type, that may be assigned to him/her or that may request his/her services, subject to any policy of Employer permitting the transfer or reassignment of patients. During the term of this Agreement, the Employee shall render all such medical care and treatment in accordance with the Scope of Services attached to this Agreement as **Exhibit “B.”**

Employee shall comply with all applicable County personnel and other County policies and procedures, as adopted or amended from time to time, whether referenced in this Agreement or not. In addition, the Employee shall comply with all applicable Hospital, regulations, policies and procedures as may be adopted or amended from time to time. The Employee shall maintain medical staff privileges at the Hospital and/or other health care facilities designated by Employer, and shall cooperate with and participate in quality assurance, utilization review, peer review, and Hospital compliance plan processes established by the Employer or Natividad, their Departments or Divisions, Hospital Medical Staff Bylaws, County or Hospital rules and regulations, and/or County or Hospital policies and procedures. Employee shall complete and file all forms and make written acknowledgment of such policies as are required by the County. Employee shall abide by all applicable laws, rules, regulations and policies and procedures, in the performance of his/her duties and obligations under this Agreement.

C. Performance Standards. Employer from time to time establishes standards of performance for Hospital employees. The purposes of these standards are: (i) to provide a visible benchmark for evaluation of the medical care and service rendered by providers; (ii) to create a feedback mechanism so that excellent performance can be encouraged and unsatisfactory

performance can be identified and addressed, and (iii) to develop a basis for compensation adjustments. Performance standards may include the following areas:

1. Work Productivity / Patient Scheduling
2. Cost of Care / Resource Management
3. Patient Satisfaction
4. Utilization Review / Quality Assurance
5. Compliance with Employer's Policies & Procedures
6. Compliance with Medical Staff Bylaws
7. Compliance with Employer's Billing Policies & Procedures
8. Work Ethic
9. Peer Review

Hospital, at its option and within its sole discretion, may seek evaluation of contractual performance by requesting input from Employee's department and from other professionals within the Hospital.

D. Work Site: Employer retains at all times hereunder the right and sole discretion to designate at which site the Employee shall be assigned or reassigned from time to time to render services under this Agreement. Employer in making or changing any such designation will, to the extent practical, consult with Employee regarding Employee's preferences.

II. TERM.

A. Term. The commencement date and term of employment hereunder are set forth on Page 1, in Paragraph 2 of this Agreement. Employment is subject, however, to earlier termination as provided hereinafter.

B. Termination by Notice. Independent of and separately from the provisions of Paragraph X.B., the Employer and the Employee each individually reserve the right, pursuant to Paragraph X.A., to terminate the employment of Employee at the sole discretion of each without cause or penalty and conditioned only upon written notice by one to the other given not less than ninety (90) calendar days prior to the effective date of such termination. The effective date of the termination of this Agreement may be modified by mutual agreement of the parties.

C. Special Termination. Notwithstanding any other provision to the contrary, Employer shall have the right to terminate Employee's employment (1) upon notice effective immediately in the event the facility used by Employee in conducting Employer's medical practice becomes unusable for patient care or treatment, or (2) upon thirty (30) days' written notice for the purpose of modifying or revising this Agreement.

D. Termination or Amendment in Response to Reduction of Government Funding. Notwithstanding any other provision of this Agreement, if Federal, State or local government terminates or reduces its funding to the Employer for services that are to be provided

under this Agreement, Employer, in its sole and absolute discretion after consultation with the Employee, may elect to terminate this Agreement by giving written notice of termination to Employee effective immediately or on such other date as Employer specifies in the notice. Alternatively, Employer and Employee may mutually agree to amend the Agreement in response to a reduction in Federal, State or local funding.

III. Status of Employee.

1. **“Full-time Employment”** under the provisions of this Agreement is defined as the rendering of professional and/or administrative services on behalf of the Employer for the equivalent of at least 260 days per year. A day for purposes of this Agreement shall be determined by Employer in accordance with the policies and procedures of Employer as adopted and modified from time to time, but shall otherwise not be less than eight (8) hours.

2. **“At-Will” Employment Status.** In executing this Agreement, Employee specifically acknowledges that his/her employment status pursuant to this Agreement is “At-Will,” subject only to the terms and conditions contained or specifically referenced herein. It is expressly agreed by the parties hereto that no work, act, commission or omission of the Employee shall be construed to make or render him/her a “permanent” County and/or Hospital Employee with a vested property right to continued County and/or Hospital employment, or to any County employee benefits other than those specifically set forth herein. Without limiting the foregoing, no offer or obligation of permanent employment with the County or with the Hospital is intended or implied in any manner by this Agreement. Employee’s “At-Will” status cannot be changed by any oral or written agreement or policy.

3. The parties acknowledge and understand that Employee, as a licensed professional physician, is exempt from the provisions of the statutes and regulations of the Fair Labor Standards Act, Title 29 U.S.C. Section 200, *et seq.*

IV. Compensation.

A. **Total Compensation.** The Employee shall be compensated during the term of this Agreement at _____ Dollars (\$_____), which shall be paid in equal bi-weekly installments, in arrears, commencing with the Employer’s first payroll after the beginning of the term hereof. Compensation shall be prorated for actual service, and shall be subject to all required or customary withholding(s) and deduction(s) and any authorized payroll deductions. Notwithstanding anything to the contrary in this Agreement, the Employee acknowledges that the Employer, in its sole discretion, has the right to adjust Employee’s Total Compensation rate on an annualized basis. Any such adjustment will be determined by Hospital in accordance with its practices, procedures and policies as adopted, modified and rescinded from time to time. The Total Compensation shall include normal and routine administrative and teaching functions as set forth in **Exhibit “A”** that is attached hereto and made a part hereof, in addition to the provision of professional medical services. Total Compensation shall not include assignments compensable under the provisions of Personnel Practices and Procedures Resolution Section A.12.

B. Special Assignment Pay. In addition to Total Compensation, the Employee may from time to time be given special assignments and become entitled to special assignment pay, as set forth in Personnel Policies and Practices Resolution Section A.12 “Special Benefits-Physicians,” as currently amended. Section A.12 is incorporated herein and made a part hereof by this reference, as though set forth in full. Any Special Assignment Pay to Employee made pursuant to the provisions of Section A.12, shall not exceed the amount of _____ Dollars (\$_____) during the term of this Agreement, without appropriate amendment of this Agreement.

C. Bilingual Skill Pay. In addition to Total Compensation, the Employee, upon meeting all conditions as indicated below, shall be paid a bilingual skill pay differential.

2. An Employee in Unit U may be designated eligible for bilingual skill pay by the Hospital if they hold a position that requires the use of a second language on the average of at least thirty-three percent (33%) of the time.
3. An Employee in Unit U, upon assignment by the Hospital and successfully passing a language proficiency test, shall be eligible for bilingual pay in the amount of \$1,000 per year, which will be paid out in the amount of \$38.46 per pay period, for the duration of the assignment.

