

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

AFFILIATION AGREEMENT
FOR MEDICAL EDUCATION

THIS AGREEMENT made and entered into this _____ day of _____, 198__, by and between the RICHLAND MEMORIAL HOSPITAL, a public general hospital chartered under the laws of South Carolina, hereinafter referred to as "HOSPITAL" and THE UNIVERSITY OF SOUTH CAROLINA, a public institution of the State of South Carolina, hereinafter referred to as "UNIVERSITY".

WITNESSETH:

WHEREAS, on the 22nd day of May 1974, HOSPITAL AND UNIVERSITY entered into an Affiliation Agreement which has a stated term of ten (10) years from July 1, 1974, and which has served as a governing document between said Institution during the formative years of the School of Medicine of UNIVERSITY and the periods of intervening growth in use of and demand upon HOSPITAL'S clinical, diagnostic, administrative, education, acute care and various support and other facilities; and

WHEREAS, because of the growth factors and resulting growth pains experienced by both institutions since May 22, 1974, and the present date, and because of the demands for the near-term and long-range planning for the present and future needs of both institutions at the present time rather than at a time closer to the expiration date of the current Affiliation Agreement, special committees representing HOSPITAL and UNIVERSITY have conducted numerous informational and negotiation sessions over the last several months with an objective of formulating a new Affiliation Agreement which would be more responsive to the present and long range needs of the respective institutions; and

WHEREAS, as an integral part of the formulation of a new Affiliation Agreement between HOSPITAL and UNIVERSITY, the two institutions have undertaken an extensive, sometimes piercing but always mutually respectful frank and candid evaluation of the strengths and weaknesses of the existing affiliation, but even more importantly, the present missions of the two institutions, recognizing that the imperative ingredient to any lasting and harmoniously workable understanding is a thorough recognition and understanding of, and respect for, those fundamental precepts of each individual institution; and

WHEREAS, HOSPITAL and UNIVERSITY wish to continue their affiliation, as adjusted to recognize and take advantage of the benefit of their experiences and the changes in circumstances which have occurred since May 22, 1974, while at the same time reaffirming their mutual dedication to their previously expressed desire "to advance medical education and aid in meeting the ever increasing demand in the State and in the Nation for additional health manpower..." and "to ... cooperate in every way to arrive at mutually agreed objectives and operating details...", with each institutions being better equipped and fully dedicated to proceed to do so by virtue of a greatly enlightened and enlarged understanding of and sensitivity for the autonomous nature of each institution, its individual mission, aspirations, limitations, constituencies, budget constraints, facility requirements and limitations and other similar considerations,

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the HOSPITAL and UNIVERSITY agree as follows:

1. Incorporation of Recitals. The above "WHEREAS" recitals are incorporated into and made a part of this Agreement.

WHEREAS, as an integral part of the formulation of a new Affiliation Agreement between HOSPITAL and UNIVERSITY, the two institutions have undertaken an extensive, sometimes piercing but always mutually respectful frank and candid evaluation of the strengths and weaknesses of the existing affiliation, but even more importantly, the present missions of the two institutions, recognizing that the imperative ingredient to any lasting and harmoniously workable understanding is a thorough recognition and understanding of, and respect for, those fundamental precepts of each individual institution; and

WHEREAS, HOSPITAL and UNIVERSITY wish to continue their affiliation, as adjusted to recognize and take advantage of the benefit of their experiences and the changes in circumstances which have occurred since May 22, 1974, while at the same time reaffirming their mutual dedication to their previously expressed desire "to advance medical education and aid in meeting the ever increasing demand in the State and in the Nation for additional health manpower..." and to ... cooperate in every way to arrive at mutually agreed objectives and operating details...", with each institutions being better equipped and fully dedicated to proceed to do so by virtue of a greatly enlightened and enlarged understanding of and sensitivity for the autonomous nature of each institution, its individual mission, aspirations, limitations, constituencies, budget constraints, facility requirements and limitations and other similar considerations,

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the HOSPITAL and UNIVERSITY agree as follows:

1. Incorporation of Recitals. The above "WHEREAS" recitals are incorporated into and made a part of this Agreement.

2. HOSPITAL'S Mission. HOSPITAL'S long-term intended role is to develop as a Regional Community Teaching Hospital and as an Area Health Education Center.

