

Dear Dr. XXXXX,

XXXXX Health Center would like to extend a letter of intent representing a potential employment agreement between XXXXX Health Center (Hospital) and (Physician), collectively referred to as the Parties. The Parties understand that a potential employment agreement may be offered to Physician during the course of the 2014 summer months. This letter of intent is to set forth the basics terms around potential relationships between the Hospital and Physician to support the delivery of health services to members of the Hospital's service area.

This letter of intent is not a contract between the parties; rather, it is a non-binding expression of terms by both parties. The terms and conditions of final definitive agreements supersede all terms and conditions represented here.

- I. **Practice Affiliation and Arrangement.** Whereas, the Hospital and Physician desire an employment relationship that would allow the Physician to render SPECIALTY services in the area. This position does require Physician to take hospital call on an even frequency with other employed or contracted general surgeons on staff at the Hospital. Anticipated call frequency will be 1:3 with a potential agreement for the Hospital to provide locums' coverage during a set number of weekends throughout the contract year. The Hospital desires this position to fulfill outreach capabilities, providing general surgery clinic hours in surrounding cities of the area.
- II. **Terms of Employment.** It is anticipated that the Physician will complete a General Surgery Residency program in July 2015. The Hospital and Physician may enter into a contractual agreement prior to the anticipated completion of the residency program and that an anticipated practice start date will be agreed upon. Physician's employment is contingent upon the successful completion of a post-offer physical examination, drug screen, background checks, and credentialing process.
- III. **Compensation and Benefits.** The Hospital shall provide a monthly stipend during the remainder of the Physician's residency program in the amount of _____. This stipend should commence after the Parties enter into a contractual employment agreement. Upon completion of the residency program and upon the Physician's practice start date, the Physician can expect an annual base compensation for 1.0 FTE general surgery services in the amount of _____. Physician is entitled to all benefits made available to full time employees. Physician shall also receive a community membership allowance in the amount not to exceed _____ per year and a continuing education allowance in the amount not to exceed _____ per year. Additionally, Hospital shall pay to Physician an initial salary signing bonus in an amount _____. Half of the signing bonus shall be paid to Physician upon mutual signatures of an employment contract. The remaining shall be paid to Physician on the first day of practice at the Hospital. Physician and Hospital understand

there is additional compensation offered through a quarterly production bonus. Further, Hospital agrees to provide _____ of earned time to be used for vacation, personal time or continuing education, during the first year the agreement is in place. Sick or extended illness time shall be given in the amount of _____ per year and not to exceed a maximum of _____. Hospital agrees to provide Physician with an iPhone.

- IV. **Stand-Still Agreement.** The Parties agree to negotiate exclusively with each from the date of acceptance of this document. It is agreed that if Hospital or Physician shall want to proceed with negotiations with outside parties, than Hospital or Physician shall communicate in writing with each other regarding other potential employment arrangements to provide or receive general surgery services.

It is our hope that the above information satisfactorily addresses the needs of both parties. If these terms are agreeable, please sign below. Please let myself or Amy Long, Medical Staff and Outreach Manager know of any questions you may have. This Letter of Intent becomes null and void if not accepted and returned to XXXX Health Center by April 1, 2014.

Sincerely,

XXXXXX Health Center

The parties agree that this letter should not be construed as a binding agreement; rather, it shall be construed as a reflection of the Parties intent to negotiate in good faith and, if all Parties deem appropriate, enter into binding agreements regarding these matters. If you agree in principle to the above terms in your desire to continue negotiation of these matters, please sign and return this letter of intent.

By: _____

Date: _____

XXXXXX Health Center

By: _____

Date: _____

Physician