V. Employment Benefits and Benefit Programs.

B. Limited Entitlement to Benefits and Benefit Programs. The parties specifically acknowledge and mutually agree that this Agreement has been structured to provide limited Employee benefits on the one hand, while maximizing compensation to the Employee on the other hand. In establishing compensation under this Agreement, the value of certain permanent County Employee benefits has been considered. Accordingly, Employee acknowledges and agrees that he/she shall be entitled to participate in County Employee benefit programs only in the manner and only to the extent specifically set forth in this Agreement and/or its attached Exhibits. The provisions of the Personnel Policies and Practices Resolution apply to this Agreement only where and to the extent specifically referenced herein. Employee shall not become entitled by virtue of this Agreement, and shall have no claim whatsoever under this Agreement, or otherwise, against the County or Hospital for any type or form of employment benefit(s) or benefit program(s) that are not specifically provided for herein.

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. If the current underlying insurance agreement between Employer and its insurance carrier expires or terminates, the Continuous Coverage will expire or terminate and Extended Reporting Period coverage or Prior Acts coverage shall be obtained and maintained at Employer’s sole cost and expense.

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.

C. **Public Employees’ Retirement System (“PERS”).** Pursuant to Government

Code §§ 20305 and 20502, the Employee is required as a condition of employment, to participate in and contribute to the Public Employees' Retirement System ("PERS") plan offered by the Employer. The employee's portion is the sole expense of the Employee.

D. County Deferred Compensation Plan. Employee shall be entitled to participate in the County's Deferred Compensation Plan, pursuant to the applicable rules and regulations of that plan and the rules and regulations of the Internal Revenue Service.

E. County Flexible Spending Account (FSA) Program. Employee shall be entitled to participate in the County's FSA program, pursuant to the applicable rules and regulations of that plan and the rules and regulations of the Internal Revenue Service.

F. County Dependent Care (DepCare) Program. Employee shall be entitled to participate in the County's DepCare program, pursuant to the applicable rules and regulations of that plan and the rules and regulations of the Internal Revenue Service.

G. Health Insurance Benefits. An Employee who works at least fifty percent time (0.5 FTE) shall be entitled to purchase healthcare coverage for him/herself, his/her spouse and/or dependents in Employer's health insurance program (health, dental and vision) at his/her own expense. The non-elective employer contribution amount is included in the benefits allowance.

H. Optional Benefits. An Employee who works at least fifty percent time (0.5 FTE) shall be entitled to purchase optional benefits from the third party administrator with whom the County of Monterey is contracted, in the same manner as other County employees. Employee may purchase coverage for him/herself, his/her spouse and/or dependents at his/her own expense.

I. Professional License, Membership, and CME. Employee shall at his/her sole cost and expense, be responsible for fulfilling on a timely basis all licensure, medical organization membership, and continuing medical education requirements imposed by law or regulation, except that:

- a. An Employee who works at least seventy-five percent time (0.75 FTE) shall be entitled to reimbursement for the cost of Employee's renewal fee for Employee's California medical license on condition that the license is required to be renewed during the term of this Agreement.

J. Continuing Medical Education Benefits.

a. **Physician's Education Leave.** Upon approval of the Hospital's Chief Executive Officer, an Employee who works at least seventy-five percent time (0.75 FTE) shall be entitled to 40 hours per calendar year for attendance at schools, seminars and conferences. Annual Physician's Education Leave will be credited in January each year.

A newly hired employee that was not in employment at the time of the annual credit in January shall, on the first pay period concurrent with or following this agreement's term start date, be given a pro rata amount--to the nearest full hour--of Physician's Education Leave based on the number of pay periods remaining in the calendar year (26 per year) in which the term of this agreement began (e.g., 19 pay periods remaining credits 29 hours, calculated as $19/26 \times 40 = 29$), but in no event shall less than eight (8) hours be credited.

This leave may be taken only during the calendar year in which it is granted and no carry over of unused education leave to future years is allowed.

b. **Professional Expense Stipend.** In accordance with applicable Hospital and County policies, the Employee may attend professional meetings, schools, conferences or conventions away from the Hospital. The Employee may be eligible to receive a Professional Expense Stipend, as set forth below, to be used for Employee's expenses incurred while attending professional meetings, schools or conventions when: 1) the Employer approves the time away from the worksite in advance; and 2) the Employer agrees that such attendance will benefit the Hospital and its patients. Payment of the Professional Expense Stipend shall be subject to the conditions and limitations set forth below:

4. Employed Physicians in Unit U shall be paid a taxable Professional Expense Stipend of \$5,000 the first full pay period of each calendar year. This is paid only once per one-year term in the month of January. Employees must be in paid status during the pay period in which the stipend is paid in order to be eligible to receive the stipend for that calendar year. Eligible employees who work less than a 1.0 FTE shall receive a prorated amount based on their FTE (e.g., 0.9 = \$4,500, calculated as $\$5,000 \times 90\% = \$4,500$).
- b. All registration fees, travel and lodging expenses are to be paid directly by the Employee.

K. **Honoraria** are subject to the policies, practices and procedures that are adopted, amended or revoked from time to time by or under the authority of the County's Board of Supervisors or County Administrative Officer, specifically including those mentioned below in Paragraph V.L. Employee shall be solely responsible for payment of any and all applicable taxes and withholdings thereon.

L. **Outside Professional Services.** In the event that the parties agree that Employee may from time to time provide consulting or other professional services to organizations other than Hospital, Employee agrees to follow and abide by County and Hospital rules and procedures for approval of outside employment. (See, e.g., Personnel Policies & Procedures Resolution No. 98-334, Section B.14.) In any provision of outside consulting services by Employee:

1. Employee shall provide all outside professional services on his/her own personal time and not during hours he/she is obligated to provide services to Hospital.

2. Employee shall make no claim(s) to be an agent or representative of Hospital when providing or negotiating for the provision of outside professional services.

3. The outside professional services provided by Employee shall in no way be permitted to interfere with the Employee's performance of job duties or the ability to provide services to Hospital as described in this Agreement and its attachments.

4. No outside employment shall be undertaken by the Employee that does or may present a conflict of interests, or that has or may have the appearance of a conflict of interests with the duties and obligations of the Employee under the provisions of this Agreement and its attachments.

5. Employee shall provide no outside professional services to hospitals or hospital systems in exchange for compensation within the Relevant Geographic Area except when it is mutually determined by Hospital and Employee after discussion that such outside activities do not detrimentally affect the services or quality of care rendered hereunder. Hospital agrees that it shall not unreasonably withhold such determination. The phrase "Relevant Geographic Area," as used herein, means that geographic area of California composed of the following counties: Monterey, Santa Cruz, San Benito, Santa Clara, San Luis Obispo, and San Mateo; provided however, in the event that such geographic area exceeds the maximum area permitted by law or for any other reason does not state an appropriate geographic area within which the provisions of this section shall apply, then within the maximum geographic area as renegotiated by the parties in good faith or as reformed by a court.

