

RESIDENT AGREEMENT

**** Draft Document For Discussion Purposes Only. Contingent Upon Corporate and Legal Approval. ****

THIS RESIDENT AGREEMENT is made and executed in Chicago, IL, effective as of this 27th day of June, 2010 (the “Effective Date”) by and between VHS Acquisition Subsidiary Number 3, Inc., a Delaware corporation doing business as Louis A. Weiss Memorial Hospital (“Hospital”), _____ (“Resident Physician”).

RECITALS

WHEREAS, Hospital is operating a health care institution known as Louis A. Weiss Memorial Hospital, located at 4646 N. Marine Drive, Chicago, IL 60640.

WHEREAS, Hospital has established a Residency Training Program (“Program”) as a way to provide quality healthcare and quality clinical education for Resident Physician;

WHEREAS, Hospital desires to enroll Resident Physician in Hospital’s Residency Training Program, and Resident Physician is willing and desirous to participate under mutually satisfactory terms and conditions;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, Hospital and Resident Physician agree:

AGREEMENT

1. **RESIDENT APPOINTMENT.** Hospital offers and Resident Physician hereby accepts an appointment with the Hospital as a Resident Physician in the PGY1 level in Hospital’s Training Program, during the first Resident Year (generally July 1st through June 30th or as otherwise specified) of this Agreement. If Resident Physician is offered and accepts to continue as a Resident Physician during the second Resident Year of this Agreement, Resident will be appointed as a Resident Physician in the PGY2 level in Hospital’s Training Program. If Resident Physician is offered and accepts to continue as a Resident Physician during the third Resident Year of this Agreement, Resident will be appointed as a Resident Physician in the PGY3 level in Hospital’s Training Program.

2. **COMPENSATION.**

a) **PGY1.** During the Initial Term of this Agreement, as a PGY1, Hospital shall compensate Resident Physician at the rate of thirty-nine thousand nine hundred fifty dollars (\$39,950.00) corresponding to Hospital’s 12-period accounting system.

b) **PGY2.** If Resident Physician is offered, and accepts appointment as a PGY2 during the Renewal Term (if any) of this Agreement, Hospital shall compensation Resident Physician at the rate of forty-three thousand one hundred dollars (\$43,100.00) *or the then-current salary for a PGY2 physician trainee*, corresponding to Hospital’s 12-period accounting system.

c) **PGY3.** If Resident Physician is offered, and accepts appointment as a PGY3 during the Renewal Term (if any) of this Agreement, Hospital shall compensation Resident Physician at the rate of forty-four thousand nine hundred twenty-four dollars (\$44,924.00) *or the then-current salary for a PGY3 physician trainee*, corresponding to Hospital's 12-period accounting system.

d) **BENEFITS.** Resident Physician shall be entitled to the benefits described in Exhibit A, provided, however, that Exhibit A identifies the benefits currently available to resident physicians at Hospital and such benefits are subject to modification amendment from time to time by Hospital at Hospital's sole discretion.

3. **TERM & TERMINATION.**

a) **INITIAL TERM.** The initial term of this agreement is twelve (12) months beginning on the Effective Date, and ending June 26, 2011.

b) **RENEWAL TERM.**

(i) **Notice of Renewal/Non-Renewal.** If Hospital, in its sole discretion, offers the Resident Physician the opportunity to renew this Agreement for an additional term of twelve (12) months, Hospital will provide Resident Physician with written notice not less than four (4) months before the expiration of the Initial Term, unless the primary reason(s) for the non-renewal occurs within the four (4) months prior to the end of this Agreement. In that event, Hospital will provide Resident Physician with as much notice of the intent not to renew as the circumstances will reasonably allow before the end of the Initial Term.

(ii) **Resident Obligation to Respond.** If Hospital offers a Renewal Term to Resident Physician, he or she must accept or reject Hospital's offer for renewal of the Agreement within ten (10) days after receipt of the offer.

c) **DISCIPLINARY ACTION.** At any time, if the Program Director or Academic Director of Internal Medicine determines that the Resident Physician has failed to fulfill any obligation under this Agreement, such failure is cause for the termination of this Agreement. In the discretion of the Program Director, other disciplinary action may be imposed.

