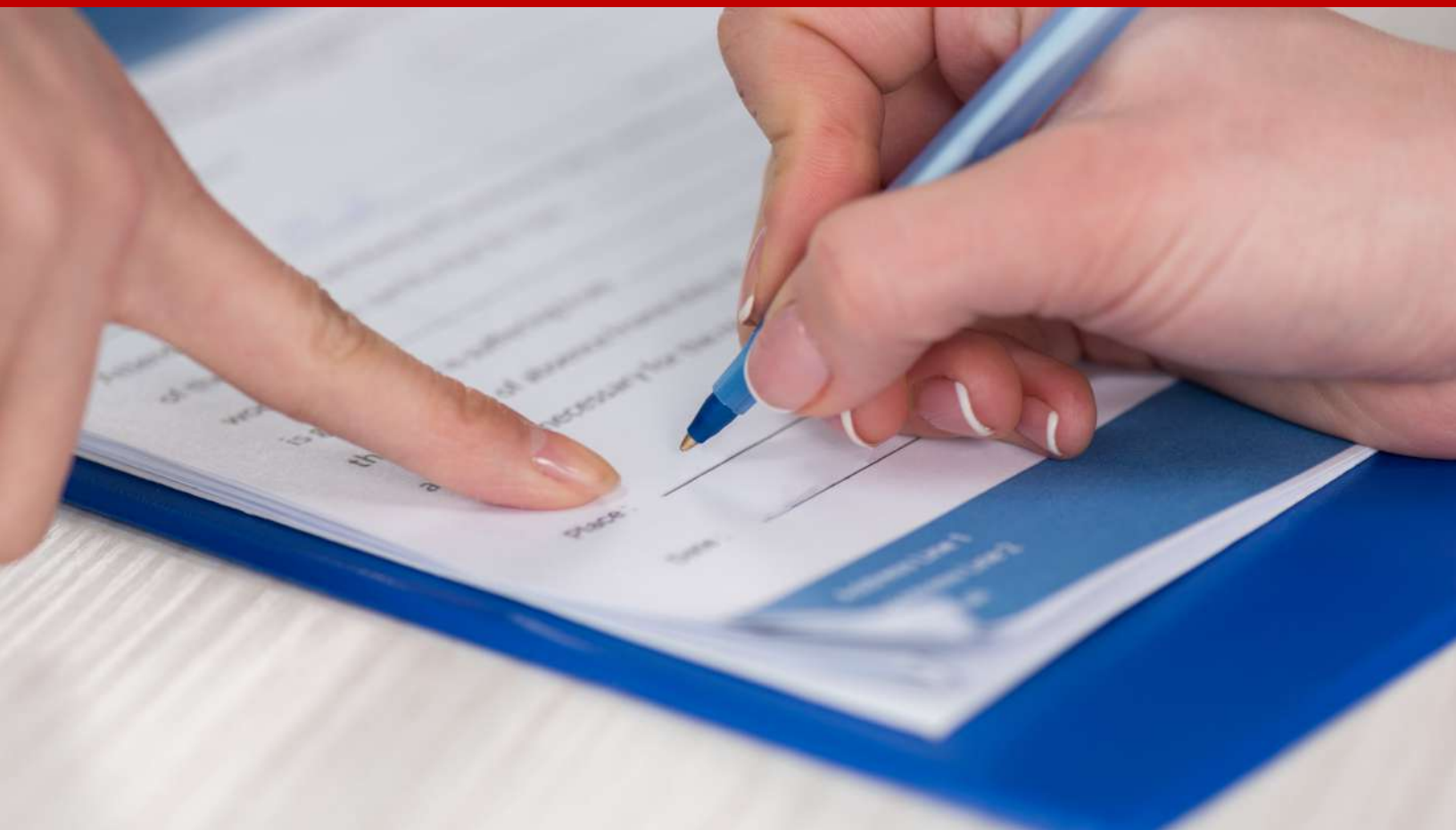
Care CEUs

Continuing Education for Nursing Home Administrators

Contracted Services



Introduction

Health care contracts are an essential aspect of health care. Therefore, health care administrators should possess insight into health care contracts. This course reviews the most common types of health care contracts, as well as methods to effectively manage health care contracts. This course also highlights relevant laws and requirements, while providing examples of health care contracts that may be used as a guide, point of reference, and/or educational tool.

Section 1: Health Care Contracts

This section of the course will review common types of health care contracts, and strategies that may be used to effectively manage health care contracts. The information found within this section of the course was derived from materials provided by ContractSafe unless, otherwise, specified (Bishop, 2021).

What are health care contracts?

- A health care contract may refer to a written agreement between an individual or entity and a health care organization.
- Health care administrators should note that the term contracted services may refer to services that are provided according to a written agreement between a health care organization and the individual or individuals providing the services.

What are some of the most common types of health care contracts?

- **Medical director contract** - a medical director contract may refer to a contract between a health care professional in the role of medical director and a health care organization (note: medical directors typically organize

and coordinate physician services and the services provided by other health care professionals as they relate to patient care). Health care administrators should note the following key aspects of medical director contracts: compensation, the contract terms, termination procedures, the medical director's responsibilities (e.g., administrative tasks), details about malpractice and liability insurance, non-compete clause, and non-solicitation clause (note: the term non-compete clause may refer to a legally binding clause that indicates that an employee cannot work with a rival company or start a similar trade or profession for a specified period of time after leaving his or her current employer; the term non-solicitation clause may refer to a legally binding clause that prohibits any solicitation or negotiation).

- **Physician recruitment contract** - a physician recruitment contract may refer to a contract that outlines the methods and strategies used to recruit physicians to a health care organization. Health care administrators should note the following key aspects of physician recruitment contracts: the contract terms, duration of the contract, termination procedures, methods and strategies used to recruit physicians, and Medicaid and/or Medicare compliance, when applicable.

- **Physician employment contract** - a physician employment contract may refer to a contract between a physician and a health care organization, which outlines the physician's responsibilities. Health care administrators should note the following key aspects of physician employment contracts: compensation, benefits, the contract terms, duration of the contract, termination procedures, physician responsibilities, non-compete clause, and non-solicitation clause.

- **Managed care contract** - a managed care contract may refer to a contract between a health care professional or an entity that provides services from health care professionals and a health care organization. Health care

administrators should note the following key aspects of managed care contracts: the contract terms, duration of the contract, termination procedures, and specific responsibilities.

- **Managed services contract** - a managed services contract may refer to a contract between a managed services provider and a health care organization, which outlines specific managed services, such as: coding, transcription, and billing services. Health care administrators should note the following key aspects of managed services contracts: the contract terms, duration of the contract, termination procedures, specific responsibilities, scope of work to be performed, timelines, a cost schedule, and payment terms.

- **Patient transfer contract** - a patient transfer contract may refer to a contract between the health care entity transferring a patient and the health care entity receiving the patient. Health care administrators should note the following key aspects of patient transfer contracts: care duration, contract termination procedures, billing information, and insurance information.

- **Equipment lease contract** - an equipment lease contract may refer to a contract between an equipment leasing entity and a health care organization (note: the equipment leasing entity may provide the required contract; health care administrators should review each equipment lease contract to ensure all needs are met). Health care administrators should note the following key aspects of equipment lease contracts: the contract terms, the contract duration, contract termination procedures, a list of required equipment, lease fees and consequences for missed payments, the equipment return procedure, details about responsibilities for equipment damage and repair.

- **Purchased service contract** - a purchased service contract may refer to a contract between a non-employee contractor and a health care organization. Health care administrators should note the following key aspects of equipment lease contracts: the contract terms, duration of the contract, contract termination procedures, the non-employee contractor's responsibilities; the health care organization's responsibilities, payment schedule, and related fees.

- **Technology licensing contract** - technology licensing contract may refer to a contract between the owner of intellectual property and/or specific technology and a health care organization. Health care administrators should note the following key aspects of technology licensing contracts: the contract terms, duration of the contract, contract termination procedures, details about how the technology may be used, the licensing fees, and prohibited activities surrounding the technology.

- **Joint venture contract** - a joint venture contract may refer to a contract between at least two business entities or health care organizations entering into a temporary relationship. Health care administrators should note the following key aspects of joint venture contracts: the contract terms, the duration of the contract, contract termination procedures, details about each party's financial responsibility, details about each party's responsibilities and involvement in the project or agreement.

