

RESIDENT EMPLOYMENT AGREEMENT WITH
«First_Name» «Middle_Name» «Last_Name», «MDDO»

THIS EMPLOYMENT AGREEMENT is made effective on Friday, August 28, 2009 between Edward W. Sparrow Hospital Association, a Michigan nonprofit corporation (hereinafter referred to as the "Hospital") and «First_Name» «Middle_Name» «Last_Name», «MDDO» hereinafter referred to as the "Resident").

In consideration of the mutual promises contained in this Agreement, the parties agree as follows:

1. Term. The term of this Agreement shall commence «Contract_Start_Date» for the 2009-2010 academic year, unless terminated in accordance with paragraph 12 herein. This Agreement may be renewable only by mutual written agreement. Resident understands that while the Residency program (as defined in paragraph 2 below) is multi-year in duration, this Agreement is for one (1) year only. Continuation of employment into subsequent postgraduate years shall, in part, be dependent upon Resident's achievement at a level determined acceptable by the Residency Program Director, on examination, performance assessments and other forms of evaluation deemed appropriate by the Residency Program Director. Hospital shall reasonably attempt to provide Resident with written notice of its intention to enter into an employment agreement with Resident for the subsequent contract year at least four (4) months prior to the end of the term of this Agreement.

2. Employment. Hospital hereby employs Resident and Resident hereby accepts such employment to serve as stipend level PGY-«PGY_20092010» resident in the «Specialty» Residency Program (the "Residency"). Resident's employment hereunder is subject to the terms and conditions set forth in this Agreement, the House Staff Manual (the "House Staff Manual," located on the Internet at <http://www.sparrow.org/meded/housestaffmanual.pdf>), the Program Manual (the "Residency Program Manual") and Hospital's Human Resources Manual (the "HR Manual"), all of which are incorporated herein by reference. Resident shall use Resident's best efforts to work with other residents, physicians, management, and staff to fulfill the educational standards of the Residency Program and to provide the highest quality medical services possible to Hospital's patients. Such employment shall be full-time in which Resident shall regularly work at least forty (40) hours per week during which time Resident is in contact with patients, available on-site to be in contact with patients, completing medical records, or performing any other additional educational or clinical duties determined by the Residency Program Director or other managers of Hospital that are consistent with the terms of this Agreement. Moreover, Resident shall have the responsibilities referenced in Exhibit A attached hereto. In the event of inconsistency between Exhibit A and this paragraph 2, Exhibit A shall prevail. In the event of inconsistency between this Agreement, the House Staff Manual, the Residency Program Manual and/or the HR Manual, this Agreement shall prevail. In the event of inconsistency between the House Staff Manual, the HR Manual and the Residency Program Manual, the Residency Program Manual shall prevail over the House Staff Manual and the House Staff Manual shall prevail over the HR Manual.

3. Licenses. At all times during the term of this Agreement, Resident shall obtain and maintain a license to practice medicine in the State of Michigan and shall maintain federal and state licensure to dispense controlled substances.

4. Outside Activities (Moonlighting). Resident understands and agrees that Resident shall not engage in any work outside Hospital unless Resident is appropriately licensed and has obtained the prior written consent of Hospital's Director of Medical Education. Resident further understands that such outside activities shall not interfere with Resident's ability to achieve the educational requirements of the Residency Program and such work shall not replace any educational criteria of the Residency Program. Resident acknowledges that while engaging in any outside activities (whether or not approved in accordance with this Agreement), Resident is not acting as an employee or agent of Hospital and accordingly is not covered by Hospital's professional/general liability policies or by Hospital's workers' compensation insurance. Resident agrees to obtain professional liability insurance coverage for all outside activities at Resident's own cost. Resident further agrees that Resident's total work hours within the scope of this Agreement and for any outside activity shall not exceed the duty hour policy described in the House Staff Manual or Residency Program Manual.

5. Compensation.

(a) Stipend. For all services provided hereunder, Hospital shall pay Resident an annual stipend of «Annual_Salary_in_words» Dollars («Annual_Salary_Figures») payable in equal installments on a bi-weekly basis. For additional educational and clinical responsibilities provided by Resident pursuant to paragraph 2, Hospital may pay Resident extra reasonable compensation. All compensation is subject to all withholdings required by law and is exempt from overtime compensation.

