

UNIVERSITY PHYSICIANS, INC.

AFFILIATE MEMBER PRACTICE AGREEMENT

THIS AGREEMENT is made by and between University Physicians, Inc. and the undersigned Affiliate Member, effective as of the date set forth opposite the signature of the President and Executive Director of University Physicians, Inc. on the final page of this Agreement. This Agreement is intended to supplement any specific existing or future contractual agreements between the Affiliate Member and the Board of Regents of the University of Colorado.

Affiliate members are generally health professionals as defined by Article III, Section 4 of the UPI Bylaws, other than physicians, who have been granted a faculty appointment by the University. Affiliate Members shall have no voting privileges and may not be members of the Board or the Executive Committee.

I. Affiliate Member hereby accepts the terms of this Agreement with UPI. UPI is a Colorado non-profit corporation established for the University of Colorado School of Medicine by action of the University's Board of Regents on June 17, 1982. The Operating Agreement entered into by and between the University of Colorado and UPI (f/k/a University of Colorado Medical Services Foundation) is hereby incorporated by reference (copies of which are available from UPI's Administrative Office). Pursuant to the terms of the Operating Agreement, UPI has been designated as the University's agent to accomplish certain University purposes, including education, research and service, and UPI is designated as the exclusive billing agent for the University of Colorado School of Medicine. Under the Operating Agreement, UPI bills, collects and supports clinical activities. A portion of the revenues therefrom shall be transferred to the University of Colorado School of Medicine to support, in part, Affiliate Member's faculty salary. Affiliate Member acknowledges and agrees that Affiliate Member benefits from the UPI's contracting, billing and collection services and the transfer and provision of revenues to support member salaries. In accordance with UPI bylaws, each Department ("Cost Center Unit") will be required to have in effect an incentive plan governing allocation of surplus UPI revenues that was approved by a majority of the Cost Center Unit members and the Dean of the School of Medicine. The Affiliate Member may also be eligible to earn incentive payments as provided in such incentive plan. Affiliate Member will provide professional or clinical services only at UPI-designated sites of practice, which may be revised by UPI from time to time. Affiliate Member shall not contract nor make any arrangements for the provision of services except as expressly permitted under contracts or arrangements entered into by UPI.

II. In consideration of the promises of UPI, Affiliate Member hereby assigns to UPI for purposes of billing, collection, administration, and distribution in accordance with UPI's Bylaws and the Cost Center Unit Incentive Plan for Affiliate Member's Cost Center, all Service Income (as that term is defined below) earned by Affiliate Member during the entire academic year, including vacation. The only exception to the above assignment is that an Affiliate Member is not required to assign Service Income to UPI if Affiliate Member has been granted an official leave of absence by the Dean of the School of Medicine during which period Affiliate Member will not be entitled to, nor be provided, any UPI compensation of any nature.

A. Except as specifically provided in subparagraph II.B or II.C below, this Agreement applies to all income or other compensation or remuneration earned by an Affiliate Member, during the entire academic year, including vacation, for personal, professional, clinical, consulting, advisory or similar services (hereinafter collectively referred to as "Service Income"), regardless of where services are performed while serving in an official University capacity, (Affiliate Members who are employed by the University on a .49 FTE or less basis, and who have an outside practice need not assign to UPI the income generated from that outside practice) including, but not limited to, the following:

1. fees, retainers, or other compensation earned for performing patient care, administrative, consultative, teaching, lecturing, training or research services, or honoraria (excluding Exempt Honoraria as defined below). Compensation for such services is hereby assigned by Member to UPI regardless of whether such services were provided pursuant to a written contract; and
2. fees, retainers or any other form of compensation or remuneration earned for services rendered as an expert witness or consultant in a legal matter.