(i) **Resident's Right to Appeal/Grievance Process.** Resident Physician may appeal any termination or disciplinary action through the Grievance Process. Information regarding this process and applicable procedures may be obtained from the Intranet, at the location www.weisshospital.com

(ii) **Obligation at Termination of this Agreement.** Upon termination of this Agreement for any reason, Resident Physician shall return all Hospital property, including but not limited to books, equipment, digital pager and uniforms, and shall complete all records and satisfy all professional and financial obligations. Upon termination of this Agreement, any and all rights to further payments under this Agreement shall terminate without further notice or action being required by Hospital; provided, however, that Hospital shall pay to Resident Physician any sums which accrued to Resident Physician on or before the date of termination. Any amounts due to Resident Physician shall be paid within sixty (60) days after this Agreement is terminated.

d) **TERMINATION.** Notwithstanding any other provision of this Agreement, this Agreement may be terminated:

- (i) At any time by mutual agreement of the parties; or
- (ii) As provided for in the Hospital's Graduate Medical Education "Policy."

4. **RESIDENT'S OBLIGATIONS, DUTIES & REPRESENTATIONS.**

a) **EDUCATION, TRAINING & LICENSURE.** Resident Physician represents that he/she is a Medical Doctor and that he/she has a valid license to practice medicine in the State of Illinois ("State").

(i) **Licensure Revocation, Suspension or Other Action.** If Resident Physician's license to practice medicine in the State is revoked, suspended or otherwise subjected to discipline, then this Agreement shall automatically terminate as of the date of such revocation, suspension, or other disciplinary action.

(ii) **Required Notice.** Resident Physician further agrees to provide the Hospital with prompt written notice if any action is taken against Resident Physician's license to practice medicine in State or any other jurisdiction in which Resident Physician holds (or has held) a license to practice medicine, whether such action is of a temporary or permanent nature, or in the event that Resident Physician is subject to disciplinary action of any kind. The Hospital may, at its option, immediately terminate this Agreement upon or after commencement of any such disciplinary proceedings or other action.

b) **MANAGED CARE PARTICIPATION.** Resident Physician acknowledges that Hospital has entered into contracts to provide managed care, and may enter into additional managed care contracts in the future. As used herein the term "managed care" shall mean care provided by Health Maintenance Organizations, Preferred Provider Organizations, Prepaid Medical Plans and other similar healthcare systems. Resident Physician agrees to comply with the terms of all managed care arrangements in which Hospital participates now or in the future to the extent such terms do not conflict with the standards of the Accreditation Council on Graduate Medical Education.

c) **SUPERVISION, RULES & REGULATIONS.**

(i) **SUPERVISION.** Resident Physician shall be directly responsible to the Program Director of the Residency Training Program ("Program Director") or to the Academic Director of Internal Medicine.

(ii) **RULES & REGULATIONS.** Resident Physician shall abide at all times by the Hospital's House Staff Manual, and the bylaws, rules and regulations, and policies and procedures of the Medical Staff and the Hospital, and shall conduct himself/herself in a professional manner. The Resident Physician also understands and agrees that the Hospital may, at its discretion, change or modify the aforesaid House Staff Manual, and the bylaws, rules and regulations, and policies and procedures of the Medical Staff and the Hospital and agrees to keep himself/herself apprised of the contents thereof at all times during the course of this Agreement.

d) **ABILITY TO FULFILL PROGRAM OBLIGATIONS/HEALTH REQUIREMENTS.**

(i) Resident Physician must be fully capable of participating in the Program, with or without a reasonable accommodation. Once Resident Physician has applied for admission to and is conditionally accepted by the Program, Resident Physician shall be required to undergo a complete physical examination, including blood test and drug screen, to confirm that Resident Physician is fully capable of participating in the Program, with or without a reasonable accommodation.

(ii) In addition, Hospital may require evidence that the Resident Physician has been immunized against various viruses and may require that Resident Physician periodically take certain routine laboratory tests and chest x-rays.

(iii) **Illness/Injury.** In the event that Resident Physician is absent due to illness or injury, a Hospital staff physician prior to returning to work must clear Resident Physician. Hospital shall provide emergency first aid treatment to Resident Physician in the event that Resident Physician needs such care until the personal physician of Resident Physician can be summoned, but shall not be obligated to furnish any other medical or surgical services to Resident Physician and Hospital shall not be responsible for any costs involved in such treatment, any follow-up care, or any hospitalization.

e) **RESIDENT EDUCATION, TRAINING & PROGRAM REQUIREMENTS.**

(i) Resident Physician agrees to fulfill the educational requirements of the Residency Program and the obligations to provide appropriate patient care as assigned by the Program Director or the Medical Director of the clinical service to which the Resident Physician may be assigned from time to time. Resident Physician shall maintain proper professional conduct and appearance and demonstrate courtesy and respect to patients, their families and all persons employed by or associated with Hospital.