How can health care administrators effectively manage health care contracts?

- **Determine the goals of each contract** - first and foremost, health care administrators should determine the goals of each contract (e.g., why the contract is required; the needs for a contract; what a healthcare organization hopes to gain from each contract). Health care administrators

should note that determining the goals of each contract can help individuals formulate the terms of a contract, as well as contract stipulations.

- **Design contracts to meet specific goals** - once the goals of a contract are established, health care administrators should design contracts to meet specific goals (e.g., the specific needs of a health care organization).

- **Ensure the terms of each contract meet specific goals** - health care administrators should ensure the terms of a contract, otherwise referred to as the provisions of a contract, meet specific goals (note: health care administrators should consider the terms of a contract as the means, within a contract, to achieve desired goals).

- **Select a state law to govern the contract** - this point is especially valid when the parties named in a contract are located in different states.

- **Determine the contract duration** - when developing contracts, health care administrators should determine the contract duration (e.g., six months, one year) to help avoid unnecessarily long contracts.

- **Establish employee schedules** - some employment contracts may require an employee schedule (i.e., when the employee is required to work), therefore, health care administrators should establish employee schedules, when applicable.

- **Establish on-call requirements** - some employment contracts may require on-call requirements; therefore, health care administrators should establish on-call requirements, when applicable.

- **Establish contract termination procedures** - some contracts may need to be terminated, therefore, health care administrators should establish contract termination procedures to help ease the termination process.

- **Establish a contract expiration date** - some employment contracts may require a contract expiration date (e.g., a fixed date when the terms of employment end); therefore, health care administrators should establish contract expiration dates, when applicable.

- **Establish non-renewal stipulations** - some employment contracts may require non-renewal stipulations (e.g., a means of termination by notice of non-renewal before the annual renewal date), therefore, health care administrators should establish non-renewal stipulations, when applicable.

- **Consider laws and requirements that may apply to health care contracts** - health care administrators should consider relevant laws and requirements during the contract process.

- **Keep the contract process simple** - health care administrators can keep the contract process simple by determining the goals of each contract; designing contracts to meet specific goals; selecting a state law to govern the contract; determining the desired duration of a contract; establishing employee schedules, when applicable; establishing on-call requirements, when applicable; establishing contract termination procedures; establishing contract expiration dates, when applicable; establishing non-renewal stipulations, when applicable; considering laws and requirements that may apply to health care contracts; and by negotiating contracts with decision makers (e..g, individuals who are authorized to make decisions and/or final decisions about a contract).

- **Select a project manager, when needed** - for some contracts, it may be advantageous for health care administrators to select a specific project manager to ensure completion.

- **Met timelines** - when managing contracts, health care administrators should meet required timelines to ensure the completion of each contract.

- **Review contracts** - before a contract is signed, it must be reviewed to ensure the goals and needs of the health care organization are met. Also, after a contract is signed it must be reviewed to ensure the validity of the contract. Health care administrators should note that multiple individuals should be involved in the review processes to ensure goals and needs are met.

- **Identify methods to resolve contract disputes** - contract disputes can occur, therefore, health care administrators should identify methods to resolve contract disputes to help ease the resolution process.

- **Respect confidentiality agreements** - some contracts may include confidentiality agreements. Health care administrators should ensure confidentiality agreements are respected to avoid potential litigation.

- **Store and organize contracts** - health care administrators should ensure that all contracts are adequately stored and organized for easy access.

- **Ensure contacts do not lapse** - health care administrators should periodically review contracts to help ensure they do not lapse before a desired period.

Section 1 Summary

A health care contract may refer to a written agreement between an individual or entity and a health care organization. Health care administrators should work to effectively manage health care contracts to meet specific goals, fulfill specific needs, and to avoid contract disputes and potential litigation. Finally, to help facilitate the contract process, health care administrators should negotiate contracts with decision makers.

Section 1 Key Concepts

- Examples of health care contracts include the following: medical director contract, physician recruitment contract, physician employment contract, managed care contract, managed services contract, patient transfer contract, an equipment lease contract, a purchased service contract, technology licensing contract, and a joint venture contract.

- Health care administrators can effectively manage health care contracts by determining the goals of each contract; designing contracts to meet specific goals; ensuring the terms of each contract meet specific goals; selecting a state law to govern the contract; determining the contract duration; establishing employee schedules; establishing on-call requirements; establishing contract termination procedures; establishing a contract expiration date; establishing non-renewal stipulations; considering laws and requirements that may apply to health care contracts; keeping the contract process simple; selecting a project manager, when needed; meeting timelines; reviewing contracts; identifying methods to resolve contract disputes; respecting confidentiality agreements; storing and organizing contracts; ensuring contacts do not lapse.

Section 1 Key Terms

Health care contract - a written agreement between and individual or entity and a health care organization

Contracted services - services that are provided according to a written agreement between a health care organization and the individual or individuals providing the services

Medical director contract - a contract between a health care professional in the role of medical director and a health care organization

Non-compete clause - a legally binding clause that indicates that an employee cannot work with a rival company or start a similar trade or profession for a specified period of time after leaving his or her current employer

Non-solicitation clause - a legally binding clause that prohibits any solicitation or negotiation

Physician recruitment contract - a contract that outlines the methods and strategies used to recruit physicians to a health care organization

Physician employment contract - a contract between a physician and a health care organization, which outlines the physician's responsibilities

Managed care contract - a contract between a health care professional or an entity that provides services from health care professionals and a health care organization

Managed services contract - a contract between a managed services provider and a health care organization, which outlines specific managed services, such as: coding, transcription, and billing services

Patient transfer contract - a contract between the health care entity transferring a patient and the health care entity receiving the patient

Equipment lease contract - a contract between an equipment leasing entity and a health care organization

Purchased service contract - a contract between a non-employee contractor and a health care organization

Technology licensing contract - a contract between the owner of intellectual property and/or specific technology and a health care organization

Joint venture contract - a contract between at least two business entities or health care organizations entering into a temporary relationship

Section 1 Personal Reflection Question

Why is it important for health care administrators to adequately manage health care contracts?

Section 2: Laws and Requirements

As previously mentioned, health care administrators should consider relevant laws and requirements when developing contracts, especially when developing employment contracts. With that in mind, this section will highlight potentially relevant laws and requirements. The information found within this section of the course was derived from materials provided by the U. S. Equal Employment Opportunity Commission unless, otherwise, specified (U. S. Equal Employment Opportunity Commission, 2023).

- **Title VII of the Civil Rights Act of 1964** - Title VII of the Civil Rights Act of 1964 may refer to a group of laws that prohibits discrimination in virtually every employment circumstance on the basis of race, color, religion, gender, pregnancy, or national origin. Specific information regarding Title VII of the Civil Rights Act of 1964 may be found below.
    - Under Title VII, it shall be an unlawful employment practice for an employer to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin.
    - Under Title VII, it shall be an unlawful employment practice for an employer to limit, segregate, or classify his or her employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise

adversely affect his or her status as an employee, because of such individual's race, color, religion, sex, or national origin.

- Under Title VII, it shall be an unlawful employment practice for an employment agency to fail or refuse to refer for employment, or otherwise to discriminate against, any individual because of his or her race, color, religion, sex, or national origin, or to classify or refer for employment any individual on the basis of his race, color, religion, sex, or national origin.

- Under Title VII, it shall be an unlawful employment practice for a labor organization to exclude or to expel from its membership, or otherwise to discriminate against, any individual because of his or her race, color, religion, sex, or national origin.

- Under Title VII, it shall be an unlawful employment practice for a labor organization to limit, segregate, or classify its membership or applicants for membership, or to classify or fail or refuse to refer for employment any individual, in any way which would deprive or tend to deprive any individual of employment opportunities, or would limit such employment opportunities or otherwise adversely affect his or her status as an employee or as an applicant for employment, because of such individual's race, color, religion, sex, or national origin.

- Under Title VII, it shall be an unlawful employment practice for any employer, labor organization, or joint labor-management committee controlling apprenticeship or other training or retraining, including on-the-job training programs to discriminate against any individual because of his or her race, color, religion, sex, or national origin in admission to, or employment in, any program established to provide apprenticeship or other training.

