

**AMENDMENT TO THE CONTRACT REGARDING THE TRANSITION OF MEDICAL
EDUCATION IN SOUTHERN NEVADA**

WHEREAS, the Office of the Chancellor of the Board of Regents of the Nevada System of Higher Education ("NSHE"), the University of Nevada, Reno School of Medicine ("UNR Med"), University of Nevada School of Medicine Integrated Clinical Services, Inc. ("ICS"), the University of Nevada, Las Vegas School of Medicine ("UNLV SOM"), and UNLV Medicine, the Faculty Practice Plan for UNLV SOM ("UNLV Medicine"), each a "Party" and all collectively, the "Parties", have signed a Contract Regarding the Transition of Medical Education in Southern Nevada (hereinafter "Contract"), subject to the approval of the NSHE Board of Regents, and

WHEREAS, Paragraph 16 of said Contract requires the Deans of UNR Med and UNLV SOM to meet and agree to proposed language to submit to the Nevada Legislature to amend "University of Nevada School of Medicine the Nevada Revised Statutes ("NRS") and to enter into a Memorandum of Understanding ("MOU") regarding responsibilities under the NRS, by September 1, 2016; and

WHEREAS, the said Deans have not been able to schedule a meeting for the purpose of reaching agreement on the proposed NRS language and the MOU until September 9, 2016; and

WHEREAS, the Parties wish to amend the Contract accordingly;

NOW, THEREFORE, contingent upon approval of the NSHE Board of Regents, the Parties agree as follows:

1. The Parties agreement that Paragraph 16 of the Contract is amended and replaced in its entirety as follows:

NRS Provisions: On or before September 30, 2016, NSHE, UNR Med and UNLV SOM will agree to proposed language to submit to the Nevada Legislature regarding the meaning of "University of Nevada School of Medicine" in the Nevada Revised Statutes and enter into a Memorandum of Understanding ("MOU") regarding responsibilities under the various Nevada Revised Statutes ("NRS") that reference "University of Nevada School of Medicine." The parties shall schedule a meeting or meetings, to occur prior to September 30, 2016, wherein the Deans of UNR Med and UNLV SOM and/or their designated authorized representatives will work to negotiate the MOU outlining the responsibilities and division of funds relative to each NRS section. If the Parties are unable to agree by September 30, 2016, then they shall participate in mediation with a neutral third party appointed by the Chancellor. In the event that an agreement cannot be reached following mediation, any remaining issues shall be presented to a committee of the Chairperson of the Board of Regents, the Vice-Chairperson of the Board of Regents and the full committee of the

Board of Regents Health Sciences Committee for determination.

2. All other terms, conditions and covenants of the Contract shall remain the same in full force and effect, except as specifically amended herein.

IN WITNESS HEREOF, the Parties have executed this AMENDMENT TO THE CONTRACT REGARDING THE TRANSITION OF MEDICAL EDUCATION IN SOUTHERN NEVADA as of the respective dates below, contingent upon approval by the NSHE Board of Regents.

 9-1-16

Marc Johnson Date
President, University of Nevada, Reno

Len Jessup Date
President, University of Nevada, Las Vegas

 8/31/16

Thomas L. Schwenk Date
Dean, University of Nevada School of
Medicine

Barbara Atkinson Date
Planning Dean, University of Nevada,
Las Vegas School of Medicine

John White Date
Chancellor, Nevada System of Higher
Education

 8/31/16

Integrated Clinical Services, Inc. Date
By: _____

UNLV SOM Medicine Date
By: _____

Board of Regents Health Sciences Committee for determination.

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Marc Johnson Date
President, University of Nevada, Reno



Len Jessup Date
President, University of Nevada, Las Vegas

OGC-800
9/1/16



Thomas L. Schwenk Date
Dean, University of Nevada School of
Medicine




Barbara Atkinson Date
Planning Dean, University of Nevada,
Las Vegas School of Medicine

John White Date
Chancellor, Nevada System of Higher
Education



Integrated Clinical Services, Inc. Date
By: _____



UNLV SOM Medicine Date
By: _____



CONTRACT REGARDING THE TRANSITION OF MEDICAL EDUCATION IN SOUTHERN NEVADA

This CONTRACT REGARDING THE TRANSITION OF MEDICAL EDUCATION IN SOUTHERN NEVADA ("Contract") is made and entered into effective August 5, 2016 ("Effective Date"), by the Office of the Chancellor of the Board of Regents of the Nevada System of Higher Education ("NSHE"), the University of Nevada, Reno School of Medicine ("UNR Med"), University of Nevada School of Medicine Integrated Clinical Services, Inc. ("ICS"), the University of Nevada, Las Vegas School of Medicine ("UNLV SOM"), and UNLV Medicine, the Faculty Practice Plan for UNLV SOM ("UNLV Medicine"), each a "Party" and all collectively, the "Parties." NSHE, UNR Med and UNLV SOM are all schools or offices that are part of the Nevada System of Higher Education.

