
 <p>HAWAII HEALTH SYSTEMS CORPORATION "Touching Lives Everyday"</p> <p>PROCEDURE</p>	<p>Department: Office of the President</p>	<p>Policy No.: HR 015B (formerly ADM 0015)</p>
	<p>Issued by: President & CEO</p>	<p>Revision No.: 2</p>
<p>Subject: Physician Employment Procedures</p>	<p>Approved by:  Bruce A. Anderson President & CEO</p>	<p>Effective Date: October 13, 2011</p>
		<p>Supersedes Policy: January 26, 2006</p>
		<p>Page: 1 of 4</p>

I. **PURPOSE:** To establish procedures and define approval criteria for the employment of physicians.

II. **PROCEDURE:**

A. The following procedures outline the current processes for employing all physicians with or without Employment Agreements. These procedures however, may be subject to modification by the regions depending upon the types of employment models, benefits, etc., utilized for employing physicians in compliance with various State laws. Use of an employment agreement for physicians employed to provide solely administrative services is optional.

1. Regional Chief Executive Officer (RCEO) approves and submits the HR-01 form to establish/create or fill a vacant physician position, including a job description to their respective Regional HR office.
2. Upon approval of the HR-01, the RCEO approves the salary range within fair market value.
3. The Designated Regional Staff (DRS) will populate the Physician Recruitment Travel Pre-approval template and send to the HHSC Corporate Legal for review. If the DRS elects to have the agreement reviewed by outside counsel, the DRS will ensure that HHSC Corporate Legal is copied at the time it is sent out for review.

Once approved by legal counsel, the travel reimbursement agreement is returned to the RCEO for signature and then forwarded to the physician candidate for signature. A signed copy of the travel reimbursement agreement must be obtained prior to formalizing any travel arrangements for the physician's on-site visit and a copy is sent to HHSC Corporate Legal for their file. Upon execution of the signed travel reimbursement agreement, the RCEO/DRS will assist in coordination of the site visit agenda.



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Touching Lives Everyday"

Attachment 1

January 1, 2007

To: [REGIONAL CEO or CFO]

From: [FACILITY/REGIONAL FMV DESIGNEE]

DRAFT

Cc: [PHYSICIAN RECRUITER]
[HR]
[HHSC LEGAL]

Re: **Fair Market Value Documentation re [Practitioner] (Employment)**

Facility:

Scope of Service: [Describe as specifically as possible]

Salary Proposal: [\$] per [time period or procedure]. This figure falls within the [%] range per the market surveys referenced below. [Include On-Call Pay Proposal, if any] [For multi-year contracts, any planned incremental increase] As an employee, this physician will assign all professional fees to Facility.

Benefits:

Sick leave of X days= \$____.00*

Vacation of X days= \$____.00*

Holiday of X days = \$____.00*

Health insurance \$____

Disability insurance \$____

Relocation expenses: Maximum \$_____ in Year One

Signing/recruitment bonus \$___ in Year One

Travel and per diem allowances

Housing allowance

Income guarantee

Rent allowance/benefit

Loan guarantees

Other expenses (pagers, utilities, email and internet, phones, transcription)

Gain-sharing structures

Paid time off (for corporate meetings, public relations, etc)

Practice in another facility or setting

Malpractice Insurance: We propose to [pay][reimburse] all premiums and deductibles for professional liability coverage for this practitioner, at an estimated maximum cost of [\$]. The premiums are non-negotiable for the level of coverage required. We consider malpractice insurance a benefit and not included in salary.

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CME: Payment of or reimbursement for expenses associated with up to [#] CME programs per year, at an estimated maximum cost of [\$]. We consider CME a benefit and not included in salary.

Incentive Compensation: 80% (or other) of all professional revenues attributable to the physician after all physician and practice-related expenses have been met from professional revenues. There is no limit on incentive compensation because it is tied directly to productivity (no Stark or kick back issues) and does not come at the expense of other activities.

