

ST. JOHN'S MERCY MEDICAL CENTER
RESIDENT AGREEMENT

«Department»

THIS RESIDENT AGREEMENT (“Agreement”) is entered into and effective July 1, 2008 (“Effective Date”) by and between St. John's Mercy Health System, a Missouri nonprofit corporation, d/b/a St. John’s Mercy Medical Center (“Medical Center” or “SJMMC”), and «First_Name» «Last_Name», «Degree» (“Resident”).

For and in consideration of the promises, covenants, and agreements set forth herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged , the parties hereto agree as follows:

1. RESIDENT PROGRAM.

Medical Center hereby agrees to accept Resident for participation in a graduate medical education residency training program in «Department»] (“Program”). The Program meets the standards of the Essentials of Approved Residencies, prepared by the Council on Medical/Dental Education of the American Medical/Dental Associations and implemented by the Residency Review Committee of the Accreditation Council on Graduate Education (“ACGME”). Further, Medical Center agrees to provide a suitable environment for an educational experience in the designated Program in which Resident is participating.

2. DUTIES OF RESIDENT.

During the Term of this Agreement, Resident shall, during the hours assigned to Resident by the Program Director (including night call), perform the duties outlined in this Agreement at such locations as Medical Center directs for the purpose of educating the Resident, delivering and participating in patient care, and complying with the recommendations and policies of the applicable Program Residency Review Committee. Specific work hours may vary but will be delineated by the Program Director in compliance with ACGME and Medical Center’s Graduate Medical Education (“GME”) written policies. Resident agrees to maintain time records as required by the Program Director to verify compliance with all Medical Center and ACGME duty hour regulations. Resident will also, subject to the direction and discretion of Medical Center, satisfy the requirements and perform the functions and duties assigned to Resident by Medical Center. Such functions and duties shall include, without limitation:

2.1 Resident shall obtain a valid state license or a valid temporary license from the Missouri State Board of Registration for the Healing Arts Medical or, as applicable, the Missouri Dental Board (the "State Board") in accordance with applicable legal requirements. Resident may not participate in the Program until written notification of the temporary license; temporary license renewal or a permanent license has been received by Medical Center from the State Board. If Resident is issued a temporary license by the State Board, Resident will be authorized to use Medical Center’s DEA registration number with the appropriate

suffix of code letters as assigned, such use to be limited to permitted administration and prescribing of controlled substances within the scope of Resident's patient care responsibilities arising out of participation in the Program under this Agreement.

- 2.2 Resident shall (i) perform Resident's staff services and other assignments under the direction of respective Department Chairman and/or Program faculty physicians as assigned and scheduled; (ii) attend and actively participate in the regular teaching conferences, ward rounds, seminars, research endeavors and assigned clinics as prescribed by the Program Director or Department Chairman, (iii) comply with the recommendations of the Residency Review Committee of each department charged with the evaluation of the clinical skills and competency of Resident; (iv) participate in education and supervision of residents and medical students; (v) participate on institutional committees to which Resident is appointed; and (vi) participate in quality improvement, utilization management, risk management and other Program and/or Medical Center activities.
- 2.3 Resident shall conform to the standards of professional scholarship and decorum as prescribed by Medical Center's Office of Graduate Medical Education and shall comply with the Graduate Medical Education policies and procedures and directions of the applicable Department Chairman and/or Program Director.
- 2.4 Resident shall comply with Medical Center's policies, rules and regulations dealing with maintenance and completion of medical records and the timely return of books and journals borrowed from Medical Center's Library. Resident shall discharge all indebtedness to Medical Center, such as satisfying any outstanding charges (e.g., charges for meals, lost books, etc.), returning borrowed equipment, loaned library books, and other property of Medical Center, prior to the end of the Term of this Agreement.
- 2.5 Resident shall abide by and be subject to all policies and procedures for discipline and redress of grievances including gender or other forms of harassment included in Medical Center's Policy and Procedure Guide for Graduate Medical Education Programs for Physicians ("GME Guide"), the rules, regulations and human resources policies and procedures as established and amended by Medical Center from time to time. To the extent of any inconsistency in the terms of the GME Guide and Medical Center's human resources policies and procedures, the provisions of the GME Guide will apply to the matter in question.
- 2.6 Resident shall (i) not assume attending physician medical practice responsibilities or engage in Resident's own practice of medicine or cover medical practice of another physician; and (ii) not engage in other types of employment (e.g., performing physical exams, employment in Medical Center, other hospitals, emergency centers, etc.). Any deviation from the foregoing policy must be approved in writing by Resident's applicable Program Director and must comply with the GME Guide or other applicable Medical Center GME policies. Resident