RECITALS

WHEREAS the NSHE supports the continuation and transition of medical education in southern Nevada and supports the continuation and expansion of medical education in northern and rural Nevada;

WHEREAS, The University of Nevada, Reno ("UNR") and the University of Nevada, Las Vegas ("UNLV") are both institutions within the Nevada System of Higher Education;

WHEREAS, the University of Nevada, Reno School of Medicine ("UNR Med"), an LCME-accredited allopathic school within UNR's Division of Health Sciences, was established in 1969 as a community-based institution of medical education and is a research-intensive, community-based, statewide medical school that has served Nevada for more than 47 years.

WHEREAS, UNR MED presently has campuses and medical training programs in Reno, Las Vegas, and Elko Nevada;

WHEREAS, the University of Nevada, Las Vegas School of Medicine ("UNLV SOM"), a school within UNLV, was established in 2015 with the goal of becoming an independent, full-scale, allopathic medical school at UNLV;

WHEREAS, ICS is a Nevada non-profit corporation and 501(c)(3) which serves as the clinical practice platform for UNR Med and manages the clinical practice of medicine by the UNR Med faculty in both northern and southern Nevada;

WHEREAS, (UNLV SOM Medicine) is a newly formed Nevada non-profit corporation that is seeking 501(c)(3) status, which is intended to manage the clinical practice of medicine by the UNLV SOM faculty in southern Nevada;

WHEREAS, with the announcement of the establishment of UNLV SOM, UNR Med has begun expanding its Reno campus to encompass all four years of medical training and will eventually close many of its departments in Las Vegas;

WHEREAS, as part of establishing UNLV SOM in Las Vegas, certain of UNR Med's leases and assets will be acquired by and/or transferred to UNLV SOM, most current employees physically located in Southern Nevada, currently employed through one NSHE institution, UNR/UNR Med, will be offered employment with another NSHE institution, UNLV/UNLV SOM, UNR funds previously used for medical education in Southern Nevada will be used to expand the UNR Med Reno campus, graduate medical education will continue in Southern Nevada through UNLV SOM, and other operations may be transferred or shared between the Parties;

WHEREAS, on August 5, 2016, NSHE, UNR Med, and UNLV SOM entered into a "Letter of Intent Regarding the Transition of Medical Education in Southern Nevada (July 1, 2017 Transition Date)," ("LOI"), which had implications for all the Parties; and

WHEREAS, the Parties desire to enter this Contract for purposes of complying with the LOI and facilitating the orderly transfer of leases, assets, operations, and employees between institutions, and to ensure that such transfer does not create an undue financial burden upon either institution and allows each to continue fulfilling its mission,

NOW THEREFORE, contingent upon the approval of the NSHE Board of Regents, the Parties agree as follows:

CONTRACT

- 1. Board of Regents Approval.** This Contract and the Parties' respective commitments hereunder are subject to and conditioned upon approval from the NSHE Board of Regents. Should such approval not be received, this Contract shall be null and void.
- 2. Term of Contract.** The term of this Contract shall commence upon the Effective Date and continue through June 30, 2021 (the "Term").
- 3. Incorporation of Cooperative Agreement:** The Parties incorporate here by reference as though fully set forth the Cooperative Agreement for joint appointments between UNLV SOM and UNRSOM.

4. Financial Commitment to and Provision of Medical Education in Southern Nevada.

4.1 One-Time Payment

In addition to the money budgeted to UNLV SOM by the Nevada Legislature, NSHE, UNR Med and UNLV SOM agree to the following financial commitment for Fiscal Year 2018 (7/1/17-6/30/18) only:

NSHE, no later than July 1, 2017, shall provide to UNLV SOM funding of \$3,000,000.00.

UNLV SOM, no later than July 1, 2017, shall identify from its own funds and make available for its own use \$1,500,000.00.

UNR Med, no later than July 1, 2017, shall provide to UNLV SOM funding of \$1,500,000.00 by wire transfer sent to:

UNLV SOM Interim Senior Associate Dean for Finance & Business, CFO
702-895-0497 or

Business & Finance Manager for UNLV SOM
702-895-1516 or

Controller
Chris Viton
702-895-3517
Chris.viton@unlv.edu

4.2 Graduate Medical Education Support for Fiscal Year 2018 and Fiscal Year 2019

UNR Med shall pay additional financial support to UNLV SOM of up to \$1,226,523.00 for the ongoing support of teaching Graduate Medical Education (GME) programs for UNR Med and/or UNLV SOM residents for Fiscal Year 2018 ("the GME Funding"), to be made on a monthly basis in Fiscal Year 2018. Contingent on UNLV SOM continuing to maintain the UMC Residencies (see Section 18 of this Contract) in Fiscal Year 2019, UNR Med will provide financial support of those residencies up to the amount of \$1,226,523.00 in Fiscal Year 2019.

The \$1,226,523.00 amount matches the amount UNR Med spent for FY 2016 or budgeted for FY 2017 for total resident salaries and program support currently sourced from UNR Med, as shown on Exhibit X.