Total Proposed Salary: [\$] This figure falls within the [%] range per the market surveys referenced below. However, since this practitioner is a contractor whereas the surveys reference employees, a multiplier of 10-20% added to the survey rates for overhead may be appropriate if the physician is paying his/her own overhead.

Market (Survey) Data [Year]:

Negotiations: [Describe] No HHSC or facility employee or representative involved in negotiations or decisionmaking regarding this contract has any conflict of interest or other relationship precluding fair and arms-length negotiations in this matter.

Physician's Referral Relationship with Hospital: [Describe]

Other Considerations: [CAH coverage requirements, recruitment attempts and difficulties, opportunity cost to practitioner]

1.

FMV Designee Analysis:

FMV Designee Decision: I (do or do not) recommend CEO approval. [include any other relevant comments here]

CEO Approval: Based on review of the information and analysis provided above, I approve the compensation as fair market value [or I can not say that the compensation is not fair market value].

CEO Signature (or CFO designee) and Date:



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

""Touching Lives Everyday""

OFFICER CERTIFICATION
PHYSICIAN FINANCIAL ARRANGEMENTS

We, _____, Regional Chief Executive Officer and _____, Regional Chief Financial Officer, of the _____ region hereby certify that to the best of our knowledge, the following matters are true for the employment (or contractual) agreement by and between _____ (hospital) and _____ (name) dated _____ (the "Arrangement"):

1. There are no other arrangements, written or oral, with _____ except as written in the Arrangement;
2. The payments pursuant to the Arrangement represent the fair market value of the services to be rendered thereunder;
3. No payment has been or will be made, to the professional referenced herein outside of the terms and conditions of the Arrangement unless such outside payment is also consistent with the Hawaii Health System Corporation's policies; and
4. We, as the Regional Chief Executive Officer and Regional Chief Financial Officer of the _____ region, shall ensure that the services required under the Arrangement are rendered prior to making each payment thereunder.

Date: _____

Signature: _____
Regional Chief Financial Officer

Date: _____

Signature: _____
Regional Chief Executive Officer

4. RCEO to negotiate the scope of services and compensation with the physician using the Fair Market Value (FMV) compensation data and other relative market information. RCEO will consult with the applicable Regional or Chief Compliance & Privacy Officer at the beginning of the negotiation process to ensure compliance with all Stark, Anti-Kickback, and other laws as applicable. Consultation with HHSC Corporate Legal is optional.
 5. Total compensation for physicians with employment agreements, either for initial or extended agreements within the authorized limit, shall require the RCEO's approval prior to finalizing any agreement.
 6. RCEO or DRS shall complete the Fair Market Value (FMV) Compensation memo (Attachment 1) including attachments relative to the FMV.
 7. If the facility is interested in hiring the physician, the RCEO/DRS shall draft the employed Letter of Intent (LOI-Attachment 4) template (legal review is optional) and send to the RCEO for presentation to the physician candidate. The RCEO/DRS will also send a copy of the LOI to the Regional Human Resources Director for information purposes, as candidates frequently follow up with the Regional HR office after their site visit.
 8. Upon completion of the negotiations, RCEO or DRS shall complete the Officer Certification (Attachment 2) and submit to their respective Regional HR office. The Regional HR Office will be responsible for ensuring that all appropriate approvals have been obtained and for initiating the Conditional Letter of Appointment and Letter of Understanding.
- B. Employing Physicians with Employment Agreements - All employed physicians whose duties include clinical practices as an employee of HHSC are required to have a written employment agreement.