2.1 The descriptive words, Regional Community Teaching Hospital, have been chosen to mean:

- (a) "Regional" to denote the multi-county patient referral and health education area served by HOSPITAL;
- (b) "Community" to denote that Richland Memorial Hospital directs its services toward the entire population; of a multi-county area and provides services through a staff of physicians, of whom some are hospital based and some are university based but most are practicing physicians located throughout the area;
- (c) "Teaching" to denote that it provides undergraduate, graduate and continuing clinical education for medical, nursing and allied health professions through its own accredited programs and under affiliation agreements with accredited degree-granting colleges, universities, technical schools and other educational institutions; and is a member of the Statewide Consortium of Teaching Hospitals; and
- (d) "Hospital" to denote not a building but an organization for provision of personal health services under common trusteeship in a variety of settings and locations.

4

2.2 The term "Area Health Education Center", is an institutional designation made by federal and state agencies, under which HOSPITAL has operated since 1972, signifying a non-medical school and non-university health sciences center, that develops or implements broad programs of health careers education and develops health care delivery systems either independently or through affiliation with one or more medical schools or university health sciences centers.

3. UNIVERSITY School of Medicine Mission. Broadly stated the primary role of the UNIVERSITY'S School of Medicine is to "improve the health of the people of South Carolina through medical education, research and the delivery of health care."

3.1 More Specific Statement of Mission. Stated more specifically as it relates to the format utilized to accomplish the primary role the School of Medicine of the UNIVERSITY is a university-based-community-involved medical school the faculty of which is made up of a combination of full-time, part-time and volunteer faculty members. The School of Medicine participates in undergraduate, graduate, and post-graduate medical education. Faculty members of the School of Medicine participate in patient care of a wide range in various hospitals and other facilities available to it. The School of Medicine participates in both basic and clinical research. The School of Medicine relates to other health care colleges in the UNIVERSITY system state-wide and provides consultative services to others who may properly

come to it. The School of Medicine relates to other schools and colleges in and out of the State in education and research. The School of Medicine provides resources to the State for health and medical activities. The School of Medicine has an international role in regard to its affiliations with foreign medical institutions.

- 3.2 Primary Care Physician Training. In addition to the general mission of the School of Medicine outlined in 3.1 above, UNIVERSITY'S School of Medicine places major emphasis upon the training of primary care physicians as recommended in South Carolina Master Plan for Higher Education, adopted by the General Assembly in 1980. The particular mission of UNIVERSITY'S School of Medicine has also been stated in the "Report of the Statewide Review of the Graduate Programs in Health and Medical Education in the Public Colleges and Universities of South Carolina" dated September 1981, which was prepared by an eminently qualified medical consultant panel selected by and at the request of the South Carolina Commission on Higher Education; which recognized that the development of strong departments of preventive medicine and community health by the School of Medicine in conjunction with the UNIVERSITY'S School of Health, was completely consistent with its "primary care emphasis"; and which by way of further addressing the issue of "primary care", also stated the following:

"The University of South Carolina School of Medicine can have a significant focus on primary care, and judging by the students to whom we talked and their choices of residency, it appears that it already does. Since there has been confusion on this topic, we make the following observations:

1. American medical schools in order to be accredited must give broad preparation to students to enter potentially any medical specialty. South Carolina students deserve this. Accordingly, there is no such thing as a primary care medical school which prepares students only for the specialities listed above.
2. Through admissions, emphasis, models, priorities and particularly residency programs, a school can encourage many students toward a career in primary care. The resources and prestige provided to departments like Family Medicine and Preventive Medicine and Community Health show tangible evidence as to where a school places its emphasis. In contrast, major activities in subspecialty fields carry a different message.
3. By the size and priority of residency programs, a school can have a direct impact on the production of primary care physicians. Accordingly, USC can, within its full accreditation, emphasize primary care. Given the needs of the State and the strong State support that has been given to this school, it is entirely reasonable that the State expect and receive this responsiveness in supporting primary care during the early years of this institution. Crippling restrictions should not be imposed at this time, however, which would prevent this school from evolving to a much broader mission in the decades to come." (at Pages 24 and 25)