In the event that UNLV SOM reduces the number of full-time employees in the Office of Graduate Medical Education from the number shown on Exhibit X or decreases

the amount of salaries paid as shown on Exhibit X; reduces the number of residents in the Family Medicine Residency Program in Las Vegas from the number shown on Exhibit X or decreases the amount of salary support for residents shown on Exhibit X; reduces the number of residents in the Psychiatry Residency Program in Las Vegas from the number shown on Exhibit X or decreases the amount of salary support for residents shown on Exhibit X; or reduces the Office of Graduate Medical Education's operating budget from the amount shown on Exhibit X, then the \$1,226,523.00 will decrease in an amount equal to the reduction made by UNLV SOM. In addition, if vacancies occur in any of the Graduate Medical Education positions, the Family Medicine residencies, or the Psychiatry residencies shown on Exhibit X, then UNR Med will decrease proportionately the financial support to UNLV SOM for the duration of the vacancy. Beginning July 1, 2017, and every month thereafter through June 1, 2019, UNLV SOM shall provide itemized invoices to UNR Med for the monthly salary of the filled positions in Graduate Medical Education, Family Medicine Residencies, and Psychiatry Residencies as shown on Exhibit X. UNLV SOM shall also include in such invoices when appropriate the Operating Costs identified on Exhibit X.

Such invoices shall be sent to:

Michelle Blodgett, UNR Med Budget Analyst
1664 North Virginia, MS 0346 Reno, NV 89557
Email: mbodgett@medicine.nevada.edu

Upon receipt and review, UNR Med shall pay such invoices within 30 days by wire transfer sent to:

UNLV SOM Interim Senior Associate Dean for Finance & Business, CFO
702-895-0497 or

Business & Finance Manager for UNLV SOM
702-895-1516 or

Controller
Chris Viton
702-895-3517
Chris.viton@unlv.edu

In the event UNR Med has questions concerning any invoice, such questions shall be directed to those individuals identified immediately above in this section 4.2.

In the event of a dispute concerning any invoice or the payment thereof, the administrative deans of finance for UNLV SOM and UNR Med shall use best efforts to resolve the dispute. In the event the administrative deans of finance are unable to resolve the dispute, the dispute shall be presented to the deans of UNR Med and UNLV SOM for

resolution. If a resolution is still not reached it shall be resolved pursuant to the dispute resolution process in section 23 of this Contract.

4.3 Support for UNR Med Third Year Student Teaching in Fiscal Year 2018

UNR Med, beginning on July 1, 2017, and continuing for the next eleven (11) months, shall provide payments to UNLV SOM up to the total annual amount of \$391,710.00 to support medical student teaching of up to 20 student FTE for 3rd year UNR Med students during Fiscal Year 2018 attending clerkships in southern Nevada, as determined by UNR Med.

UNR Med shall pay the appropriate sum to UNLV SOM at the beginning of each clerkship in FY 2018 during which UNR Med 3rd year medical students are attending clerkships through UNLV SOM. This sum was calculated by multiplying 75% of the in-state tuition amount for a 3rd year medical student (\$26,114.00) by the 20 student FTE. In the event that fewer than 20 UNR Med student FTE is requested by UNR MED and provided by UNLV SOM, the payment shall be based on 75% of the in-state tuition amount for a 3rd year medical student multiplied by the UNR Med student FTE instruction actually provided by UNLV SOM. Payments shall be made by wire transfer sent to:

UNLV SOM Interim Senior Associate Dean for Finance & Business, CFO
702-895-0497 or

Business & Finance Manager for UNLV SOM
702-895-1516 or

Controller
Chris Viton
702-895-3517
Chris.viton@unlv.edu

In exchange for the financial payments by UNR Med to UNLV SOM stated above in this section 4.3, UNLV SOM shall, for FY 2018, maintain clinical clerkship programs (which includes retaining the necessary faculty and making the necessary clinical education programs available for teaching of up to 20 Student FTEs) in the areas of surgery, internal medicine, emergency medicine, OBGYN, family medicine, psychiatry, and emergency medicine.

4.4 Student Teaching After Fiscal Year 2018

Upon mutual written agreement of the Parties, UNR Med will provide financial support through the Cooperative Agreement for joint appointments to UNLV SOM per UNR Med student per month in order to meet the student teaching needs of UNR Med in southern Nevada for electives for fourth year UNR Med students. The parties will work together in good faith to negotiate arrangements to provide elective options for UNR Med students in southern Nevada and the accompanying financial support from UNR Med.

Notwithstanding the above, the parties intend that there will not be a need for UNR Med 3rd year medical students to participate under UNLV SOM teaching programs beyond Fiscal Year 2018.

5. Employment of Current UNR Med Faculty and Staff by UNLV SOM.

5.1 Compliance Review List

On or before August 10, 2016, UNR Med and ICS will provide to UNLV SOM a list of faculty members that have undergone Compliance Reviews in the last three (3) years (the "Compliance Review List"). UNLV SOM will maintain the Compliance Review List and any information it receives regarding Compliance Reviews confidentially and in a manner that preserves the attorney-work product privilege.

Compliance Reviews, for purpose of this Contract, shall mean any and all documentation relating to findings or reports relating to misconduct investigations and/or records of proceedings and investigations resulting from complaints by students, patients, and other physicians ("Compliance Reviews"). These would be investigations that are placed under attorney-work product privilege by UNR Med or ICS.