(b) Fringe Benefits. Resident shall be entitled to the fringe benefits described in the «Academic_Year» Benefits Summary attached hereto as Exhibit B.

6. Policies. Hospital shall provide policies regarding Resident's employment, as set forth in the House Staff Manual, the Residency Program Manual and the Human Resources Manual, which shall include, but are not limited to:

(a) A process for Resident to redress any grievances regarding unwelcome sexual advances, requests for sexual favors, physical and/or verbal conduct relating to any individual's gender, race, color, national origin, age, religion, height, weight, marital status, handicap/disability or any other unlawful criteria as described in the Policies on Gender or Other Forms of Harassment set forth in the Sparrow Health System Policy Manual.

(b) A process for Resident to continue or complete their education in the event that Hospital decides to reduce the size of a residency program or close a residency program as described in the Residency Closure Policy set forth in the House Staff Manual.

(c) A process whereby support services are provided to residents who are determined to have a substance abuse or an impairment problem as described in the Policy on Physician Impairment and Substance Abuse set forth in the House Staff Manual.

7. Training, Credentials Verification and Board Eligibility.

(a) Training and Credentials Verification. Hospital shall provide Resident with a training program that meets the standards established in the Essentials of Approved Residencies, as formulated from time to time by the Committee on Postdoctoral Training of the American Osteopathic Association (AOA) and the Accreditation Council on Graduate Medical Education

(ACGME) of the American Medical Association. Hospital further agrees to verify Resident's clinical competency according to the criteria established by Hospital's Residency Training Committee and to issue a certificate of training upon satisfactory completion of Hospital's graduate training, subject to Resident's performance of Resident's obligations set forth in this Agreement.

(b) Board Eligibility. It is the intent of Hospital that every resident and fellow who is accepted into a training program will progress through the curriculum and graduate on time. Each training program has its individual rules, established by its respective Residency Review Committee (RRC), that can impact the trainee's ability to be considered as Board Eligible at the natural end of a training cycle. These rules generally revolve around time away from the program, the length of time a resident can be absent from continuity clinics, or the total number of absent days that a trainee can have in any given academic year. Each resident and fellow must become familiar with the rules for their specific discipline. The rules can be found in the specific requirements of the program as outlined on the ACGME and AOA websites. Resident's directive can help Resident understand the complexities and options afforded to Resident by these governing bodies. Violation of these guidelines is not an option for Hospital. If absences for illness, maternity or paternity leaves, or taking back-to-back vacations in two academic years brings Resident into conflict with the established rules, Resident's residency will be extended in such a way as to heal the breach and make Resident Board Eligible. In this process, Resident must understand that Resident may not become Board Eligible at the time of Resident's originally-scheduled graduation date. Resident's Director will assist Resident in calculating the extra training time that may be needed to meet the curricular training requirements of Resident's specific RRC. Sparrow Health System will only certify Resident as Board Eligible when Resident meets these externally-imposed requirements.

8. Supplies. Hospital shall furnish Resident with attendants, facilities, supplies and services as may be suitable for the performance of Resident's duties hereunder.

9. Professional Liability Insurance. Hospital shall maintain and bear the expense of professional liability insurance coverage covering the acts of Hospital and the acts of Resident within the scope of the duties assigned by Hospital to Resident pursuant to this Agreement. The amount and extent of said coverage shall be determined by Hospital and consistent with other Hospital employed physicians. The coverage provided to Resident shall be a modified claims made policy. This policy shall provide Resident with extended reporting period coverage and "tail coverage," that shall apply if Resident's employment with Hospital is terminated for any reason or if Resident completes Resident's training program. Said tail coverage applies if the acts or omissions occurred within the scope of this Agreement.

10. Risk Management. Both parties agree to notify each other within five (5) business day after receipt of formal notice about the existence of any malpractice claim, any civil, criminal or regulatory audit, investigation or other proceeding involving Resident and/or Hospital and Resident. Each party agrees to cooperate with the other in the settlement, litigation or other resolution of the same.

