

**ST. LUKE'S WARREN HOSPITAL FAMILY MEDICINE  
RESIDENCY EMPLOYMENT AGREEMENT**

This Residency Employment Agreement (the "Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ between St. Luke's Warren Hospital, Inc., located in Phillipsburg, New Jersey, hereinafter referred to as "Hospital", and \_\_\_\_\_ hereinafter referred to as "Resident". In consideration of the mutual promises hereinafter contained, the parties hereby enter into a contract agreeing to the following terms:

**1. TERM**

The Resident will be employed by the Hospital for a period of one year commencing **July 1** and ending **June 30** unless otherwise terminated as hereinafter provided.

**2. DUTIES**

The Resident shall be employed as a 1<sup>st</sup> year Resident (PGY-1) participating in the St. Luke's Warren Hospital Family Medicine Residency Program (the "Program"). Subject to the terms and conditions of this agreement, the Resident shall perform Resident's duties as outlined and assigned by the Director of the Program and at all times act in compliance with the bylaws, rules, regulations and policies of the Hospital and its Medical Staff.

**3. COMPENSATION AND BENEFITS**

The Hospital shall pay its first year residents (PGY-1) an annualized salary of \$47,968.34. The Hospital shall pay its second year residents (PGY-2) an annualized salary of \$51,053.39. The Hospital shall pay its third year residents (PGY-3) an annualized salary of \$53,945.63. The Hospital shall pay its "Chief" residents an annualized salary of \$55,531.20.

All compensation is payable in biweekly increments, subject to all applicable withholds. The Resident agrees that the salary, benefits, and the training experience received as are sole and completed remuneration to which Resident is entitled. The Hospital reserves the right to review Resident salaries annually.

In addition to the base compensation, the Resident is entitled to the following benefits:

- A. If Resident is a new resident joining the Program, with or without advance standing, shall receive reimbursement of relocation expenses to the Phillipsburg, NJ area not to exceed \$ 1,200. The expenses must be documented according to the Hospital policy and shall be received upon (1) Attainment of a New Jersey graduate training license and (2) Commencement of Residency training. Eligibility for receiving the remaining allotment will be upon successful completion of said PGY-level, signing the next PGY level contract, and passing USMLE/COMLEX step III to be completed and passed by April 30th of their PGY-1 year.
- B. Conference and Education Allowance: At each PGY level, the Hospital shall allow each Resident five (5) paid days of conference time. Conferences must be appropriate to the resident's education and must be pre-approved by the advisor and Program Director. These days or monies may not be accumulated from one PGY level to another. There will be a maximum expense allowance as follows:
  - a. \$1,200.00 for each PGY-1 resident
  - b. \$1,500.00 for each PGY-2 resident
  - c. \$1,700.00 for each PGY-3 resident

Residents who score below the 30% for level of training on the In-training exam are required to use their CME time and money to take a board review course. The CME allowance may not be used to pay for USMLE/COMLEX step III exam ("Step 3"). Residents joining the program with advance standing will receive pro-rated conference days and expense allowances for the remainder of their starting PGY level joined.

Hospital policy specifies maximum limits on allowance for daily lodging transportation and meals. An estimated expense sheet must be submitted to the Program Director's office prior to final approval of the conference/educational expense and CME time off. Upon completion of an advance voucher form, registration will be paid to the Resident in advance of the conference/educational expense. After proof of conference attendance is provided to the Hospital's Vice President of Medical Affairs (including original receipts per Hospital policy), the balance will be reimbursed to the Resident. The Hospital shall reimburse the Resident no later than 8 weeks from the date the receipts from the conference/educational expense are received.

- C. All residents are allotted a total of \$3,000 in an annual stipend to be used for meals when rotating at Morristown Medical Center and St. Barnabas Medical Center, meals while on-call, mileage reimbursement when rotating at MMH and St. Barnabas, and lodging when rotating at St. Barnabas. This stipend set forth herein shall be treated as "income" for purpose of tax filing, and will be included in Resident's W-2 wages.
- D. On-call rooms are provided.
- E. Notary service is provided for Residency-related documents.
- F. Residents will be reimbursed for the fee for their Resident Training License upon presentation of receipts and cancelled checks according to Hospital Policy
- G. Resident shall be entitled to receive all other benefits provided to Hospital employees in accordance with the policies of the Hospital then in effect.

#### **4. SUPERVISION OF THE RESIDENT**

The Resident shall at all times comply with the directions of the Program Director and Faculty of the Family Medicine Residency Program, Chief Residents, members of the attending staff under whose supervision the Resident may from time to time work and private physicians with whom the Resident rotates in private medical offices.

#### **5. NO PRIVATE PRACTICE**

The Resident shall not engage in any private practice of medicine, research, or other private professional activities out of Resident's full time responsibilities to the Program unless approved in advance in writing by the Program Director. Resident shall not accept fees from patients.

#### **6. HOURS OF EMPLOYMENT**

The Resident shall be considered a "full time" employee of the Hospital, and shall perform the Resident's duties during such hours as are scheduled by the Program Director in accordance with guidelines established by the Residency Review Committee. Night and weekend call will reflect a balance between education and service and will not exceed Residency Review Committee guidelines. Residents will have at least one day in seven, averaged monthly, free of any residency responsibilities.

## **7. CLINICAL ROTATIONS**

The Resident will participate in those Clinical Rotations regularly assigned to Residents as indicated in the Family Medicine Residency Description provided in the Residency Application approved by the Liaison Committee on Graduate Education of the American Medical Association. Elective Rotations will be allowed as indicated in the approved curriculum.