5.2 Employment by UNLV SOM

Except for the UNR Med departments of Compliance, Information Technology, Legal, and Office of Admissions and Student Affairs in Southern Nevada, UNLV SOM shall offer employment, effective July 1, 2017, to all UNR Med faculty members, currently employed or to be employed by UNR Med in Southern Nevada, who either: (a) UNLV SOM has previously approved to be hired by UNR Med; or (b) do not appear on the Compliance Review List and meet the following criteria:

- a. Have not been subject to an investigation and/or proceeding under Chapter 6 of the NSHE Code within the last three years;
- b. Currently do not have qualifications, conditions or restrictions on his or her license to practice medicine in Nevada.
- c. Are eligible to provide reimbursable professional services, and participation in the Medicare and Medicaid programs, and other similar state or federal government-sponsored programs.

This includes Letter of Appointment and Temporary Faculty Members, along with faculty with a greater than 0.5 FTE appointment by UNR Med.

5.3 Faculty Hired in Fiscal Year 2017

UNR Med will obtain approval from UNLV SOM for each faculty hire made in Southern Nevada during Fiscal Year 2017 prior to entering into a contract of employment with the faculty member. As set forth in Section 5.2 of this Contract, UNLV SOM will make

written offers of employment, effective July 1, 2017, to each of the faculty that it approves to be hired by UNR Med.

5.4 Offers from UNLVSOM

On or before August 15, 2016 UNLVSOM shall issue written offers of employment to any current UNR Med faculty eligible for such offers under Section 5.2 of this Contract. The written offers shall contain at least the following information:

- UNLVSOM intends to hire the faculty member effective July 1, 2017.
- Written employment contracts for Fiscal Year 2018 will be issued by UNLVSOM on or before April 1, 2017.
- Notification that UNLVSOM will credit the faculty member for annual and sick leave (up to 48 days of annual leave and 96 days of sick leave), on a one time basis, based on the balance of leave that would have been available to faculty member at UNR Med on 7/1/16. This crediting of leave is in lieu of any payout of leave by UNR Med to the faculty member.
- Notification that the UNLVSOM New Hire's transfer of annual leave must be used by the end of the second year of employment or be forfeited; and that he/she would be subject to the UNLVSOM leave policy upon exhaustion of the transferred annual leave.
- Notification that, except for the acceptance of leave obligations, the faculty member will be considered a new employee of NSHE (i.e. with a new NSHE hire date) under all applicable provisions of the NSHE Code, including, but not limited to, Section 5.4 of the NSHE Code.
- Notification that UNLVSOM will be using a compensation and leave benefits plan that differs from that currently used by UNR Med.

It is understood and agreed by and between the Parties that the notification to the employee of the transfer credit for leave to UNLVSOM in lieu of any payout of leave by UNR Med does not extinguish any shared responsibility for accrued annual leave for UNLVSOM New Hires as set forth in Section 6 of this Contract.

For those faculty, subject to Section 5.3 of this Contract, that are hired by UNR Med after August 10, 2015, UNLVSOM will issue offer letters within thirty (30) days of receiving written notice from UNR Med that an employment contract has been entered into with the Faculty Member.

UNLVSOM shall not issue offer letters to those administrative faculty employed in the UNR Med departments of Compliance, Information Technology, Legal, and Office of Admissions and Student Affairs in Southern Nevada. Employees in those departments will remain the responsibility of UNR Med. Notwithstanding the above, nothing in this paragraph shall prevent such individuals from seeking employment with UNLVSOM, subject to Section 6 of this Contract.

5.5 Faculty on the Compliance Review List

Faculty on the Compliance Review List will be evaluated on a case-by-case basis by UNLV SOM. UNLV SOM shall send letters to faculty on the Compliance Review List, on or before August 15, 2016, requesting written permission to allow UNLV SOM access to all personnel records and Compliance Reviews in the possession of UNR Med and/or ICS. Five (5) business days after UNR Med receives written permission from a faculty member, UNR Med shall provide the personnel records and any and all documentation relative to any Compliance Reviews to UNLV SOM. UNLV SOM shall have fifteen (15) business days from receipt of the Compliance Reviews to make a decision regarding the hiring of the faculty member, unless UNLV SOM and UNR Med mutually agree in writing to a longer review period. In the event that UNLV SOM intends to make an offer to a faculty member on the Compliance Review List, it will notify UNR Med of such intent in writing within the fifteen (15) business day period or within the longer review period, should there be one and shall issue written offer letters to those faculty on the Compliance Review List within ten (10) days of the review period. If a UNR Med faculty member declines to afford permission to UNLV SOM to access all personnel records and Compliance Reviews in the possession of UNR Med and/or ICS, UNLV SOM shall have no further obligation to consider such faculty for employment.

5.6 Employment Contracts for Fiscal Year 2018 issued by UNLV SOM

On or before April 1, 2017, UNLV SOM will issue written employment contracts for Fiscal Year 2018 to all UNR Med faculty members, currently employed or to be employed by UNR Med in Southern Nevada, who either: (a) UNLV SOM has previously approved to be hired by UNR Med; or (b) do not appear on the Compliance Review List and satisfy criteria outlined in Section 5.2.

On or before April 1, 2017, UNLV SOM will issue written employment contracts for Fiscal Year 2018 to those UNR Med faculty members who appear on the Compliance Review List that UNLV SOM decides to hire following the case by case review identified in Section 5.5.

In the event that, subject to Section 5.3, UNR Med hires a faculty member in southern Nevada with an effective date of employment after April 1, 2017, UNLV SOM will issue a written employment contract for Fiscal Year 2018 to such a faculty member on or before June 30, 2017.

