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# Executive Offices

720 Washington Ave SE Suite 200

Minneapolis, MN 55414

Date

Name Address

Dear Name:

It is my pleasure to offer you employment with University of Minnesota Physicians (“UMPhysicians”) starting on START DATE, 20xx subject to the conditions set forth in this letter. UMPhysicians is the clinical practice plan for faculty members of the University of Minnesota Medical School (the “Medical School”). UMPhysicians is an integrated multi-specialty group practice comprised of more than 900 physicians and 1,400 health professionals delivering innovative care in more than 100 specialties and sub-specialty areas.

# Connection to University of Minnesota Medical School

This offer is made in connection with an offer of employment with the Medical School as UofM Title / Role. Although the Medical School and UMPhysicians are closely affiliated, they are separate entities. Therefore, the details of your offer and employment with the Medical School are set forth in a separate letter. As a member of the Medical School faculty, your clinical practice will be conducted through UMPhysicians. You will be assigned to the CSU Name Clinical Service Unit (the “CSU”), which is the clinical unit in UMPhysicians which corresponds to the Department of Dept. Name of the Medical School.

# Pay and Benefits

UMPhysicians will provide an initial annual salary of $Salary. This is in addition to compensation paid by the University for your University employment as outlined in a separate offer letter. [optional: You also have an opportunity to earn (call pay/incentive compensation/leadership augment) as provided by the compensation plans in place for your CSU and UMPhysicians. Expand as appropriate]

[TAILOR THE FOLLOWING AS NECESSARY TO REFLECT CSU COMPENSATION PLAN OR

CONSIDERATIONS SUCH AS PSA REVENUE] In recognition of the fact that it takes time to develop a clinical practice, this salary will continue for the first years of your employment. Thereafter, your compensation from UMPhysicians will be set annually pursuant to the CSU’s compensation plan, which generally requires satisfaction of a minimum clinical productivity goal, which at this time is ,000 annual wRVUs, as well as annual CSU goals for patient satisfaction, quality of care and administrative contributions.

Individual provider compensation may be modified at any time by the Chief Executive Officer to ensure compliance with applicable regulations and UMPhysicians policies.

UMPhysicians will provide benefits in addition to any benefits you receive from the University, including but not limited to eligibility to participate in UMPhysicians’ 401(k) retirement program, group term life insurance, long-term disability coverage, and optional flexible spending accounts for health care and dependent care. Questions regarding UMPhysicians benefits can be discussed with Kaama Malvin who can be reached at 612-884-0734. In addition, a summary of UMPhysicians benefits is enclosed for your reference.

# Hiring Bonus (Optional)

We will also provide a hiring bonus of $XX,000 payable within your first month of employment. Please review the terms of the attached agreement carefully and sign and return it with your acceptance of this offer.

OR

We will also provide a hiring bonus of $XX,000 to be issued as a forgivable loan. Please review the terms of the attached Promissory Note carefully and sign and return it with your acceptance of this offer.

# Relocation Expenses (Optional)

You are eligible to receive up to $10,000 in relocation assistance to support your transition into this new role. In order to access this benefit, which is offered through University of Minnesota Physicians and administered by Relocation Today, you must sign and return the Relocation Repayment Agreement included with your offer letter. Upon receipt of this signed agreement, and your signed offer letter, UMPhysicians will authorize your move with Relocation Today. This relocation assistance is subject to the terms and conditions of UMPhysicians relocation program and is taxable according to IRS regulations.

# Business Expense Allowance

In addition to this salary and benefit package, we will provide an annual professional expense account of

$5,000. These funds can be used to reimburse allowable (according to UMPhysicians and IRS regulations) professional expenses. These expenses include continuing professional education, dues, subscriptions, and similar expenditures.

Medical license, medical staff dues, and DEA will be covered by the practice.

# Professional Liability Insurance

Medical professional liability insurance coverage is provided to providers employed by UMPhysicians while acting within the scope of their employment and at the direction of UMPhysicians. The policy does not include “moonlighting” or any other professional activity outside of work for UMPhysicians. The policy provides coverage while a provider is employed by UMPhysicians. The policy continues to provide coverage for events that occurred during a provider’s employment even after termination of employment, making purchase of “tail coverage” for departing physicians unnecessary. This insurance does not cover any previous clinical care you may have provided in prior employment or residency – you are encouraged to make arrangements for appropriate tail coverage with your previous employer. If you have questions regarding this coverage, please contact Ruth Flynn, Vice President UMPhysicians Risk Management at 612.884.0795.

# Common Paymaster

The Medical School and UMPhysicians use a common paymaster. You will receive two paychecks but only one W-2. It is important to understand that you will have two employers at all times and that the terms of your employments, the policies applicable to your employments, as well as the compensation

and benefits you receive, are separately determined by each respective employer. Occasionally, representatives from the University of Minnesota will request access to your personnel information for appropriate reasons related to your common paymaster status and UMPhysicians will provide the University with the requested information.

The allocation of your compensation between the Medical School and UMPhysicians may change from time-to-time to reflect changes in your relative effort and contributions to each respective employer.