6. Employee agrees to give the Employer prompt written notice of any income received from professional honoraria, writings, patents, licenses, public appearances, lectures (outside of and apart from Employee's contractual obligations pursuant to this Agreement), medical business ventures and non-medical activities received during the term of this Agreement. Such income shall belong to Employee, who shall be solely responsible for payment of any and all applicable taxes thereon and deductions therefrom; and Employee shall have the sole right to set the fees for such matters.

M. Paid Time Off (PTO), PTO Cash Out, and Holidays.

1. **Paid Time Off (PTO).** Employee shall be entitled to accrue and use twenty-three (23) PTO days in lieu of sick leave and vacation time. The PTO accrual rate also includes eleven (11) County-observed holidays, for a total of 34 days (272 hours) per year. PTO will be pro-rated for any Employee working less than 100% (e.g., 80%, or 0.8 FTE, receives 217.60 hours per year). The accrual rate for the term of this Agreement shall be [REDACTED] hours per pay period. Hours are accrued each pay period throughout the term of this Agreement and any renewal thereof.

A maximum of four hundred (400) hours of PTO may be accrued after which no further accrual shall be made until the Employee's accrual is reduced to below four hundred (400) hours by the use of PTO. PTO shall be earned on the basis of each biweekly pay period worked from the beginning of the biweekly pay period following the permanent appointment into a position in Unit U. PTO shall not be credited for any pay period during which Employee is on any non-paid status exceeding one-half (1/2) of Employee's normally scheduled working days. When Employee is within two (2) pay periods of exceeding their accrual maximum, management shall, at its option, schedule the employee for time off or pay hours at base rate of pay in lieu of time off.

a. **PTO Cash Out.** Physicians assigned to classifications in Unit U with at least one (1) year of service in County employment may sell back to the County up to one hundred twenty (120) hours of their PTO (or Annual Leave for those with annual leave hours remaining from previous years) in any calendar year, if the following conditions are met:

1. The physician has used (taken) at least forty (40) hours of PTO (formerly Annual Leave) during the preceding calendar year; and
2. The physician has at least forty (40) hours of PTO (formerly Annual Leave) remaining after making an election to "cash out" pursuant to PPPR Section A.30.13; and
3. No more than one (1) request for partial payment of a "cash out" may be made in any calendar quarter.

3. **Holidays.** If Employee is required to work on a County-observed holiday, such work hours shall count towards the regular work hours for the pay period. There shall be no additional compensation or compensatory time off to the Employee for time worked on a County-observed holiday.

- i. Usage of PTO on Holidays: If a holiday falls on a scheduled day off and Employee does not work the number of hours required in their regular assignment for the pay period, those hours will be deducted from Employee's PTO bank. If the holiday falls on a scheduled day off and Employee works all hours required in their regular assignment for the pay period, no PTO shall be deducted from their bank.

VI. Leave of Absence.

A. **Scheduling Vacations and Continuing Medical Education.** Scheduling of vacations, continuing medical education and holiday observances are matters to be arranged between Employee and the service director, which shall be achieved in such a manner as to promote the most efficient functioning of the Hospital in providing patient care. Scheduling shall be accomplished pursuant to such Hospital rules and procedures as may be promulgated and/or modified from time to time.

B. Leave of Absence Without Pay. Employee may qualify for approval of a leave of absence without pay within the discretion of the Employer, subject to applicable law and regulations, and the practices, policies and procedures of the County, as amended or modified by the County's Board of Supervisors from time to time.

C. Unavailability or Absence After Notice of Termination. After delivery of a termination notice by either party in accordance with Paragraph II.B., if Employee is absent or unavailable to perform the duties set forth in this Agreement because of illness, accident or injury, or because of required jury duty (but not an absence for the purpose of giving expert witness testimony or required testimony in a professional liability suit or other court or administrative proceeding involving the Employer's employees or patients), or for any other reason not specifically approved in advance in writing by the Employer, the following shall apply:

1. Employee shall not be entitled to receive compensation, or receive payment of any expenses incurred during that absence or unavailability as described in this Paragraph VI.C of the Agreement.

2. However, Employee shall continue to receive the benefits described in Paragraphs IV.B.

3. Any health insurance coverage being maintained for the Employee and his/her spouse/dependents through the Employer shall be continued subject to the Employee's reimbursement to the Employer of the cost of such coverage within five (5) days of demand therefor; and if reimbursement is not so made, the Employer may, at its option and within its sole discretion, thereafter terminate the Employee and/or dependent medical coverage in accordance with applicable law and regulations.

VII. Medical / Mental Examinations and Testing.

A. Employee represents that he/she is physically and mentally capable of safely and competently performing the services required by this Agreement. During the term of this Agreement, the Employer, at its sole discretion, may require the Employee to undergo medical/mental examination(s), including all necessary testing, which will be performed by physicians and/or other health care professionals designated by the Employer and at the Employer's sole expense, to verify that Employee is currently capable of safely and competently rendering the services required by this Agreement; and if not, to determine those limitations to which the Employee is subject. The Employee agrees to undergo such medical examination(s) if requested by the Employer, in accordance with the Hospital Medical Staff Bylaws and County policy, as adopted and amended from time to time.

B. It is the policy of Employer to maintain a workplace that is free of alcohol and drugs, in order to protect patients and co-workers, and Employer has adopted policies to that effect in compliance with federal and state law. Employee represents that he/she is now and will remain

in compliance with this policy, so that he/she can safely and competently perform all of the services required by this Agreement. The parties mutually agree that abuse of drugs or alcohol is incompatible with health, safety, efficiency and the successful delivery of high quality healthcare to patients. Employees who are under the influence of or impaired by a drug or alcohol on the job endanger their own health and safety, as well as that of patients.

1. The conduct prohibited by this policy includes but is not limited, to the following:

- a. the abuse of any legal drug;
- b. the possession or use of any illegal drug;
- c. the abuse of alcohol; and
- d. working while impaired by the use of a legal drug, an illegal drug, and/or alcohol.

2. If Employer has a reasonable suspicion that Employee is performing services in an impaired condition, Employer may refer the matter to the hospital's Chief Medical Officer for handling in accordance with applicable law and regulations, the Medical Staff Bylaws and/or County policies, as amended and adopted from time to time. Employee's refusal to cooperate with the process shall be deemed, within the Employer's sole discretion, a major breach of this Agreement.

VIII. Charges for Services and Other Fees; Compliance With Laws and Regulations.

A. Fees and Charges. Unless otherwise specifically provided herein, all charges and accounts receivable for professional services rendered by the Employee shall be the sole property of the Employer, and the Employer shall have the exclusive authority to establish all fees to be charged for services rendered by the Employee. The parties agree that Employee shall not bill or charge, or cause any other person to bill or charge, any patients, payors or other responsible third parties, for services rendered pursuant to this Agreement. Hospital shall be solely responsible for billing and collecting all fees and charges from patients, payors or other responsible third parties for any services performed by Employee under this Agreement. Employee agrees to cooperate in completing all necessary paperwork to facilitate billing by Employer.