4. Fundamental Inter-Institutional Principles of Affiliation: HOSPITAL and UNIVERSITY recognize, respect and agree to the following fundamental inter-institutional principles of affiliation for medical doctor education:

- 4.1 UNIVERSITY in response to the consultant report cited at paragraph 3.2 above recognizes that HOSPITAL "is a peer corporation with its own governing board and that regular and substantive interactions between governing board members and chief executive officers will be necessary to maintain a trusting relationship." (at Page 21)

- 4.2 In keeping with HOSPITAL'S mission as stated in Paragraph 2 above, HOSPITAL supports UNIVERSITY School of Medicine and is willing to continue affiliation with UNIVERSITY for the education of undergraduate medical students and the enrichment of HOSPITAL'S graduate medical education programs, and UNIVERSITY wishes to continue an affiliation with HOSPITAL for the purpose of making available to its medical students the opportunities for clinical education afforded by HOSPITAL'S facilities and programs.
- 4.3 HOSPITAL and UNIVERSITY, being equally committed to the clinical education of medical doctors share a common concern and interest in the quality of patient care and the viability of HOSPITAL as a regional community teaching hospital.
- 4.4 HOSPITAL, accordingly, in its planning for future development, may include in its space projections appropriate limits on numbers of core teaching beds and of hospital medical school faculty members located and/or practicing at HOSPITAL. Such allocations of hospital resources shall be made in consultation with UNIVERSITY and shall be consistent with HOSPITAL'S obligation to HOSPITAL'S mission and with the maintenance of HOSPITAL'S identity as a regional community teaching center for health care, and shall be subject to possible review and modification by HOSPITAL board in consultation with its organized Medical Staff and with UNIVERSITY in relation to future growth and development of the HOSPITAL and its services and of UNIVERSITY and its programs.

4.5 It is understood and agreed that the allocations set forth on Exhibit "A" are intended to represent normal operating allocations and HOSPITAL and UNIVERSITY shall be authorized to temporarily deviate from same in case emergency conditions required it to do so upon mutual consultation and agreement. Exhibit "A": Resolution of HOSPITAL board, Attachment 2, 22 January 1981, revised, where personnel projections relate to physical persons.

5. Medical Manpower Education Principles: HOSPITAL and UNIVERSITY agree to the following principles pertaining to health manpower education:

5.1 For the purpose of this Affiliation Agreement, medical educational programs are defined as those programs in which a University degree or nationally recognized certification is involved. These programs may include such undergraduate, graduate and post-graduate programs as fall in the above definition.

5.2 HOSPITAL and UNIVERSITY recognize the responsibility and authority of each other for complementary contributions to clinical education. UNIVERSITY in consultation with HOSPITAL shall appoint to the position of chairman in each of the departments of its school of medicine at HOSPITAL, and shall appoint to membership of its medical faculty, as provided in Sections 6 and 11 below. HOSPITAL in consultation with UNIVERSITY shall appoint to membership of its teaching staff in each hospital department participating in the education of resident house staff, as provided in Section 7 below.

- 5.3 Consistent with other provisions of the Agreement, all faculty members employed by UNIVERSITY and situated at HOSPITAL shall be appointed with the approval of the governing bodies of both HOSPITAL and UNIVERSITY.
- 5.4 HOSPITAL and UNIVERSITY recognize that medical doctor education should be coordinated with a broad range of health career programs and educational activities, for which HOSPITAL will continue to offer its clinical and educational resources, and the design and size of which must be compatible with the available clinical facilities and financial resources of the HOSPITAL; provided, however, that UNIVERSITY will have no less than that level of facilities and allocations available to it as indicated in Exhibit "A". UNIVERSITY acknowledges the requirements of these other health manpower training programs for space, personnel and supervised patient care experience provided by HOSPITAL.
- 5.5 HOSPITAL and UNIVERSITY agree that UNIVERSITY may locate at the HOSPITAL such UNIVERSITY faculty members from the departments of the School of Medicine as are required to make necessary and agreed contributions to the clinical and educational responsibilities of both the HOSPITAL and UNIVERSITY. UNIVERSITY may develop clinical education for undergraduate medical students at a range of appropriate affiliated hospitals, with the total number of undergraduate students from both State medical schools assigned to, accepted by and located at HOSPITAL at

any time not to exceed eighty at HOSPITAL'S present site. HOSPITAL and UNIVERSITY shall discuss all such inter-institutional programmatic matters and space requirements as provided in Paragraph 8.5 below.