(ii) Resident Physician shall attend all education conferences required by the Program Director or the Medical Director of the clinical service to which Resident Physician is assigned from time to time, unless Resident Physician is engaged in the emergency care of patients or specifically directed to perform other responsibilities by the Program Director or said clinical service Medical Director. Resident Physician shall participate as directed by the Program Director in related medical education programs provided through the Hospital's affiliation with universities or other educational facilities.

5 **HOSPITAL'S RIGHTS, OBLIGATIONS & DUTIES.**

a) **TRAINING PARTICIPATION.** Hospital may refuse access to its clinical areas to Resident Physician if Resident Physician does not meet Hospital's employee standards for safety, health, or ethical behavior.

b) **BILLING.** Hospital solely shall bill for all professional services rendered by the Resident Physician. Any and all fees received in connection with such billed services, including all fees and payments of any nature in payment for managed care services rendered by Resident Physician, belong to Hospital and should be paid as received to Hospital and, if payable to Resident Physician shall be assigned to or endorsed promptly to Hospital by Resident Physician. Resident Physician shall not bill or collect from any payor or patient any sums for professional services rendered by Resident Physician under this Agreement.

c) **RESIDENCY TRAINING PROGRAM.** Hospital shall provide a program of education that meets the standards established by the Accreditation Council on Graduate Medical Education.

6. **MISCELLANEOUS PROVISIONS.**

a) **INCORPORATION.** THIS Agreement embodies the complete, full and exclusive understanding of the Hospital and the Resident Physician with respect to the Resident Physician's employment by Hospital, and it supersedes and cancels all prior agreements, written or oral, between the parties hereto regarding the Resident Physician's employment by Hospital. Any amendments, additions, or supplements to or cancellation of this Agreement shall be effective and binding on the Hospital and the Resident Physician only if in writing and signed by both parties.

b) **PARTIAL INVALIDITY.** In the event that any provision of this Agreement is deemed to be invalid or unenforceable by any court of competent jurisdiction, such provision shall be deemed to be restricted in scope or otherwise modified to the extent necessary to render the same valid and enforceable, or, in the event that such provision cannot be modified or restricted so as to be valid and enforceable, then the same shall be deemed excised from this Agreement if circumstances so require, and this Agreement shall be construed and enforced as if such provision had originally been incorporated herein as so restricted or modified, or as if such provision had not originally been contained herein, as the case may be.

c) **NOTICE.** Any written notice given under this Agreement by the parties shall be addressed to the addressee at the address of such addressee as hereinafter set forth, unless prior written notice of a change of address has been furnished, in which case such changed address shall be used:

To Resident: _____

To Hospital:
Louis A. Weiss Memorial Hospital
4646 N. Marine Drive
Chicago, IL 60640
Attn: CEO

With copy to:
Vanguard Health Systems, Inc.
20 Burton Hills Blvd.
Suite 100
Nashville, TN 37215
Attn: General Counsel

d) **APPLICABLE LAW.** This Agreement shall be construed in accordance with the laws of the State. The provisions of this Section shall survive expiration or termination of this Agreement regardless of the cause of such termination.

IN WITNESS WHEREOF, Hospital has caused this Agreement to be executed by its duly authorized officer, and the Resident Physician has executed this Agreement by hereunto setting his/her hand effective as of the day and year first above written.

Hospital:
VHS Acquisition Subsidiary Number 3, Inc.
Louis A. Weiss Memorial Hospital

Resident:

By: _____
Its: Chief Executive Officer
Date:

Printed Name: _____
P
Date:

EXHIBIT A

BENEFITS:

The following is intended to briefly describe the various benefits afforded to you as a Weiss Resident. The full policy statement may be found on/in the Hospital Intranet under Policies and Forms, Policy and Procedure Administrative. The path is: www.weisshospital.com.

Benefits are subject to the terms of the plan documents or insurance contracts, as applicable, and may be changed at the discretion of Hospital.

A. Insurance

1. Health and Accident

The Hospital offers several Health Insurance Plans. Coverage is effective on the first day of employment if Resident Physician elects to enroll in the program.

2. Dental Insurance

The Hospital Health Plan offers two dental programs: PPO and HMO. Coverage is effective on the first day of employment if Resident Physician elects to enroll in the program.