11. Confidentiality.

(a) Resident acknowledges that any and all information related to (1) Hospital's treatment of its patients by Resident or others, including, but not limited to, individually identifiable health information as defined by the Administrative Simplification Provisions of the Health Insurance Portability and Accountability Act of 1996; and (2) the conduct by Hospital of providing health care, is strictly confidential and constitutes the exclusive property of Hospital, and that the use or disclosure of such matters, other than in the course and scope of Resident's employment with Hospital pursuant to this Agreement, shall be contrary to the best interests of Hospital and shall cause harm and damage to Hospital and its medical practice. In furtherance and on account thereof, Resident covenants and agrees not to use or to disclose to others, either during the term of this Agreement or after the termination of this Agreement for any reason, except as expressly consented to in writing by Hospital or as required by law, any such confidential and proprietary information or document (which term, for the purposes hereof, includes, without limitation, Hospital's patient lists, patient files, and/or other patient individually identifiable health information, or any matter or information ascertained by Resident through or as a result of Resident's employment by Hospital).

(b) Without limiting the generality of the foregoing paragraph 10(a), Resident further agrees that, during the term of this Agreement and after the termination of this Agreement for any reason, Resident shall not use, take or retain outside Hospital's campus, without prior written authorization from Hospital, any individually identifiable health information, patient lists, fee books, patient records, files or other documents, or copies of any of the same pertaining to Hospital's providing health care or pertaining to Hospital's patients, business, financial condition, or other activities, all of which Resident acknowledges are confidential and constitute the property of Hospital. Resident acknowledges that any of the foregoing confidential and proprietary information of Hospital which Resident receives or obtains from Hospital shall be obtained by Resident from Hospital in confidence and with the expectation of confidentiality. Patients or a patient's legal representative may request copies of their patient care records, and direct those copies to Resident or others.

(c) The confidentiality restrictions set forth in subparagraphs (a) and (b) of Paragraph 10 shall not apply to information which: (i) generally becomes available to the public through no act of Resident in breach of this Agreement; (ii) was in the possession of, or available to Resident on a non-confidential basis prior to its disclosure; or (iii) is independently developed by Resident.

12. Corporate Compliance Plan. Resident acknowledges that Sparrow Health System ("Sparrow") has implemented a voluntary corporate compliance program known as the Sparrow Health System Corporate Compliance Plan (the "Plan"), which, through its standards of conduct, policies and procedures attempts to assure that Sparrow complies with all applicable laws, regulations and policies. Resident acknowledges that the Plan includes standards of professional conduct and sanctions for noncompliance with those standards, and other requirements of law, that are not otherwise described in this Agreement. Resident understands and agrees to abide by the standards of conduct, policies and procedures described in the Plan. Resident agrees that failure to comply with the standards, policies and procedures described in the Plan, including sanctions, may be cause for termination by Hospital of this Agreement pursuant to paragraph 12(a). Upon written request to Hospital's Corporate Compliance Officer, Resident may obtain a copy of the Plan and any updates thereto. Resident also agrees to complete the Tax Payer Bill of Rights Exclusion Form attached hereto as Exhibit C.

13. Termination.

(a) Termination With Cause by Hospital. Hospital may terminate this Agreement and the employment of Resident immediately, upon the occurrence of any of the following events:

(i) Any conduct of Resident which jeopardizes the health, safety, or welfare of any person, or the safety, reputation, or the regular functions of Hospital.

(ii) The termination of Resident from the Residency.

(iii) The loss or suspension of Resident's licenses to practice medicine, dispense or order pharmaceuticals for patient care in Michigan.

(iv) Resident becomes, for any reason, ineligible for professional liability insurance.

(v) The conviction of Resident of any crime punishable as a felony.

(vi) The death of Resident.

(vii) Resident's failure to comply with Sparrow Health System's Corporate Compliance Plan.

(viii) Unsatisfactory academic or clinical performance by Resident.

(ix) The provision of false, incorrect, misleading or incomplete information by Resident at any time during the hiring process or during the term of this Agreement.

(x) Failure of Resident to perform the functions of Resident's job, with or without accommodation.

(xi) Resident's drug/alcohol screening produces a positive result.

(xii) A breach by Resident of any provision of this Agreement which is not cured within thirty (30) days after written notice thereof is given by Hospital to Resident.