- 5.6 UNIVERSITY shall continue to support cooperative programs of education between HOSPITAL and other affiliated academic institutions, including the continuance of affiliation with the Medical University of South Carolina for the clinical education of undergraduate students and the exchange of residents with the Medical University and its hospitals.

6. Undergraduate Medical Education: Consistent with the principles recognized and agreed upon herein, HOSPITAL and UNIVERSITY agree to the following principles pertaining to undergraduate medical education of University's students:

- 6.1 Principal responsibility for education of undergraduate medical students rests with UNIVERSITY.
- 6.2 HOSPITAL will accept students in such specialities and in such numbers as may be agreed between HOSPITAL and UNIVERSITY.
- 6.3 As set forth in Paragraph 8.3 hereof, HOSPITAL will extend appropriate medical staff privileges to School of Medicine faculty members upon UNIVERSITY recommendation in furtherance of agreed participation in clinical teaching at HOSPITAL and in compliance with applicable by-laws of Medical and Dental staff and policies of the Board of Trustees of HOSPITAL.

6.4 HOSPITAL shall allow utilization of its facilities and patients who so consent for teaching programs as agreed.

7. Graduate Medical Education. Consistent with the principles recognized and agreed upon herein, HOSPITAL and UNIVERSITY agree to the following principles pertaining to graduate medical doctor education:

- 7.1 Principal responsibility for the education of graduate medical residents rests with HOSPITAL.
- 7.2 Efforts will be made by all parties toward integration of training programs in various specialties as appropriate.
- 7.3 Residency programs shall be sponsored by and under the name and direction of HOSPITAL. Directors of educational programs involving the University departments in HOSPITAL shall be appointed by HOSPITAL in consultation with UNIVERSITY and located in appropriate space provided by HOSPITAL on HOSPITAL'S campus or in close proximity to HOSPITAL'S campus if adequate space is not available on HOSPITAL'S campus. HOSPITAL shall be responsible, in consultation with its Medical and Dental Staff and with UNIVERSITY, for the program design of its residencies and the establishment of policies and procedures relative thereto, as well as for the accreditation of those programs through such accreditation processes as may be required.

8. Management Principles. HOSPITAL and UNIVERSITY acknowledge and agree to the following management principles:

- 8.1 This Affiliation Agreement with UNIVERSITY must not compromise the governance and control of HOSPITAL or of UNIVERSITY School of Medicine by those institutions' respective Boards of Trustees and chief executive officers.
- 8.2 Professional and administrative directors of HOSPITAL departments and clinics shall be appointed by and be responsible to HOSPITAL. Opportunities will be provided for consultation with UNIVERSITY when appointments of professional directors directly involve UNIVERSITY medical education programs. HOSPITAL shall have the authority deemed by the HOSPITAL to be necessary for carrying out their assigned responsibilities. Professional directors shall be encouraged to accept appropriate faculty appointments at the affiliated medical schools and to participate in HOSPITAL and medical school teaching programs to an extent compatible with the carrying out of their contractual responsibilities to HOSPITAL. HOSPITAL-based services shall be operated with the goal of providing a high quality of diagnosis and treatment ancillary to the clinical care of HOSPITAL patients. HOSPITAL reserves the authority and responsibility to contract for professional services in each such hospital-based ancillary department as it may deem

appropriate with a partnership, professional association or other organized group of physicians or through a professional director; and to make the professional and other resources of such ancillary departments available for undergraduate and graduate education insofar as the levels of educational involvement are consistent with the departments' required high levels of proficiency and quality. HOSPITAL, in agreement with its professional directors and in consultation with UNIVERSITY, may consider persons who are UNIVERSITY faculty members for possible participation in contractual arrangements for provision of professional services in HOSPITAL-based ancillary departments.

