

UNIVERSITY SERVICES CONTRACT

BY AND BETWEEN

MEDICAL UNIVERSITY OF SOUTH CAROLINA

AND

MEDICAL UNIVERSITY HOSPITAL AUTHORITY

JULY , 2000

UNIVERSITY SERVICES CONTRACT

THIS contract executed this _____ day of _____ 2000, by and between the Medical University of South Carolina Medical Center Authority (hereinafter referred to as “MUHA”), and Medical University of South Carolina Department of _____ (hereinafter referred to as “_____”).

WHEREAS, in consideration of the mutual covenants herein contained MUHA and _____ hereby enter this contract pursuant to which _____ will establish and provide comprehensive services to and on behalf of MUHA.

Section I: Rights, Duties and Services

1.1. Services Provided by MUSC to the Authority; Payment for Services:

- (a) The parties agree that for the term of this Agreement, MUSC will make available to the Authority the services described on Exhibit A attached hereto, as amended from time to time as hereinafter provided (the “Services”). The Services shall, initially, be made available in the manner and quantity such Services are provided to the Facilities on the date hereof, all as described in greater detail on Exhibit A. MUSC agrees that all Services to be provided to the Authority pursuant to this Agreement shall be performed in accordance with reasonable and customary standards of skill and care for services of similar character which are provided in the metropolitan area in which the Facilities are located; provided that, in any event, the services to be provided by MUSC to the Authority pursuant to this Agreement shall be of at least equal quality as those provided to the Facilities by MUSC on the date of this Agreement.
- (b) The Authority acknowledges that certain of the Services will be provided directly by MUSC through its employees and facilities (the “MUSC Services”) and the remainder of the Services will be provided by third parties under contract with MUSC to provide such Services (the “Contract Services”). The allocation of the Services between MUSC Services and Contract Services shall be within the reasonable discretion of MUSC and may be adjusted by MUSC from time to time throughout the term of this Agreement; provided that, any such adjustments shall neither increase the amounts required to be paid by the Authority to MUSC for such Services nor diminish or affect the quantity or quality of such Services. With respect to MUSC Services, MUSC shall be solely responsible for all rights, obligations, duties and liabilities which arise out of the employer/employee relationship under federal, state or local law including, without limitation, the following: (i) compliance with the Consolidated Omnibus Budget Reconciliation Act, the Immigration Reform and Control Act of 1986, the Employee Retirement Income Security Act with respect to all benefit plans offered, provided or sponsored to any employee, the Fair Labor Standards Act, the Worker Adjustment and Retraining Notification Act, and the Family and Medical Leave Act of 1993, (ii) compliance with all employment discrimination and similar acts including, without limitation, Title VII of the 1964 Civil Rights Act, the Age Discrimination and Employment Act, and the Americans with Disabilities Act, (iii) obtaining and maintaining all malpractice, errors and omissions and general liability insurance coverage with respect to such employees, (iv) compliance with all professional

licensing requirements, and (v) compliance with all fidelity bonding requirements as may be appropriate given such person's employment function (collectively), the "Employment Requirements"). MUSC shall use reasonable efforts to assure that persons or entities providing the Contract Services comply with the Employment Requirements. In the event the Authority, its officers, directors, agents, employees and representatives suffer any losses, claims, damages, liabilities, costs and expenses resulting from, arising out of or in any way related to the employer/employee relationship between third parties and any persons providing any Contract Services, MUSC will use commercially reasonable efforts to assist the Authority in asserting any claims against such persons or entities and obtaining a satisfactory settlement.

- (c) The Authority shall pay MUSC for the Services at the respective rates specified on Exhibit A hereto. Such payments shall be made thirty (30) days of receipt of an invoice for such Services. Interest shall accrue on the amount past due to the extent permitted by South Carolina Law.
 - (d) Other Services: Certain Services will be made available to the Authority on a fee-for-service basis. For the first year of this contract, these services shall be offered to the Authority at the same rates offered to other University components.
- 1.2. Provision of Professional Services: The _____ (MUSC department) will serve as the provider for _____ (specify type of service) on behalf of the MUHA. All parties shall comply with all federal, state and local laws and regulations in the provision of _____ as well as various accreditation requirements applicable to MUHA facilities. This compliance shall extend to all contractors/parties who work on behalf of the _____ (MUSC department). The _____ (MUSC department) is responsible for all actions of its agents and contractors.
- 1.3. Scope of Work: The MUHA requests and _____ agrees to provide a comprehensive _____ for MUHA facilities that encompasses the general activities and functions as described in Exhibit A.
- 1.4. Capital Expenses: MUHA agrees to underwrite the cost of all approved direct capital expenses incurred by _____ and other pertinent compliance requirements.