acknowledges that a temporary license is not valid for any of these activities. If approved, such activities must not interfere with Resident's obligation to Medical Center, impair the effectiveness of the educational program engaged in, or cause detriment to the service and/or interests of the Medical Center.

- 2.7 Resident shall keep and maintain (or cause to be kept and maintained) appropriate records relating to all professional services rendered by Resident and relating to all billing reports, claims, and correspondence required in connection with Resident's performance of services rendered under this Agreement.
- 2.8 Resident shall maintain the confidentiality, privacy and security of patient records and information as required by law, regulation and Medical Center policies and procedures, including but not limited to, Medical Center's policies and procedures regarding compliance with applicable provisions of the Administrative Simplification section of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320 through d-8 ("HIPAA"), and the requirements of any regulations promulgated thereunder, including, without limitation, the federal privacy regulations as contained in 45 C.F.R. Parts 160 and 164, and the federal security standards as contained in 45 C.F.R. Parts 160, 162 and 164 ("Regulations").
- 2.9 Resident shall perform in a diligent and timely manner the duties set forth herein. Performance standards will be established by the Program Director. Performance evaluations will be performed by Medical Center's faculty and reviewed with the Resident. If at any time Resident's academic performance is not in compliance with such standards, such that it threatens the successful Program matriculation or advancement of Resident within the Program, Resident shall be advised in writing by such Program Director. This written notice shall become part of Resident's Program record. Upon Resident's receipt of such notice regarding academic performance, Resident will be placed on academic probation which shall last at least three (3) months and not more than six (6) months. In addition, a remedial education program will be developed for the Resident. If after completion of the academic probation and the remedial program Resident fails to correct deficiencies, Resident may be terminated upon written notice.

If at any time Resident's non-academic performance is not in compliance with the performance standards established by the Program Director, Resident shall receive written notice of such failure to comply with such standards. If Resident receives more than two (2) such written notices, regarding non-academic performance, and fails to correct such deficiencies, Medical Center, in its sole and absolute discretion, may terminate this Agreement. Resident may be immediately terminated in the reasonable discretion of Program Director due to concerns for patient safety or any reason consistent with ACGME standards. The Graduate Education Committee will retain review authority in all cases.

Medical Center will provide Resident with the opportunity to address grievances including gender or other forms of harassment and/or appeal any disciplinary action in accordance with provisions set forth in the GME Guide.

3. COMPENSATION AND BENEFITS.

- 3.1 Resident shall be compensated for Resident's duties pursuant to the terms set forth on Exhibit A attached hereto, and such compensation shall be reviewed on an annual basis.
- 3.2 In addition to the compensation set forth on Exhibit A, Resident shall, during the term of this Agreement, be entitled to the fringe benefit programs afforded to Residents employed by Medical Center set forth on Exhibit B, subject in each case to any applicable eligibility requirements and pursuant to and in compliance with all Medical Center policies regarding employed resident benefits, as may be amended or revised in the sole discretion of Medical Center from time to time.
- 3.3 Medical Center shall provide meals for Resident, at no cost to Resident subject to Medical Center's designated per-diem amount, only while Resident is on duty at the Medical Center. The Doctors' Dining Room, the Cafeteria, and Baggot Street Cafe are approved sites for meals.

