

AAMC UNIFORM TERMS AND CONDITIONS FOR PROGRAM LETTERS OF AGREEMENT

WHEREAS, the purpose of this document is to set forth the terms and conditions of the affiliation between Sponsoring Institution and Participating Site as incorporated into the AAMC Program Letter of Agreement, including the working arrangements, and agreements in furtherance thereof to provide high-quality clinical learning experiences for resident physicians (such term to include fellows or interns as applicable) of the Sponsoring Institution.

WHEREAS, this document, implemented through its associated Program Letter of Agreement, is intended and shall be interpreted to meet the Sponsoring Institution's accreditation standards related to affiliation agreements with clinical affiliates which require at a minimum:

- Identification of faculty who will assume both educational and supervisory responsibilities for residents.
- Specification of the faculty's responsibilities for teaching, supervision and formal evaluation of residents.
- Specification of the duration and goals and objectives of the educational rotation.
- Statement of the policies and procedures that will govern resident education during the assignment.

WHEREAS, neither party intends for this document to alter in any way its respective legal rights or its legal obligations to any third party.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein along with those of the Program Letter of Agreement, the parties agree as follows:

A. Responsibilities of Sponsoring Institution

1. Administration of Residency Program. Sponsoring Institution shall, through its Program Director, assume responsibility for the overall administration of the program including the program curricula; general supervision of residents; appointment of the Site Director at the Participating Site (whose responsibilities are described in paragraph B.1 below) and designation of the Faculty at the Participating Site; assignment of residents to rotations; and, evaluation of the rotation.

2. **Designation of Residents.** Prior to the beginning of each rotation, the Sponsoring Institution shall submit to the Participating Site a list of program residents to participate in rotations at the Participating Site. Sponsoring Institution shall only submit residents who meet applicable qualifications for participation.

3. **Program Policies, Rules and Regulations.** The Sponsoring Institution's policies, rules and regulations, such as clinical and educational work hours and moonlighting, shall govern program resident education. Program residents shall also be directed by Sponsoring Institution to comply with Participating Site's policies, rules and regulations while rotating at Participating Site. In the event there is a conflict between the Sponsoring Institution's policies, rules and regulations and those of the Participating Site, the parties shall confer to resolve the conflict.

4. **Responsibility for Residents.** Sponsoring Institution maintains ultimate responsibility for resident education through its Program Director. Performance issues will be handled by Sponsoring Institution in accordance with its policies, rules and regulations governing residents; provided however, that as described in paragraph B.7 below, Participating Site may remove a resident from participation in a clinical rotation in the event Participating Site determines just cause exists to conclude that resident's participation jeopardizes patient care or is otherwise disruptive to Participating Site's normal business operations.

5. **Resident Salaries and Benefits.** Residents are and shall be deemed employees of Sponsoring Institution except for those residents who are active duty members of the United States military assigned to Sponsoring Institution's Program. Sponsoring Institution shall at all times be responsible for ensuring the terms of employment, including as applicable, benefits including health, disability and workers compensation insurance, salary and payroll withholding of program residents. Sponsoring Institution agrees that its residents will not be covered by or entitled to any social security, unemployment compensation, retirement, pension and/or any other benefits programs or workers' compensation program offered or provided by the Participating Site, and no resident shall have any right, title or claim to participate in the same. Program-specific financial responsibilities between Sponsoring Institution and Participating Site, if any, shall be set forth in the Program Letter of Agreement.

6. **Immunizations.** Sponsoring Institution requires all residents in the program to have properly documented and updated immunizations appropriate for health care providers on file with the Sponsoring Institution, and Sponsoring Institution will inform residents if they may be required to provide these records and undergo additional immunizations to meet the requirements of the Participating Site. Sponsoring Institution will make its immunization policies available to Participating Site upon request.

7. **Criminal Background Checks.** Sponsoring Institution performs a criminal background check on each individual accepted into its residency program and reviews the results of such background check prior to the start of the resident's rotation at Participating Site. The criminal background check covers all states of legal residence

within the five years prior to entering residency as reported by the resident. Consistent with the representations contained in paragraph A.2 above, Sponsoring Institution will only assign those residents to clinical rotations covered by this agreement that Sponsoring Institution deems appropriate for the rotation. Sponsoring Institution will make its criminal background check requirements available to Participating Site upon request.

8. **Licensure.** Sponsoring Institution will only assign residents to Participating Site who are currently licensed or otherwise authorized to engage in the practice of medicine under the laws and regulations of the state in which the Sponsoring Institution is located, and will not assign a resident to Participating Site if that resident's license has been suspended or revoked. If the state in which Participating Site is located requires a separate license or other filing, Participating Site will provide information to Sponsoring Institution and resident pertinent to applying for and/or maintaining such license and/or making such filing.

9. **Availability of Mental Health Resources.** Sponsoring Institution, in cooperation with the Participating Site, must provide access to confidential, affordable mental health assessment, counseling, and treatment, including access to urgent and emergent care 24 hours a day, seven days a week ("Mental Health Services").