1. Employee agrees to be enrolled in the Medicare and Medicaid (Medi-Cal) Programs as required in order to permit Hospital to bill for Employee's services.

2. Employee shall be reasonably available to participate in any appeal or other action by or against any payor, reimbursement or payment program in connection with any denial, refund, or other payment dispute in which Employee's performance of professional medical services is at issue. The provisions setting forth the obligations, rights and duties of the parties contained in this Paragraph shall survive the termination or expiration of this Agreement.

B. Reports and Records of Charges. Employee shall promptly prepare and file, in accordance with the time lines, policies and procedures established by the Employer from time

to time, full, accurate and complete medical records and reports of all examinations, procedures and other medical services performed by Employee hereunder. Employee shall cooperate with Employer in preparing and completing any and all records, reports or claim forms required to be completed in order for Employer to bill and/or to be paid or reimbursed by patients, payers or other responsible third parties for medical services rendered by Employee. Employee shall assist the Employer in analyzing or interpreting any and all reports prepared by Employee to the extent requested.

C. Representations and Compliance. In performing services and preparing records under this Agreement, Employee shall at all times comply with all applicable laws and regulations and policies and procedures.

1. By the submission of any record or report of any examination, procedure or other medical services, Employee shall be deemed to represent and warrant to Employer that: (1) the record or report is full, accurate and complete to the best of his/her knowledge; (2) the services performed were medically necessary for diagnosis and/or treatment of the patient; (3) the services described were actually performed for the patient indicated; (4) Employee personally performed all services described in the record or report; and (5) the level and character of services performed is accurately described.

2. Employee agrees to complete all Compliance Training as set forth in the Policies and Procedures. Employee agrees to review, and abide by, all applicable Codes of Conduct. Employee shall report any reasonably suspected compliance violations to his/her Service Director, supervisor, designated compliance contacts, or via the hotline (if applicable). Employee understands that reasonable reports of suspected violations will not result in any retaliatory actions.

IX. Compliance With Ethics and Laws.

A. Representations. The Employee represents that he/she is a physician or other health care provider duly licensed to practice medicine or other health care profession in the State of California, is in good standing with the Medical Board of California, or other governing board (the "Board") and that he/she has never been and is not now the subject of any pending disciplinary action by the Board or the equivalent medical licensing authority of any other state in the United States, or on notice of possible assertion of disciplinary action(s), other than such action(s) previously fully disclosed to the Employer in writing. At all times during the term hereof, the Employee shall be and remain licensed to practice medicine or other health care profession in the State of California.

The Employee hereby further certifies that he/she is not currently excluded, suspended or barred from participation in Medicare, Medicaid, Medi-Cal, or any other plans and programs that provide health benefits funded directly or indirectly by the United States or the subject of an audit or investigation related to these programs. Furthermore, Employee certifies that he/she has not had any actions taken against his/her Medicare, Medicaid, or Medi-Cal

participation, including revocation, termination, suspension, or similar action. Employer may take any necessary actions in response to the imposition of one of the actions set forth in this paragraph, up to and including termination of this Agreement. In providing the professional physician, and/or teaching and administrative services under this Agreement, Employee shall at all times comply with all applicable laws, rules and regulations applicable to Employee, including, without limitation, the False Claims Act (31 U.S.C. §§ 3729-3733), Anti-Kickback Statute (42 U.S.C. § 1320a-7b), Physician Self-Referral Law (42 U.S.C. § 1395nn), and Civil Monetary Penalties Law (42 U.S.C. § 1320a-7a); the Hospital Medical Staff Bylaws, Hospital rules and regulations; and with the Hospital and its peer review, quality assurance, utilization review, and compliance program functions, and all Hospital policies and procedures.

In addition, in providing services pursuant to the terms of this Agreement, Employee shall actively assist the Hospital in assuring that the Hospital meets the standards and requirements of applicable laws and regulations, third party accreditation requirements, and third party payor certification requirements.

If applicable, Employee shall actively participate in meeting the standards established from time to time for the Hospital's Family Practice Residency Program.

Employee shall serve and actively participate in the various committees of the Hospital medical staff, as set forth in the Medical Staff Bylaws (if applicable), or as requested or required by the Chief Medical Officer from time to time.

Employee acknowledges that Employer has no duty to or expectation of any referrals to Employer for medical services to be performed outside of this Agreement.

B. Notice of Action. The Employee agrees to give the Employer prompt written notice of any investigation or action, pending or threatened, concerning any matter of which the Employee acquires knowledge which arises from patient care provided by Employer hereunder, or may affect his/her license to practice medicine or other health care profession, eligibility to participate in Medicare, Medicaid, Medi-Cal or any other plans or programs that provide health benefits funded directly or indirectly by the United States, or medical staff privileges at any health care facility. Such notice shall be provided to the Employer within ten (10) days of receipt.

C. Ethics. The Employee covenants that in performing his/her duties for the Employer, the Employee will comply with all of the ethics, laws and regulations governing the practice of medicine in the State of California, including all applicable rules and regulations of the applicable California Medical Board, and all federal, state and/or local statutes, regulations or ordinances applicable to the practice of medicine.

D. Disruptive Behavior, Discrimination, Sexual Harassment and Workplace Violence. The Employer's and Hospital's policies and procedures prohibit disruptive behavior and discrimination in any of its forms, including sexual harassment, and forbid violence in the

workplace or anywhere else having a nexus with the workplace. Employee's signature on this Agreement constitutes Employee's promise to complete all required training, remain informed regarding such policies, and to fully comply therewith.

X. Termination of Employment.

A. Termination of "At-Will" Employment. The Employee and Employer each acknowledge that employment pursuant to this Agreement is "At-Will" employment, that the terms of this Agreement and any documents specifically referenced therein constitute their entire working relationship, and that there is no other or additional agreement or covenant, either express or implied, between the Employee and the Employer, for long-term or permanent employment. The Employee and the Employer each has the separate and independent right to terminate this employment relationship by notice at any time, without cause, within the sole discretion of each of them, subject only to the procedural requirements of Paragraphs II.B and C., and Section X of this Agreement.

1. If Employer gives notice of early termination, the Employee shall have the right, upon request, to discuss the termination of this Agreement with Employer prior to the effective date thereof. As set forth hereinabove, Employee shall not accrue any vested property right to or legally protected interest in continued or permanent employment because of this Agreement. The procedure(s) for termination of this employment Agreement shall be limited to that which is specifically set forth in this Agreement, or any mutually agreed upon amendment hereto.

2. To the extent permitted by law, the expiration of this Agreement, or its earlier termination, shall not require adherence to or compliance with any of the procedures set forth in the Hospital Medical Staff Bylaws, such as a Medical Staff hearing or other applicable procedures. In addition, the termination of this Agreement shall have no effect on the physician's Hospital's Medical Staff membership, status or privileges; provided, however, that any exclusive rights or privileges of said physician derived solely under this Agreement shall thereupon immediately terminate without compliance with any Hospital Medical Staff Bylaws, or rules, regulations, policies and procedures, to the extent permitted by applicable law.