- 8.3. Upon approval by its organized Medical and Dental Staff and Board of Trustees, HOSPITAL shall extend medical staff privileges to those qualified faculty members of the School of Medicine for whom such privileges are necessary or convenient in order to carry out the intent and meaning of this Agreement.
- 8.4 HOSPITAL reserves the authority to establish (1) priorities for bed usage and (2) the number, size and referral procedures for outpatient clinics and emergency medical services, and physicians associated with the School of Medicine on HOSPITAL'S active staff shall be treated equally and without discrimination in regard to patient referrals vis-a-vis physicians not associated with the School of Medicine.
- 8.5 With a view towards improving and maintaining channels of communication at all levels, HOSPITAL and UNIVERSITY agree that there shall be a meeting of senior executive management at a

mutually convenient time not less frequently than quarterly for the purpose of reviewing programmatic matters, space requirements, fiscal matters, etc., with such meeting being held at the campus of HOSPITAL during the first and third quarter of each calendar year and at the campus of UNIVERSITY during the second and fourth quarters. In attendance at such meeting shall be (i) the Chairman or his/her representative from each of the Boards of HOSPITAL and UNIVERSITY, (ii) the President or his designee of UNIVERSITY and the President of HOSPITAL or his designee, and (iii) the Dean of UNIVERSITY'S School of Medicine and HOSPITAL'S director of medical education, and (iv) Chief of Medical and Dental Staff at HOSPITAL, and a designated member of the Board of Trustees of UNIVERSITY. Moreover, at least semi-annually the Chief Financial Officers of UNIVERSITY or of UNIVERSITY School of Medicine and of HOSPITAL shall likewise confer, either separately or in conjunction with the quarterly executive sessions, for the purpose of reviewing financial commitments and related fiscal matters.

- 8.6 A request for third-party intervention to resolve any question of application of the provisions of this Agreement shall be initiated by or on behalf of either party or a member or members of the faculty or teaching staff of either party only after the question at issue has been presented in writing (1) at the quarterly meeting provided for in paragraph 8.5 above, with not less than ninety days allowed for resolution,

and (2) to both Boards with a view of their appointing an ad hoc joint committee to consider the question at issue and to recommend a solution within 30 days.

9. Financial Principles. HOSPITAL and UNIVERSITY acknowledge and agree upon the following financial principles.

9.1 HOSPITAL shall continue to assume the cost of and provide space for the required functions of medical doctor residency programs sponsored by and located at HOSPITAL, including office space for appointed directors of residency programs and other needed full-, part-time or honorary HOSPITAL staff. The size and design of such programs shall not exceed such numbers of resident housestaff and teaching physicians located at HOSPITAL as shall efficiently support the patient care needs of the HOSPITAL and HOSPITAL shall assume financial responsibility for only those residents and fellows with whom it has so contracted, except as may be agreed between HOSPITAL and affiliating hospitals. UNIVERSITY faculty members shall examine and/or treat only patients required for its education programs and consonant with the By-Laws of the Medical and Dental Staff.

9.2 UNIVERSITY'S medical educational activities or research requirements in HOSPITAL must not result in an increased cost of medical care rendered to the patients of HOSPITAL. Space, personnel, supplies and services required by UNIVERSITY'S School of Medicine at HOSPITAL, which would be additional to those required by HOSPITAL for its patient-care functions and the residency programs that it sponsors, must be paid for by

UNIVERSITY. Both within HOSPITAL and in its ambulatory care clinics, this shall include the requirements for undergraduate physician education, clinical research programs, fellowships, and graduate physician education beyond the residency training commitments of HOSPITAL. UNIVERSITY agrees to assure reimbursement to HOSPITAL for patient care costs of patients admitted by its faculty members for teaching or research purposes who do not meet the financial requirements for admission or the utilization review criteria for reimbursement under HOSPITAL'S policies as established for all members of its Medical and Dental Staff, and also for all direct costs and related indirect costs of agreed clinical research projects.