For purposes of this Agreement, any reference to "income," "compensation" or "remuneration" received from professional activities covered by this Agreement shall include, but not be limited to, income as defined under Section 61 of the Internal Revenue Code of 1986, as amended from time to time (26 U.S.C. §61), the regulations issued thereunder, and applicable federal case law. Without in any way limiting the definition of the terms "compensation," "income" or "remuneration," such terms shall include cash compensation, deferred compensation (whether pursuant to a qualified or non-qualified plans or arrangements), qualified or non-qualified deferred compensation plans, warrants, phantom stock, qualified, statutory and non-qualified stock option plans or arrangements, stock appreciation rights, restricted property plans or arrangements, book value and junior stock plans, and any other compensation or benefit plans or arrangements similar to any of the foregoing. Distribution of assigned income shall be subject to the Department Incentive Plan governing allocation of surplus UPI revenues.

B. Provided the Member is in compliance with the University policies for commercializing intellectual property, royalties, licensing fees and other income from publications, editorial services, patents, copyrighted materials and trade secrets are not assignable Service Income.

C. Exempt Honoraria need not be assigned to UPI. In order to be characterized as and qualify as Exempt Honoraria under this Agreement, the honoraria must satisfy the School of Medicine definition of "honoraria" as amended from time to time (i.e., as of July 31, 2003 honoraria consists of compensation which is provided in exchange for presentations by accomplished faculty who have achieved a level of expertise sought by others outside the University. Honoraria include one-time payments for lectures, articles, visiting professorships, NIH study sections and service on boards.) Any honoraria payments not meeting these requirements must be reviewed by the Cost Center Unit Director and Dean of the School of Medicine, and classified as Exempt or assignable income in accordance with paragraph II.D, below.

With respect to any honoraria not meeting the definitional requirements for Exempt Honoraria status, Member must receive written approval as provided in paragraph D below and obtain the written assignment exemption from the appropriate Cost Center Unit Director and the Dean of the School of Medicine before entering into such arrangement or transaction.

D. All income, except for income described in paragraphs II B and II C above, shall be assigned to UPI unless the Member obtains an exemption decision as provided in this paragraph. In order for Member's compensation or remuneration to be characterized as Exempt Honoraria, Member must submit a written request for exemption from assignment that includes the following information: (a) Member Name; (b) Department; (c) amount and method of determining compensation (e.g., \$200 per hour, \$1,000 per week, \$5,000 per year); (d) name of individual or entity paying the compensation; (e) a summary description of services Member must provide or other reason for receiving compensation; (f) copies of all correspondence (written or electronic) to and from the proposed contracting party that would be making payments to Member and a copy of the proposed contract or engagement letter; and (g) the reason(s) Member believes such compensation does not constitute Service Income and therefore should be exempt from assignment. If the compensation arrangement is memorialized in any form of written document, Member must attach a copy of any such documents to the written request. The written request for exemption shall be submitted to Member's Cost Center Unit Director. The Cost Center Unit Director and Dean of the School of Medicine shall use reasonable efforts to respond to Member's written request for assignment exemption within 60 days of receipt. The Dean of the School of Medicine shall provide Member with a written decision that is final, conclusive and binding on Member. The decision of the Dean of the School of Medicine is final and not appealable.

E. In each instance in which a Member intends to provide services that may generate income exempt from assignment, the Member must, prior to the performance of any such services, advise in writing the person, firm, or agency for whom any services specifically permitted under this Agreement are to be performed that (a) Member is acting solely as an independent contractor, and not as an agent or Member, or under the sponsorship, auspices, or control of either UPI, the University of Colorado or University of Colorado School of Medicine, and (b) neither UPI, the University of Colorado or University of Colorado School of Medicine assumes any responsibility whatever, express or implied, for the actions or omissions of the Member in his/her services.

F. UPI, in consultation with the Cost Center Director, shall establish a reasonable fee for Member's professional services rendered, but Member shall have no personal claim whatsoever to such fees. All Service Income of Member is hereby irrevocably assigned to UPI and will be billed and collected, or arranged to be billed and collected, received, held and administered by UPI in accordance with the UPI Bylaws and Operating Agreement.