4. TERM & TERMINATION.

- 4.1 As used herein, "Term" shall mean the period commencing on the Effective Date of July 1, 2008 and ending on June 30, 2009, unless earlier terminated pursuant to Section 4.2 below. If in the sole discretion of the Medical Center, Resident has fulfilled all of the terms and conditions set forth in this Agreement, Resident will be reappointed for another year unless Resident is a participant in the One Year Transitional, one or two year Critical Care Fellowship or Dental Programs for which automatic renewal of this Agreement does not apply or if the Resident completes the final year of accredited training applicable to the Program. If Medical Center determines that the Resident's Agreement shall not be renewed for an additional period of twelve (12) months, Medical Center shall provide Resident with written notice of non-renewal of this Agreement no later than four (4) months prior to the end of the of the Term of this Agreement; provided, however, if the primary reason(s) for the non-renewal occurs within the four (4) months prior to the end of the Term, Medical Center shall provide Resident with that amount of written notice of non-renewal of this Agreement as the circumstances will reasonably allow.

In the event of termination or non-renewal, Resident may implement the grievance procedures in accordance with and as set forth in the GME Guide, upon Resident's receipt of written notice of termination or intent not to reappoint or renew this Agreement.

- 4.2 This Agreement shall terminate upon the first to occur of the following:
- (a) termination by Medical Center upon the date of death of Resident; or
 - (b) termination by either party by one party providing notice to the other stating the effective date of termination in the event Resident has become Physically Disabled. "Physically Disabled" for the purposes of this Section 4.2(b) shall mean that Resident has suffered from an injury, accident, illness or condition such that in the determination of a physician selected by Medical Center and Resident (or Resident's representative), Resident is unable, with or without reasonable accommodation, to perform the essential functions of Resident's position; or
 - (c) termination by Medical Center in accordance with Section 2.9 or upon the revocation, termination, restriction, or suspension of Resident's license to practice medicine by the State of Missouri for any cause; or
 - (d) termination by either party upon the other party's breach of this Agreement which remains uncorrected for ten (10) days following written notice of said breach to the breaching party, provided, however, that Resident shall be entitled to implement the grievance procedures in accordance with and as set forth in the GME Guide.
- 4.3 In the event this Agreement is terminated in accordance with Section 4.2, Medical Center shall no longer be obligated to make any additional payments hereunder or otherwise. Any amounts earned hereunder by, but not yet paid to, Resident shall be paid by Medical Center to Resident or, in the event of Resident's death such amounts shall be paid to Resident's surviving spouse, if any, or if none, to Resident's estate; and Resident or Resident's surviving spouse or estate, as applicable, shall pay any amount or amounts then owed by Resident to Medical Center.
- 4.4 In the event this Agreement is terminated in accordance with Section 4.2(e) and Resident abandons Resident's residency with Medical Center prior to the applicable notice period described in Section 4.2(e), Resident shall promptly reimburse Medical Center for expenses incurred by Medical Center in obtaining the services of a qualified temporary replacement for Resident acceptable to Medical Center for that period of time from the date of Resident's abandonment to the date of termination stated in the written termination notice delivered in accordance with Section 4.2(e); provided, however, that if Medical Center gives written notice of termination, Resident shall not be required to reimburse Medical Center under this Section 4.4 for longer than thirty (30) days after written notice of termination. In addition, if Resident abandons Resident's participation in the Program with Medical Center in violation of this Agreement, Resident shall promptly reimburse Medical Center for expenses incurred by Medical Center in obtaining the services of a qualified temporary replacement for Resident

acceptable to Medical Center for that period of time from the date of Resident's abandonment to the date this Agreement would have otherwise terminated. Resident specifically grants Medical Center the right to offset any amounts due from Medical Center to Resident for any reason against amounts due from Resident to Medical Center pursuant to this Section 4.4.