Nothing herein prevents UNLV SOM from negotiating position, rank, tenure status or other similar term of employment with any UNR Med faculty member to which it will offer an employment contract.

5.7 Joint Appointments of Faculty

Subject to Section 4.4 of this Contract, UNLV SOM and UNR Med shall agree to joint appointments of faculty pursuant to the Cooperative Agreement for joint

appointments entered into by UNR MED and UNLVSOM with an effective date of February 1, 2016, which is incorporated herein, in order to meet the student teaching needs of UNR MED in Southern Nevada. Responsibility for any jointly appointed faculty wages and benefits, shall be subject to the terms and conditions of the Cooperative Agreement.

5.8 UNR Med Classified Staff

UNLVSOM shall employ all UNR Med classified staff members in southern Nevada except those classified staff members in the UNR Med departments of Compliance, Information Technology, Legal, and Office of Admissions and Student Affairs in southern Nevada. Classified staff members in those departments shall remain the responsibility of UNR Med. UNLVSOM shall issue letters on or before September 15, 2016, committing to offer employment to each UNR Med classified staff member who will be employed by UNLVSOM effective July 1, 2017.

Obligations for leave and other benefits shall for classified staff shall be subject to the rules and requirements of the classified system and shall not be governed by Section 6 of this Contract.

5.9 ICS Staff

On or before November 1, 2016, ICS shall provide UNLVSOM and the UNLVSOM practice plan a list of all current staff and open positions.

On or before December 31, 2016, UNLVSOM and the UNLVSOM practice plan will provide to ICS a list of the ICS staff that shall be offered positions at the UNLVSOM practice plan.

The UNLVSOM practice plan shall also provide the process for the hiring of these employees (e.g. submission of applications, start date, etc...) at the same time the list is provided.

Acceptance of obligations of leave and/or other benefits shall be separately negotiated by ICS and the UNLVSOM practice plan and such benefits shall not be subject to Section 6 of this Contract. Any agreement that may be reached by ICS and the UNLVSOM practice plan regarding leave and/or other benefits shall be reduced into a separate written agreement.

6. Accrued Leave for Faculty.

6.1 Credit of Annual and Sick Leave for Faculty

UNLVSOM will provide credit for annual and sick leave to UNLVSOM New Hires (those hired pursuant to offers issued under Sections 5.4, 5.5 and 5.6 of this Contract). Credit for accrued annual leave, up to a maximum of 48 days and sick leave up to 96 days on a one-time basis, will be credited to the UNLVSOM New Hire.

If a UNLV SOM New Hire's employment with UNLV SOM is terminated, whether voluntarily or involuntarily, on or before June 30, 2019, UNR Med shall reimburse UNLV SOM for a proportional share of the annual leave (pursuant to the schedule below developed by UNR Med and UNLV SOM) that UNLV SOM is legally obligated to pay and actually pays out to the UNLV SOM New Hire.

EXAMPLE @ 48 DAYS Year	LIABILITY FOR PAYMENT OF LEAVE		Total
	UNR Med	UNLV SOM	
0.25	42	6	48
0.5	36	12	48
0.75	30	18	48
1	24	24	48
1.25	18	30	48
1.5	12	36	48
1.75	6	42	48
2	0	48	48

In the event that the UNLV SOM New Hire does not have 48 days of leave, the formula above will be applied proportionally to the number of leave days that transfers with the UNLV SOM New Hire.

For any UNR Med employees that leave UNR Med prior to July 1, 2017, but after the signing of this Contract, and who are subsequently employed by UNLV SOM prior to July 1, 2018 ("Applicable Time Frame"), his/her annual leave that was previously paid out by UNR Med will be reimbursed by UNLV SOM to UNR Med on the same pro-rated guidelines as set forth above which equates to 12.5% of the leave pay out previously made by UNR Med for each three months that the rehired employee remains employed by UNLV SOM. There will not be retroactive application of this provision with respect to any UNR Med employees who already left UNR Med to join UNLV SOM as of August 1, 2016. With respect to any UNR MED employees that leave UNR Med and then seek employment with UNLV SOM within the Applicable Time Frame UNLV SOM may require that, as a condition of employment with UNLV SOM, the former UNR Med employee will need to repay to UNLV SOM the annual leave that UNLV SOM is required to reimburse UNR Med as detailed in this paragraph.

6.2 Support of NSHE Code Amendment

UNR Med, UNLV SOM and the Chancellor shall support a mutually agreeable amendment to the NSHE Code providing that leave will be credited by UNLV SOM to faculty that accept new positions with UNLV SOM, pursuant to Section 6.1 of this Contract, and that employment with UNLV SOM will mean new NSHE date of hire and application of a compensation and leave benefits plan that differs from that currently used by UNR Med. Once the NSHE Code amendment is approved by the Board of Regents the Code it shall be considered to be part of this Contract.

7. Medical Benefits for Faculty

UNLV SOM will make available health insurance coverage to any and all UNR Med Faculty that accept employment with UNLV SOM with an effective date of coverage July 1, 2017. This provision shall not apply to UNR Med faculty members that have not accepted employment with UNLV SOM on or before July 1, 2017.