- Under Title VII, it shall be an unlawful employment practice for an employer to adjust the scores of, use different cutoff scores for, or otherwise alter the results of, employment related tests on the basis of race, color, religion, sex, or national origin.

- Health care administrators should note that an unlawful employment practice is established when the complaining party demonstrates that race, color, religion, sex, or national origin was a motivating factor for any employment practice, even though other factors also motivated the practice.

- Under Title VII, it shall be an unlawful employment practice for an employer to discriminate against any of his or her employees or applicants for employment, for an employment agency, or joint labor-management committee controlling apprenticeship or other training or retraining, including on the-job training programs, to discriminate against any individual, or for a labor organization to discriminate against any member thereof or applicant for membership, because he or she has opposed any practice made an unlawful employment practice by this subchapter, or because he or she has made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing.

- Under Title VII, it shall be an unlawful employment practice for an employer, labor organization, employment agency, or joint labor--management committee controlling apprenticeship or other training or retraining, including on-the-job training programs, to print or publish or cause to be printed or published any notice or advertisement relating to employment by such an employer or membership in or any classification or referral for employment by such a labor organization, or relating to any classification or referral for employment by such an employment agency, or relating to

admission to, or employment in, any program established to provide apprenticeship or other training by such a joint labor-management committee, indicating any preference, limitation, specification, or discrimination, based on race, color, religion, sex, or national origin, except that such a notice or advertisement may indicate a preference, limitation, specification, or discrimination based on religion, sex, or national origin when religion, sex, or national origin is a bona fide occupational qualification for employment.

- A charge related to Title VII shall be filed within 180 days after the alleged unlawful employment practice occurred and notice of the charge (including the date, place and circumstances of the alleged unlawful employment practice) shall be served upon the person against whom such charge is made within ten days thereafter, except that in a case of an unlawful employment practice with respect to which the person aggrieved has initially instituted proceedings with a State or local agency with authority to grant or seek relief from such practice or to institute criminal proceedings with respect thereto upon receiving notice thereof, such charge shall be filed by or on behalf of the person aggrieved within three hundred days after the alleged unlawful employment practice occurred, or within 30 days after receiving notice that the State or local agency has terminated the proceedings under the State or local law, whichever is earlier, and a copy of such charge shall be filed by the Commission with the State or local agency.

- Health care administrators should note the following: a designated representative, investigating a charge related to Title VII shall, at all reasonable times, have access to, for the purposes of examination, and the right to copy any evidence of any person being investigated or proceeded against that relates to unlawful employment practices covered by Title VII and is relevant to the charge under investigation.

- The Equal Employment Opportunity Commission shall have the responsibility for developing and implementing agreements, policies and practices designed to maximize effort, promote efficiency, and eliminate conflict, competition, duplication and inconsistency among the operations, functions and jurisdictions of the various departments, agencies and branches of the Federal Government responsible for the implementation and enforcement of equal employment opportunity legislation, orders, and policies.

- **The Employment Non-Discrimination Act of 2013** - the Employment Non-Discrimination Act of 2013 may refer to a group of laws that prohibits employment discrimination on the basis of actual or perceived sexual orientation or gender identity by employers, employment agencies, labor organizations, and joint labor-management committees. Specific information regarding the Employment Non-Discrimination Act of 2013 may be found below.

    - The Employment Non-Discrimination Act of 2013 prohibits covered entities (employers, employment agencies, labor organizations, or joint labor-management committees) from engaging in employment discrimination on the basis of an individual's actual or perceived sexual orientation or gender identity.

    - The Employment Non-Discrimination Act of 2013 declares that it shall be unlawful for an employer, because of an individual's actual or perceived sexual orientation or gender identity, to: fail or refuse to hire, to discharge, or to otherwise discriminate with respect to the compensation, terms, conditions, or privileges of employment of such individual; or limit, segregate, or classify employees or applicants in any way that would deprive any individual of employment or adversely affect an individual's status as an employee. The Employment Non-Discrimination Act of 2013 also

prohibits employment agencies, labor organizations, and training programs from engaging in similar practices that would adversely affect individuals based on such actual or perceived orientation or identity.

- The Employment Non-Discrimination Act of 2013 specifies that such unlawful employment practices include actions based on the actual or perceived orientation or identity of a person with whom the individual associates.

- The Employment Non-Discrimination Act of 2013 prohibits certain employment actions from being considered unlawful with respect to volunteers who receive no compensation.

- The Employment Non-Discrimination Act of 2013 prohibits a covered entity from granting preferential treatment or implementing quotas on the basis of such actual or perceived orientation or identity.

- The Employment Non-Discrimination Act of 2013 limits the claims authorized to be brought under this Act to disparate treatment claims (thereby specifying that disparate impact claims are not provided for under this Act).

- The Employment Non-Discrimination Act of 2013 places the burden of proof on the complaining party to establish such an unlawful employment practice by demonstrating that sexual orientation or gender identity was a motivating factor for any employment practice, even though other factors also motivated the practice.

- The Employment Non-Discrimination Act of 2013 prohibits a covered entity from discriminating against an individual who: opposed such an unlawful employment practice; or made a charge, testified,

assisted, or participated in an investigation, proceeding, or hearing under the Employment Non-Discrimination Act of 2013.

- The Employment Non-Discrimination Act of 2013 prohibits this Act from being construed to: prohibit an employer from requiring an employee to adhere to reasonable dress or grooming standards, or require the construction of new or additional facilities.

- The Employment Non-Discrimination Act of 2013 prohibits the Equal Employment Opportunity Commission (EEOC) and the Secretary of Labor from compelling collection or requiring production of statistics from covered entities on actual or perceived sexual orientation or gender identity pursuant to this Act.

- The Employment Non-Discrimination Act of 2013 provides for the administration and enforcement of this Act, including by giving the EEOC, Librarian of Congress, Attorney General (DOJ), and U.S. courts the same enforcement powers as they have under specified provisions of the Civil Rights Act of 1964, Government Employee Rights Act of 1991, Congressional Accountability Act of 1995, and other laws granting rights and protections to certain applicants and employees.

- The Employment Non-Discrimination Act of 2013 prohibits an individual who files claims alleging an unlawful employment practice under this Act in addition to alleging an unlawful employment practice because of sex under the Civil Rights Act of 1964 from receiving double recovery under both Acts.

- The Employment Non-Discrimination Act of 2013 permits a decision maker (other than the Attorney General) in an action or administrative proceeding under this Act to allow the prevailing party (other than the EEOC or the United States) a reasonable attorney's

fee (including expert fees) as part of the costs, to the same extent as is permitted under specified civil and employee rights laws; requires the EEOC and the United States to be liable for costs to the same extent as a private person.

- The Employment Non-Discrimination Act of 2013 provides authority for amended employee notices to be posted in employee areas for purposes of this Act, but does not require the posting of a separate notice.

- The Employment Non-Discrimination Act of 2013 prohibits the invalidating or limiting of remedies, or procedures available to an individual claiming discrimination prohibited under any other federal, state, or political subdivision laws.

- **The Americans with Disabilities Act of 1990 (ADA)** - the Americans with Disabilities Act of 1990 (ADA) may refer to a group of laws that prohibit discrimination based on disability. Specific information regarding the ADA may be found below.

    - Under the ADA, an individual has a disability if he or she: has a physical or mental condition that substantially limits a major life activity (e.g., walking, talking, seeing, hearing, learning, or operation of a major bodily function); has a history of a disability (e.g., cancer that is in remission).

    - Disability discrimination occurs when an employer treats a qualified individual who is an employee or applicant unfavorably because he or she has a disability.

    - Disability discrimination also occurs when a covered employer or other entity treats an applicant or employee less favorably because he or she has a history of a disability (such as a past major depressive

episode) or because he or she is believed to have a physical or mental impairment that is not transitory (lasting or expected to last six months or less) and minor (even if he or she does not have such an impairment).

- The ADA protects individuals from discrimination based on their relationship with a person with a disability (even if they do not themselves have a disability).

- The ADA forbids discrimination when it comes to any aspect of employment, including hiring, firing, pay, job assignments, promotions, layoff, training, fringe benefits, and any other term or condition of employment.