Section II: Responsibilities

- 2.1. Annual Review:
- (a) It shall be the responsibility of the Vice President of Finance and Administration (or other appropriate University Official) and the Executive Director of the Hospital Authority to annually review the scope and cost of the Services. On or before December 31, of each year during the term of this Agreement, the parties shall provide to the governing boards of MUSC and the Authority, a recommendation for such modifications to this Agreement, including Exhibit A hereto, to be in effect for the fiscal year beginning the next succeeding July 1, as the University Services Committee shall have agreed is in the interest of the parties.
 - (b) In the event the scope or cost of services or the manner of provision thereof shall change during any fiscal year, the parties shall meet to review this agreement including Exhibit A hereto and make recommendations for appropriate modification to reflect such changes. The Authority will grant MUSC first refusal to provide services and six months notice in the event the level of services are

decreased or discontinued. The Authority agrees to utilize current information systems. Advance notice of 180 days will be given for any proposed additions, changes or reductions.

2.2. Employment Impact: In the event any modification in the scope of Services or the manner of provision thereof shall result in the displacement of any MUSC employee as a result of any service being assumed by the Authority, any such displaced employee will be given a first option to obtain any new position created by the Authority for the provision of such service.

2.3. Insurance:

(a) MUSC Insurance - MUSC shall, at its sole cost and expense, maintain in effect at all times during the term of this Agreement commercial general liability insurance with such insurance carriers and with such limits and endorsements as are reasonably acceptable to the Authority, it being understood that MUSC's insurance arrangements currently in existence shall be deemed acceptable to the Authority. MUSC's obligations under this Section 4(a) shall be subject to applicable limitations on MUSC's ability to procure insurance as reflected in South Carolina Code §1-11-140.

(b) Authority Insurance - The Authority shall, at its sole cost and expense, maintain in effect at all times during the term of this Agreement commercial general liability insurance with such insurance carriers and with such limits and endorsements as are reasonably acceptable to MUSC, it being understood that the Authority's insurance arrangements currently in existence shall be deemed acceptable to MUSC. The Authority's obligations under this Section 4(b) shall be subject to applicable limitations on the Authority's ability to procure insurance as reflected in South Carolina Code § 1-11-140.

2.4. Miscellaneous

(a) Notices: All communications, notices, and exchanges of information contemplated herein or required or permitted to be given hereunder shall be in writing and shall be deemed to have been given and to be effective when delivered personally (including delivery by express or courier services) or, if mailed, four (4) business days after being deposited in the United States first class mail as registered or certified matter, postage prepaid, return receipt requested, addressed to the other party at its address set forth below:

(i) If to MUSC Medical University of South Carolina
171 Ashley Avenue
Charleston, South Carolina 29425
Attention: _____

(ii) With a copy to: Medical University of South Carolina
171 Ashley Avenue
Charleston, South Carolina 29425
Attention: _____

(iii) If to the Authority: Medical University of Hospital Authority
169 Ashley Avenue
Charleston, South Carolina 29425
Attention: _____

(b) Headings: The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

- (c) Third Party Rights: This Agreement shall not provide any third parties with any remedy, claim, liability, reimbursement cause of action or other right in excess of those existing without reference to this Agreement.
- (d) Counterparts: This Agreement may be executed in several counterparts by one or more of the undersigned and all such counterparts so executed shall together be deemed and constitute one final agreement, as if one document had been signed by all parties hereto; and each such counterpart shall be deemed an original, binding the parties subscribed hereto and multiple signature pages affixed to a single copy of this Agreement shall be deemed to be a fully executed original Agreement.
- (e) Choice of Law: This Agreement shall be interpreted and construed in accordance with the laws of the State of South Carolina; provided, however, that the conflicts of law principles of the State of South Carolina shall not apply to the extent that they would operate the laws of another state.
- (f) Assignment: This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns, but neither this Agreement nor any of the rights, interests, or obligations hereunder shall by any party without the prior written consent of the other party.
- (g) Severability: If any provision of this agreement is prohibited by or held to be invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Agreement.
- (h) No Joint Venture: The relationship between MUSC and the Authority shall not be deemed a partnership or joint venture.
- (i) Agreement Not to Constitute Debt: Without limiting or impairing the creation, validity or existence of the covenants, agreements and obligations of MUSC or the Authority hereunder, neither this Agreement nor any obligation of MUSC or the Authority hereunder shall constitute or give rise to any debt of MUSC, the Authority, The State of South Carolina, or any political subdivision thereof, and neither the credit nor the taxing power of the State of South Carolina or any political subdivision thereof is pledged for the payment or security of this Agreement or any obligation of MUSC or the Authority hereunder. Any obligation of MUSC or the Authority hereunder is payable solely from revenues of MUSC or the Authority lawfully available for such purpose, funds appropriated for MUSC or the Authority by the South Carolina General Assembly for such purpose or the proceeds of revenue bonds issued by MUSC or the Authority for such purpose.