8. Crowe Horwath Audit

UNR Med will provide UNLV SOM a complete copy (once provided to UNR Med) of the Crowe Horwath Due Diligence Audit (all phases) in its entirety. UNLV SOM and UNR previously agreed to split the cost of the Crowe Horwath Due Diligence Audit.

9. Indemnity for Certain Claims

NSHE and UNR Med and/or the ICS will indemnify, defend and hold harmless the UNLV SOM and the UNLV SOM practice plan for actions, claims, judgments, verdicts, settlements and all other monetary and non-monetary obligations, imposed on UNLV SOM and the UNLV SOM practice plan, if any, arising from governmental investigations, proceedings or any other action(s) arising from such investigations and/or qui tam lawsuits arising out of conduct of the UNLV SOM New Hires and/or the ICS that occurred on or before June 30, 2017 ("Action"), subject to the protections and coverage of any insurance policy covering such claims. This indemnity does not apply to any conduct of the UNLV SOM New Hires that occurred on or before June 30, 2017 that was done pursuant to a program managed and controlled by UNLV SOM (e.g. the UNLV Autism Clinic or other joint appointments so long as under the oversight and/or management of UNLV SOM).

10. Curricular Review for UNR Med

On or after August 15, 2016, UNR Med will, pursuant to the applicable provisions of the NSHE Code, submit a plan for curricular review to close its departments in Southern Nevada, except for Compliance, Information Technology, Legal, and Office of Admissions and Student Affairs. This plan will be brought to the University of Nevada, Reno Faculty Senate at its September 15, 2016 meeting. The Chancellor agrees to support efforts to put this plan on the agenda for the Special Meeting of the Board of Regents in October 2016 and/or work with the Chair of the Board to request a special meeting to review and approve the curricular review plan.

11. Leases

11.1. Beginning July 1, 2017, UNLV SOM shall have responsibility for the following leases:

1524 Pinto Lane
1703/1707 W Charleston Blvd
2231 W. Charleston Blvd
2410 Fire Mesa St
3196 S. Maryland Pkwy
4000 E Charleston Blvd.
4538 W Craig Rd
520 E Lake Mead
6375 W Charleston

To the extent required, the Parties shall work together to obtain assignments of these leases.

11.2 If additional space is needed to accommodate UNLV SOM's educational and/or administrative needs, UNLV SOM is responsible for identifying such space, entering into a lease agreement for appropriate space, and paying all costs associated with the lease.

11.3 UNR Med will remain responsible for the following Southern Nevada leases and may negotiate with the landlord to terminate the lease, find subtenants for the leases, or otherwise resolve the leases with the landlord:

1701 W. Charleston Blvd
3150 N. Tenaya
3175 St. Rose Pkwy
5380 South Rainbow
7310 Smoke Ranch Rd

UNLV SOM shall maintain the lease of 7310 Smoke Ranch Road, which is grant-supported office space, through the expiration of the grant connected to that storage facility and shall pay rent for July and August 2017. UNLV SOM shall pay rent for July and August 2017 for 7310 Smoke Ranch Road.

If additional space is needed to accommodate UNR Med's educational and/or administrative needs in southern Nevada after July 1, 2017, UNR Med is responsible for identifying such space and entering into a lease agreement for appropriate space.

11.4 UNLV and UNR Med shall terminate the following lease effective July 1, 2017:

1001 Shadow Lane

12. **Formation of UNLV SOM Practice Plan:** UNLV SOM shall create a practice plan entity to begin operations and providing medical services to patients on July 1, 2017.

Except as otherwise set forth herein, UNLVSOM, with the assistance of its retained counsel, is responsible for the creation, structure, contracting, employment model, employee benefits and compliance for the UNLVSOM practice plan.

13. Assets of UNR MED And ICS in Southern Nevada: Certain UNR assets, which UNR Med identifies, shall be valued by an independent party agreed to by UNR Med and UNLVSOM. ICS assets will be valued by Todd R. Shirey, ASA (or a replacement agreed to by the parties) who will be retained and paid by ICS.

UNLVSOM or its practice plan may agree to acquire any such assets for fair market value. In the alternative, UNR Med and its practice plan may sell such assets to third party purchasers, provided that UNLVSOM is first offered the option to acquire those assets for fair market value.

Any proposal for sale of assets shall be made in writing to UNLVSOM or its practice plan first. UNLVSOM or its practice plan will have no more than 14 business days within which to accept.

14. Mojave Pharmacy: Crowe Horwath has been retained to provide a valuation of the pharmacy located at Mojave Mental Health ("the Pharmacy"), 4000 E. Charleston Blvd, Las Vegas, NV. The cost of this valuation will be paid equally by UNLVSOM and UNR Med. In the event that Crowe Horwath determines that the Pharmacy at Mojave is a going business concern with a positive valuation, the practice plans for UNR Med and UNLVSOM shall negotiate a purchase price of the Pharmacy based on the valuation amount, with an effective purchase date of July 1, 2017.

15. Southern Nevada Contracts: UNR Med has provided the database created by Holland & Hart of existing UNR Med and ICS Southern Nevada contracts. On or before November 30, 2016 UNLVSOM and the UNLVSOM practice plan shall provide to the UNR Med a list of the contracts for which they will seek assignment from the UNR Med practice plan to the UNLVSOM practice plan, if any. Notwithstanding the provisions of this section 15, the sharing or assignment of contracts shall be limited to ensure there is no disclosure of payer information or other business information that, disclosed inappropriately, might lead to anti-trust implications.