All employment agreements are coordinated by the Physician Practice Management Director/Medical Group Practice Director or DRS and approved by the RCEO. If necessary, employment agreements shall be approved by the HHSC PCEO dependent upon the financial threshold of the physician employment agreement. The following outlines the additional procedures to III. A., 1-6 above for physicians with employment agreements. Refer to the "Physician Financial Arrangements for Physician Contracting (May 2007)" manual for approved templates:

1. RCEO or DRS shall complete the Fair Market Value (FMV) Compensation memo (Attachment 1) including attachments relative to the FMV, Officer Certification (Attachment 2), and signed copy of the Negotiator's Checklist (Attachment 3) and submits to Regional HR.
2. RCEO or Regional HR verifies with the physician that he/she does not have any other arrangements (i.e. employment, contract, etc.) with any of the facilities within the HHSC system. If the physician does, HHSC Corporate Legal should be alerted at the time the contract is submitted for legal review.
3. Upon receipt of the completed Attachments 1, 2, and 3, the DRS will draft the Physician Employment Agreement template. The designated DRS will review and determine if more information is needed to substantiate FMV, etc. Regional HR/DRS should evaluate the job description and the terms of the employment agreement for consistency.
4. Regional HR will forward a draft employment agreement along with Attachments 1, 2, and 3 to HHSC Corporate Legal for review and approval. If outside counsel is obtained for legal review and approval, then HHSC Corporate Legal is copied at the time the draft employment agreement is referred to outside counsel for review.
5. Once the employment agreement is approved by HHSC Corporate Legal or outside counsel, Regional HR/DRS should again evaluate the job description and the terms of the employment agreement for consistency. The employment agreement will be emailed back to the RCEO/DRS to obtain the physician's signature and a copy will be sent to the Regional HR.
6. RCEO will obtain the physician's signature and sign the employment agreement once the document has been agreed to by the physician. In the event that the physician does not agree with the agreement presented by the RCEO, the RCEO will need to inform both HHSC Legal (or outside counsel) and Human Resources to address the issues as needed and to modify the agreement as appropriate and obtain approval by HHSC Legal (or outside counsel). Regional HR/DRS should evaluate the job description and terms of the employment for consistency.
7. Upon receipt of the signed physician employment agreement, Regional HR or DRS will submit the agreement along with the approved Fair Market Value Compensation memo (Attachment 1), Officer Certification (Attachment 2), and the Negotiator's Checklist (Attachment 3) to the RCEO for signature/date.

8. The original signed employment agreement and Attachments 1, 2, and 3 will be retained by the Regional HR Office for the facility's employee file. If necessary, Corporate HR will request a file copy of the signed employment agreement and forms.
9. The Regional HR Office will be responsible for ensuring all the appropriate documents are in place and to initiate, as appropriate, the Conditional Letter of Appointment and Letter of Understanding along with the employment agreement.
10. The respective RCEOs, Regional HR Directors, or DRS will be responsible for tracking the expiration of these employment agreements and for initiating actions to prompt the renewal process ninety (90) days prior to expiration. The renewal process will be the same as described in the above section III. B., 1-6.

C. Insurance

1. A physician employed by HHSC that obtains or performs work outside the scope of his/her employment will acknowledge and certify on the Physician Employment Agreement that if a claim arises for employment outside of the facility/region, the insurance provided by the region and/or HHSC will not cover the claim and neither the region nor HHSC is responsible or liable for the claim filed against him/her.

III. APPLICABILITY: This policy applies to all employed physicians of HHSC.

IV. REFERENCES:

- A. Hawaii Revised Statute, Chapter 323F-7

Attachments:

1. Fair Market Value Compensation
2. Officer Certification
3. Negotiator's Checklist
4. Letter of Intent

REQUIRED INFORMATION—Negotiator's Checklist

<p>PRIMARY FACILITY:</p> <p>Name of HHSC Signatory: _____</p> <p>Title of HHSC Signatory: _____</p> <p>Name and Address of PRIMARY Facility:</p> <p>_____</p> <p>_____, Hawaii _____</p> <p>Region: _____</p>
<p>Name of Physician _____ M.D. or D.O.</p> <p>Address of Physician: _____</p> <p>_____</p> <p>Fax Number: _____</p> <p>HI License Number: _____</p> <p>Expiration Date: _____</p> <p>DEA License Number: _____</p> <p>Expiration Date: _____</p> <p>4.2 <u>Time Commitment and Exclusivity.</u> During the term of this Agreement, PHYSICIAN shall devote sufficient time and effort in order to meet PHYSICIAN's obligations under this Agreement, which shall be further defined to mean (Check one box only, as appropriate):</p> <p><input type="checkbox"/> Full Time</p> <p><input type="checkbox"/> Part-Time</p> <p>4.9.2 <u>Board Certification.</u> (Check only one)</p> <p><input type="checkbox"/> Board Certification by the (Fill in Name of Board _____) is required and PHYSICIAN represents and warrants that he or she has such Board certification.</p> <p><input type="checkbox"/> Board Certification by the (Fill in Name of Board _____) is required and PHYSICIAN promises that he is or will be eligible to</p>

sit for this Board Examination not later than **(Fill in Date _____)** and further understands that successful completion of this requirement is mandatory and that this Agreement may be terminated by HOSPITAL upon thirty (30) days notice if the above Board Certification requirement is not met by **(Fill in Date _____)**.

Board Certification is not required for this Agreement.

Conflict of Interest Disclosure:

Physician _____ is _____ is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest.*

EXHIBIT "A" SCOPE AND COMPENSATION

1. **Specialty:** _____

2. **Term:** This Agreement Assumes An Employment Term of **(Fill in Term in Years _____)**.

Agreement Date: _____, 20_____

Start Date: _____

End Date: _____

3. **Facilities:**

The *Facilities*, as of the date of this Agreement, are the HOSPITAL identified above and, where applicable, the following listed additional HHSC Facilities, as well as other HHSC facilities as assigned:

Names and Addresses of Other Facilities (e.g., Clinic):

4. **Physician's Time Commitment**

4.1 (Check either Full-Time or Part-Time)

Full-time PHYSICIAN will work full-time at the times established by Hospital. Full time means approximately 2080 [if PHYSICIAN will average 20 or more hours per week, but less than 40 hours per week, calculate the annual hours and substitute that number for 2080] hours per year, inclusive of vacation, sick leave, paid professional leave and/or conference time, and such other excused absences from work as may be provided hereunder.

Part-Time PHYSICIAN will work part-time consisting of approximately (Fill in Number _____) hours per (Fill in Week, Per Month, Per Year _____).

4.2 Scheduling and Coverage (Check all that apply)

Clinic hours of no fewer than (Fill in Number of Hours _____) hours per calendar week for no fewer than (Fill in Number of Minimum Weeks Per Year _____) weeks in each calendar year (excluding, as applicable to full-time employees, state holidays, sick leave, personal time off, and any time off for vacation, paid professional leave and/or conference time as may be approved by Hospital's Chief Executive Officer in accordance with HOSPITAL's customary procedures).

Full-time coverage for PHYSICIAN'S established patients.

HOSPITAL HOURS – Consisting of coverage in the following areas (Check applicable area(s):

- Emergency Room or Emergency Department Coverage
- Specialty Services Coverage
- Hospitalist Coverage

consisting of approximately (Fill in Approximate Number of Hours of Coverage _____) hours per (Fill in per week or per month _____) (excluding, as applicable to full-time employees, state holidays, sick leave, personal time off, and any time off for vacation, paid professional leave and/or conference time as may be approved by Hospital's Chief Executive Officer in accordance with HOSPITAL's customary procedures).

CALL COVERAGE – In addition to any obligation or agreement to provide uncompensated call coverage as a member of the medical staff of HOSPITAL, PHYSICIAN shall be responsible for a minimum of (Fill in Minimum Days per Month of call Coverage _____) days per month (on average) of additional Specialty Services call duty to HOSPITAL's Emergency Department. Call duty shall be assigned to PHYSICIAN under the terms and based on a schedule as shall be determined from time to time by HOSPITAL.