Section III – Shared Responsibilities

- 3.1. Annual MUHA/MUSC Budgeting Process: MUHA and _____(MUSC department) shall participate in the annual budgeting process as coordinated by the Director of _____(MUHA department) or designee. Both Parties shall share pertinent data in the participation in the budgeting process. No significant modifications can be made to the MUHA allocations for the _____(MUSC department) without MUHA approval.
- 3.2. Collaborative Meetings: Joint meetings shall be held on a regular basis involving representatives from MUHA and _____(MUSC department) to engage in issue identification, problem solving, planning and evaluating, and actual performance with expected outcomes. Per accreditation requirements, these meetings will be documented.
- 3.3. Joint Evaluation: Key _____(MUSC department) staff assigned to MUHA will be jointly evaluated by MUHA and _____(MUSC

department) staff during the annual Employee Personal Management System (EPMS) cycles. Key personnel will be jointly identified by MUHA and _____ management.

- 3.4. Performance Improvement Activities: _____ (MUSC department) supervisors and staff may be asked to participate in various MUHA performance improvement (PI) and related activities in accordance with various accreditation requirements. _____ (MUSC department) managers and supervisors are expected to play active and supportive roles in the MUHA's accreditation efforts.

Section IV – Financial Responsibilities and Accountability

- 4.1. Focus of the Agreement: It is the intent of this Agreement to provide comprehensive _____ (type of service) in a high quality and cost effective manner. MUHA will assume all financial responsibilities for _____ (MUSC department) services as stipulated and conditioned by this University Services Agreement and the service level agreements and attached hereto.
- 4.2. Cost Reporting of Administrative Services: The parties hereto agree that certain _____ (MUSC department) administrative and/or supervisory services that may be legally charged against University services costs will be so charged and that such will be properly reflected with the _____ (type of financial report) on a yearly basis as directed by the _____ (MUHA department).
- 4.3. New and Ad Hoc Costs: This Agreement reflects costs and the parties to which these costs are debited as are known at the time of authentication of the Agreement. Other costs that may arise from time to time will be subject to review and prior approval by a written amendment to this Agreement. These additional costs may be a result of unforeseen major projects, disaster response situations or similar unanticipated efforts.
- 4.4. Performance Outcomes and Standards: Reductions in budgeted transfers may occur if goals, objectives and performance outcomes are not achieved. Each specific functional activity will identify the rating methodology and performance outcomes expected.

Section V – Termination and Renegotiations

- 5.1. Term: This Agreement shall be for an initial term not to exceed five (5) years commencing on the date first herein above written and ending on _____ (date), unless either party shall notify the other in writing not less than one hundred eighty (180) days prior to the expiration of the initial term or any extension thereof, of its intention to terminate this Agreement at the expiration of the then current term.
- 5.2. Termination of Participation:
- (a) At the option of the parties hereto, this Agreement may be terminated by either MUHA or _____ (MUSC department) upon the giving of 180 days written notification to the other party. MUHA and _____ (MUSC department) will continue to operate under this Agreement for said noticed period of time.
- (b) MUHA reserves the right to establish and publish, at its expense, service and quality standards which may include patient satisfaction surveys and other performance benchmarks. MUHA agrees to provide the results of such reviews and surveys to _____ (MUSC department). Both parties agree that continuous failure to meet service and quality standards may be grounds for termination of this Agreement.
- 5.3. Renegotiations: Requests for renegotiations shall be made not less than one hundred eighty (180) days prior to the anniversary date of this Agreement.

- 5.4. Amendments: This Agreement and its attachments represent all the terms and conditions of the parties hereto, and any changes or amendments thereof shall only be by mutual agreement and must be in writing.

IN WITNESS WHEREOF the parties have hereunto set their hands and seals this Agreement this _____ day of _____, 2000. Said Agreement shall become effective on the _____ day of _____, 2000.

MEDICAL UNIVERSITY HOSPITAL AUTHORITY

BY: _____

ITS: _____

MEDICAL UNIVERSITY OF SOUTH CAROLINA

BY: _____

ITS: _____