(b) Termination by Resident. In the event Hospital breaches any material term of this Agreement, then Resident may terminate this Agreement upon not less than thirty (30) days' written notice, but only if Hospital fails to cure the breach within that time.

(c) Termination Grievance and Damages. In the event Hospital terminates this Agreement and Resident's employment, Resident shall be entitled to a grievance regarding the event of termination as described in paragraph.

(d) Reapplication for Employment. In the event Hospital terminates this Agreement and Resident's employment, Resident understands and agrees that Resident shall not be entitled to reapply for employment during the 2009-2010 academic year. Resident may reapply for employment during the following or any other subsequent academic year.

14. Grievance Procedure. Any dispute arising out of this Agreement or any termination of this Agreement, shall be resolved using the grievance procedure set forth in the House Staff Manual.

15. Agency. Resident's authority is expressly limited to providing care and treatment to Hospital's patients and other duties set forth herein. Except with respect to the care and treatment of Hospital's patients, Resident shall have no right or authority to make any contract or otherwise binding promise of any nature whatsoever on behalf of Hospital, whether written or oral. Without limiting the generality of the foregoing, Resident shall not have the right to hire or fire any employees of Hospital nor shall Resident have the right to bind Hospital to any contract or agreement, borrow funds or incur any charge or liability in the name or on behalf of Hospital or in respect of which Hospital may be liable. Hospital shall exercise direction over and give support to Resident in regard to standards, policies, record keeping, treatment and procedures.

16. Arbitration of Disputes. All disputes hereunder that are not settled through the grievance procedure described in the House Staff Manual, including but not limited to, claims for breach of this Agreement, claims based on state or federal statutes including civil rights claims under state and federal law, and claims based on common law, shall be resolved through arbitration. Arbitration shall be conducted according to the Michigan Court Rules and the rules for Resolution of Employment Disputes of the American Arbitration Association (“AAA”). In the event of a conflict between the Michigan Court Rules and AAA Rules, the Michigan Court Rules shall control. Arbitration shall be the parties’ sole recourse for resolution of employment disputes arising under this Agreement. The party asserting the claim must initiate the arbitration by filing a written Demand for Arbitration (the “Demand”) with both the regional office of AAA and the other party. This Demand shall be filed within one hundred eighty (180) days of the date the claim accrued or the claim shall be forever barred. Hospital shall select one (1) arbitrator, Resident shall select a second arbitrator, and a third neutral arbitrator shall be selected by the two (2) arbitrators appointed by Hospital and Resident (collectively “arbitrator”). The arbitration shall be conducted in Ingham County, Michigan. Both parties shall have the right to legal counsel and reasonable discovery. Both parties shall bear equally the cost of AAA’s filing fee. The arbitrator however, shall have the authority to grant any remedy or relief that would have been available to the parties had the matter been heard in court, including the allocation of fees. The arbitrator’s award shall be final and binding upon Hospital and Resident and a judgment of the Michigan Circuit Court or the United States District Court may be rendered thereon. Judicial review shall not be permitted, unless allowed by Michigan law.

17. Notices. All notices under this Agreement shall be given in writing. Notice may be served on Resident either personally or by certified mail, return receipt requested, at Resident’s last-known address. Notice to Hospital may be served on the President personally or by certified mail, return receipt requested, at Hospital’s address at 1215 E. Michigan Avenue, Lansing, Michigan 48912.

18. Assignment. Resident agrees that Resident shall not assign, transfer, or convey, pledge or encumber this Agreement or Resident’s right or title herein; this Agreement being intended to secure the personal services of Resident. Hospital may assign, transfer, or convey, pledge, or encumber this Agreement upon prior written notice of such an assignment to Resident.

19. Entire Agreement. This Agreement supersedes all prior discussions and negotiations between the parties hereto with respect to the subject matter hereof and constitutes the entire Agreement between the parties with respect to the subject matter hereof. No oral statements or prior written material not specifically incorporated herein shall be of any force or effect with respect to the subject matter hereof. This Agreement may not be amended unless the amendment is in writing and is signed by both parties.

20. Waiver of Breach. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or any other provision hereof. A waiver shall be effective only if in writing. Failure to enforce any provision of this Agreement shall not preclude enforcement of such provision thereafter so long as the breach or violation of such provision shall continue.