5. COMPENSATION

Subject to the limits on compensation provided herein, HOSPITAL will pay PHYSICIAN, in exchange for PHYSICIAN's performance of Specialty Services in full compliance with the terms of this Agreement, each of the following elements of compensation that are indicated as applicable, commencing on the Start Date and continuing throughout the term of the Agreement:

(Check all that are applicable, but, if incentive compensation applies only one of the two types of incentive compensation may be selected):

- Base Salary:** Gross annual salary of (Fill in Base Salary Dollar Amount \$ _____) Dollars payable in arrears in twice monthly equal installments pursuant to HOSPITAL's standard payroll.
- Percentage of Collections Incentive Compensation:** A portion of Cumulative Cash Receipts as follows: (a) (Fill in Numeric Percentage Amount _____%) of the amount by which Cumulative Cash Receipts exceed Cumulative Salary and Expenses, less (b) any incentive compensation amounts paid to PHYSICIAN pursuant to this Section 6.2 for any prior periods. "Cumulative Cash Receipts" means the aggregate cash receipts of HOSPITAL which HOSPITAL derived from billing for professional services performed personally by PHYSICIAN. "Cumulative Salary and Expenses" means the aggregate salary amounts paid and benefits provided to PHYSICIAN pursuant to this Agreement plus the aggregate expenses incurred by HOSPITAL that are allocable to HOSPITAL's recruitment of PHYSICIAN and the operation of his practice. Cumulative Salary and Expenses does not include any incentive compensation amounts paid to PHYSICIAN hereunder. HOSPITAL will determine annually the incentive compensation payable to PHYSICIAN based on the Cumulative Cash Receipts and Cumulative Salary and Expenses as of each year during the term of this Agreement and shall pay such incentive compensation to PHYSICIAN within thirty (30) days thereafter. Notwithstanding anything to the contrary in this Agreement, if this Agreement is terminated prior to the End Date by PHYSICIAN without cause pursuant to Section 9.1 of the Agreement, by HOSPITAL for cause pursuant to Section 9.2 of the Agreement, or by HOSPITAL pursuant to Section 9.3 of the Agreement (other than pursuant to Section 9.3(a) or (h)), PHYSICIAN shall not be entitled to receive any incentive compensation following such termination.
- RVU Incentive Compensation** – Following each anniversary of the Start Date hereunder, HOSPITAL shall determine the number of Work Relative Value Units ("WRVUs") attributable to the Specialty Services personally performed hereunder by PHYSICIAN during the prior twelve-month period (each a "Bonus Year"). A WRVU is a unit of measurement that measures the relative value of one service against all other services.

For purposes of determining PHYSICIAN's incentive compensation, the WRVUs for each service personally performed by PHYSICIAN during the Bonus Year shall be set by the final Medicare Physician Fee Schedule then in effect. WRVUs shall not include any measure of value of Designated Health Services as that term is defined in Section 1877 of the Social Security Act (the federal physician self-referral or "Stark" law) and the regulations promulgated thereunder.

PHYSICIAN's incentive compensation for the Bonus Year in question shall be (Fill in Numeric Dollar Amount \$ _____) for each WRVU attributable to services personally performed by PHYSICIAN during the Bonus Year in excess of (Fill in Threshold Amount of WRVU's _____) WRVUs. For example, if PHYSICIAN personally performs services totaling (Fill in Number 500 in Excess of Last Number _____) WRVUs in a Bonus Year, PHYSICIAN will be paid incentive compensation of (Fill in Numeric Calculated Dollar Amount \$ _____) (500 excess WRVUs multiplied by (Fill in Rate per WRVU Indicated Above)).

6. Benefits

If PHYSICIAN is a Full-Time employee, HOSPITAL will provide PHYSICIAN the benefits generally applicable to managerial employees exempt from Civil Service and subject to change from time-to-time. These include retirement benefits, vacation, sick leave and holidays as may be more specifically set forth below.