B. Termination For Breach of Agreement. The employment of the Employee may terminate immediately upon the occurrence of any one or more of the following events:

1. The suspension or revocation of the Employee's license to practice of medicine or health care profession by the applicable California licensing Board;

2. The revocation, termination, suspension or disbarment from participation in Medicare, Medicaid, Medi-Cal and/or all other plans and programs that provide health benefits funded directly or indirectly by the United States.

3. The restriction or termination of the Employee's medical staff privileges at any hospital or other health care facility; provided, however, that temporary suspension or loss of medical staff privileges as a result of the failure to pay medical staff dues, or failure to comply with administrative requirements of the hospital or because of insufficient patient care activities at a hospital shall not result in the termination of Employee's employment under this Agreement, unless the loss of hospital staff privileges renders Employee unable to perform his/her duties hereunder; and provided that the Employee takes prompt effective action to have his/her medical staff privileges restored;

4. The Employee is unable to qualify or is unable to remain qualified at standard premium rates for the professional liability insurance coverage maintained by the Employer;

5. Within the sole and complete discretion of the Employer, termination of this Agreement may result immediately in the event of the occurrence of any one or more of the following:

a. The Employer determines that the Employee has violated Employer's policies for an alcohol/drug free workplace;

b. The Employee is reasonably alleged, as determined by the Employer, to have engaged in serious violations of law, regulation, or professional ethics that the Employer determines may result in harm either to patient care or to the reputation of the Employer;

c. The Employer determines that the Employee is in violation or breach of any provision of this Agreement, and thirty (30) days has passed since written notice of the violation or breach has been given by the Employer, without remedy thereof by the Employee to the satisfaction of the Employer;

d. The Employer determines that any representation made by the Employee in this Agreement, including but not limited to Paragraph VII, Paragraph VIII.C.1, Paragraph IX.A, or Paragraph X.B., hereinabove, is in any material respect false, untrue or misleading, including any material omission;

e. The Employer determines that the Employee has failed to give prompt written notice to the Employer of the existence of an investigation concerning the professional competence of the Employee by the medical staff of a hospital or health care facility at which the Employee has been granted staff privileges, by the applicable California licensing Board or the equivalent licensing authority of any other state, or of the existence of any pending or threatened action or proceeding concerning the Employee involving allegations of professional misconduct, malpractice or incompetence, or sexual harassment on the part of the Employee, or of the existence of any pending or threatened action or proceeding concerning the Employee involving allegations of Medicare, Medicaid, and Medi-Cal fraud, waste or abuse;

f. The Employer determines that there exists “medical disciplinary cause or reason,” as that term is defined by Business & Professions Code §805(a)(6), pursuant to the procedures established by the Employer in accordance with Business & Professions Code §§809 through 809.9;

g. The Employee fails to participate or cooperate in Employer’s peer review, utilization review, quality assurance and/or hospital compliance program activities or functions, or has violated the confidentiality provisions of Paragraph XII.D of this Agreement.

h. A finding of “Reasonable Cause” to believe, after investigation, that the Employee has committed acts of discrimination, and/or sexual harassment, and/or workplace violence, either in or having a nexus with the workplace.

i. A finding, after investigation, that the Employee has violated a workplace policy and/or procedure that the Employer determines has resulted in harm either to patient care or to the reputation of the Employer.

6. With respect to any material breach not specifically listed hereinabove, including the Employee’s failure to meet the performance criteria established by the Employer and/or its governing board(s), as modified from time to time, for either the provision of medical services or for teaching or administrative performance, the parties mutually agree that each party shall give the other notice of any such breach, and shall afford the other a reasonable amount of time, not to exceed thirty (30) days, to cure said breach prior to giving notice of termination of this Agreement for cause.

C. **Proration.** Except as otherwise provided in this Agreement, the Employee’s compensation and benefits under this Agreement shall be prorated to the last day during which the Employee actually performs services for the Employer.

D. **Advancing Termination.** If a notice of termination is given by the Employer, Employer may advance the effective date of termination as it deems advisable within its sole discretion, by paying to Employee the compensation, less withholdings and deductions, that would be earned had Employee worked from the advanced effective date of termination to the end of the applicable notice period. If a notice of termination is given by Employee, Employer may advance the effective date of termination as it deems advisable within its sole discretion, by paying to Employee the compensation, less withholdings and deductions, that would have been earned had Employee worked from the advanced effective date of termination for an additional thirty (30) days. In order to do so, the Employer must make a determination that circumstances exist that make the immediate removal of the Employee in the best interests of the County, and that the Employee cannot be effectively used in his/her job classification within the Hospital.

E. **Employer’s Assets.** Upon termination of employment, Employee shall have no right or claim to any of Employer’s medical practice or the assets thereof, including, without limitation, its accounts receivable, equipment, telephone numbers, patient lists and records,

including x-rays and photographs, or any other assets or proprietary rights of any kind or type belonging to Employer.

XI. Termination Because of Death or Illegality.

A. In the event of the Employee's death during the term hereof, Employee's employment hereunder shall terminate immediately.

B. Notwithstanding anything to the contrary herein contained, in the event performance by either party hereto of any term, covenant, condition or provision of this Agreement should jeopardize the license of either party, its participation in or reimbursement from the Medicare, Medi-Cal, Blue Cross or other reimbursement or payment programs, its tax-exempt status or the tax-exempt status of interest earned on any of its bonds or other financial obligations, or its full accreditation by any state or nationally recognized accreditation organization, or if for any other reason said performance should be in violation of any statute, ordinance, or be otherwise deemed illegal, or be deemed unethical by any recognized body, agency, or association in the medical or hospital fields, the parties shall use their best efforts to resolve the illegality through the renegotiation of the applicable portions of this Agreement. If the parties are unable to reach agreement on such changes within thirty (30) days after initiating negotiations, Hospital or Employee may, at their option, terminate this Agreement upon thirty (30) days' prior written notice to the other party.

XII. Release of Employment Records or Required Reports.

A. **Material Information.** In the event that the Employer at any time has reasonable cause to believe that a complaint has been made against the Employee by a patient, the California Medical Board, any other person or governmental entity, any health care facility at which the Employee has been granted staff privileges, or the National Practitioner Data Bank is conducting or has conducted an investigation relating to the Employee's professional credentials or competence, the Employer shall have the right to obtain and review any material information regarding any such complaint or investigation. The Employee hereby consents to the release and disclosure of any such information by any such entity, agency or health care facility to the Employer and agrees to cooperate with the Employer upon request to permit the Employer access to such information, including the execution of such consents and waivers as may be required by any such entity, agency, or health care facility.

B. **Disclosure.** The Employee hereby consents to the disclosure by the Employer of any material information relating to the Employee's professional credentials or competence to any health care facility at which the Employee has been granted staff privileges, and to any HMO, PPO, third-party payor, or similar organization for whom the Employer provides, or may provide, medical services, the California Medical Board, and the National Practitioner Data Bank.