21. Severability. To the extent that the terms set forth in this Agreement or any word, phrase, clause or sentence should be found to be illegal, unenforceable, or overbroad, for any reason, then such word, phrase, clause or sentence shall be modified or deleted in such a manner as to afford Hospital the fullest protection commensurate with making this Agreement as modified, legal and enforceable under applicable laws and the balance of this Agreement or part thereof shall not be affected thereby, the balance being construed as severable and independent.

22. Benefit. This Agreement shall bind and benefit the parties and their respective legal representatives, executors, successors and assigns.

23. Non-discrimination. In connection with the performance of services under this Agreement, the parties agree to comply with the provisions of the Elliott-Larsen Civil Rights Act, PA 453 of 1976, as amended, the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975, and specifically agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position, or because of race, color, religion, national origin, age, sex, height, weight, or marital status. Breach of this covenant may be regarded as a material breach of this Agreement.

24. Construction. This Agreement has been executed in the state of Michigan and shall be construed in accordance with laws of the state of Michigan.

25. Financial Relationship Records. This Agreement is incorporated into the master list of physician financial relationships maintained by Hospital and its wholly owned subsidiaries and is available upon request for review by representatives of any state or federal regulatory agency pursuant to applicable laws and regulations.

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IN WITNESS WHEREOF, the parties have executed this Agreement on the date(s) set forth below.

HOSPITAL:

Edward W. Sparrow Hospital Association

Dated: _____

By: _____

Its: Program Director

Dated: _____

By: _____

Its: Director of Medical Education

RESIDENT:

Dated: _____

«First_Name» «Middle_Name» «Last_Name», «MDDO»

**EXHIBIT A
JOB DESCRIPTION
NON-MANAGEMENT**

1. Job Title: Resident/Subspecialty Resident/Fellow 2. Date: August 28, 2009
3. Department #: «Dept Number» 4. Department Name: «Specialty»
5. Job Code: 6170 (Resident), 6120 (Fellow) 6. Pay Grade: As specified in contract
7. Benefit Status: Hourly Salaried 8. Overtime Status: X Exempt Non-Exempt X Contract
9. Group: UAW Service: UAW Technical: UAW Skilled Maintenance: MNA: Non-Union: X
10. Reports Directly To (Position): Program Director/Director of Medical Education
-

11. Purpose of Job: Provide clinical services and 24-hour/day physician coverage while advancing knowledge, skills and professional attitudes through a formal education program.

12. Principle Duties and Responsibilities:

- A. Provide clinical services under the supervision of an attending physician in the care of specific patients in a variety of settings according to guidelines in accordance with established policies.
- B. Provide hospital wide coverage 24 hours/day in conjunction with other residents to address emergencies, admissions and other clinical issues.
- C. Address educational objectives as defined by the residency program.
- D. Work as a member of the clinical team in the care of patients.
- E. Complete medical records and educational documentation
- F. Serves as a role model for consistent demonstration of Sparrow Health System's Customer Service Behavioral Standards of Performance, by respecting the Privacy and Confidentiality of those we serve.
- G. Demonstrates knowledge and respects patient, service provider and organizational confidentiality procedures and protocols defined under the HIPAA Privacy Policies.
- H. Follows established HIPAA privacy procedures when using and/or disclosing protected health information.
- I. Maintains and protects patients rights under the HIPAA Privacy standards.
- J. Able to demonstrate the knowledge and skill necessary to provide care based on physical, psycho/social, educational, safety and related criteria, appropriate to the age of the patients serviced in his/her assigned service area as related to the principal duties and responsibilities of the position. The skills and knowledge needed to provide such care may be gained through education, training or experience.

13. Working Conditions:

- A. Use of latex 30% of the time, frequently (51-71%) exposed to the latex environment.
- B. Lifting associated with patient care.
- C. Moderate exposure to bio-hazardous chemicals/materials.
- D. Moderate potential for exposure to blood-borne pathogens and body fluids requiring compliance with Universal Precautions.
- E. Moderate keyboard usage and exposure to CRT/monitor.
- F. Ability to ambulate through the health system.
- G. Long hours to fulfill on-call responsibilities and achieve program objectives.