6.1 **Vacation/Education Leave:** PHYSICIAN may take up to (Fill in Amount of Annual Vacation Days _____) days total per calendar year of paid vacation leave, provided such vacation leave is approved in advance by HOSPITAL. If PHYSICIAN is employed for less than a full calendar year PHYSICIAN's vacation leave shall be prorated accordingly. In addition, PHYSICIAN shall have such leave for continuing medical education as may be approved by HOSPITAL's Chief Executive Officer in his sole and absolute discretion. PHYSICIAN will give HOSPITAL at least (Fill in Number of Weeks of Advance Notice _____) weeks advance written notice to schedule any proposed vacation or to request time off to attend continuing medical education programs.

6.2 Moving Allowance:

- a. Maximum reimbursement of (Fill in Dollar Amounts \$ _____) for relocation expenses, which reimbursement shall be payable following HOSPITAL's receipt of original invoice(s) for relocation expenses paid by PHYSICIAN. In addition to the reimbursement provided for in the preceding sentence, HOSPITAL will also reimburse PHYSICIAN, upon HOSPITAL's receipt of original invoice(s) for expenses paid by PHYSICIAN, for actual expenses for one (1) automobile.
- b. PHYSICIAN's Repayment of Reimbursement. The Relocation Expenses

shall be repaid by PHYSICIAN to the HOSPITAL, in whole or in part, if the PHYSICIAN ceases to be employed by the HOSPITAL for any reason within one year of the Start Date. The amount of Relocation Expenses that shall be repaid is expressed as follows:

$$\text{Relocation Expenses to be Repaid} = Y \times ((12 - Z) / 12)$$

where Y is the amount of Relocation Expenses reimbursed by the HOSPITAL, and Z is equal to the number of full calendar months between the day the PHYSICIAN breaches or ceases to be in compliance with any of the terms in Paragraph C or D, and the Relocation Date. For instance, by way of example and not limitation, if the reimbursed Relocation Expenses are (Fill in Numeric Dollar Amounts Maximum Amount Set Out Above \$ _____) and the PHYSICIAN leaves the HOSPITAL community, to practice elsewhere ten months after the Relocation Date, PHYSICIAN shall be obligated to repay the HOSPITAL (Fill in Numeric Dollar Amount that is 20% of Maximum of Maximum Amount Above \$ _____) which is (Fill in Numeric Dollar Amount—Maximum Amount Above \$ _____) x (12- 10) / 12). Any Relocation Expenses that are subject to repayment shall be repaid by PHYSICIAN to the HOSPITAL within 10 days following the day the PHYSICIAN ceases to be employed by the HOSPITAL.

- 6.3 **Commencement Bonus:** On the Start Date, provided that PHYSICIAN has commenced practicing medicine at the Facilities as provided in this Agreement, HOSPITAL shall pay PHYSICIAN a commencement bonus payment of (hereinafter "COMMENCEMENT BONUS AMOUNT" of (Fill in Commencement Bonus Dollar Amount \$ _____). In the event this Agreement is terminated prior to the End Date by PHYSICIAN without cause pursuant to Section 9.1 of the Agreement, by HOSPITAL for cause pursuant to Section 9.2 of the Agreement, or by HOSPITAL pursuant to Section 9.3 of the Agreement (other than pursuant to Section 9.3(a) or (h)), PHYSICIAN shall repay HOSPITAL the amount of such bonus, plus interest thereon from the Start Date at the rate of 6% per annum. PHYSICIAN shall execute a promissory note in the form attached to this Agreement as EXHIBIT "B" evidencing this repayment obligation.

EXHIBIT B

PROMISSORY NOTE

(Fill in Commencement Bonus Amount \$ _____)

- A. **Purpose of Note.** HOSPITAL and PHYSICIAN have entered into an employment agreement (the "Agreement") pursuant to which HOSPITAL has agreed to pay PHYSICIAN a commencement bonus of (Fill in Dollar Amount \$ _____).