- 9.3 UNIVERSITY accepts the responsibility for the negotiated related direct costs of those portions of the undergraduate programs conducted at HOSPITAL that are a formal and identifiable part of the medical school curriculum; however, the reimbursement for those costs is contingent upon adequate state or other funding. The cost of the educational portions of the undergraduate program will be determined as provided in Paragraph 9.2 above. It is understood and agreed that HOSPITAL will incur no financial obligation for undergraduate students and that performance hereunder by either UNIVERSITY or HOSPITAL is contingent upon the provision of adequate funding.

9.4 Such continuing education functions as would be desirable for the attending staff of HOSPITAL should be an expense of HOSPITAL. Such continuing medical education of regional or statewide scope as would be sponsored through HOSPITAL by the School of Medicine shall be the responsibility of UNIVERSITY or be reimbursed from State or other funding sources.

9.5 Recognizing the contributions made to extramural medical education by the State of South Carolina through its Consortium of Community Teaching Hospitals, Statewide Family Practice Residency System and Graduate Medical Doctor Education Program, HOSPITAL and UNIVERSITY shall consult and cooperate together and with appropriate state and community agencies in their joint effort to meet the cost of programs of graduate, undergraduate and continuing medical education at HOSPITAL.

11. University Faculty. In addition to the previous references to School of Medicine faculty set forth elsewhere herein and referenced at Paragraphs 6.3 and 8.3, HOSPITAL and UNIVERSITY agree as follows:

11.1 UNIVERSITY agrees to consider for faculty appointment those members of HOSPITAL'S Medical and Dental Staff who are recommended by HOSPITAL by virtue of their full-time, part-time or honorary participation in clinical teaching.

11.2 The level of each UNIVERSITY faculty appointment will be commensurate with the qualifications and contributions of each staff member.

11.3 Faculty appointments shall be finally made by the Board of Trustees of UNIVERSITY.

11.4 HOSPITAL will encourage its teaching staff to participate in the educational activities of UNIVERSITY'S School of Medicine.

11.5 UNIVERSITY will encourage participation of its School of Medicine faculty members in educational activities at HOSPITAL.

12. Continuing Education. HOSPITAL and UNIVERSITY agree to the following principles regarding Continuing Education:

12.1 HOSPITAL and UNIVERSITY shall publicize continuing medical education courses held by the other and shall encourage attendance at such courses.

12.2 UNIVERSITY School of Medicine shall provide advice to HOSPITAL when requested with regard to the content and scheduling of continuing medical education courses at HOSPITAL upon a mutually agreed basis.

12.3 UNIVERSITY shall, to the extent reasonable, feasible and when requested to do so, provide HOSPITAL with support in the basic sciences for its continuing medical education programs upon a mutually agreed upon basis.

13. Publications. HOSPITAL and UNIVERSITY agree to the following principles regarding Publications:

13.1 UNIVERSITY'S School of Medicine shall recognize HOSPITAL as an affiliated community teaching hospital in its publications and promotional literature as appropriate.

13.2 HOSPITAL shall recognize UNIVERSITY'S School of Medicine as an affiliated institution in its publications and promotional literature as appropriate.

14. Term. The term of this Agreement shall begin on the 1st day of January, 1983, and shall continue for a period of five (5) years with the option to renew for another five years unless modified by mutual written agreement of the parties. At the commencement of the fifth (5th) year, for a period of three (3) months, either party may give notice of termination. The absence of such notice, at the end of three (3) months, constitutes renewal for another five (5) years.