14. Knowledge, Skills, Experience Required:

Must be a graduate of an accredited medical school. Must be eligible for a Full Unrestricted license as a physician or for a Limited Education License to study medicine in the State of Michigan. Must achieve all learning objectives in order to be eligible for graduation or advancement to the subsequent years of residency/fellowship training

This description is intended to indicate the kinds of activities and levels of work difficulty required for positions with this title and should not be construed as declaring the specific duties and responsibilities of any particular position. The duties described should not be held to exclude other duties not mentioned that are of similar kind or level of difficulty.

EXHIBIT B

**RESIDENT POST-GRADUATE BENEFITS SUMMARY
2009-2010**

This is a brief description of the benefits provided by Sparrow Hospital. This summary is intended only to provide an overview. Residents are welcome to review the detailed policies in the Human Resource or Medical Education offices. *Employee benefit plans are reviewed at least annually and changes may be mandated by governmental regulation or may be desirable from the employer's standpoint. The employer reserves the right to add, terminate, alter, or replace the various benefit programs.*

I. RESIDENT/SUBSPECIALTY RESIDENT STIPEND

Residents and Subspecialty Residents are paid an education stipend, as specified in their contract, which is payable in biweekly installments.

| I. | <u>Residents</u> | II. | <u>Subspecialty Residents</u> |
|-----------|------------------|------------|-----------------------------------|
| PGY 1 | \$44,122/year | PGY 5 | \$51,618/year |
| PGY 2 | \$45,887/year | PGY 6 | \$53,685/year |
| PGY 3 | \$47,724/year | PGY 7 | \$55,831/year |
| PGY 4 | \$49,634/year | | |

II. OTHER FINANCIAL BENEFITS

- A. **Continuing Medical Education (CME)** - Sparrow Hospital provides a CME allowance of \$600 for first year residents and \$1000 for each subsequent year. Residents will be reimbursed for CME expenses in accordance with hospital policy and subject to procedure established by the appropriate residency director. Unused CME funds at annual contract expiration are forfeited. The Human Resources policy on tuition reimbursement does not apply to residents.
- B. **License Fees** - Each residency year, Sparrow will pay the full cost of a Michigan "Educational Limited License" and the Michigan "Controlled Substance License" or will prorate the cost of the permanent licenses for the period the resident is in a Sparrow residency program, after their first year. Federal DEA license fees are the responsibility of the resident.
- C. **Personal Loans** - Personal Loans may be arranged through the Medical Credit Union. Advance loans, up to \$500, prior to actual starting date (for moving, etc.) may be arranged as a payroll deduction. Requests for such loans are made through the Director of Medical Education.
- D. **Meal Allowance** - Each resident will receive meals while on duty at Sparrow Hospital consistent with the resident meal allowance policy. Annually the hospital approves a total resident meal fund that is allocated to the residency programs.

III. DUTY HOURS AND TIME OFF

The purpose of resident education programs offered by Sparrow Hospital is education. Sparrow recognizes that quality education can only be provided when quality patient care is foremost with attending and resident physicians. In order for a resident to achieve optimal educational benefit and patients to achieve optimum patient care, a variety of duty hours are necessary. The hours of duty and responsibilities of residents will be determined by the Residency Programs in conformance with standards set by Accrediting Agencies, specialty guidelines, and high standards for the specialty care patients. Resident agrees to limit duty hours to 80 hours per week, averaged over a four-week period, inclusive of in-house call. All residents must have at least one 24 hour day out of seven days, on average, free of all patient care responsibilities, and should be on call no more than every third night when averaged over a four week period. Time off for any reason must receive prior approval of the Residency Director. Residents must be responsible for understanding that accreditation, graduation, licensing, and board eligibility may all be affected by Leaves of Absence from a Residency Program. If there is any doubt about the effects of a Leave of Absence on graduation, accreditation, licensing, or board eligibility, the Resident is responsible for obtaining written clarification prior to taking the Leave of Absence. The Program Director may provide guidance and assistance. Leaves of absence must follow Human Resources' policies.