16. NRS Provisions: On or before September 30, 2016, NSHE, UNR Med and UNLVSOM will agree to proposed language to submit to the Nevada Legislature regarding the meaning of "University of Nevada School of Medicine" in the Nevada Revised Statutes and enter into a Memorandum of Understanding ("MOU") regarding responsibilities under the various Nevada Revised Statutes ("NRS") that reference "University of Nevada School of Medicine." The parties shall schedule a meeting or meetings, to occur prior to September 1, 2016, wherein the Deans of UNR Med and UNLVSOM and/or their designated authorized representatives will work to negotiate the MOU outlining the responsibilities and division of funds relative to each NRS section. If the Parties are unable to agree by September 1, 2016, then they shall participate in mediation with a neutral third party appointed by the Chancellor. In the event that an agreement cannot be reached following mediation, any remaining issues shall be presented to a committee of the Chairperson of the Board of Regents, the Vice-

Chairperson of the Board of Regents and the full committee of the Board of Regents Health Sciences Committee for determination.

17. Electronic Medical Record: UNLV SOM will work with University Medical Center ("UMC") to make the EPIC EMR (Electronic Medical Record) system available to UNLV SOM and UNLV SOM's practice plan. This notwithstanding, UNR Med, through its IT Department, will continue to support the GE Centricity EMR and make this EMR available to UNLV SOM and/or UNLV SOM's practice plan through June 30, 2018, if needed. To the extent that UNLV SOM or UNLV SOM's practice plan uses the GE Centricity EMR it will reimburse UNR Med for: (1) a proportional cost of the EMR system (user fees to GE); and (2) the cost of the services provided by UNR Med IT staff on a time and materials basis (user fees and cost of services together constitute "Reimbursement"). Such Reimbursement shall occur only up and until the date UNLV SOM and UNLV SOM's practice plan have negotiated a separate and distinct agreement to use either the EPIC EMR or the GE Centricity EMR. UNR Med is not required to provide support services to UNLV SOM absent Reimbursement.

18. UMC Residency Programs: UNLV SOM shall take all steps necessary to become and shall become the sponsoring institution for the UMC based residency programs, which includes programs at Sunrise Hospital and the VA in Las Vegas¹, effective July 1, 2017. UNLV SOM shall maintain these residencies through Fiscal Year 2018 and shall use best efforts to keep them accredited by the Accreditation Council for Graduate Medical Education ("ACGME") for accredited residencies and use best efforts to maintain the fellowship programs not eligible for accreditation by the ACGME in good standing through at least Fiscal Year 2018.

For the purposes of this Section, agreeing to "maintain" the residencies includes, but is not limited to, employing or contracting with the faculty necessary for the programs to remain accredited and/or in good standing.

¹ This includes the following programs:

Accredited (w/ACGME Code No.): Emergency Medicine (1103131189); Family Medicine (1203100700); Family Medicine (1203121481); Sports Medicine (1273113096); Internal Medicine (14033121497); Cardiovascular Disease (1413114300); Gastroenterology (1443114250); Pulmonary Disease and Critical Care Medicine (1583114001); Obstetrics & Gynecology (2203121318); Orthopaedic Surgery (2603100001); Otolaryngology (2803113139); Pediatrics (3203121407); Plastic Surgery (3623121138); Psychiatry (4003121287); Child and Adolescent Psychiatry (4053140184); Surgery (4403121378); Surgical Critical Care (4423112107).

Unaccredited: Family Medicine Obstetrics; Family Medicine Urgent Care; Family Medicine Gynecology; Emergency Medicine Ultrasound; Emergency Medicine Emergency Medical Services; Minimally Invasive Surgery; Hand Micro-Vascular Surgery; Colorectal Surgery; Acute Care Surgery; Minimally Invasive Gynecologic Surgery.

Notwithstanding the above, if there are any accredited programs that lose their accreditation prior to June 30, 2017, then UNLV SOM is not obligated to become the sponsoring institution for that program.

19. Non-Disclosure and Confidentiality:

The Parties agree to share information related to the transfer discussed herein, for use in legal proceedings, and to conduct their respective operations.

For the purposes of this Contract "Confidential Records" shall mean all documents of UNR Med or UNLV SOM that are not public records and all business records, strategies, contracts and related documents of ICS and the UNLV SOM practice plan. Confidential Records includes any and all patient information that is protected by state and/or federal law including but not limited to the Health Insurance Portability and Accountability Act ("HIPAA") Confidential Records includes the non-public sections of personnel and payroll records of UNR Med and UNLV SOM employees and all personnel records of ICS and UNLV SOM practice plan employees ("Personnel and Payroll Records").

For the purposes of this Contract, "Authorized Official" means: the Presidents, Provosts and Vice-Provosts of UNR and UNLV; the Chancellor of NSHE; the Vice-Chancellor of Legal Affairs of NSHE; the legal counsel for UNR Med, UNR, UNLV SOM and UNLV, the Deans of UNLV SOM and UNR Med; the departments of human resources of UNR and UNLV; the Vice Presidents of Business Administration for UNLV and UNR; the presidents of ICS and the UNLV SOM practice plan; the chief operations officers of ICS and the UNLV SOM practice plan; the directors of human resources for ICS and the UNLV SOM practice plan; the chief administrative/ financial officers for UNR Med and UNLV SOM; and any other persons agreed to in writing by the parties.