3. Life Insurance

The Hospital offers group term life insurance through UNUM Company. This benefit is given to you at no cost and begins the first day of employment. Benefits are as follows:

| | |
|---------------------------------|---------------------|
| Life Insurance | 2 times your salary |
| Accidental Life & Dismemberment | 1 times your salary |

4. Professional and General Liability Insurance

The Resident Physician shall be included in the coverage provided by the Hospital for professional activities directed by the Hospital. This coverage does not apply to activities by Resident Physician, which are not part of the Hospital's training program. Limits of coverage exceed \$50,000,000 per incident. While there is an institutional deductible, the coverage for the employed physicians and residents equates to first dollar coverage. The coverage is written on a claims-made basis. Under the program, extending reporting endorsement (tail) is the responsibility of the named insured, which is in this case Vanguard Health Management, Inc. The professional liability insurance coverage provided by the Hospital to the Resident is renewed on an annual basis. Residents are provided coverage for any residency program activities during term of the Resident Agreement. Such coverage terminates upon completion or termination of the Resident Agreement.

5. Ancillary Benefits

Vision Insurance, Cancer Insurance, Supplemental Life Insurance, Universal Life Insurance and a Company 401(K) Plan.

6. Disability Coverage

Weiss Memorial Hospital offers 3 plans for disability:

Employee Paid Short-Term Disability- choose from 7 or 14 day elimination period, 60% of salary through (UNUM).

Company-Paid Short-term Disability Salary Continuation; 2/3 of Salary from day 91-180 through payroll.

Long Term Disability – Paid after 180 days@ 2/3 of salary (UNUM).

7. Workers' Compensation

The Resident Physician shall be included in the coverage provided by the Hospital for professional activities directed by the Hospital. This coverage does not apply to activities by resident physicians which are not part of the Hospital's program.

B. Additional Benefits

1. Vanguard 401(k) Retirement Savings Plan

This program allows you to save money on a pre-tax dollars basis from your paycheck. You may contribute as little as 2% or any amount up to 50% of your pay, before taxes biweekly. You may enroll or change contribution elections on a monthly basis.

Vanguard Health Systems will match 50% of your contribution, up to 6% of your pay. Resident Physicians must have been employed for one year to receive the Vanguard match. You must be employed on 12/31 to receive your contribution for the past calendar year.

Your contributions are 100% vested. Vanguard Health Systems' contributions are subject to a 6-year vesting schedule.

2. Tuition Reimbursement with approval from the Program Director and The Human Resources Director.

3. Educational Stipend

An annual stipend of \$ 1000.00 shall be provided to the resident physician at the 3rd year level of training to be used toward continuing education activities. Distribution of the stipends will be made for educational requests with the approval of the Program Director.

Educational stipends up to \$800.00 for memberships, conferences and research presentations are available with the approval of the program director for Interns, PGY 2 and PGY 3 residents

4. Direct Deposit

Resident physicians can choose to have direct deposit at all participating banks

5. Housing

Resident physicians are responsible to pay for his/her and their dependents' housing.

6. Laundry

Laundry service for lab coats for resident physicians is available.

7. Meals

Resident physicians are not responsible for paying for lunch when on the floors, ICU or Long Call at the Hospital.

8. Parking

Daily Parking is free for Residents in the Weiss Memorial enclosed Parking structure. Parking is also paid for Residents in the ambulatory block. Receipts are needed for reimbursement.

C. Paid Time Off

1. Personal Time Off (PTO)

Personal Time Off includes vacation, personal, and six legal holidays. The following is a breakdown of how many days fall within each category mentioned above:

20 Vacation Days, six legal holidays (New Years Day, Christmas Day, Thanksgiving Day, 4th of July, Memorial Day, Labor Day).

**RESIDENT AGREEMENT
PGY1, PGY2 & PGY3**

EXHIBIT B

POLICIES AND PROCEDURES

The following is intended to identify administrative policies and procedures relevant to you as a Hospital Resident. The full policy statement may be found on the Hospital Intranet under departments, Medical Education Residents Manual, Administrative Policies. The path is www.weisshospital.com

1. Policies on Gender or other Forms of Harassment
2. Grievance process and Procedure
3. Policy on Professional Activities Outside of the Program
4. Policy on Physical Impairment and Substance Abuse
5. Counseling, Medicine, Psychology Support Services
6. Policy on Leave of Absence, Completion of Program
7. Fair Hearing Policy
8. Non-Renewal Policy
9. Policy Regarding Patient Confidentiality (including HIPAA)
10. Promotion Process
11. Residency Closure
12. Selection Process
13. Termination

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