- The ADA stipulates that it is illegal to harass an applicant or employee because he or she has a disability, had a disability in the past, or is believed to have a physical or mental impairment that is not transitory (lasting or expected to last six months or less) and minor (even if he or she does not have such an impairment) (note: harassment can include offensive remarks about a person's disability).

- The ADA requires an employer to provide reasonable accommodations to employees and job applicants with a disability, unless doing so would cause significant difficulty or expense for the employer. A reasonable accommodation may refer to any change in the work environment (or in the way things are usually done) to help a person with a disability apply for a job, perform the duties of a job, or enjoy the benefits and privileges of employment (e.g., making the workplace accessible for wheelchair users or providing a reader or interpreter for someone who is blind or hearing impaired).

- Health care administrators should note the following: an employer doesn't have to provide an accommodation if doing so would cause undue hardship to the employer; undue hardship means that the accommodation would be too difficult or too expensive to provide, in light of the employer's size, financial resources, and the needs of the business; an employer may not refuse to provide an accommodation just because it involves some cost; an employer does not have to provide the exact accommodation the employee or job applicant wants; if more than one accommodation works, the employer may choose which one to provide.

- The ADA places limits on employers when it comes to asking any job applicants to answer disability-related questions, take a medical exam, or identify a disability (e.g., an employer may not ask a job applicant to answer disability-related questions or take a medical exam before extending a job offer; an employer also may not ask job applicants if they have a disability or about the nature of an obvious disability); an employer may ask job applicants whether they can perform the job and how they would perform the job, with or without a reasonable accommodation.

- The ADA allows an employer to condition the job offer on the applicant answering certain disability-related questions or successfully passing a medical exam, but only if all new employees in the same type of job have to answer the questions or take the exam.

- Health care administrators should note the following: once any employee is hired and has started work, an employer generally can only ask disability-related questions or require a medical exam if the employer needs medical documentation to support an employee's request for an accommodation or if the employer believes that an

employee is not able to perform a job successfully or safely because of a medical condition.

- The ADA requires that employers keep all medical records and information confidential and in separate medical files.

- **The Age Discrimination in Employment Act of 1967 (ADEA)** - the Age Discrimination in Employment Act of 1967 (ADEA) may refer to labor laws that forbid employment discrimination against anyone at least 40 years of age in the U. S. Specific information regarding the ADEA may be found below.

  - Age discrimination laws and regulations included in the ADEA prohibit discrimination in any aspect of employment, including hiring, firing, pay, job assignments, promotions, layoffs, training, benefits, and any other term or condition of employment.

  - The ADEA specifies that it is unlawful to harass a person because of his or her age.

  - Harassment can include offensive or derogatory remarks about a person's age.

  - Harassment is illegal when it is so frequent or severe that it creates a hostile or offensive work environment or when it results in an adverse employment decision (e.g., the victim is fired or demoted).

  - An employment policy or practice that applies to everyone, regardless of age, can be illegal if it has a negative impact on applicants or employees age 40 or older and is not based on a reasonable factor other than age (note: the ADEA protects applicants and employees who are 40 years of age or older from employment discrimination based on age).

- The ADEA stipulates the following: it shall be unlawful for an employer to fail or refuse to hire or to discharge any individual or otherwise discriminate against any individual with respect to his or her compensation, terms, conditions, or privileges of employment, because of such individual's age; it shall be unlawful for an employer to limit, segregate, or classify employees in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his or her status as an employee, because of such individual's age; it shall be unlawful for an employer to reduce the wage rate of any employee based on age.

- The ADEA specifies the following: it shall be unlawful for an employment agency to fail or refuse to refer for employment, or otherwise to discriminate against any individual because of such individual's age, or to classify or refer for employment to any individual on the basis of such individual's age.

- The ADEA specifies the following: it shall be unlawful for a labor organization to exclude or to expel from its membership, or otherwise to discriminate against, any individual because of his or her age; it shall be unlawful for a labor organization to limit, segregate, or classify its membership, or to classify or fail or refuse to refer for employment any individual, in any way which would deprive or tend to deprive any individual of employment opportunities, or would limit such employment opportunities or otherwise adversely affect his or her status as an employee or as an applicant for employment, because of such individual's age; it shall be unlawful for a labor organization to cause or attempt to cause an employer to discriminate against an individual in violation of related regulations/ laws.

- The ADEA specifies the following: it shall be unlawful for an employer, labor organization, or employment agency to print or publish, or cause to be printed or published, any notice or advertisement relating to employment by such an employer or membership in or any classification or referral for employment by such a labor organization, or relating to any classification or referral for employment by such an employment agency, indicating any preference, limitation, specification, or discrimination, based on age.

- The ADEA specifies the following: it is also unlawful to retaliate against an individual for opposing employment practices that discriminate based on age or for filing an age discrimination charge, testifying, or participating in any way in an investigation, proceeding, or litigation under the ADEA.

- The Older Workers Benefit Protection Act of 1990 (OWBPA) amended the ADEA to specifically prohibit employers from denying benefits to older employees.

- The ADEA sets specific requirements that permit waivers of claims or rights in certain circumstances. Waivers are common in settling discrimination claims or in connection with exit incentive or other employment termination programs. To be valid, the waiver must meet minimum standards to be considered knowing and voluntary. Among other requirements, a valid ADEA waiver must: be in writing and be understandable; specifically refer to ADEA rights or claims; not waive rights or claims that may arise in the future; be in exchange for valuable consideration in addition to anything of value to which the individual already is entitled; advise the individual in writing to consult an attorney before signing the waiver; and provide the individual with a certain amount of time to consider the agreement before signing.

- **The Equal Pay Act of 1963 (EPA)** - the Equal Pay Act of 1963 (EPA) may refer to labor laws that amend the Fair Labor Standards Act and protect individuals against wage discrimination based on sex. Specific information regarding the EPA may be found below.
    - The EPA protects both men and women.
    - The EPA requires that men and women be given equal pay for equal work in the same establishment. The jobs need not be identical, but they must be substantially equal. It is job content, not job titles, that determines whether jobs are substantially equal. Specifically, the EPA provides that employers may not pay unequal wages to men and women who perform jobs that require substantially equal skill, effort and responsibility, and that are performed under similar working conditions within the same establishment.
    - The EPA specifies that skill should be measured by factors such as the experience, ability, education, and training required to perform the job; the issue is what skills are required for the job, not what skills the individual employees may have.
    - The EPA specifies that effort should be determined by the amount of physical or mental exertion needed to perform the job.
    - The EPA specifies that responsibility is the degree of accountability required to perform the job.
    - The EPA specifies that working conditions encompass the following two factors: physical surroundings like temperature, fumes, and ventilation; and hazards.
    - The prohibition against compensation discrimination under the EPA applies only to jobs within an establishment. An establishment is a distinct physical place of business rather than an entire business or

enterprise consisting of several places of business. In some circumstances, physically separate places of business may be treated as one establishment.

- "Equal" work does not mean identical jobs; rather, they must be "substantially equal" in overall job content, even if the position titles are different. In order to be considered substantially equal, the job duties must be "closely related" or "very much alike." Thus, minor differences in the job duties, or the skill, effort, or responsibility required for the jobs will not render the work unequal. An agency may have a defense if compensation is based on a seniority system, merit system, systems which measure earnings by quantity or quality of production, or any factor other than sex.

- The EPA laws against compensation discrimination include all payments made to or on behalf of employees as remuneration for employment; all forms of compensation are covered, including salary, overtime pay, bonuses, stock options, profit sharing and bonus plans, life insurance, vacation and holiday pay, cleaning or gasoline allowances, hotel accommodations, reimbursement for travel expenses, and benefits.

- If there is an inequality in wages between men and women who perform substantially equal jobs, employers must raise wages to equalize pay but may not reduce the wages of other individuals.

- Any individual who files an equal pay claim, or assists an individual in filing an equal pay claim is protected against unlawful retaliation by their employer. This protection extends to unlawful retaliation by an employer against an individual for opposing employment practices that allegedly discriminate based on compensation or for filing a discrimination complaint, testifying, or participating in any way in an

investigation, proceeding, or litigation under the EPA. Unlawful retaliation is defined as an adverse employment action by the employer, such as demotion or termination, which is harmful to the point that it could discourage or dissuade a reasonable worker from making or supporting a complaint of discrimination.