C. **Release & Hold Harmless Agreement.** The Employee agrees, as a condition of entering into this Agreement of Employment, to release from liability and hold harmless the

Employer, its Board of Supervisors, Board of Trustees or other governing board(s), officers, employees and agents, to the fullest extent permitted by law, for their good faith act(s) and communication(s) of information and documents in connection with the Employer's participation in peer review, utilization review, quality assurance and/or hospital compliance program functions and activities for the purposes of monitoring or evaluating the Employee's training and experience, performance, competence, character, conduct and judgment. Further, the Employer releases all such parties from liability, to the fullest extent permitted by law, for the good faith communication of all information and documents between the Employer and any other persons, organizations or health care entities of any kind with which the Employee may have been or may become affiliated, for purposes of such evaluation. Employee shall, upon request, execute general and specific releases in accordance with the express provisions and general intent of this Subparagraph, except that execution of such releases shall not be deemed a prerequisite to the effectiveness of this Subparagraph.

D. Confidentiality. The Employee understands that the Employer performs peer review, utilization review, quality assurance and/or hospital compliance plan functions and activities, and that the Employee may be requested or required to participate in those activities. The Employee understands that confidentiality is essential to the effective performance of peer review, utilization review, quality assurance (see, *e.g.*, Evidence Code §1157) and/or hospital compliance program activities, and is required by law (*e.g.*, California Civil Code §56; Health Insurance Portability & Accountability Act of 1996 ("HIPAA") and accompanying Federal Regulations) of both Employer and Employee. The Employee therefore agrees to maintain the confidentiality of all information received by the Employee pertaining to such activities and agrees not to voluntarily disclose such information to any person or entity, except (i) for persons specifically authorized to receive it in the conduct of the Employer's affairs or as directed by the Employer's authorized officers, or (ii) as required in conjunction with other hospital, professional society, or licensing authority.. The Employee acknowledges that a breach of this provision may result in irreparable harm and legal liability to the Employer and affected practitioners, and that any breach or threat of breach of this provision is grounds for legal action against the Employee, including but not limited to an injunction to prevent or enjoin such disclosure, or for damages resulting from such disclosure.

E. Survival. The provisions setting forth the obligations, rights and duties of the parties contained in this Paragraph shall survive the termination or expiration of this Agreement.

XIII. Patient Records.

A. Files and Records. Any patient files and medical records created or compiled by, or added to by Employee during the term of Employee's employment are and shall remain the sole property of Employer, and Employee shall have no right to or property interest in such patient files, medical records, or the accounts receivable due from patients. Further, Employee will not disclose or use in any way adverse to the Employer or any patient, or contrary to law or regulations or policies and procedures, any such confidential information, patient lists or other proprietary information belonging to Employer.

B. Patient Record Requests. Following the termination of Employee's employment, any patient who makes a request will be provided with the forwarding business telephone number of the Employee, if former Employee provides Employer with such a number in writing. Patients may submit a written request to have a copy of their medical records delivered to the former Employee, provided that a reasonable copying charge is paid to Employer by the former Employee. However, nothing contained in this Paragraph XIII.B shall be construed to relieve the former Employee from the prohibitions contained in Paragraph XVI.D against solicitation of former patients or encouraging them to seek medical care other than from Employer.

C. Storage of Records. The parties agree that after the termination of Employee's employment, Employer shall continue to store and maintain its patient medical records for the period required by law, and Employee shall be allowed reasonable access to such records for purposes relating to the defense of any threatened or pending medical malpractice action(s).

XIV. Protection of Proprietary Rights.

A. Non-solicitation of Patients. Employee expressly acknowledges and agrees that all of the patients to whom Employee renders medical services pursuant to this Agreement are and will remain patients of Employer, and Employee shall not urge or encourage said patients to seek medical care elsewhere unless necessary for the best interests of the patient. For a period of one (1) year after the termination of Employee's employment, Employee will not solicit or contact patients of Employer for the purpose of urging or encouraging patients of Employer to seek medical care elsewhere.

B. Confidential Information. Employee expressly acknowledges that during the course of his/her employment with Employer, he/she may have access to trade secrets, proprietary information and confidential information of Employer including, but not limited to, patient files and records, patient volumes, market share, strategic business planning, referring physicians, the identity, names addresses, telephone numbers and medical history of existing patients and prospective patients, the terms of provider agreements with HMO's, PPO's and third-party payors, as well as the referral sources and methods of doing business of Employer. Employee expressly agrees that all such information shall be and remain confidential and the property of Employer. Employee shall not communicate such information, records or property to any third persons, duplicate, photocopy, transcribe, remove any such information, records or property from the premises of Employer, or otherwise make use of such information. Further, Employee agrees that both during and after his/her term of employment, Employee shall protect and preserve the confidential and proprietary nature of all such information, records or property and shall not: (i) disclose such information to any other person or entity, except to the extent required by law or medical ethics; or (ii) use such information to the advantage of him/herself or any other person or entity.

C. Non-solicitation of Employees. At all times during the term of Employee's employment, and for a period of one (1) year after the termination of this Agreement or any

extension/amendment thereof, Employee agrees that he/she shall not solicit or contact any Employee(s) or personnel employed by Employer at any time during the term of Employee's employment for the purpose of urging or encouraging any of the Employees of Employer to seek medical employment elsewhere, or employ any such person.

D. Liquidated Damages. Employer and Employee agree and acknowledge that it would be impractical or extremely difficult at best to measure the actual damages suffered by Employer as a result of a breach by Employee of his/her obligations pursuant to this Paragraph XIV. Accordingly, in the event of any such breach by Employee (factually determined by Employer to have occurred, after a reasonable investigation into an alleged breach), Employee shall pay the sum of Fifty Thousand Dollars (\$50,000) to Employer as liquidated damages, and not as a penalty. Employer and Employee agree that such amount of liquidated damages is a reasonable amount for liquidated damages for breach of this Paragraph XIV under the circumstances existing at the time this Agreement is entered into. In consideration of the payment of such liquidated damages, Employer shall be deemed to have waived all other claims for damages or relief at law or equity under this Agreement.

E. Survival. The provisions setting forth the obligations, rights and duties of the parties contained in this Paragraph shall survive the termination or expiration of this Agreement.

XV. Doctor - Patient Relationship; Nondiscrimination.

A. Nothing contained herein shall be construed to modify, alter or change in any manner or respect, as to patients of the Employer served by the Employee, the ethical relationship of doctor and patient.

B. Except to the extent that a circumstance such as age, sex, preexisting medical condition, or physical or mental disability is medically significant to the provision of appropriate medical care to the patient, Employee shall ensure that he/she shall not refuse to respond to a request for any administrative, professional or other service described herein on the basis of a patient's race, ethnicity, religion, national origin, citizenship, age, sex, sexual preference, preexisting medical condition, physical or mental disability, insurance status, economic status, or ability to pay for medical services.