10. **Change in Accreditation Status.** Sponsoring Institution will provide timely notice to Participating Site of any change in program accreditation status.

B. Responsibilities of Participating Site

1. The Site Director of the Participating Site is identified in the Program Letter of Agreement. The Site Director will have responsibility for the coordination and administration of resident rotations at Participating Site. The Participating Site faculty identified in the Program Letter of Agreement will have responsibility for resident training, supervision and assessment during the rotations at the Participating Site.

2. **Participating Site Program Faculty Changes.** Participating Site shall provide Sponsoring Institution with advance written notice of any material change in the number or qualifications of Participating Site Program faculty assigned to supervise the rotations.

3. **Cooperation with Accreditation.** Participating Site agrees to provide such information, documentation and assistance as the Sponsoring Institution may require in order to comply with applicable accreditation requirements of the program.

4. **Access to Resources.** Participating Site shall make available to each resident a copy of Participating Site's policies, rules and regulations and other pertinent documents applicable to residents. The Participating Site shall provide each program resident with such equipment, resources and facilities (including without limitation cafeteria and library access, and suitable sleeping quarters for residents with night and

weekend on-call responsibilities) as are provided to Participating Site-sponsored residents (if any) and as are required by the applicable accreditation standards including but not limited to access to Mental Health Services provided in cooperation with Sponsoring Institution. Participating Site shall also provide necessary professional, technical, and clerical personnel needed to support the program rotation(s), including but not limited to, intravenous, phlebotomy and laboratory services; messenger and transporter services; appropriate and effective laboratory, pathology, and radiologic information systems; a medical records system that documents the course of each patient's illness and care and includes access at all times; and appropriate security and personal safety measures for all locations at Participating Site including parking facilities, on-call quarters, hospital and institutional grounds and any other related clinical facilities.

5. Resident Supervision. Participating Site and its faculty will supervise each resident in accordance with applicable state and federal laws as well as applicable accreditation requirements of the program. Participating Site and its faculty will supervise and interact with residents in a professional manner. Sponsoring Institution will make its resident supervision policies available to Participating Site upon request.

6. Resident Evaluation. In a timely manner, and in accordance with applicable accreditation standards, after completion of each resident's rotation at the Participating Site, or as otherwise required by the applicable accreditation standards, the Participating Site shall provide the Sponsoring Institution with evaluations of each resident's performance during the rotation, including completion of such forms as the Sponsoring Institution might provide or approve for such purpose.

7. Resident Removal from Participation. Participating Site shall provide the Sponsoring Institution with written notice of the proposed removal of any program resident and shall confer with the Program Director and attempt in good faith to resolve the issue(s). Participating Site may, however, remove a resident from participation in a rotation when, at its sole discretion, it determines there is just cause to conclude the resident's behavior poses an imminent threat to patient safety or welfare or is otherwise disruptive to Participating Site's normal business operations. In the event that the Participating Site determines that there is just cause to conclude that a resident's behavior constitutes an imminent threat to patient safety or welfare exists or is otherwise disruptive to Participating Site's normal business operations and that resident participation should be discontinued, removal of a resident need not be preceded by written notice. In such event, notice shall be provided to the Sponsoring Institution as soon as is practicable.

8. Supervision and Limitation of Resident's Authority. Participating Site has ultimate authority and responsibility for patient care. Residents shall participate in patient care under the supervision of Participating Site's Program Faculty. Residents are subject to Participating Site's policies regarding supervision consistent with applicable accreditation requirements of the program. Residents shall not have actual or apparent authority on behalf of Participating Site or independent health care

responsibilities and are not to be considered independent health care providers or employees of Participating Site while providing health care pursuant to the terms of the Program Letter of Agreement.

9. License and Accreditation. Participating Site shall at all times maintain appropriate licensure and accreditation by The Joint Commission or any other applicable accrediting agency.

10. Emergency Medical Treatment. Participating Site shall provide or arrange for emergency medical treatment, as necessary, to any program resident who becomes ill or is injured while participating in a rotation at Participating Site. Participating Site may demand payment for such treatment from the program resident or any applicable health insurance plan. If a resident sustains a needle-stick injury or other substantial exposure to bodily fluids of another or other potentially infectious material while at Participating Site, resident shall communicate such injury or exposure to Participating Site, and upon notification by resident, Participating Site agrees to provide the resident access to its available health care services as soon as possible after the injury to initiate testing and follow-up protocols.

C. Financial Arrangements

Financial Arrangements between the parties, if any, are set forth in the Program Letter of Agreement.

D. Insurance

Unless otherwise agreed to by the parties in the Program Letter of Agreement for specific programs, Sponsoring Institution shall provide and maintain, at its own expense, professional liability insurance or a program of self-insurance covering residents rotating to Participating Site in an amount no less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate per year. Sponsoring Institution shall provide a certificate of insurance on request of Participating Site.