- To bring a claim under the EPA, an employee must show that a female employee and a male employee are receiving different wages for performing substantially equal work in the same establishment and under similar working conditions. Substantially equal work does not require identical job titles; rather it is interpreted as work requiring substantially equal levels of skill, effort, and responsibility. The EPA imposes strict liability on the employer, so whether or not the employer intended to engage in wage discrimination on the basis of gender does not matter. To avoid liability, the employer must prove that wages are set pursuant to one of the four statutory defenses allowed under the EPA - a seniority system, a merit system, a system that measures earnings by quantity or quality of production, or on a factor other than sex.

- An employee filing an EPA claim may go directly to court and is not required to file a charge beforehand. The time limit for filing an EPA charge is within two years of the alleged unlawful compensation practice or, in the case of a willful violation, within three years.

- **The Pregnancy Discrimination Act of 1978 (PDA)** - the Pregnancy Discrimination Act of 1978 (PDA) may refer to a group of laws that protect individuals from discrimination on the basis of pregnancy, childbirth, or related medical conditions. Specific information regarding the PDA may be found below.

- Pregnancy discrimination involves treating a woman (an applicant or employee) unfavorably because of pregnancy, childbirth, or a medical condition related to pregnancy or childbirth.

- The PDA forbids discrimination based on pregnancy when it comes to any aspect of employment, including hiring, firing, pay, job assignments, promotions, layoff, training, fringe benefits, such as leave and health insurance, and any other term or condition of employment.

- If a woman is temporarily unable to perform her job due to a medical condition related to pregnancy or childbirth, the employer or other covered entity must treat her in the same way as it treats any other temporarily disabled employee (e.g., the employer may have to provide light duty, alternative assignments, disability leave, or unpaid leave to pregnant employees if it does so for other temporarily disabled employees).

- Impairments resulting from pregnancy (e.g., gestational diabetes or preeclampsia) may be disabilities under the ADA. An employer may have to provide a reasonable accommodation (e.g., leave or modifications that enable an employee to perform her job) for a disability related to pregnancy, absent undue hardship (i.e., significant difficulty or expense).

- It is unlawful to harass a woman because of pregnancy, childbirth, or a medical condition related to pregnancy or childbirth. Harassment is illegal when it is so frequent or severe that it creates a hostile or offensive work environment or when it results in an adverse employment decision (e.g., the victim being fired or demoted). The harasser can be the victim's supervisor, a supervisor in another area,

a co-worker, or someone who is not an employee of the employer, such as a client or customer.

- Under the PDA, an employer that allows temporarily disabled employees to take disability leave or leave without pay, must allow an employee who is temporarily disabled due to pregnancy to do the same.

- Under the PDA, an employer may not single out pregnancy-related conditions for special procedures to determine an employee's ability to work. However, if an employer requires its employees to submit a doctor's statement concerning their ability to work before granting leave or paying sick benefits, the employer may require employees affected by pregnancy-related conditions to submit such statements.

- Health care administrators should note the following: under the Family and Medical Leave Act (FMLA) of 1993, a new parent (including foster and adoptive parents) may be eligible for 12 weeks of leave (unpaid or paid if the employee has earned or accrued it) that may be used for care of the new child; to be eligible, the employee must have worked for the employer for 12 months prior to taking the leave and the employer must have a specified number of employees.

- Health care administrators should note the following: pregnant employees may have additional rights under the Family and Medical Leave Act (FMLA), which is enforced by the U.S. Department of Labor; nursing mothers may also have the right to express milk in the workplace under a provision of the Fair Labor Standards Act enforced by the U.S. Department of Labor's Wage and Hour Division.

- **Physician Self-Referral Law** - the Physician Self-Referral Law, otherwise referred to as Stark law, may refer to the U.S. law that prohibits physicians

from referring patients to receive designated health services (DHS) payable by Medicare or Medicaid from entities with which the physician or an immediate family member has a financial relationship. Specific information regarding the Physician Self-Referral Law may be found below. The information found below was derived from materials provided by the U.S. Centers for Medicare and Medicaid Services (U.S. Centers for Medicare and Medicaid Services, 2023).

- When enacted in 1989, Section 1877 of the Social Security Act (the Act) applied only to physician referrals for clinical laboratory services; in 1993 and 1994, Congress expanded the prohibition to additional designated health services (DHS) and applied certain aspects of the physician self-referral law to the Medicaid program; in 1997, Congress added a provision permitting the Secretary to issue written advisory opinions concerning whether a referral relating to DHS (other than clinical laboratory services) is prohibited under section 1877 of the Act; in 2003 Congress authorized the Secretary to promulgate an exception to the physician self-referral prohibition for certain arrangements in which the physician receives non-monetary remuneration that is necessary and used solely to receive and transmit electronic prescription information and established a temporary moratorium on physician referrals to certain specialty hospitals in which the referring physician has an ownership or investment interest.

- The Physician Self-Referral law establishes the following items or services as DHS: clinical laboratory services; physical therapy services; occupational therapy services; outpatient speech-language pathology services; radiology and certain other imaging services; radiation therapy services and supplies; durable medical equipment and supplies; parenteral and enteral nutrients, equipment, and supplies; prosthetics, orthotics, and prosthetic devices and supplies; home

health services; outpatient prescription drugs; inpatient and outpatient hospital services.

- The Physician Self-Referral law prohibits a physician from making referrals for certain designated health services (DHS) payable by Medicare to an entity with which he or she (or an immediate family member) has a financial relationship (ownership, investment, or compensation), unless an exception applies.

- The Physician Self-Referral law prohibits an entity from presenting or causing to be presented claims to Medicare (or billing another individual, entity, or third party payer) for those referred services.

- The Physician Self-Referral law establishes a number of specific exceptions and grants the Secretary the authority to create regulatory exceptions for financial relationships that do not pose a risk of program or patient abuse.

- **Anti-Kickback Statute (AKS)** - the Anti-Kickback Statute (AKS) may refer to a U.S. law that prohibits the knowing and willful payment of "remuneration" to induce or reward patient referrals or the generation of business involving any item or service payable by federal health care programs. Specific information regarding the AKS may be found below. The information found below was derived from materials provided by the U.S. Department of Health and Human Services (U.S. Department of Health and Human Services, 2023).

    - The AKS prohibits the knowing and willful payment of "remuneration" to induce or reward patient referrals or the generation of business involving any item or service payable by federal health care programs (e.g., drugs, supplies, or health care services for Medicare or Medicaid patients); health care administrators should note that remuneration includes anything of

value and can take many forms besides cash, such as: free rent, expensive hotel stays and meals, and excessive compensation for medical directorships or consultancies.

- The AKS covers the payers of kickbacks, those who offer or pay remuneration, as well as the recipients of kickbacks, those who solicit or receive remuneration.

- The kickback prohibition applies to all sources of referrals, including patients.

- Criminal penalties and administrative sanctions for violating the AKS include: fines, jail terms, and exclusion from participation in federal health care programs; physicians who pay or accept kickbacks also face penalties of up to $50,000 per kickback plus three times the amount of the remuneration.

- Health care administrators should note that safe harbors protect certain payment and business practices that could otherwise implicate the AKS from criminal and civil prosecution; to be protected by a safe harbor, an arrangement must fit squarely in the safe harbor and satisfy all of its requirements; some safe harbors address personal services and rental agreements, investments in ambulatory surgical centers, and payments to bona fide employees.

- Health care administrators should note that the Government does not need to prove patient harm or financial loss to the programs to show that a physician violated the AKS; a physician can be guilty of violating the AKS even if the physician actually rendered the service and the service was medically necessary.

Section 2 Summary

Health care administrators should consider relevant laws and requirements when developing contracts, especially when developing employment contracts. Such laws include the following: Title VII of the Civil Rights Act of 1964, the Employment Non-Discrimination Act of 2013, the Americans with Disabilities Act of 1990 (ADA), the Age Discrimination in Employment Act of 1967 (ADEA), the Equal Pay Act of 1963 (EPA), the Pregnancy Discrimination Act of 1978 (PDA), the Physician Self-Referral Law, and the Anti-Kickback Statute (AKS). Health care administrators should periodically review relevant laws to ensure requirements are met.