# Assignment and Duties

As a provider with UMPhysicians, you will be expected to perform the professional and administrative duties prescribed by UMPhysicians, which may include responsibility for inpatient and outpatient patient care; quality assurance and improvement; medical administration; professional recruitment; utilization review; participation in site, CSU, service line, and hospital medical staff meetings; and planning and marketing of your and UMPhysicians’ services. The schedule for your clinical service, including your schedule for “on-call” coverage, will be determined by your CSU. Schedules are always subject to change based on organizational needs and individual circumstances.

Optional (modify as appropriate for your CSU):

We anticipate that your clinical schedule will initially be as follows:

•Nine (9) four-hour blocks of clinic (patient contact time) per week or the equivalent including inpatient consults and other clinical activities.

•Your on-call schedule will be determined by the Service Line Chief.

* You will be expected to complete all clinical administrative duties in a timely and efficient manner in accordance with practice policies.

# Confidentiality and Non-Competition Agreement

This offer is also contingent upon you signing the attached Confidentiality and Non-Competition Agreement. Please review the terms of the attached Agreement carefully and sign and return it with your acceptance of this offer.

# Licensing and Credentialing

Because clinical practice is an essential part of your duties, your employment with UMPhysicians cannot start until clinical privileges have been granted by the primary practice site and any other sites as appropriate. This process and your appointment require you to obtain and maintain a license to practice medicine in Minnesota, a DEA registration and the ability to participate in health care programs of the state and federal government.

This offer and your start date are also contingent upon your successful completion of all documents and steps necessary to secure proper licensing and credentialing, a criminal background check, and you’re providing all necessary documentation to confirm that you are legally authorized to work in the United States. Please note that obtaining a license, privileging and payor enrollment are involved processes and can take four to six months to complete and therefore should be started as soon as you accept our offer, as a delay in completing this process could delay your start date.

# Other Terms and Conditions

As a provider for UMPhysicians, you agree to assign your right to receive third-party payments for your clinical services to UMPhysicians or its designated agents. Your employment with UMPhysicians is at- will. This letter does not constitute a contract for any particular term of employment. All terms and conditions are subject to change based on UMPhysicians’s policies and you will also be expected to comply with all of UMPhysicians’ policies.

It is a fundamental expectation of your continued employment that you maintain your faculty appointment at the Medical School, maintain an unrestricted license to practice medicine in Minnesota, and remain fully privileged with all applicable practice sites. This offer of employment is contingent upon resignation from any current employment.

We hope that you will accept our offer and join our practice. If there are aspects of the job or the offer that you wish to discuss, please contact me. If you accept this offer, which is valid through INSERT DATE, please sign this letter and the attached Confidentiality and Non-Competition Agreement where indicated and return as a .PDF version via email. The email version will be considered binding. We look forward to hearing from you.

Sincerely,

Name, Degree

CSU Manager Name CSU Name

Bevan Yueh, MD, MPH Interim Chief Executive Officer

University of Minnesota Physicians

I understand and agree with the terms of this offer.

Candidate Name, Degree Date

Attachments:

Confidentiality and Non-Competition Agreement University of Minnesota Physicians Benefits Summary OPTIONAL: Promissory Note or Hiring Bonus agreement

# CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

This CONFIDENTIALITY AND NON-COMPETITION AGREEMENT (“Agreement”) is made

and entered into effective this Day day of Month, 20xx, by and between Employee Name, **Degree** (“Provider”) and University of Minnesota Physicians (“UMPhysicians”), a Minnesota nonprofit corporation.

1. **Purpose of Agreement.** UMPhysicians and Provider recognize the importance to UMPhysicians of obtaining Provider’s loyalty and protecting UMPhysicians’ rights with respect to its patients, referral sources and confidential information. Accordingly, Provider is entering into this Agreement in consideration of Provider’s offer of employment with UMPhysicians and in consideration of being given access to UMPhysicians’ confidential and trade secret information.

# Confidential Information.

* 1. Definition. “Confidential Information” means any information that Provider learns or develops during the course of employment with UMPhysicians that derives independent economic value from being not generally known or readily ascertainable by other persons, or that is otherwise confidential in nature, and includes, but is not limited to: (a) any information not generally known or readily ascertainable regarding UMPhysicians’ research and development, marketing plans, strategic plans, contracts, business systems, joint ventures, affiliations and contractual relationships and techniques; (b) financial and business information concerning UMPhysicians including, but not limited to, information concerning accounts receivable, and information regarding UMPhysicians’ personnel, patients and third party payors; (c) the quantity and types of services provided by UMPhysicians; (d) information regarding testing and treatment methods, the identities of patients and referral sources; and (e) any information that UMPhysicians may from time to time designate as “confidential,” “proprietary,” or “trade secrets.”
  2. Restriction. Provider agrees not to directly or indirectly use or disclose any Confidential Information for the benefit of anyone other than UMPhysicians either during the course of Provider’s employment or after the termination of employment. Provider recognizes that Confidential Information constitutes a valuable asset of UMPhysicians and hereby agrees to act in such a manner as to prevent its disclosure and use by any person unless such use is for the benefit of UMPhysicians. Provider’s obligations under this paragraph are unconditional and shall not be excused by any conduct on the part of UMPhysicians, except prior voluntary disclosure by UMPhysicians of the information.

