

Agreement for Medical Director of Obstetrics and Gynecology

This Agreement for Medical Director of Obstetrics and Gynecology (the "Agreement") is entered into this 15th day of September 2016, by and between Small Town Memorial Hospital ("Hospital") and Bob Smart, M.D. ("Physician") (collectively, the "Parties").

WITNESSETH:

WHEREAS, the Hospital is a Level I Trauma Center with a dedicated Women and Children's Center, which requires specialized clinical administrative oversight from a qualified physician; and

WHEREAS, Physician is board certified in obstetrics and gynecology, has adequate clinical experience sufficient to perform the duties of this role; and

WHEREAS, the Parties desire to enter into this Agreement in order to provide a full statement of their respective responsibilities in connection with the operation of the Service during the term of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the Parties hereto and the mutual benefits to be gained by the performance thereof and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties do covenant and agree as follows:

1. Physician's Obligations.

a. **Services.** Physician shall render the administrative services as expressed in Exhibit A attached hereto. Physician shall submit a Hospital approved timecard monthly for services performed and submit for payment no later than the 5th day of the month following services. Time should be documented in quarter hour increments.

b. **Professional Qualifications and Obligations.** At all times during the Term of this Agreement (defined below), Physician shall: (a) maintain an active status on the Hospital's Medical Staff; (b) remain a board certified Obstetrician by the American College of Obstetricians and Gynecologists; and (c) shall be qualified and licensed to practice medicine under the laws of the State of Nowhere as promulgated by the Department of Professional Regulation and as required by the Medical Practice Act.

2. Hospital's Obligations. Hospital shall make payment for services performed under this Agreement no later than 30 days following the submission of an accurate and complete timecard submitted by Physician for the previous month.

4. Compensation for Services. Hospital shall compensate Physician an hourly rate of \$225.00 for services performed under this Agreement. Physician's hourly rate has been determined to be the fair market value for services rendered under this Agreement by

professionals in the Physician's specialty. Payment for services under this Agreement shall not exceed seven (7) hours monthly, or eighteen-thousand nine hundred (\$18,900) in the annual aggregate.

5. Insurance. Each Party shall obtain and maintain throughout the term of this Agreement professional liability coverage for all services and duties contained in this Agreement at its own expense covering itself and its Physicians who shall render services under this Agreement in at least the amount of one million dollars (\$1,000,000.00) per occurrence and three million dollars (\$3,000,000.00) in the annual aggregate. If such coverage is not on an "occurrence" basis, the Party will procure and maintain coverage for services and related activity conducted by the Party and all Physicians under this Agreement in at least the above specified amounts to cover any and all applicable statute of limitations but in no event for more than ten (10) years after this Agreement ends. Such coverage may be in the form of uninterrupted continued coverage, prior acts coverage or tail coverage. Further, each Party shall be responsible for payment of any and all deductibles for coverage under this Agreement. A copy of an insurance certificate shall be provided upon request as evidence of the foregoing coverage.

6. Disclosure. If it is determined that this Agreement is subject to applicable disclosure requirements, each Party agrees to permit access, upon written request, by the Secretary of Health and Human Services and the Comptroller General of the United States and their duly authorized representatives to this Agreement and to its books, documents and records necessary to verify the cost of the services provided hereunder and to allow similar access to contracts between it and organizations related to it, if any, and to its books, documents and records for a period of four (4) years after such services are furnished under this Agreement or such subcontracts, all in accordance with Section 952 of the Omnibus Reconciliation Act of 1980 (P.L. 96-499, Section 1861(v) (1) (1)) of the Social Security Act and regulations thereunder.

7. Term and Termination.

a. **Term.** The Initial Term of this Agreement shall begin on September 15, 2016 for an initial term of one year. Subsequent to the Initial Term, this Agreement shall automatically renew for one-year renewal terms unless terminated pursuant to this Section 7.

b. **Termination for Cause.** In the event of a material breach of this Agreement by either Party, the other Party may, at its option, cancel this Agreement for such breach by giving written notice of cancellation to the breaching Party, which cancellation shall be effective thirty (30) days following delivery of such notice or at such later time as may be specified in such notice unless the breaching Party shall have cured such breach prior to the expiration of the notice period or shall have initiated and diligently pursued steps to cure, if cure reasonably can be effected in thirty (30) days. In the event the breaching party cures the breach within thirty (30) days but commits the same breach again, the non-

breaching party shall have the right to terminate this Agreement for cause without providing the breaching party with any further opportunity to cure.

- c. **Immediate Termination.** Either Party may, at its option, terminate this Agreement immediately, upon written notice to the other, under the following circumstances:
- i. If a Physician has his or her right to practice medicine in any state, district or territory suspended, revoked, or placed under probation; or
 - ii. If a Physician is convicted of a felony; or
 - iii. If a Physician has his or her right to participate in the Medicaid/Medicare Program suspended or terminated.

d. **Termination Without Cause.** Either Party may terminate this Agreement at any time without cause by providing ninety (90) days written notice to the other Party.