XVI. Payor Contracts.

A. Agreement to be Bound. Employee agrees to participate in and be bound by all applicable provisions of any health care contracts to which Employer is now, or hereafter becomes a party, and any other agreements under which Employer provides medical services. Employee agrees to do all such acts as are required in furtherance of such participation, including completion of necessary forms and provision of requested or required information. Employee understands that such agreements may impose procedural or protocol requirements and quality assessment and/or utilization guidelines upon Employee, and Employee agrees to abide by such requirements.

B. Confidentiality. Employee agrees that all such health care contracts are confidential, and Employee shall not use, disclose, or disseminate to any person or entity information concerning the terms, conditions, or provisions of such agreements. Further, Employee shall not enter into any health care contract on behalf of Employer, unless Employer first approves said contract in writing and specifically requests Employee to execute such contract.

C. Power of Attorney For Third Party Payor Contracts. Employee appoints the Chair of the Board of Supervisors, the Hospital's Chief Executive Officer, the Chair of the Board of Trustees, the Vice-Chair of the Board of Trustees, and the Chief Financial Officer to be and act as Employee's true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, to act in Employee's name, place, and stead, for the purpose of executing on behalf of Employee any and all health care contracts with third-party payors.

D. Non-Solicitation. Following termination of Employee's employment, Employee shall not solicit any patients or employers or enrollees participating in any health care contracts or plans for which Employer is a provider of medical services.

E. Survival. The provisions setting forth the obligations, rights and duties of the parties contained in this Paragraph shall survive the termination or expiration of this Agreement.

XVII. General Provisions.

A. Notices in Writing. Notices under this Agreement shall be sent to the parties by personal delivery, by electronic facsimile, or by certified registered mail, return receipt requested, postage prepaid in the United States Postal Service at the address listed in the Employer's Human Resources system. Employee is responsible for ensuring a current address and telephone number is on record at all times, utilizing the Employee Self Service (ESS) system. Notice shall be deemed effective upon delivery or transmission if delivered or sent by facsimile and on the third (3rd) day after mailing. All notices required by this Agreement shall be sufficient if given in writing that is delivered to Employee personally or to Employee's residence, or sent by first class or by registered mail to the Employee's residence as to the Employee, or to the Employer's Administrative office as to the Employer.

B. Waiver of Breach. The waiver by either party of a specific breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach by the other party.

C. Integration, Modification, Waiver of Agreement. Each party agrees that the making, execution and delivery of this Agreement by the parties has not been induced by any representations, statements, warranties or agreements other than those herein expressed. This Agreement, including the recitals, attachments and exhibits hereto, embodies the entire understanding of the parties. There are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof, unless expressly referred to by reference herein. Without limiting the foregoing, this Agreement shall supersede all prior

agreements between the parties as of the effective date hereof. This Agreement may be amended or modified only by an instrument in writing, signed by the party to be charged.

The parties mutually agree that no evidence of any waiver or modification of any provision of this Agreement shall be offered or received in evidence in any administrative or court proceeding, or in any litigation between the parties hereto arising out of or affecting this Agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed as aforesaid. The parties further agree that the provisions of this section may not be waived except as herein set forth.

D. Interpretation. Article and Paragraph headings in this Agreement are not to be considered a part of this Agreement; they are included solely for convenience and reference, and are not intended to be full or accurate descriptions of the content thereof. They shall therefore not be interpreted to affect the validity of this Agreement or to limit or affect any rights, obligations, or responsibilities of the parties arising hereunder. This Agreement is to be interpreted as a whole document, taking into account the intent of its various provisions. Throughout this Agreement, the singular shall include the plural and one gender shall include the other gender wherever necessary.

E. Partial Invalidity. Except as otherwise provided in Paragraph XI.B hereof, if any provision of this Agreement is found to be invalid or unenforceable by any court, such provision shall be ineffective only to the extent that it is in contravention of applicable laws or regulations, without invalidating the remaining provisions hereof, unless such invalidity or unenforceability would defeat an essential business purpose of this Agreement.

F. Severability. If any provision of this Agreement shall be for any reason invalid or unenforceable, the remaining provisions shall nevertheless be effective.

G. Binding Effect. This Agreement shall bind and shall inure to the benefit of the heirs, successors and assigns of the parties. Notwithstanding the foregoing, this Agreement, and the rights, duties and obligations created hereunder are personal to the Employee and may not be assigned or delegated by the Employee.

H. Survival. Except as otherwise expressly provided in this Agreement, all covenants, agreements, representations and warranties, express and implied, shall survive the execution of this Agreement, and shall remain in effect and binding upon the parties until they have fulfilled all of their obligations hereunder and the statute of limitations shall not commence to run until the time such obligations have been fulfilled.

I. Confidentiality. Employer and Employee shall each comply with all applicable federal and state laws regarding the confidentiality of any and all patient medical records in the Hospital.

J. Construction of Agreement. The parties agree that each party and its counsel, if any, have fully participated in the review and revision of this Agreement, and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment or exhibit hereto.

K. Agreement to Perform Necessary Acts. Each party agrees to perform any further acts and to execute and deliver any further documents as may be reasonably necessary to fully effectuate the provisions of the Agreement during the term thereof.

L. Statutes and Regulations. Any reference in this Agreement to any statute, regulation, ruling, or administrative order or decree shall include, and be a reference to any successor statute, regulation, ruling, or administrative order or decree.

M. Governing Law. This Agreement is executed and is intended to be performed solely in the State of California. Any dispute as to the validity, construction, enforcement, or performance of this Agreement or any provision hereof shall be determined in accordance with the laws of the State of California. Venue for any legal action brought by a party pursuant to this Agreement shall be in the Courts of Monterey County.

N. Cumulation of Remedies. The various rights, options, elections, powers, and remedies of the respective parties hereto contained in, granted, or reserved by this Agreement, are in addition to any others that said parties may be entitled to by law, shall be construed as cumulative, and no one of them is exclusive of any of the others, or of any right or priority allowed by law.

O. Subcontracting, Delegation of Performance and Assignment. This Agreement and the rights, privileges, duties and obligations of the parties hereunder shall not be subcontracted, delegated and/or assigned by the Employee to a third party.

P. Time of Essence. The parties agree that time is of the essence throughout the term of this Agreement and any extension or renewal thereof, and of every provision hereof in which time is an element. No extension of time for performance of any obligations or acts shall be deemed an extension of time for performance of any other obligations or acts.

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

SAMPLE

Exhibit B - Scope of Services is subject to negotiation and review/approval of physician, Service Director, and Chief Medical Officer, with final approval from the Chief Executive Officer.

EXHIBIT “B”

SCOPE OF SERVICES

I. In General. You are being employed as a Physician in a full time (_____% FTE) position with Natividad Medical Center’s (“Natividad’s” or “Hospital’s”) _____ Department. Natividad is a general acute care teaching hospital wholly owned and operated by the County of Monterey, and has a Family Practice Residency Program affiliated with the University of California’s San Francisco Medical School.