Section 2 Key Concepts

- Health care administrators should consider relevant laws and requirements when developing contracts.

Section 2 Key Terms

Title VII of the Civil Rights Act of 1964 - a group of laws that prohibits discrimination in virtually every employment circumstance on the basis of race, color, religion, gender, pregnancy, or national origin

Employment Non-Discrimination Act of 2013 - a group of laws that prohibits employment discrimination on the basis of actual or perceived sexual orientation or gender identity by employers, employment agencies, labor organizations, and joint labor-management committees

Americans with Disabilities Act of 1990 (ADA) - a group of laws that prohibit discrimination based on disability

Age Discrimination in Employment Act of 1967 (ADEA) - labor laws that forbid employment discrimination against anyone at least 40 years of age in the U. S.

Equal Pay Act of 1963 (EPA) - labor laws that amend the Fair Labor Standards Act and protect individuals against wage discrimination based on sex

Pregnancy Discrimination Act of 1978 (PDA) - a group of laws that protect individuals from discrimination on the basis of pregnancy, childbirth, or related medical conditions

Physician Self-Referral Law (otherwise referred to as Stark law) - the U.S. law that prohibits physicians from referring patients to receive designated health services (DHSs) payable by Medicare or Medicaid from entities with which the physician or an immediate family member has a financial relationship

Anti-Kickback Statute (AKS) - a U.S. law that prohibits the knowing and willful payment of remuneration to induce or reward patient referrals or the generation of business involving any item or service payable by federal health care programs

Section 2 Personal Reflection Question

Why should health care administrators consider relevant laws and requirements when developing contracts?

Section 3: Examples of Health Care Contracts

This section of the course highlights examples of health care contracts, which may be used as a guide, point of reference, and/or educational tool. Health care administrators should note that an example of a medical director contract, equipment lease contract, and a managed care contract may be found in this section (note: equipment lease contracts may extend to medical equipment; medical equipment may refer to equipment that is primarily used for medical purposes). The information found within this section of the course was derived from materials provided by the U.S. Securities and Exchange Commission unless, otherwise, specified (U.S. Securities and Exchange Commission, 2023).

Medical Director Contract Example

HEREAS**,** Company has entered into previous Medical Oversight and Supervisor Agreements with the Physician and the parties agree that all such agreements will terminate as of the Effective Date of this Agreement;

WHEREAS, Company provides health care services to individuals in their homes and offices through licensed nurse practitioners;

WHEREAS, Company desires to engage Physician to provide medical director services, including appropriate supervision of nurse practitioners;

WHEREAS, Physician, who is duly licensed in the State of X and qualified to provide the medical director services, desires to serve in the position of medical director of Company in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants entered into and other good and valuable consideration, the sufficiency and adequacy of which is hereby acknowledged, the parties hereto agree to the following terms and conditions:

Scope of Services

- Company hereby engages and retains Physician to provide the Services (defined below) described herein.
- Physician hereby accepts such engagement and agrees to provide the Services described herein. The Physician shall provide the Services in a professional manner.

Responsibilities of Company

- Company shall furnish Physician with reasonable administrative support to accomplish his or her duties and responsibilities under this Agreement, but not in support of Physician's activities beyond the scope of this Agreement.

- Company shall periodically evaluate Physician's performance under this Agreement.

Responsibilities of Physician

- Physician is hereby retained to work for the Company and agrees to devote such time, energy and skill as his or her duties hereunder shall require.

- The Physician shall be responsible for overall supervision of health care services to Company's patients (the "Services"). Physician agrees to perform such duties as are customarily performed by persons acting in a similar capacity and/or such duties as may be assigned by the Company. Physician shall devote such time as is necessary and his or her best efforts to the performance of his or her duties and the furtherance of the interests of the Company.

- As part of the Services, the Physician shall also maintain such records and furnish such reports of Services as may be requested by Company. Physician shall submit to Company monthly reports of Services provided by Physician pursuant to this Agreement.

- Physician at all times during the term of this Agreement shall: (1) possess an active license in good standing to practice medicine in the State (2) possess active unrestricted federal and state DEA registration.

- Physician shall comply with the standards and requirements of all applicable federal, state, local and other laws, rules and regulations governing the

Services, applicable professional standards and all applicable Company policies and procedures, including Company's compliance program.

- Physician hereby agrees to participate in all relationships established by or maintained by Company with institutional health care providers and third-party payors. Physician hereby agrees and acknowledges that he or she may not negotiate or enter into any relationship with institutional health care providers and third-party payers under the name of Company. Any attempt to do so shall be null and void.

- It is the express intention of the parties that Physician is an independent contractor. Nothing in this Agreement shall in any way be construed to indicate that Physician is an employee of the Company. Physician will be expected and required to use his or her unique background, training, and skills to carry out his or her duties. Physician will have the discretion to determine the method, means, and location of performing his or her duties, and the Company has no right to and will not control or determine the method, means, or place of the performance of Physician's duties, except as otherwise explicitly set forth in this agreement.

Representations and Warranties

- Physician is not currently and has not been suspended from participation in or subject to any type of criminal or civil sanction, fine, civil money penalty, exclusion or other penalty by any private or public health insurance program, including Medicare, Medicaid or any other federal or state health insurance program.

Compensation

- As sole consideration for the Services provided hereunder, during the term of this Agreement, Company will pay Physician a fee of $XX,XXX per month,

paid bi-weekly. The parties acknowledge and agree that the compensation to be paid hereunder is fair market value for the Services.

- Company shall have the exclusive right to bill, collect and retain all fees for medical services rendered by Physician under this Agreement.

Insurance

- The Company shall maintain comprehensive professional and general liability insurance at levels required by law, but not less than $1 million per occurrence and $3 million in the aggregate, that will cover Physician for services rendered on behalf of the Company.

Term And Termination

- The initial term of this Agreement shall be one year beginning with the Effective Date, and this Agreement shall automatically renew for additional one-year terms, unless sooner terminated as provided in this Section of the Agreement.

- Company may terminate this Agreement at any time upon thirty (30) days' prior written notice and the Physician may terminate this Agreement with a ninety (90) day written notice following any twelve (12) month term (e.g., 15 months).

General Provisions

- Physician shall comply with Company's corporate compliance plan, and all service standards, clinical protocols, policies and procedures developed and implemented by the Company, as the same may be modified from time to time.

- This Agreement shall be binding upon and inure to the benefit of Company, its successors and assigns, and shall be binding upon and inure to the benefit of Physician, his or her successors and permitted assigns.

- Physician covenants to comply with all local, state and federal laws, rules and regulations in his or her performance of his or her duties and obligations hereunder, including but not limited to obtaining and maintaining appropriate licenses, and maintaining the privacy, confidentiality and security of protected health information as required under federal and state laws and regulations.

- All Company Confidential Information referred to this document and any other work produced by Company or any other work produced for Company by Physician alone or with others or any Company information that comes into the Physician's possession shall remain the sole and exclusive property of Company and shall not be removed from Company's premises without Company's consent. Physician shall return to Company all such Company property obtained during the course of this Agreement when this Agreement terminates or at such earlier time as might be requested by Company. Company shall have the sole right to use, sell, license, publish, or otherwise disseminate or transfer rights in work prepared by Physician pursuant to the performance of this Agreement.

- All work produced pursuant to this Agreement, whether produced by Physician alone or with others, shall be considered work made for hire and the sole property of Company. Physician shall, during and subsequent to the term of this Agreement, communicate to Company all inventions, designs, improvements, processes, models or discoveries made or conceived in connection with any project or work assignment performed pursuant to this Agreement, whether conceived by Physician alone or with others. Physician shall assign to Company, without further consideration or compensation, all right, title, and interest in such inventions, designs, improvements, or discoveries. Physician shall also provide Company, at Company's expense, all necessary assistance to obtain and maintain any and all notions, patents for these inventions, designs, improvements, or discoveries and vest Company with full and exclusive title to all patents. All inventions, designs,

improvements, or discoveries covered by this Section shall be and remain the property of the Company, whether or not patented.