5. INSURANCE AND INDEMNITY.

5.1

Medical Center hereby agrees to purchase or provide, in Medical Center's sole discretion, medical professional liability coverage either through a funded self-coverage program or commercial insurance, in either case, subject to the terms and conditions thereof, covering Resident's participation in the Program in the minimum amounts of \$1,000,000 per claim and a minimum aggregate amount of \$3,000,000, which shall be maintained on either (i) a "claims made" basis, or (ii) an "occurrence" basis, both of which shall cover Resident against claims arising out of the rendering of or failure to render the services and obligations that are within the scope of Resident's duties specified in this Agreement. Medical Center shall be named as an additional insured under any commercial policy. In the event such medical professional liability coverage, is maintained on other than an occurrence basis, Medical Center will procure continuing coverage by obtaining subsequent policies which have a retroactive date of coverage equal to the retroactive date of the insurance policy in effect as of the Effective Date of this Agreement, by obtaining an extended reporting endorsement ("tail"), applicable to the coverage provided to Resident and maintained by Medical Center during the term of this Agreement, or by such other method reasonably acceptable to the Medical Center covering Resident against claims arising out of the rendering of or failure to render the services and obligations that are within the scope of Resident's duties specified in this Agreement.

5.2 Resident and Medical Center understand and agree that Medical Center has no obligation to defend and indemnify Resident against any costs that Resident becomes obligated to pay because of injuries arising out of the rendering of, or failure to render professional services, in connection with activities of Resident outside of the scope of Resident's participation in the Program and performance of duties specified in this Agreement, if any. Upon termination of this Agreement for any reason, the insurance coverage provided by Medical Center pursuant to Section 5.1 shall terminate except as set forth in Section 5.1.

6. NONDISCLOSURE OF CONFIDENTIAL INFORMATION.

Resident understands and acknowledges that Resident will have access to confidential information concerning Medical Center's business (including the information contained in this Agreement) and that Resident has a duty at all times not to use such information in competition with Medical Center or to disclose such information or permit such information to be disclosed

to any other person, firm, corporation, or other third party during the Term or at any time thereafter.

7. ADDITIONAL PROVISIONS.

- 7.1 The provisions of this Agreement shall be self-operative and shall not require further agreement by the parties, except as may be specifically provided to the contrary, provided, however, at the request of Medical Center, Resident shall execute such additional instruments and take such additional acts as Medical Center may deem necessary, to effectuate this Agreement.
- 7.2 Except as herein expressly provided to the contrary, whenever in this Agreement any consent or approval is required to be given by either party or either party must or may exercise discretion, the parties agree that such consent or approval shall not be unreasonably withheld or delayed and such discretion shall be reasonably exercised.
- 7.3 In the event that either party elects to incur legal expenses to enforce at cost of party seeking interpretation any provision of this Agreement, the prevailing party will be entitled to recover such legal expenses, including, without limitation, reasonable attorney's fees, costs, and necessary disbursements, in addition to any other relief to which such party shall be entitled.
- 7.4 Whereas Medical Center's principal place of business in regard to this Agreement and the location of the final act to effectuate this Agreement are in the City of Creve Coeur, County of St. Louis, State of Missouri, this Agreement shall be governed by and construed in accordance with the laws of such State, and such County and State shall be the venue for any litigation, special proceeding, or other proceeding as between the parties that may be brought or arise out of, in connection with, or by reason of this Agreement.
- 7.5 Subject to provisions herein to the contrary, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors and assigns; provided, however, Resident may not assign this Agreement or any or all of Resident's rights or obligations hereunder without the prior written consent of Medical Center.
- 7.6 The waiver by Medical Center of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver by Medical Center of any subsequent breach of the same or other provision hereof.
- 7.7 Any notice, demand, or communication required, permitted, or desired to be given hereunder shall be deemed effectively given when personally delivered or mailed by prepaid certified mail return receipt requested, addressed as follows:

Medical Center: St. John's Mercy Medical Center
615 South New Ballas Road
Creve Coeur, Missouri 63141
Attn: President & CEO

And with a copy to:

Attn: Director of Graduate Medical Education
St. John's Mercy Medical Center
Department of Graduate Medical Education
615 South New Ballas Road
Creve Coeur, Missouri 63141

Resident: «First_Name» «Last_Name», «Degree»
«StreetAddress»
«City» «State» «Zip»

or to such other address and to the attention of such other person or officer as either party may designate by prior written notice.