Signature and or initial

- A. **Family and Medical Leave** - Resident is eligible to take up to 12 work weeks (or a 12 week equivalent in certain circumstances) of F&M Leave provided the Associate has worked for Sparrow for at least one year prior to requesting the leave, and has worked for at least 1,250 hours over the previous twelve months.
- B. **Vacation Days** - Residents are allowed ten (10) working days of vacation in their first year, and fifteen (15) days per year thereafter, which must be requested and taken in accordance with the policies set forth on the vacation request form. Vacation is a yearly benefit and will not carry over from one year to the next
- C. **Holidays** - All residents shall abide by the standard hospital holiday policy. Currently, six holidays are recognized (Labor Day, Thanksgiving Day, Christmas Day, New Year's Day, Memorial Day, and Fourth of July). If a resident is on duty during a holiday, they may schedule an equivalent day off at another time, during the same rotation, with the approval of their Chief Instructor, Residency Director and the Director of Medical Education. Holiday on call rotations are established in the monthly schedule and any subsequent changes are to be made directly between the individuals involved and approved by the Resident's Program Director.
- D. **Personal Days** - During their first year, residents may have two (2) personal days off, and thereafter three (3) personal days off per year with prior approval of the Residency Director.
- E. **Educational Leave** - Educational leave, with a maximum of five (5) working days with pay, will be allowed when approved in advance by the Program Director or the Director of Medical Education (DME). Educational leave is not considered vacation.
- F. **Military Service Leave** - Military service leave is allowed without pay consistent with Human Resources policy. Arrangements for a military service leave is to be made through the Program Director with approval by the Director of Medical Education.
- G. **Sickness** - A resident who is disabled due to a personal injury or personal illness including pregnancy will receive 100% of their base pay, less withholding taxes, for regularly scheduled

days missed beginning on the first working day missed due to personal injury or personal illness, and ending upon the earlier of cessation of the injury/illness or 120 calendar days after the first day of absence. Official training period credit may be withheld for a sick leave of greater than five consecutive days, based on policies of individual programs and their accreditation agency. At the discretion of the Program Director and the Director of Medical Education, the time of the total program may be extended to an amount equal to the extent of the sick leave.

H. **Other** - Other Leave(s) may be granted consistent with Hospital policy.

IV. INSURANCE: Residents are eligible for the standard Hospital insurance coverage as defined in the Human Resources policies as they exist from time to time. Residents are subject to conditions and details of these policies. Below is a summary:

A. **Professional Liability Insurance** - Sparrow provides residents with professional liability insurance coverage which provides legal defense and protection against awards from claims for alleged acts or omissions of the residents provided these acts or omissions are within the scope of the Residency Education Program, regardless of when the claim is reported or filed. SPARROW PROVIDES NO INSURANCE COVERAGE OF ANY KIND FOR LEGAL DEFENSE OR LIABILITY AWARDS INCURRED AS A RESULT OF MOONLIGHTING ACTIVITIES. The hospital and the residents agree to cooperate fully with the insurance company in the handling of any professional liability claim. Failure on the part of a resident to cooperate in the defense of a claim may result in a loss of insurance coverage.

B. **Health Insurance** - Residents and their immediate family are eligible for Health Insurance in one of the following programs: Sparrow Physicians Health Network, Physicians Health Plan or Major Medical Plan. Health Insurance coverage is effective the first of the month following the resident's starting date. Residents must contribute toward the cost of this coverage. Residents may elect to opt out of health insurance coverage and receive a waiver of coverage bonus of \$50.00 per month, if they provide proof of having health insurance coverage through a source other than an entity wholly owned by Sparrow Health System. These insurance programs provide coverages for inpatient and outpatient medical, psychological, and consulting services. Residents also may participate in the Associate Assistance Program for confidential informal issues or concerns.

C. **Disability Insurance** - Long-term disability insurance is provided to protect the resident's income in the event of a disabling illness or injury. The insurance becomes effective the first of the month, following six (6) months of employment.

D. **Life Insurance** - Term life insurance is provided for the resident in an amount equal to the annual base salary rounded to the nearest thousand dollars. The insurance is effective after six (6) months of continuous service. Supplemental and/or Dependent life insurance coverage are available at the resident's expense.

E. **Dental Insurance** - Dental insurance is provided for both preventative and diagnostic services. The insurance becomes effective after six (6) months of employment. Residents must contribute toward the cost of this coverage.