# Non-Competition.

* 1. No Competing Practice. Upon termination of the employment of Provider with UMPhysicians for any reason, and for the one (1) year period following which starts with the effective date of termination of employment with UMPhysicians, Provider shall not directly or indirectly engage in the practice of medicine within a 10-mile radius of from their primary practice site.
  2. No Solicitation of Patients. During Provider’s employment, and for a period of one year after Provider’s employment with UMPhysicians terminates, regardless of the reason for the termination of Provider’s employment, Provider shall not: (a) for the benefit of anyone other than UMPhysicians, directly or indirectly, solicit or seek to solicit, any patient of UMPhysicians to provide services which are the same as, or which are substantially similar in purpose to, the services of UMPhysicians; (b) divert or attempt to divert for Provider’s direct or indirect benefit, or for the benefit of any other person, any patient of UMPhysicians, or any of the business or patronage of any patient of UMPhysicians, or (c) influence or attempt to influence any patient of UMPhysicians to transfer the patient’s business or patronage from UMPhysicians directly or indirectly to Provider or to any other person, corporation, partnership, joint venture or sole proprietorship. As used herein, the term “patient” means any person who is or was a patient of UMPhysicians as of the date of this Agreement or at any time during the twenty-four (24) months preceding the termination of Provider’s employment with UMPhysicians. Nothing in this paragraph shall be construed to prohibit the Provider from, in the course of treating patients, providing medically appropriate referrals to providers other than UMPhysicians.
  3. No Solicitation of Referral Sources. During Provider’s employment, and for a period of one year after Provider’s employment with UMPhysicians terminates, regardless of the reason for the termination of Provider’s employment, Provider shall not: (a) for the benefit of anyone other than UMPhysicians, solicit or seek to solicit, any referral source of UMPhysicians to refer patients for services which are the same as, or which are substantially similar in purpose to, the services of UMPhysicians; (b) divert or attempt to divert for Provider’s direct or indirect benefit, or for the benefit of any other person, any referral source of UMPhysicians; or (c) influence or attempt to influence any referral source of UMPhysicians to discontinue referring patients for receiving services from UMPhysicians.
  4. No Solicitation of Employees. During Provider’s employment, and for a period of one year after Provider’s employment with UMPhysicians terminates, regardless of the reason for the termination of Provider’s employment, Provider shall not, directly or indirectly, solicit for employment, employ, or otherwise contract with for services, any of UMPhysicians’ employees or any individuals who were employees of UMPhysicians during the twelve (12) months preceding the termination of Provider’s employment with UMPhysicians.

1. **Remedies for Breach of Agreement.** Provider recognizes that if Provider violates any portion of this Agreement, irreparable damage will result to UMPhysicians that could not be remedied completely by an award of monetary damages. As a result, Provider agrees that in the event of any breach, or in the event of an apparent breach, UMPhysicians shall be entitled, in addition to any other legal or equitable remedies, to an injunction to restrain the violation of any and all such portions of this Agreement by Provider, and for an award of UMPhysicians’ costs, including its attorneys’ fees, incurred in enforcing this Agreement.
2. **At-Will Status.** This Agreement relates only to Provider’s obligations with respect to UMPhysicians’ rights to its patients, business information, confidential information, inventions and other business interests. This Agreement does not in any way alter the fact that Provider’s future employment with UMPhysicians will be on an at-will basis, meaning Provider has the right at any time, and for any or no reason, to terminate Provider’s employment, and UMPhysicians has the same right.

# Miscellaneous.

* 1. Integration. This Agreement embodies the entire agreement and understanding among the parties relative to subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.
  2. Applicable Law. This Agreement and the rights of the parties shall be governed by and construed and enforced in accordance with the laws of the state of Minnesota. The venue for any action hereunder shall be in the state of Minnesota, whether or not such venue is or subsequently becomes inconvenient, and the parties consent to the jurisdiction of the courts of the state of Minnesota, County of Hennepin, and the U.S. District Court, District of Minnesota.
  3. Survival. The parties agree that Provider’s obligations hereunder shall survive the termination of Provider’s employment for the period of time described above, regardless of when such termination may occur and regardless of the reasons for such termination.
  4. Severability. The invalidity or partial invalidity of any portion of this Agreement shall not invalidate the remainder thereof, and said remainder shall remain in full force and effect. Moreover, if one or more of the provisions contained in this Agreement shall, for any reason, be held to be excessively broad as to scope, activity, subject or otherwise, so as to be unenforceable at law, such provision or provisions shall be construed by the appropriate judicial body by limiting or reducing it or them, so as to be enforceable to the maximum extent compatible with then applicable law.
  5. Succession. This Agreement shall be binding upon and inure to the benefit of any successor entities to UMPhysicians which continues the medical practice thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date herein first above written.

**PROVIDER UNIVERSITY OF MINNESOTA PHYSICIANS**

By:

Name, Degree Its: Chief Executive Officer