## **8. St. LUKE'S WARREN HOSPITAL OBLIGATIONS**

St. Luke's Warren Hospital agrees:

- a.) To provide a suitable environment for medical educational experience.
- b.) To provide a training program in Family Medicine that fully satisfies the standards of the essentials of an approved Residency in Family Medicine as prepared by the Accreditation Council on Graduate Medical Education, as well as the guidelines and requirements of the American Board of Family Medicine.
- c.) To use reasonable efforts to remain open and available for all those Residents who commence their training so that said Residents may fully complete the three-year program, providing the resident meets all criteria for promotion and graduation.
- d.) To maintain a "Due Process" policy providing certain rights and protections to the Resident.

## **9. RESIDENT OBLIGATIONS**

The Resident agrees:

- a.) To perform satisfactorily and to the best of Resident's ability all of the assignments given to Resident while participating in the Program.
- b.) To conform to all Hospital policies, rules and regulations of the Program.
- c.) To obtain a Graduate Training License appropriate for level of residency training. It is the responsibility of the Resident to register for, complete, and pass any examination required for licensure at the appropriated level of training. Failure to do so will result in Resident taking an unpaid leave of absence until Resident has obtained the next level training license. If this leave of absence exceeds two month, the Hospital reserves the right to dismiss the Resident from the Program.

## **10. CONDITIONS FOR RE-APPOINTMENT AND PROMOTION OR GRADUATION**

Resident's re-appointment and promotion and/or graduation shall be based on evidence of satisfactory progressive scholarship and professional growth including demonstrated ability to assume graded and increasing responsibilities for patient care, as determined by the Hospital in its sole discretion, and Resident's satisfactory compliance with the terms of this Agreement. In order to be promoted to PGY-2, a resident must first successfully pass Step 3. This determination is the responsibility of the Program Director with the advice of members of the Program's faculty staff.

## **11. TERMINATION OF AGREEMENT**

The Hospital shall give the Resident at least thirty (30) days prior written notice if the Hospital intends to terminate this Agreement because the Resident:

- a. Fails to perform properly the duties and responsibilities attendant to the Program listed in this Agreement; or
- b. Conducts him/herself or acts in a manner which is not deemed to meet the minimum professional standards of the Program, the Hospital or the Hospital's Medical Staff; or

- c. Acts in a manner disruptive to the operation of the Hospital; or
- d. Evidence an inability to perform procedures or provide treatment within the scope of the Program; or
- e. Conducts Resident's personal affairs in such a manner that Resident's professional ability may be adversely affected or Resident's mental or physical competency can be questioned; or
- f. Engages in demonstrably destructive conduct that reflects in a negative manner upon the Residency Program and/or the Hospital in the perception of patient and/or community; or
- g. Persists in the causing of patient relationship problems.

The Resident must give the Program Director at least thirty (30) days prior written notice if the Resident intends to terminate this Agreement or not seek to advance to the next progressive PGY level.

If this Agreement is terminated prior to its expiration date, each party at its option may submit an explanatory statement to the Council on Medical Education of the AMA and the ABFM.

## **12. OTHER PROVISIONS**

Resident represents and warrants that neither Resident has never been excluded from participation, or otherwise ineligible for any reason to participate, in a "Federal health care program" as defined in 42 U.S.C. § 1320A-7B(f) or in any other governmental payment program.

The parties shall perform the duties and obligations hereunder in compliance with, and not in violation of, 42 U.S.C. § 1320a-7b(b) (commonly referred to as the "Anti-Kickback Statute") and 42 U.S.C. § 1395nn (commonly referred to as the "Stark Statute"), and all regulations and other guidance related to these statutes.

Resident shall abide by all rules, regulations and any other policies and procedures of Hospital that are applicable to "Covered Persons," as defined in the Corporate Integrity Agreement between Hospital and the Office of the Inspector General of the Department of Health and Human Services, dated as of December 5, 2007, including but not limited to Hospital's Corporate Compliance Program. Resident shall participate in all training and education required by the Corporate Compliance Program, and through such training, shall be given a copy of the Hospital's Code of Conduct and Compliance Policies and Procedures, including those relating to the Anti-Kickback Statute and the Stark Statute

This Agreement shall be governed by the laws of the State of New Jersey.

All notices required or permitted under this Agreement shall be in writing and will be effective upon receipt only if delivered personally, by registered or certified mail, return receipt requested, or by overnight delivery service to the addresses set forth below.

No amendment, alteration or modification of this Agreement shall be effective except in a subsequent written instrument executed by both parties hereto. This Agreement sets forth the entire agreement and understanding between the parties and supersedes any prior agreement or understanding, written or oral, relating to the subject matter of this Agreement.

In witness hereof the parties have affixed their signatures:

RESIDENT

\_\_\_\_\_  
(PRINT NAME)

\_\_\_\_\_  
(SIGNATURE)

Notice Address: \_\_\_\_\_

ST. LUKE'S WARREN HOSPITAL, INC.

By: St. Luke's Hospital & Health Network, its Sole Member

By: \_\_\_\_\_  
Thomas P. Lichtenwalner  
SVP, Finance

By: \_\_\_\_\_  
Thomas C. McGinley, Jr., M.D., Program Director  
St. Luke's Warren Hospital Family Medicine Residency Program