15. Miscellaneous.

15.1 Insurance. HOSPITAL and UNIVERSITY shall secure and maintain, or cause to be secured and maintained, with respect to their respective staffs, students and employees performing at HOSPITAL, during the term of this Agreement, Worker's Compensation and Employer's Liability, and Comprehensive General and Professional Liability (including Personal Injury, Products and Completed Operations Liability, and Blanket Automobile Liability) Insurance providing minimum limits of liability as follows:

Worker's Compensation	Statutory
Employer's Liability	\$100,000
Comprehensive General Liability	\$500,000
Professional Liability	Highest limits which may be obtained by HOSPITAL and UNIVERSITY after consultation as provided for in Paragraph 8.5 above
Automobile Liability	\$100,000

15.2 Disclaimer of Employment of Employees Except as may be agreed in the case of dual appointments, no person employed by HOSPITAL shall be considered an employee of UNIVERSITY, and UNIVERSITY shall have no liability for payment of their wages, payroll taxes and other expenses of employment; and no person employed by UNIVERSITY shall be considered an employee of HOSPITAL, and HOSPITAL shall have no liability for payment of wages, payroll taxes, and other expenses of employment.

15.3 Successors and Subsidiaries. All the provisions herein contained shall be binding upon and inure to the benefit of the respective successors or subsidiaries of HOSPITAL and UNIVERSITY, to the same extent as if each such successor or subsidiary were in each case named as a party to this Agreement.

15.4 Headings. The headings to the various sections of this Agreement have been inserted for convenience reference only and shall not modify, define, limit or expand the expressed provisions of this Agreement.

15.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, and each such counterpart shall together constitute but one and the same Agreement.

15.6 Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given, if mailed by certified or registered mail, postage prepaid:

If to HOSPITAL: President
 Richland Memorial Hospital
 3301 Harden Street
 Columbia, South Carolina
 29203

If to UNIVERSITY President
 University of South Carolina
 Columbia, South Carolina
 29208

or such other person and address as either party may designate in writing.

15.7 Effect of Invalidity. Should any part of this Agreement, for any reason, be declared invalid, such decision shall not affect the validity of any remaining portion, which remaining portion shall remain in force and effect as if this Agreement had been executed with the invalid portion thereof eliminated.

15.8 Authorization for Agreement. The execution and performance of this Agreement by HOSPITAL and UNIVERSITY have been duly authorized by their respective Boards of Trustees.

15.9 Sole Agreement. Except for such RMH/USC Clinical Faculty Practice Plan as has been or may be agreed between HOSPITAL and UNIVERSITY, this Agreement constitutes the only Agreement between the parties relating to the affiliation for medical education of the parties and no other oral or written Agreement shall be binding upon the parties. No modification of this Agreement shall be binding unless attached hereto and signed by all parties to this Agreement.

15.10 Governing Law. This Agreement shall be construed under laws of the State of South Carolina.

15.11 Public Information. This Agreement shall be filed with the South Carolina Commission on Higher Education and shall be a public document. Copies shall be given by the parties respectively to every physician applying for appointment to UNIVERSITY medical faculty or HOSPITAL teaching staff.

BEDS, RESIDENTS, MEDICAL STUDENTS AND FACULTY
at Richland Memorial Hospital, 1980-1990

In response to the Medical Advisory Council (MAC) resolution of January 5, 1980, the Board of Trustees reaffirms its long-stated policy position of continuing Richland Memorial Hospital as a regional community teaching hospital as compared to a university hospital.

Toward this end, the MAC has verified the needs of the community based medical and dental staff for priority use of 401 beds for their private patients. These beds represent 66% of our total 611 presently licensed beds and would become an increasingly large percentage of the total beds as the hospital grows toward 800-900 beds during the 1980's. To date physicians in only two departments, orthopedics and neurology/neurosurgery, have tended to maintain a high occupancy of the beds made available to them on a priority basis, for which reason it may be desirable for the hospital to re-evaluate its bed availabilities and priorities.

Given the above expressed needs of community physicians and their patients, 210 (34%) of our licensed beds can be allocated as core teaching beds for patients who are the responsibility of full-time hospital/medical school faculty. These beds would be used as appropriate for their graduate and undergraduate medical education activities and for their private patients.

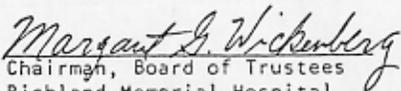
Should community physicians serving as volunteer clinical faculty, as in Orthopedics, Internal Medicine and Pediatrics agree to participate in our residency education program, their private patients would be organized by them into a private teaching service in accordance with a plan approved by the appropriate director of education and by hospital management, and residents would be assigned in accordance with that plan. Such private teaching service beds may be a part of the 401 beds available for community based medical and dental staff.