G. UPI agrees to provide for the billing and collection of Service Income and to administer and distribute all fees in accordance with the Bylaws, organizational documents, and the aforementioned Cost Center Unit Incentive Plans. UPI will maintain its accounts and the funds held by it in such a manner as to insure that Service Income attributable to each Cost Center Unit is not commingled with any other fund or funds, after provision is made for: (1) the expenses of billing, collection and administration; (2) reimbursement of allowable expenses attendant to the production of Service Income such as

malpractice insurance premiums, as provided in the UPI Bylaws and approved by the Board or Executive Committee; (3) the School of Medicine Academic Enrichment Fund as defined in the Bylaws; and (4) any approved allocations or assessments.

- III. While Affiliate Member remains a Member of UPI, Affiliate Member shall at all times fully comply with the Affiliate Member covenants and duties listed on Addendum I, attached hereto and incorporated herein by this reference, and abide by University appointment letter, UPI Compliance Plan, and applicable federal and State laws and regulation. Affiliate Member hereby acknowledges and agrees that Affiliate Member has reviewed Addendum I and hereby agrees to abide by Addendum I, the University Appointment Letter, UPI's Compliance Plan and applicable federal and state law and regulations.
- IV. Affiliate Member shall have no direct interest in the accounts receivables, billings, or cash proceeds therefrom arising from or attributable to Member's income assignable under this Agreement. This Agreement shall terminate upon Affiliate Member's breach of this Agreement or Member's termination or loss of Membership in UPI as provided in Article VI of the UPI Bylaws (as amended from time to time). A termination of this Agreement shall only terminate the Affiliate Member's active practice agreement. Although such termination will not terminate the Affiliate Member's faculty appointment, the Affiliate Member's failure to maintain an active Affiliate Member Practice Agreement will constitute a default of the Affiliate Member's faculty appointment letter agreement with the University of Colorado School of Medicine. Upon termination of this Agreement, Affiliate Member shall have no right to receive money or proceeds from accounts receivable or other retained funds. Termination of this Agreement does not affect the rights of UPI or the University to the assignment of all Service Income earned, generated, received or to which Affiliate Member became entitled during the term of this Agreement or the enforcement of the restrictive covenant or the payment of damages related thereto, all of which shall survive any termination or expiration of this Agreement.
- V. In accordance with the Colorado Governmental Immunity Act, the Affiliate Member may be acting as a public employee when participating in approved programs and at approved practice sites of the School of Medicine and, to the extent eligible for coverage in accordance with the University's professional liability trust coverage document, shall be covered by said document. After termination, the Affiliate Member shall continue to receive coverage under the University's professional liability trust coverage document for the specific period of time Affiliate Member was serving in his or her official University function at the University of Colorado in such amounts and under such terms as are provided for in the University of Colorado professional liability trust coverage document.
- VI. This Agreement shall be binding upon and shall inure to the benefit of the signatories hereto, their respective heirs, devisees, personal representatives, transferees, successors and assigns. This Agreement may be unilaterally amended from time to time by UPI. Upon such amendment of this Agreement, UPI shall provide written notice to Member and Member shall become obligated thereto as if Member had signed the amendment. This Agreement may be executed in more than one counterpart, each of which shall be considered an original.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date below written.

(PLEASE PRINT OR TYPE)

**AFFILIATE MEMBER:**

Name: \_\_\_\_\_  
FIRST MI LAST TITLE SIGNATURE DATE

Faculty Rank: \_\_\_\_\_ Home Address: \_\_\_\_\_  
STREET

Department: \_\_\_\_\_ EMPLOYED IN CITY STATE ZIP CODE

Office Address: \_\_\_\_\_ Home Phone # \_\_\_\_\_  
UCD CAMPUS BOX #

\_\_\_\_\_ Professional License # \_\_\_\_\_  
STREET ADDRESS

\_\_\_\_\_ Social Security # \_\_\_\_\_  
CITY ZIP CODE

Office Telephone # \_\_\_\_\_

PLEASE ROUTE IN ORDER OF APPROVAL:

**AFFILIATE MEMBERSHIP APPROVAL:**

ABOVE MEMBER IS HEREBY AUTHORIZED FOR AFFILIATE MEMBERSHIP IN UNIVERSITY PHYSICIANS, INC.