- 7.8 In the event any provision of this Agreement is held to be invalid, illegal, or unenforceable for any reason and in any respect, and the basis of the bargain of this Agreement is not thereby destroyed, such invalidity, illegality, or unenforceability shall not effect the remainder of this Agreement, which shall be and remain in full force and effect, enforceable in accordance with its terms.
- 7.9 The divisions of this Agreement into articles and sections and the use of captions and headings in connection therewith are solely for convenience and shall have no legal effect in construing the provisions of this Agreement.
- 7.10 This Agreement supersedes all previous contracts, and constitutes the entire agreement of whatsoever kind or nature existing between or among the parties respecting the subject matter hereof. No party shall be entitled to benefits other than those specified herein. As between or among the parties, no oral statements or prior written material not specially incorporated herein shall be of any force and effect. The parties specifically acknowledge that in entering into and executing this Agreement, each is relying solely upon the representations and agreements contained in this Agreement and no others. All prior representations or agreements, whether written or oral, not expressly incorporated herein, are superseded and no changes in or additions to this Agreement shall be recognized unless and until made in writing and signed by all parties hereto.
- 7.11 All case records, charts and personal files concerning patients of Medical Center shall be and remain the property of Medical Center and as such shall not be removed from Medical Center, copied, or disclosed by Resident. Any use or access of such records or information by Resident shall be limited to use and access

necessary to perform Resident's duties under this Agreement. Upon termination of this Agreement for any reason, Resident shall not retain, copy, or otherwise use records, charts or information related to any patient without the written consent of Medical Center and any such consent granted by Medical Center must in accordance with HIPAA and the Regulations.

- 7.12 Resident shall provide Medical Center with time records or other documentation on a regular basis as required by the Medicare program which reflects the time the Resident spends in furnishing Program services to Medical Center, including, without limitation, Resident's services to patients and services that are not reimbursable under the Medicare program (such as research). Such records shall be maintained by Medical Center for review by the Medicare intermediary, if requested.

- 7.13 The parties agree that if future legislation is enacted or regulations or clarifying legislation are promulgated by a government agency with authority to enforce the legislation or a decision of a court is rendered (a "Change in Law") that, in the opinion of Medical Center or Resident's legal counsel, affects or may affect the legality of this Agreement or adversely affect the ability of either party to perform its obligations or receive the benefits intended hereunder, then as soon as reasonably practical following written notice by such counsel to the parties, the parties shall meet to negotiate in good faith an amendment or substitute agreement to implement the original intention of the parties to the extent possible in light of the Change in Law.

The parties hereto have caused this Agreement to be executed as of the day and year first above.

ST. JOHN'S MERCY HEALTH SYSTEM
d/b/a St. John's Mercy Medical Center

RESIDENT

By: _____

Name: Denny DeNarvaez

Title: President and CEO

Name: _____
Name: «First_Name» «Last_Name», «Degree»

EXHIBIT A
COMPENSATION

EFFECTIVE JULY 1 , 2008

POST GRADUATE YEAR

PGY- 1

ANNUAL SALARY

\$45,754.70

EXHIBIT B BENEFITS

The following is a brief summary of benefits offered to Resident under this Agreement. Reference should be made to the benefits package supplied by Medical Center for a full explanation of each benefit and definitions of certain terms. Each benefit described herein is subject to the terms, qualifications, limitations and conditions of St. John's Mercy Health Care benefit programs, as amended from time to time, and benefits may be changed modified, terminated, increased or decreased provided that no benefit accrued at the time of the amendment or modification will be decreased. It should be noted that certain benefits vary for residents who are deemed to be part-time as defined by the base contract document.