E. Term and Termination

These terms and conditions will be implemented through Program Letters of Agreement and shall be effective for the period of time stated therein. Either party may terminate the Program Letter of Agreement on 30 days written notice unless a different notice period is specified in the Program Letter of Agreement. Should notice of termination be given for a Program Letter of Agreement, at the Sponsoring Institution's option, residents already scheduled to complete a rotation at Participating Site will be permitted to complete the previously scheduled clinical assignment.

F. Independent Contractors

Nothing in this document shall be interpreted or construed to make Participating Site, its employees, residents or faculty, employees, joint venturers, partners, or agents

of Sponsoring Institution. It is expressly understood the parties are Independent Contractors.

G. Confidentiality & Health Insurance Portability and Accountability Act.

Each party will comply with all applicable federal and state laws and regulations involving patient privacy and confidentiality as they may be amended from time to time, including but not limited to Health Insurance, Portability, and Accountability Act of 1996 (“HIPAA”) and all regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information and Security Standards for the Protection of Electronic Protected Health Information. Sponsoring Institution represents it has provided appropriate HIPAA training to residents assigned under a Program Letter of Agreement.

Residents participating in clinical training pursuant to a Program Letter of Agreement are members of the Participating Site’s workforce for purposes of HIPAA within the definition of “health care operations” and are the subject of the Participating Site’s policies and procedures regarding the use, access, and disclosure of Protected Health Information. Residents therefore may have access to patient medical information as provided for in the Privacy Rule of HIPAA. Therefore, additional agreements are not necessary for HIPAA compliance purposes. This paragraph applies solely to HIPAA privacy and security regulations applicable to the Participating Site and, as stated in paragraph A.5, above, does not establish an employment relationship between the resident and the Participating Site.

H. Compliance with Applicable Laws, Rules and Regulations.

In performing its obligations under the Program Letter of Agreement, each party will comply with the requirements of all applicable laws, rules and regulations, including, without limitation, the federal Stark Law, the federal Anti-Kickback Statute, the federal False Claims Act and other state and federal fraud and abuse laws and rules, as each may be amended from time to time.

I. Assignment

The Program Letter of Agreement will not be assigned by either party without the prior written consent of the other. Any assignment without prior written consent is voidable by the nonconsenting party, and the nonconsenting party shall have the option of terminating the agreement immediately upon such assignment. It is expressly understood that a change in ownership or control of a party to a Program Letter of Agreement, whether by merger with another entity, acquisition by another entity, or sale of substantially all of its assets to another entity is considered an assignment for the purposes of this Agreement.

J. Governmental Immunity

If the Sponsoring Institution is a public entity entitled to protections of governmental immunity under applicable law, it is specifically understood and agreed that nothing contained in this paragraph or elsewhere in this document will be construed as: an express or implied waiver by the Sponsoring Institution of its governmental immunity or of its state governmental immunity, including actions for indemnity; an express or implied acceptance by Sponsoring Institution of liabilities arising as a result of actions which lie in tort or could lie in tort in excess of the liabilities allowable under the applicable governmental immunity laws; or, a pledge of the full faith and credit of a debtor contract; or, as the assumption by the Sponsoring Institution of a debt, contract, or liability of the Participating Site.

K. No Exclusion from Federal Healthcare Programs

Sponsoring Institution and Participating Site represent that no adverse action by a state or federal government agency that will or may result in exclusions from a government healthcare program has occurred or is pending or threatened against it, its affiliates, or to the best of its knowledge, against any of its employees, agents, or subcontractors. Sponsoring Institution and Participating Site each agree that it shall not perform any act that shall cause it to become excluded from a government health care program during the term of the Program Letter of Agreement. In the event either party becomes excluded from a government healthcare program, the party shall promptly provide the other party written notice of the exclusion, which shall entitle the other party to immediately terminate the Program Letter of Agreement upon written notice to the other party. If a Sponsoring Institution has actual knowledge that a resident has become excluded or that an exclusion action is pending or threatened, it must promptly notify the Participating Site in writing.

L. Choice of Law

This document does not address choice of law and unless otherwise agreed to the Program Letter of Agreement, the parties will rely on the common law to resolve any issues relating to choice of law.

M. No Third Party Beneficiary.

Neither the Program Letter of Agreement nor these Terms and Conditions are intended to and shall not be construed to give any third party any interest or rights with respect to or in connection with any agreement or provision contained herein or contemplated hereby.

N. Notices

All notices provided by either party to the other will be in writing, and will be deemed to have been duly given when delivered personally; when confirmed delivery of

an email or facsimile; within one day after deposited with a national overnight courier with tracking; or, within three days after deposited in the United States mail, First Class, postage prepaid, addressed as indicated in the Program Letter of Agreement.

O. Severability

The invalidity of any provision of these terms and conditions will not affect the validity of any other provisions.

P. Captions

Captions in this document are for convenience only.

Q. Entire Agreement

This document, along with its implementing Program Letter of Agreement contains the entire agreement of the parties as it relates to this subject matter and may be modified only by additional written provisions contained in a properly executed Program Letter of Agreement.