The receiving party shall not disclose, discuss, divulge, or in any way furnish information relating to the Confidential Records, including the Personnel and Payroll Records, nor shall they authorize, permit, or in any manner aid such disclosure to anyone other than the Authorized Officials, except pursuant to a valid court order issued by a court of competent jurisdiction. The receiving party shall protect and diligently guard against the disclosure of Confidential Records, including the Personnel and Payroll Records, and shall further notify the Authorized Officials that the Confidential Records, including the Personnel and Payroll Records are confidential and must be kept in strictest confidence. To the extent required by applicable law and regulation, each party will maintain patient information received in accordance with the requirements of HIPAA

Notwithstanding the above, UNR Med and/or UNR Med's practice plans, and UNLV SOM and/or UNLV SOM's practice plan shall work together in good faith to ensure there is no disclosure of payer information or other business information, that disclosed inappropriately, might lead to Anti-Trust implications.

20. Legal Requirements. The Parties acknowledge that the obligations imposed by this Contract may be subject to and limited by certain federal and state law and

regulations governing patient referrals and fair market compensation requirements, including, but not limited to the "Stark Law" (currently at 42 U.S.C. 1395nn and 42 C.F.R. 411.350-411.389) and other anti-kickback restrictions (the "Legal Requirements"). Nothing in this Contract shall require, or be interpreted to require, any Party to act or take action in violation of any Legal Requirements.

21. Lack of Funding. In the event that UNLV SOM does not identify funding sufficient to fulfill its obligations described herein or if payment of the financial support outlined in Section 4 above does not occur then the transition of medical education in Southern Nevada shall occur July 1, 2018 under other terms that would be separately negotiated and mutually agreed to by the Parties.

22. Foundation Gifts and Sponsored Projects. UNR Med and UNLV SOM will work together in good faith to resolve any issues regarding foundation gifts and sponsored projects relating to the transition. All such resolutions must be consistent with applicable state and federal laws and regulations. Further, all efforts should be made to obtain a resolution that is consistent with the purpose of any gift or award.

23. Dispute Resolution. The parties shall work together to resolve any and all disputes in good faith. Except as otherwise set forth in this Contract, in the event that a dispute cannot be resolved through informal discussions it will be referred for resolution to:

- For disputes between UNR Med and UNLV SOM the Dean of UNR Med and the Dean of UNLV SOM. If not resolved by the Deans the dispute shall be sent to the Presidents of UNR and UNLV. If not resolved the dispute shall be submitted to the Chancellor for resolution.
- For disputes involving the practice plan entities, a group consisting of the Dean of UNR Med, the Dean of UNLV SOM, a member of the ICS Board appointed by the President of ICS, and a member of the UNLV SOM practice plan appointed by the President of the UNLV SOM practice plan. If not resolved by this Group the dispute shall be submitted to mediation with a mediator selected by the Chancellor.

24. Order of Priority. In the event that this Contract and the previously executed LOI conflict, this Contract shall control.

25. Interpretation. The Parties and/or their representatives participated equally in the drafting of the LOI and this Contract. For purposes of interpretation, this Contract shall not be construed against any of the parties as the drafter.

IN WITNESS HEREOF, the Parties have executed this CONTRACT as of the respective dates below, contingent upon approval by the NSHE Board of Regents.

Marc Johnson 8-18-16
Date
Marc Johnson
President, University of Nevada, Reno

Len Jessup
Date
Len Jessup
President, University of Nevada, Las Vegas
b6c-820
8/18/16

Thomas L. Schwenk 8/18/16
Date
Thomas L. Schwenk
Dean, University of Nevada School of Medicine

Barbara Atkinson 8/18/16
Date
Barbara Atkinson
Planning Dean, University of Nevada, Las Vegas School of Medicine

Date
John White
Chancellor, Nevada System of Higher Education

Schwenk 8/18/16
Date
Integrated Clinical Services, Inc.

By: THOMAS L. SCHWENK, MD

Barbara Atkinson 8/18/16
Date
UNLV SOM Medicine

By: BARBARA ATKINSON

IN WITNESS HEREOF, the Parties have executed this CONTRACT as of the respective dates below, contingent upon approval by the NSHE Board of Regents.

Marc Johnson 8-18-16
Date
Marc Johnson
President, University of Nevada, Reno

Len Jessup
Date
Len Jessup
President, University of Nevada, Las Vegas

066-800
8/18/16

Thomas L. Schwenk 8/18/16
Date
Thomas L. Schwenk
Dean, University of Nevada School of Medicine

Barbara Atkinson 8/18/16
Date
Barbara Atkinson
Planning Dean, University of Nevada, Las Vegas School of Medicine

John White 8/18/16
Date
John White
Chancellor, Nevada System of Higher Education

Integrated Clinical Services, Inc. 8/26/16
Date

UNLV SOM Medicine Date

By: THOMAS L. SCHWENK, MD

By: _____