8. **Assignment.** Neither Party shall assign any rights or delegate any duties under this Agreement without the prior written consent of the other Party.

9. **Amendments.** No amendment, change, modification or alteration of the terms and conditions hereof shall be binding unless evidenced in writing, and signed by all Parties hereto.

10. **HIPAA.** The Parties agree to comply with the requirements of the Privacy Rule and the Security Rule of the Health Insurance Portability and Accountability Act of 1996, 45 C.F.R. §§ 160.103, 164.501, *et seq.*, (“HIPAA”) as amended from time to time. Parties agree and acknowledge that Physician is a business associate of the Hospital as defined by the HIPAA regulations and shall comply with the terms of the Business Associate Agreement attached hereto as Exhibit B.

11. **Independent Contractors.** The parties agree that Physician is an independent contractor of Hospital under this Agreement, and neither party to this Agreement shall be deemed the agent, partner, employee, representative or joint venturer of the other party.

12. **Other Business Arrangements.** All other formal business relationships and arrangements between the Parties are listed and memorialized in Exhibit C hereto. The terms of this Agreement and its execution or termination have no effect on the arrangements listed in Exhibit C.

13. **Referrals.** The Parties agree that there is no requirement that either Party make any referrals to, or be in a position to, make or influence referrals to, or otherwise generate business for the other as a condition for entering into and performing services under this Agreement.

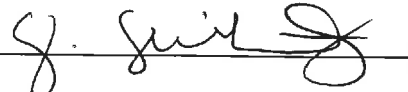
14. Representation as Referral Relationship. Neither Hospital nor any entity Hospital controls or manages has a financial relationship with any physician that is, or may be reasonably expected to be in violation of federal or state fraud and abuse or self-referral laws and regulations.

15. Counterparts. This Agreement may be executed in a number of counterparts; each of which executed counterparts shall be deemed an original, and all such counterparts shall together constitute one and the same Agreement.

16. Applicable Law. This Agreement shall be subject to and governed by the laws of the State of Nowhere, without regard to its conflicts of laws principles to the extent that such principles would operate to apply the law of another state. All disputes hereunder shall be adjudicated in Small County, Nowhere.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date set forth above.

SMALL TOWN MEMORIAL HOSPITAL

By: 
Name: Gilbert Gilbertson

Its: Senior Vice President, CEO

Date: 9/15/2016

PHYSICIAN

By: 
Name: Bob Smart, M.D.

Date: 10/1/2016

EXHIBIT A

Medical Director of Obstetrics and Gynecology

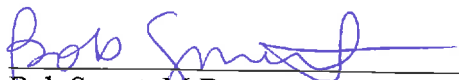
- I. Reporting
 - a. This position reports to the Hospital Chief Medical Officer.

- II. Duties
 - a. Physician shall work directly with the Women and Children's Center (the "Center") leadership to perform the duties set forth below:
 - 1. Ensures adequate coverage of physician services in departments of the Center, including: the Neonatal Intensive Care Unit, the labor and delivery unit and the Pediatric Intensive Care Unit.
 - 2. Directs the professional medical care rendered in accordance with established Medical Staff Bylaws, Hospital policies and procedures, and department rules.
 - 3. Participate in the development and review of policies and procedures on the Center.
 - 4. Assist in the development of new service lines that directly benefit the Center's patients.
 - 5. Participates in Hospital Committees as necessary to carry out the duties of this position.
 - 6. Participates in educational programs for Hospital staff.
 - 7. Supports compliance with all Hospital and Center policies and procedures.
 - 8. Assists with quality metrics reporting and data review when necessary.
 - 9. Performs other duties as requested by the Hospital.

- III. Reporting
 - a. This position reports to the Hospital Chief Medical Officer.

- IV. Qualifications
 - a. Board eligible or board certified in OB/GYN
 - b. Privileges in Obstetrics and or Gynecology
 - c. Minimum five (5) years of experience in the practice of OB/GYN

Physician Acknowledgement



Bob Smart, M.D.



Physician Medical Director: Bob Smart, M.D. (CR 100875)

Services: October 2016

Date	Time (Hours)	Category	Description	Approver Comments
10/2/2016	1.5	Emails	Emails throughout the month	OK
10/5/2016	1	Meetings	Met w/ Anne C to discuss department policy	OK
10/7/2016	.5	Scheduling	Reviewed and approved call and coverage schedule	OK
10/13/2016	1.5	Education	CME	OK
10/17/2016	1.25	Meetings	NICU Task Force	OK
10/20/2016	.5	PI	L&D dula program	OK

Total Hours Entered: 6.25

Rate: \$225.00/ hr

Submitted: Bob Smart, MD 11/2/2016 8:39 AM
 Approved: Nate Knownothing 11/5/2016 3:45 PM

Accounts Payable

Payment Date: 11/15/2016	AP Rep: Tipton Towns	GL: 150151
Payee: Bob Smart, MD	3456 Cherry Lane Anytown, USA 00100	
Medical Director Oct 16	Amount:	\$1406.25