In consideration of HOSPITAL's payment of the commencement bonus, PHYSICIAN has agreed to remain in HOSPITAL's employ for a minimum term of (Fill in Number of Years _____) years. This Note evidences PHYSICIAN's agreement to repay HOSPITAL the full amount of the commencement bonus, with interest, if PHYSICIAN's employment with HOSPITAL is terminated prior to the end of such (Fill in Number _____) year term by PHYSICIAN without cause pursuant to Section 9.1 of the Agreement, by HOSPITAL for cause pursuant to Section 9.2 of the Agreement, or by HOSPITAL pursuant to Section 9.3 of the Agreement (other than pursuant to Section 9.3(a) or (h)). In the event PHYSICIAN remains in HOSPITAL's employ for the full (Fill in Number _____) year term or terminates other than as provided in the preceding sentence, PHYSICIAN's repayment obligation hereunder will be forgiven pursuant to Paragraph C.2 below.

C. Repayment or Forgiveness of Principal

1. **Repayment.** Unless forgiven pursuant to Paragraph C.2 below, and subject to Paragraph D below, the principal amount of this Note shall mature and become due and payable in full on (Fill in Term End Date _____) (the "Maturity Date").

Technical Representative:

Name: _____

Title: _____

Address: _____

_____, Hawaii _____

Submitted by: _____ [Signature]

Print Name: _____ Date: _____

Print on Hospital Letterhead - Insert Date

Insert Name/Title of Physician
Insert Street Address
Insert City, Insert State Insert Zip Code

Dear Dr. Insert Physician's Surname:

On behalf of Hawai'i Health Systems Corporation ("HHSC") and Insert name of HOSPITAL) ("HOSPITAL")¹, I am pleased to offer you ("You" or "PHYSICIAN") this non-binding letter of intent for employment to provide Insert type of services services ("Services") with the following major terms:

Term: Insert Term of Proposed Agreement

Base Annual Compensation: \$Insert amount in numbers per year.

Additional Compensation² (If Any): If no additional compensation, indicate "Not Applicable." If any additional compensation, specify - e.g. Relocation Bonus (indicate amount) and/or Incentive Compensation (indicate specifics of percentage of collections or RVU incentive).

Relocation Expense Reimbursement:² Relocation expenses can be claimed up to \$Fill in amount in numbers and must be supported by receipts or other verifiable documents. Allowable expenses include: Fill in specifics if known - such as ___ days of temporary storage; ___ days of temporary lodging; and ___ days of rental car expense - or, if unknown, indicate "To Be Determined."

Benefits: Indicate key benefits such as ___ days of vacation, ___ days of paid CME leave, ___ days sick leave, malpractice insurance premium paid, etc.

¹ HHSC and HOSPITAL are referred to collectively as HHSC.

² Some or all of these items may be subject to partial repayment if PHYSICIAN does not complete a specified term.

In exchange for the above You would be required to provide Services as follows:

- Best efforts to provide successful Services to patients in HOSPITAL's community;
- Treatment to patients receiving medical benefits or assistance under any Federal health care program as defined in Title 42 of the United States Code, Chapter 7, Subchapter 11, Part A, Section 1320a-7b ("42 U.S.C. Sec. 1320a-7b"), in a non-discriminatory manner.

[Check all that are applicable and specify details as indicated.]

Services at the HOSPITAL generally consisting of the following:
Specify Services to be provided at HOSPITAL)

Outpatient Clinic hours of no less than Insert Number of Hours hours per calendar week for no less than Insert Number of Weeks weeks in each calendar year;

Call coverage to HOSPITAL's Emergency Department of Insert Number of Days days per month on average.

You and HHSC agree to negotiate in good faith, and intend to enter into a written agreement that incorporates the terms outlined above and is consistent therewith. However, neither party shall be under any obligation to agree to any term that violates or that may result in violation, by either party, of any applicable local, State or Federal laws and/or regulations.

Thank you again for your interest in helping to meet the medical needs of our community. We look forward to talking with you further and working with you toward development of an agreement leading to successful practice and employment with us.

Sincerely,

Name of Signator
Regional CEO, Insert Name of Region Region
Hawaii Health Systems Corporation