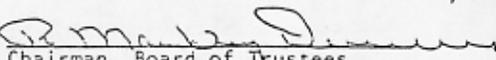
mbw
mcy

IN WITNESS WHEREOF, the undersigned have executed this Agreement and affixed their seals this _____ day of _____, 198__.

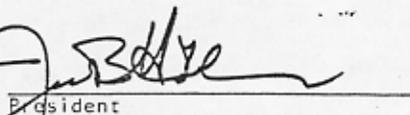
RICHLAND MEMORIAL HOSPITAL

THE UNIVERSITY OF SOUTH CAROLINA


Chairman, Board of Trustees
Richland Memorial Hospital


Chairman, Board of Trustees
University of South Carolina


President
Richland Memorial Hospital


President
University of South Carolina

ATTACHMENT 1

It is the policy of the Board of Trustees, subject to the availability of resources, to support graduate and undergraduate medical education. To implement this policy the following framework is to be applied.

(1) GRADUATE MEDICAL EDUCATION

Richland Memorial Hospital has eight accredited residencies, each of which requires a defined number of residents at Richland Memorial Hospital, with responsibility for managing a limited number of in and outpatients under the direction of a planned number of full-time faculty members located at Richland Memorial Hospital. Should the state and community need additional residents to be trained at RMH in these programs, faculty support is expected to come from community physicians who are members of the hospital's volunteer teaching staff or of a university's volunteer clinical faculty. New programs, when needed and approved, will be staffed by a small core full-time faculty with additional faculty requirements to be met by volunteer clinical faculty.

Limitations on the number of residents in training at RMH will not prevent accreditation of RMH for greater numbers of residents, provided these additional residents are located at other hospitals (VAH, Moncrief, Providence, etc.) by inter-hospital affiliation agreements as approved by the appropriate accrediting organizations.

Inpatient beds prioritized for admissions by full-time faculty are to be limited to the number of core teaching beds needed for resident training, except in the case of emergency admission or where beds are not being used by community-based medical and dental staff. These situations may temporarily cause numbers of patients of faculty physicians to exceed the number of core teaching beds. Likewise, emergency admissions by community based medical and dental staff or non-use of beds by full-time faculty physicians may cause the number of beds prioritized for admission of their patients to be reduced temporarily.

msw
llc

It is the Hospital's intention not to develop hospital-based practice to any extent greater than is required to conduct medical education activities, meet the hospital's responsibilities for otherwise unattended inpatient and outpatient care, and provide professional direction of services in designated departments.

A policy statement concerning our graduate and undergraduate medical education programs is enclosed (Attachment 1). Also enclosed (Attachment 2) is our planning document which indicates core teaching beds in relation to projected size of hospital based faculty and numbers of residents and undergraduate medical students that may be trained at Richland Memorial. These numbers would be ceilings and not changed, unless it is approved for the community-based volunteer clinical faculty to expand its educational activities or unless the beds made available to the community based medical and dental staff are not effectively utilized.

ADOPTED BY THE
BOARD OF TRUSTEES
January 22, 1981

MSW
[Signature]

Faculty physicians based at other hospitals but practicing at RMH under an affiliation agreement with a South Carolina school of medicine may admit patients to the inpatient beds prioritized for admissions by faculty physicians.

(2) UNDERGRADUATE MEDICAL EDUCATION

It is understood that RMH will continue to meet its contractual commitments to MUSC for the rotation of medical students.

It is understood that USC will make full provision for the didactic teaching of a majority of medical undergraduates on the VA campus and that it will make major provision for their clinical training at VA hospital and other affiliated hospitals, but clinical training at RMH will be limited to no more than 40 juniors and 40 seniors at any one time.

The clinical training of medical students at RMH shall be limited to no more than 80 students at any one time. If each student follows two inpatients at a time, they will follow approximately 160 patients. These will be within the number of educational beds as prioritized for management by full-time faculty and housestaff.

ADOPTED BY THE
BOARD OF TRUSTEES
January 22, 1981

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