- Physician agrees that during the term of this Agreement and for one (1) year after the termination date, Physician will not, without the Company's express written consent: (i) directly or indirectly, for himself or herself or on behalf of any other person, corporation, or entity, seek to employ, solicit, encourage, or attempt to induce to leave, any (A) current employee or consultant of Company, or (B) any person who, at any time during the three months prior to the termination date, was an employee or consultant of Company; (ii) solicit the business of any then current (at the time of the termination date) clients or customers (including parties which Company is engaged in business discussions) of Company relating, directly or indirectly, to the business of the company or competitive with the business of the Company, other than on behalf of Company, within a sixty (60) mile radius of any Company location where Physician actually performed services for Company; (iii) directly or indirectly acquire or hold any ownership or investment interest in or contract to provide administrative or executive services to any person or entity providing the same or similar services as Company or (iv) otherwise compete with Company directly or in conjunction with any other person or entity. Nothing in this non-competition provision shall prohibit Physician from engaging in the practice of medicine in a clinical, non-executive capacity in an office-based or hospital-based practice following the termination of this Agreement.

  IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by themselves or their duly authorized officer as of the day, month and year first above written.

Equipment Lease Contract Example

Article 1 Leased Assets

- Party B agrees to lease to Party A the following medical equipment _____
- The name, model number and specifications, total price, manufacturers, and etc., of the Leased Assets will be subject to the results of the collective tender process. Upon the completion of the collective tender process, both parties shall reach further agreement in respect of the name, model number and specifications, total price, manufacturers, and etc., of the Leased Assets in form of a supplemental agreement.
- To facilitate the performance of the lease, Party A shall be responsible for obtaining all necessary procurement licenses, environmental evaluation and assessment, filing for approval of charges and prices, and such other matters as required for operating the Leased Assets. Party A shall also process and complete all procedures required for the use and installation of the Leased Assets and construct and renovate the machine room required for the Leased Assets pursuant to the provisions of regulations and rules of the government and the relevant agencies.

Article 2 Use of the Leased Assets

- The Leased Assets shall be used at Party A's [ ] Centre for the purpose of [ ].
- The Leased Assets must be installed and placed at the location agreed by both parties within the premises of Party A. Without the written consent of Party B, Party A shall not change the location and operation environment of the Leased Assets.

Article 3 Ownership of the Leased Assets

- During the Lease Term, the ownership of the Leased Assets as listed in the Appendix to this Agreement, including any parts and components, replacement parts, attached parts and auxiliary parts of (or to be attached to) the Leased Assets, shall always belong to Party B. During the Lease Term, Party A shall only enjoy the right to use the Leased Assets. Party A may not sell, transfer, sub-lease, or set mortgage over the Leased Assets or dispose of the Leased Assets as investment, and may not conduct any other actions that may infringe Party B's rights and benefits. Otherwise, Party A shall take the corresponding liabilities for breach of the Agreement.

- In the event that Party A is shut down, suspended, merged or acquired, changes the type of its ownership or enters into bankruptcy, Party A shall have no right to dispose of the Leased Assets; regardless of any Agreementual relationship entered into with any third party by Party A or any changes of Party A's status as a legal person, Party B's ownership of the Leased Assets shall in no event be affected.

- During the performance of the Agreement, Party B shall have the right to inspect the use and condition of the Leased Assets and as long as such inspection would not affect the use of the equipment, Party A shall make such inspection convenient. Without Party B's written consent, Party A may not disassemble any parts and components nor change the premises where the Leased Assets are used. Party B shall have the right to mark the logo of the ownership onto the Leased Assets. Party B (or its entrusted agent) shall have the right to check, on a regular basis or at any time, the use and condition of the Leased Assets which Party A shall facilitate.

- Given that the implementation of this Agreement would not be affected, Party B shall have the right to set mortgage over the Leased Assets or transfer its beneficial interests to any third party.

Article 4 Lease Term

- The Lease Term shall be _____ years, commencing from the time that all of the Leased Assets have been in place and after _____ months of trial operation (the specific date shall be confirmed by both parties in writing).

- The Lease Term shall be fixed. During the Lease Term, Party A may not unilaterally suspend or terminate the lease nor propose any requirement for making amendment hereto due to any reasons.

- Upon expiration of the Lease Term, both Parties may renew this Agreement after Party B has conducted the relevant maintenance, upgrading and renovation for the Leased Assets based on the then actual situation of the Leased Assets. However, Party B must guarantee that the Leased Assets may be operated normally during the effective term of the renewed Agreement.

Article 5 Rental and Payment

- From Year 1 to Year [ ], the rental payment shall be [ ] % of the Revenue of the Leased Assets on a monthly basis;

- From Year [ ] to Year [ ], the rental payment shall be [ ] % of the Revenue of the Leased Assets on a monthly basis.

- Revenue of the Leased Assets = Total amount received by using the Leased Assets for diagnosis (or treatment) minus the Hospital's costs and expenses, which include the Hospital's costs and expenses arising from diagnosis (or treatment) by using the Leased Assets, wages, bonus, welfare, overtime charges, travel and accommodation expenses of the personnel of the Centre, utility charges for water and electric power, costs of consumptive materials, costs for printing materials, hospitality expenses, academic gathering expenses, R&D cost, the repair and maintenance costs of the

Leased Assets, costs of office articles, fixed line telephone charges, expenses for settlement of medical disputes, insurance premium for the Leased Assets, and the cost of [ ].

- The rental payment shall be payable on a monthly basis. Party A shall transfer the amount of the rental payment for the previous month to the account as designated by Party B prior to the 10th day of each month.

- During the effective term of this Agreement, Party A's payment to the designated bank account set forth above will be deemed performance of the payment obligation under this Agreement. Without the consent of Party B, Party A's payment to any other account or in any other manner will not be deemed performance of its obligation hereof. In the event that Party B needs to change its account number for receiving the payment, Party B shall give advance written notice to Party A and Party A's finance department.

Article 6 Performance Guarantee Deposit

- Within [ ] days after this Agreement becomes effective, Party A shall transfer a performance guarantee deposit in the amount of [ ] to the account designated by Party B. Within [ ] days upon termination or expiration of this Agreement, Party B shall return such deposit, without any interest accrued, to Party A after deducting the outstanding amount payable by Party A under this Agreement.

Article 7 Rights and Obligations of Both Parties

- Party A shall issue a letter of confirmation regarding the rental payment to Party B every month. Such letter of confirmation shall include the amount of the charges collected for the Leased Assets, the Hospital's costs and expenses, etc. Party A shall also make undertakings as to the accuracy of all the data provided in such letter of confirmation.

- To provide the machine room and auxiliary rooms for the Leased Assets and to add in all such auxiliary facilities and etc. as necessary; to provide the professional personnel including experts, doctors, nurses and technicians and to provide the convenient conditions in respect of the logistics service.

- To assist the supplier in handling the domestic equipment transportation, installation and adjustment, trial and other matters.

- To be responsible for the treatment and other medical decisions of the patients and to deal with the medical disputes arising from the Centre in due course.

- Party A will properly manage and safeguard the Leased Assets and designate specially-assigned staff to take charge of the daily work for the operation of the Leased Assets.

- To be responsible for processing and completing all procedures with the competent supervising departments and the relevant authorities in relation to the approval of the project, procurement permits, environmental evaluation and assessment, approval of charges and prices and qualification for coverage by medical insurance, as well as all routine procedures as required to be processed on a yearly basis.

- Party A may not use the Leased Assets for diagnosis and treatment free of charge. In case of any required exemption or reduction of charges due to special reasons, such exemption or reduction shall be approved and signed by both Parties.

- Party A may not affect early termination or amendment of this Agreement with the excuse that the principle of Party B has been recovered, or the revenue from the Leased Assets are continually growing, or any leader of the Hospital has been changed.