Health Care Coverage

Full-time and eligible part-time residents may participate in the health care plan in accordance with St. John's Mercy Medical Center policies. St. John's Mercy Health Care offers a comprehensive health care plan. If Resident elects to participate in a health care plan offered by St. John's Mercy Health Care, St. John's Mercy Health Care will pay the premium for Resident's and Resident's eligible dependents' health care coverage. In addition, Medical Center will provide referrals for counseling and psychological support services for residents in circumstances, including, but not limited to physician impairment.

Dental Coverage

Full-time and eligible part-time residents may participate in the dental plan in accordance with St. John's Mercy Medical Center Policies. St. John's Mercy Health Care offers a comprehensive dental plan. If Resident elects to participate in a dental plan offered by St. John's Mercy Health Care, St. John's Mercy Health Care will pay the premium for Resident's and Resident's eligible dependents' dental coverage.

Vision Coverage

Full-time and eligible part-time residents may participate in the vision plan in accordance with Medical Center's Policies. If Resident elects to participate in a vision plan offered by John's Mercy Health Care, St. John's Mercy Health Care will pay the premium for Resident's and Resident's eligible dependents' vision coverage.

Life Insurance and Accidental Death and Dismemberment

All full-time and eligible part-time residents are eligible to receive coverage effective ninety (90) days after employment. Currently, it is offered at no expense to Resident. For full-time residents, insurance coverage is equal to one times the annual Total Compensation. For eligible part-time residents, insurance coverage is set at \$5,000. Supplemental life insurance coverage is available, at Resident's cost.

Long Term Disability Insurance

Per your contract you are required to carry disability insurance either from another company or the hospital provided plan. The hospital provided plan is currently being provided by Berkshire Life Insurance Company (the hospital pays for 60% of this premium).

The policy is a non-cancelable, guaranteed renewable plan. All of the base contracts are guarantee issued to all residents regardless of health status at time of application. The policy's current benefit amount of \$2,200.00 and includes an option to increase coverage when Resident's training is completed. **Currently, Medical Center pays approximately 60% of the policy**

premiums and Resident will pay approximately 40% of the policy premiums. Each Resident annual salary is reduced by about \$275 each year to pay for the policy. The resident owns their policy and upon completion of training will have the option to keep or terminate the policy. Residents may also purchase additional long-term disability insurance plans through the current carrier at their own cost. If you would like more detailed information about the guaranteed issue plan, plan benefits, or the additional coverage you may qualify for before orientation, please contact W. Ted Isaacs with any questions at (314)-569-0500 or toll free at 1-800-846-1768.

Vacation/Sick

Residents are eligible for Three (3) weeks (Monday-Sunday) or fifteen (15) days of (Weekdays) of vacation per year; and Three weeks (Monday-Sunday) or fifteen (15) days (weekdays) of sick leave per year. Vacation time or sick time, which is not utilized in a year, may not be carried over to subsequent years.

Leaves of Absence

Residents are eligible for leaves of absence for medical or personal reasons. When applicable, medical leaves are issued in accordance with the Family and Medical Leave Act. For leaves of absence due to Resident's personal illness, all available sick time will first be paid. Other available benefit hours must then be utilized prior to any unpaid time. In all events, Resident must make-up the training requirements of the Residency Program in accordance with ACGME requirements at the discretion of the Program Director.

Educational Leave

The purpose of this specially granted leave is to improve knowledge, to learn a technical advancement or to acquire a new technical expertise. Educational leave is reserved for residents in the final year of training and is granted in the sole discretion of the Chairman of the Department.

Medical and Dependent Spending Accounts

Full-time and eligible part-time residents may participate in the flexible spending accounts in accordance with the St. John's Mercy Medical Center policies. Flexible spending accounts are the tax savings by allowing you to set aside money out of your paycheck on a pre-tax basis to pay for eligible healthcare and/or dependent care expenses.

** For the purposes of this Schedule, "Total Compensation" means Resident's gross cash compensation for the most recently completed calendar year, or for new residents a reasonable estimate of the expected Total Compensation payable under this Agreement.

Initialed Medical Center: _____

Initialed Resident: _____

Approved by Legal-JLC 2/05/08