A. Your duties (1) include provision of those professional medical services within the specialty to inpatients and outpatients of Natividad that are normally expected of a _____ physician, and (2) include In-Patient, Out-Patient, Operating Room, Emergency Department, and specified On-Call coverage responsibilities.

1. The division of these activities will be determined by the _____ Service Director, in discussions with you. When the Department is fully staffed, a full-time physician is expected to work on-site no less than 80 hours per pay period, including weekends and holidays, in the _____ Unit(s), Outpatient clinics, and call up to _____ times per week (the “Regular Assignment”).
2. Your schedule will be determined by the _____ Service Director and approved by the Chief Medical Officer to meet the needs of the Department. Onsite On-Call or Offsite Back-up Call shifts in excess of that included within your Regular Assignment shall be compensated pursuant to Personnel Policies and Practices Resolution Section A.12.

B. You must familiarize yourself with the Hospital Medical Staff Bylaws, as well as Department policies and practices.

II. Clinic Patient Care Performance Requirements.

A. You will:

1. Provide consultation and/or render clinical inpatient and outpatient services to patients as needed, within your medical specialty, in compliance with applicable rules, regulations and program guidelines
2. Understand and follow guidelines and protocols established by the

Department, including the number and type of outpatient visits and/or procedures scheduled.

3. Provide supervision and guidance to those working in the Department's clinics, the Hospital's inpatient units, and the Emergency Department.

4. Participate in the monitoring and evaluation process of the Department's Quality Assessment and Improvement Plan.

5. Perform routine administrative duties ancillary to provision of patient services such as referrals, medication refills, dictation, resolution of billing issues, and completion of forms and reports.

6. Prepare appropriate and timely patient medical records accurately detailing care and treatment services rendered.

7. Participate in staff meetings (by proxy when held on Employee non-work days).

8. Perform functions assigned by the Department's Medical Director, including:

- a. Patient care reviews
- b. Evaluation of patient care practice

B. Physician Coverage:

1. You will provide [REDACTED] services to both Hospital inpatients and patients in the clinic.

2. You will arrive within fifteen (15) minutes of first scheduled clinic appointment. First patient will be in exam room ready to be seen at time of your arrival.

3. Applicable medical records and results from required diagnostic tests (including Lab and X-Ray) will be made available for you to review at the time of the patient's visit.

4. You are responsible for arranging backup physician coverage in the event that you are unable to provide services when scheduled.

a. Any Physician who provides backup coverage hereunder shall be a member of the Hospital's Medical Staff who meets the professional medical specialty requirements of this Agreement.

b. List of Physicians approved to provide Backup Coverage:

5. Notice of change in physician coverage shall be provided to the Employer a minimum of twenty-four (24) hours in advance.

D. **Schedule(s)**. Schedule shall be arranged by the Department's Service Director and posted at least thirty (30) days prior to the first of each month. The schedule shall be subject to review and approval by the Hospital and Department Service Directors.

III. **On-Call Provision of Professional Services:**

1. On-call coverage is provided on a twenty-four (24) hours a day, seven (7) days a week basis, as scheduled, for all adult and pediatric patients and all requests for transfers or inpatient referrals requiring specialty evaluation, treatment, consultation, admission, and/or follow-up.

2. On-call coverage is provided within a response time as required by the patient's medical condition. You are expected to respond within fifteen (15) minutes by phone to any request for telephone consultation, with subsequent follow-up. In the event of a disaster or need for additional back-up, you are responsible to contact other Hospital Medical Staff members within the same specialty for assistance; and

a. You must provide timely initial outpatient follow-up care for all patients referred for specialty care by an Emergency Department or attending physician. If you are on-call at the time of the referral, you must provide follow-up care (first post-Emergency Department visit) for such patients regardless of patient's ability to pay for services at the time of the first visit; and

b. You must utilize a call system organized through a medical exchange system.

3. You must comply with all Hospital Medical Staff Bylaws, and the rules and regulations, and policies and procedures of the County and Hospital, the Medical Staff, and your medical department, and with all State and Federal laws and regulations regarding the transfer of patients and treatment of emergency medical patients.

4. You will not be required by this Agreement to treat a type of illness or injury that falls outside the scope of your medical specialty. You are expected to make every reasonable effort to arrange for alternate treatment for such a patient.

SAMPLE

Exhibit C – Additional Duties is subject to negotiation and review/approval of physician, Service Director, and Chief Medical Officer, with final approval from the Chief Executive Officer.

EXHIBIT “C”

ADDITIONAL DUTIES

The parties mutually agree that the Employee shall perform the following professional duties, which shall be in addition to the Scope of Work set forth in **Exhibit “B”** to this Agreement:

1. **Additional Duties.** Payment for the duties listed below are included in the Total Compensation as listed in Exhibit A.

- a. _____
- b. _____
- c. _____

SAMPLE

Exhibit D – Compensation is subject to negotiation and review/approval of physician, Service Director, and Chief Medical Officer, with final approval from the Chief Executive Officer.

EXHIBIT “D”

COMPENSATION

1. **Total Compensation.** The Total Compensation listed in Section A.IV.A of Exhibit A is comprised of the following and based on Employee’s FTE (prorated if FTE is less than 1.0):

Salary (Fair Market Value)	\$		
Benefits Allowance	\$		PRO-RATE on FTE
CalPERS Retirement Allowance (<i>Classic Members only</i>)	\$		
Total Compensation (as listed in Exhibit A)	\$		

2. **Other Compensable Items** (subject to taxation). **(only list items that are applicable)**
- | | | | |
|---|----|--|--------------------|
| One-time Employment (Sign-on) Bonus | \$ | | [\$20,000 maximum] |
| Professional Expense Stipend (<i>paid once per agreement year in January</i>) | \$ | | PRO-RATE on FTE |
| Bilingual Skill Pay (only list if applicable) | \$ | | |
| Special Assignment Pay (as applicable) | \$ | | |

3. **Additional Compensation for Special Assignments.** “Special Assignment Pay” listed above is a maximum amount that may be paid to the Employee for additional duties assigned by Employer beyond those listed in Exhibits B & C in accordance with the applicable provision(s) of Personnel Policies and Practices Resolution, Section A.12. Special Assignment Pay is not guaranteed.

4. **Documentation of Activity.** You shall provide documentation of your time and efforts as requested by the Hospital, on a form provided by the Hospital, in order to meet its documentation requirements of MediCal and Medicare or any other third party payor program. Payment for your services is contingent upon accurate and timely completion.

5. **Employment (Sign-on) Bonus** **[ONLY KEEP IF APPLICABLE]**. The Department Head for Natividad Medical Center has determined that this position is a “difficult-to-fill” position and is awarding an employment bonus in the amount equal to \$ [] **[\$20,000 maximum allowed]**. Parties agree this amount is reasonable and necessary to secure services under this Agreement, and is not in excess of fair market value. Payment of this bonus shall be in accordance with the Administrative Procedure established by the County Administrative Officer.