- During the Lease Term, Party A may not separately operate any other project competing with the Center either by itself or by cooperating with any third party.
- To be informed of the status of the operation of the Leased Assets at all times based on the financial information of income and expenses related to the operation of the Leased Assets provided by Party A.
- Party B or Party B's entrusted agent (including asset appraiser, accountant, and so on) shall have the right to examine the use and the condition of the Leased Assets which Party A shall facilitate.
- To assist the supplier in providing such necessary technical information as required for the use of the Leased Assets.
- To assist the supplier in conducting daily repair and maintenance of the Leased Assets.
- To liaise with the professional management company for planning and organization of the Centre's academic promotion and guidance for operation and management.
- Party B shall be entitled to use the information and data generated from the treatment by using the Leased Assets, such as the number of patients treated, the amount of charges collected, the treatment plans and the treatment results of the patients, etc.
- After the completion of the Lease Term, under the same conditions, Party B shall have the preemptive right to provide leasing with respect to any future similar project.

Article 8 Delivery, Examination and Acceptance of the Leased Asset

- Delivery, examination and acceptance: After the Leased Assets are delivered to the premises, Party A shall examine the Leased Assets for acceptance

pursuant to the content as provided in the Appendix hereof. In the event that the Leased Assets fail to meet the agreed requirements, Party A shall timely make a note on the delivery receipt and wait for Party B to settle it. Party A shall be responsible for safeguarding the Leased Assets as soon as the Leased Assets arrive at the location for installation or operation.

- Technical examination and acceptance: After Party A has made tests and adjustment upon installation and has diagnosed or treated the first 30 cases of patients, if Party A confirms that the Leased Assets comply with the technical requirements, Party A shall issue an acceptance receipt to Party B within 5 days, wherein the delivery of the Leased Assets shall be deemed completed. Failure to issue the receipt in a timely manner and in the absence of any written rejection by Party A, the delivery of the Leased Assets shall be deemed properly completed. The Lease Term shall commence and the charges collected from such 30 cases shall be included into the revenue of the Center.

- In the event that the Leased Assets fail to comply with the requirements upon examination, Party B shall assist the supplier in further handling.

Article 9 Loss and Damage of the Leased Assets and Third Party's Damage

- During the Lease Term, Party B shall be responsible for purchasing insurance policies for the Leased Assets and the beneficiary shall be Party B or any third party designated by Party B. The insurance premiums shall be included as the Hospital's costs and expenses.

- During the Lease Term, in case of any insurance incidents, Party A shall actively cooperate with Party B for processing the claim with the relevant insurance company.

- In the event that any third party (such as the patient or etc.) is injured or suffers any loss or damage due to the reasons of the Leased Assets itself

(such as the technical reasons or quality defects, etc.), Party A shall, together with Party B, jointly claim and pursue such damages from the seller of the Leased Assets.

- In the event that any third party (the patient) is injured or suffers any loss or damage due to the improper use of the Leased Assets by Party A, Party A shall be responsible for such liabilities.

- In the event that any third party (such as the patient, etc.) is injured or suffers any loss or damage due to the force majeure (not due to the reasons of the Leased Assets itself or the reasons of Party A), in principle, neither Party A nor Party B shall be liable for compensation. Party A shall be responsible for taking precautions against such kind of “risk” and will purchase insurance to cover such third party’s damage in such cases.

Article 10 Disposal of the Leased Assets Upon Expiry of the Lease Term

- Upon the expiry of the Lease Term, if both parties will not renew the Agreement, the Leased Assets shall be returned to Party B.

Article 11 Breach of Agreement

- Both Party A and Party B shall perform the corresponding responsibilities and obligations in accordance with the time schedules as provided in this Agreement.

- Any delay in making rental payment by Party A shall not exceed two months. In case of any such delay, Party A shall pay Party B with a daily default penalty equal to 0.05% of the overdue amount, except where such delay is caused by the force majeure.

Article 12 Dispute Settlement

- Any and all disputes related to this Agreement shall be resolved by both Party A and Party B through consultation. In case that no settlement could

be reached through consultation, either party may file claim with the People's Court as designated by Party B.

Article 13 Appendix

- The Appendix to this Agreement is an integrated part hereof and shall have the equal legal validity as that of the main text hereof.

Article 14 Effectiveness of the Agreement

- This Agreement shall become effective upon being signed and stamped by both Party A and Party B.

Article 15 Termination of the Agreement

- This Agreement shall automatically terminate upon the expiry of the Lease Term.
- All indebtedness arising from the performance of this Agreement by either Party A or Party B will be terminated upon full repayment of all debts, including all outstanding rental payments, default penalties, indemnification, and so on.
- In case of impossibility of performance of the Agreement or use of the Leased Assets due to war, natural disaster, force majeure and other factors, this Agreement shall be terminated and neither party shall be liable for or have any rights against the other party.
- In the event that the government or the military adjusts its policy and issues any regulation or document for prohibiting equipment lease within the country or within the military system, resulting in this Agreement not being able to be performed, but without affecting the use of the Leased Assets, Party A shall be responsible for coordination and negotiation. During such period of coordination and negotiation, Party A shall be still subject to the obligation for paying the rental on a timely basis. If no resolution can be

reached upon negotiation, this Agreement may be terminated in early manner, provided that, however, Party A shall make a lump-sum payment for the remaining rental payments to Party B. The remaining rental payments shall be equal to the amount of the original price of the Leased Assets minus the depreciation for the years during which the rent has been paid (the number of years for calculating the depreciation shall be equal to the Lease Term, without considering any remaining value).

Article 16 Miscellaneous

- Both parties hereto have carefully read through all the terms of this Agreement. Reasonable manner has been adopted to urge both parties to pay attention to the terms regarding exemption or restriction on their responsibilities as provided herein. Per request of both parties, explanation has been made in respect of the relevant terms.
- Both parties hereto have authorized their respective representatives to sign this Agreement. All terms of this Agreement are all true meanings and representation of both parties and shall have legal binding effect on both parties.

Managed Care Contract Example/Template

Section 1 - Statement indicating the parties involved in the contract

Section 1 should include a statement indicating the parties involved in the contract. An example may be found below.

- This agreement is entered into by and between (insert health care organization) and (insert health care professional).

Section 2 - Definitions

Section 2 should define all relevant terms. Examples of such terms may be found below.

- Emergency - refers to an illness, injury, symptom or condition that requires immediate medical attention.
- Medically necessary - refers to services or supplies needed to diagnose or treat an illness, injury, condition, disease, or its symptoms.
- Covered services - health care services that are covered under a health care plan.
- Physician - refers to individuals licensed to manage and treat medical conditions.

Section 3 - Health care professional responsibilities

Section 3 should outline health care professionals' responsibilities, such as the ones found below.

- Health care professionals should treat each patient with the same level of care.
- Health care professionals should complete required health care documentation.
- Health care professionals should maintain patient records.
- Health care professionals should report any reportable occurrences including, but are not limited to, any action, investigation, or proceeding initiated or taken by any professional society or organization.

Section 4 - Statements regarding management and administration needs/ requirements

Examples of such statements may be found below.

- The health care professional agrees to cooperate with all health care organization rules, protocols, procedures, and programs in establishing its utilization review, quality management, and benefit management.
- The health care professional agrees that failure to cooperate with Network rules, protocols, procedures, and programs may result in penalties.

Section 5 - Compensation

Section 5 should include statements regarding health care professionals' compensation, such as the example found below.

- The health care professional agrees to the following compensation (insert hourly rate).

Section 6 - Duration of contract and termination.

Section 6 should include statements regarding the duration of the contract (e.g., 12 months) and the termination of the contract. An example of such a statement may be found below.

- The terms of this agreement shall begin (insert date) and end on (insert date).

Section 7 - Additional information

Section 7 should include statements regarding relevant additional information, such as the example found below.

- This contract shall be governed by and construed in accordance with the laws of the state of Nevada.

Section 3 Summary

Examples of health care contracts may be used as a guide, point of reference, and/or educational tool. Health care administrators should review examples of health

care contracts during the contract process. However, health care administrators should be sure to customize contracts to meet specific goals.

Section 3 Key Concepts

- Examples of health care contracts may be used as a guide, point of reference, and/or educational tool.

Section 3 Key Terms

Medical equipment - equipment that is primarily used for medical purposes

Section 3 Personal Reflection Question

Why is it important for health care professionals to review examples of health care contracts?

Conclusion

Health care contracts are an essential aspect of health care. When developing health care contracts, health care administrators should work to meet desired goals. Health care administrators should also consider relevant laws to ensure requirements are met. Finally, health care administrators should negotiate contracts with decision makers to help simplify and facilitate the contract process.

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