\_\_\_\_\_  
COST CENTER DIRECTOR DATE

\_\_\_\_\_  
DEAN, SCHOOL OF MEDICINE DATE

UNIVERSITY PHYSICIANS, INC.  
 (a Colorado non-profit corporation)

By: \_\_\_\_\_  
President DATED, AS OF

By: \_\_\_\_\_  
Executive Director DATED, AS OF

MAILING ADDRESS: P. O. BOX 111719 Aurora, CO 80042-1719

ADDENDUM I  
TO  
UNIVERSITY PHYSICIANS, INC. AFFILIATE MEMBER PRACTICE AGREEMENT

AFFILIATE MEMBER PROFESSIONAL CONDUCT AND OTHER RELATED DUTIES OWED TO UNIVERSITY PHYSICIANS, INC.

1. Professional Conduct. Affiliate Member shall at all times during this Agreement conduct Affiliate Member's professional activities in accordance and compliance with all applicable federal, state, city, and local laws and regulations and standards of the Affiliate Member's profession.
2. Medical Records and Recordkeeping. Affiliate Member shall complete and maintain, in a timely manner, adequate, legible and proper medical and administrative records with respect to all services rendered to or authorized for patients seen or treated by Affiliate Member. In addition, Affiliate Member shall complete and maintain all documents necessary for UPI to obtain reimbursement for the services rendered by Affiliate Member.
3. Quality Assurance and Utilization Review. Affiliate Member shall participate in risk management, utilization review and management, cost-effectiveness studies and quality assurance plans as are reasonably requested by UPI or third party payors with whom UPI contracts for the services of UPI members.
4. Managed Care and Insurance Plans. When applicable, Affiliate Member shall participate in all managed care programs, Medicare programs or plans, Medicaid programs or plans, other federal and state health care reimbursement programs, Blue Cross/Blue Shield plans, any commercial health care insurance programs, and any other HMO, PPO, managed care or health benefit program (collectively "Payor") that UPI chooses to contract. To the extent permissible by a Payor, Affiliate Member hereby assigns and shall execute any other assignment of fees or compensation to UPI arising from a Payor contract if Affiliate Member is listed as a signator or participating or in-network provider.
5. Preserving Affiliate Member's Qualifications. Affiliate Member represents Affiliate Member currently meets the following qualifications and shall at all times during the term of this Agreement maintain the following qualifications:
  - a. If applicable, licensure, certification, or registration and the ability to practice the Affiliate Member's profession in the State of Colorado. Affiliate Member shall have no qualifications, conditions or restrictions on his or her license, certification, registration or ability to practice Affiliate Member's profession in Colorado. Affiliate Member shall notify the University of Colorado School of Medicine immediately of any discipline, restriction, surrender or any other action that affects the Affiliate Member's license, certification, registration or ability to practice the Affiliate Member's profession in the State of Colorado or any other jurisdiction.
  - b. If applicable, maintenance of an unrestricted federal DEA registration to prescribe all medications commonly prescribed by the Affiliate Member's specialty.
  - c. If applicable, eligibility to provide reimbursable services, and participation in the Medicare and Medicaid programs, and other similar state or federal government-sponsored programs.
  - d. Maintenance of professional standing and competence by attendance at continuing professional education courses, institutes or seminars from time to time; and membership in such professional organizations as shall be determined by the parties to be in the best interests of the University of Colorado School of Medicine.

Agreed to:  
Affiliate Member

Signature

Date

Print Name

REFERENCE ONLY - NOT FOR SIGNATURE