F. **FlexCare Spending Accounts** - Residents may voluntarily participate within 31 days of hire in the FlexCare Spending Account program which provides the opportunity for reimbursement on a pre-tax basis of covered health care and dependent care expenses.

- G. **401(k) Plan** – Resident shall participate in the Sparrow Health System Retirement Savings Plan (the “Plan”), which is an employer matched qualified defined contribution plan, once Resident meets all eligibility requirements. The specific terms of the Plan are described in the Summary Plan Description. In addition, Resident shall be able to make voluntary contributions to the plan.

V. MEDICAL CARE AND PHARMACEUTICAL

- A. All members of Sparrow House Staff are given a preliminary complete physical examination, including the indicated laboratory and radiological workup, without expense to them. Indicated recommendations are made and the follow-up is at the individual's discretion.
- B. House Staff and their dependents may arrange for health care through the Family Practice Program.
- C. **Professional Courtesy**--Waiver of physician fees can be arranged as professional courtesy only upon prior discussion with the physician involved in medical care to you or your family.
- D. The hospital will charge for any services/equipment provided (X-rays, lab procedures, bed occupancy, etc.) although these may be covered by the Resident's medical insurance and the Resident will be billed after any insurance coverage is utilized. Sparrow Hospital assumes no financial responsibility for medical care not covered under the provided health insurance.
- E. Residents are eligible for discounts in services and products as specified in Human Resources policies including pharmaceuticals, home care services, inpatient and outpatient services not covered by insurance, and health care supplies.

VI. OTHER BENEFITS

- A. **Parking** - Hospital parking privileges will be provided free-of-charge.
- B. **Faculty Appointment** - The resident may be eligible for a clinical faculty appointment at an appropriate level, by the Michigan State University Colleges of Human or Osteopathic Medicine.
- C. **Quarters** - Call quarters are provided for duty periods. The Hospital provides no housing for residents other than the on-call quarters.
- D. **Day Care** - Residents are eligible to receive the associate discount for day care expenses at the Sparrow Child Time Day Care Center.

Employee benefit plans are reviewed at least annually and changes may be mandated by governmental regulation or may be desirable from the employer's standpoint. The employer reserves the right to add, terminate, alter, or replace the various benefit programs.

Reviewed: December 2008

EXHIBIT C
The Tax Payer Bill of Rights Exclusion Form

The Tax Payer Bill of Rights (TBOR) was enacted in 1996 and subjects tax-exempt organizations, such as Sparrow Hospital, to certain “intermediate sanction” for improper activities. Among other things, TBOR requires tax-exempt organizations to provide copies of their annual IRS Form 990 upon request and increases penalties for noncompliance with various disclosure and filing requirements. Sparrow’s Board of Trustees, senior management and **employees** must comply with TBOR including the prohibition on excess benefit transactions with “excluded individuals” and inappropriately entering into business transactions with “disqualified individuals.” A business transaction would include all purchases within the Sparrow Health System and all other contracts including reimbursement contracts, health managed care policy contracts, purchase orders, provider agreements, invoices, oral agreements, binding “letter of intent,” or binding “memorandum of understanding,” whether they are expenditures, revenues or strategic in nature.

This is a complex and technical area and accordingly Sparrow has developed policies and procedures covering TBOR (see policies nos. 720, 750).

As part of these policies, please answer the three questions listed below:

Have you ever been excluded from participation with Medicaid or Medicare?

- Yes If yes, in what year were you excluded? _____
 No

Have you ever worked for a company or individual that was excluded from participation with Medicaid or Medicare?

- Yes If yes, in what year were they excluded? _____
 No

If you answered “yes” to either of the above questions, were you reinstated after your exclusion?

- Yes If yes, what year were you reinstated? _____
 No

I, **«First_Name» «Last_Name», «MDDO»**, attest that the above statements are correct.

Signature

Date

Do Not Write Below This Line

III. For Medical Education’s Use Only

| Date | | Checked by: |
|------|--|-------------|
| / / | <input type="checkbox"/> Corporate Integrity Agreement | |
| / / | <input type="checkbox"/> OIG Exclusion List Checked | |