Item 3.

Creighton University Arizona Health Education Alliance Agreement
CREIGHTON UNIVERSITY ARIZONA HEALTH EDUCATION ALLIANCE

This Creighton University Arizona Health Education Alliance Agreement (“Agreement”) is effective as of __________ _____, 2017 (the “Effective Date”), and is entered into by and among (i) DIGNITY HEALTH, a California nonprofit public benefit corporation d/b/a ST. JOSEPH’S HOSPITAL AND MEDICAL CENTER, located at 350 West Thomas Road, Phoenix, Arizona 85012 (“St. Joseph’s”), and d/b/a DIGNITY HEALTH MEDICAL GROUP (“SJHMC/DHMG”) (collectively, “Dignity Health”); (ii) DISTRICT MEDICAL GROUP, INC., an Arizona nonprofit corporation (“DMG”), located at 2929 East Thomas Road, Phoenix, Arizona 85016; (iii) CREIGHTON UNIVERSITY, a Nebraska nonprofit corporation located at 2500 California Plaza, Omaha, Nebraska 68178 (“Creighton”); and (iv) MARICOPA COUNTY SPECIAL HEALTH CARE DISTRICT d/b/a MARICOPA INTEGRATED HEALTH SYSTEM (“MIHS”), a political subdivision of the state of Arizona, located at 2601 East Roosevelt Street, Phoenix, AZ 85008. (In this Agreement, Dignity Health, DMG, Creighton, and MIHS may be referred to individually as a “Party” or “Member” and may be referred to collectively as the “Parties” or “Members.”)

RECITALS

WHEREAS, the Parties entered into a Memorandum of Understanding (“MOU”) on or about October 19, 2016, agreeing to establish a framework for collaboration on health education among the Parties;

WHEREAS, this Agreement will supersede and render the MOU null and void;

WHEREAS, the Parties with their exceptional and demonstrated track records, reputations, and proven expertise in operating academic medical centers, teaching hospitals, medical schools, medical training, and health care delivery systems, seek to collaborate in order to be at the forefront of advanced medical education, research, and training new generations of physicians, nurses, and allied health professionals, all of which will improve the health outcomes of our community, state, and nation; and

WHEREAS, the Parties recognize that their closely aligned missions and core values permit and further this collaboration and will combine the best and brightest collective leadership roles in attracting top-caliber academicians, faculty and students, expanding health care and medical education and training programs, developing joint research institutes, and collectively being a greater advocate for medical education funding; and

WHEREAS, the Parties have a long history and interest in clinical care, research, medical and health care education, Graduate Medical Education (“GME”) such that the Parties’ collaboration will improve upon and expand the Parties’ current medical and health care academic programs and their GME programs, and serve the population of the State of Arizona;

NOW THEREFORE, the Parties agree as follows:
I. DEFINITIONS

The following defined terms refer to terms used in the Agreement and terms discussed below.

A. Accrediting Agencies. Various organizations that provide national and regional standards for degree-granting institutions. The following organizations have oversight of Alliance academic Programs:

1. **ACGME.** The Accreditation Council for Graduate Medical Education, which provides a single and uniform graduate medical education system throughout the United States.

2. **ACOTE.** Accreditation Council for Occupational Therapy Education.

3. **ACPE.** The Accreditation Council for Pharmacy Education.

4. **AOA.** The American Osteopathic Association, in its role as the accrediting entity.

5. **ARC-PA.** Accreditation Review Commission on Education for the Physician Assistant.

6. **CAPTE.** The Commission on Accreditation in Physical Therapy Education.

7. **CCNE.** The Commission on Collegiate Nursing Education provides accreditation for various degrees: Bachelors of Science (BSN), Masters of Science (MSN), and Doctor of Nursing Practice (DNP).

8. **CPME.** Council on Podiatric Medical Education.

9. **HLC.** The Higher Learning Commission provides accreditation and pre-accreditation of degree-granting institutions of higher education in numerous states including Arizona and Nebraska.

10. **LCME.** The Liaison Committee on Medical Education, an accrediting agency that accredits medical education programs that lead to the M.D. degree in the United States and Canada.

11. **Non-listed Accrediting Bodies.** From time to time, the Alliance will engage in the medical training and education of medical learners whose accrediting bodies are not listed above, and in such situations, this Agreement will be amended to reflect the name of such entities.
B. **Affiliate Members.** Members of the Alliance who actively participate in the Alliance (i.e., provide input in key decisions and have financial obligations) and have voting rights described herein, but are not Core Members. The original Affiliate Member is SJHMC/DHMG.

C. **Agreement.** The Creighton University Arizona Health Education Alliance Agreement.

D. **Alliance.** A nonprofit, 501(c)(3) corporation named the Creighton University Arizona Health Education Alliance through which the terms of the Agreement will be carried out.

E. **Alliance Board.** A multi-member institutional entity made up of representatives of Core Members and Affiliate Members that serves as the governing entity of the Alliance.

F. **Alliance GMEC.** The Phoenix Graduate Medical Education Committee, a subcommittee of the Creighton University Executive GMEC.

G. **Alliance Institutions.** The Alliance is composed of all Core, Affiliate, and Associate Members and their related institutions (e.g., hospitals).

H. **Associate Members.** Members of the Alliance who do not actively participate in oversight or operations of the Alliance, and do not have voting rights, but participate in education or research programs and/or have a relationship with Core or Affiliate Members.

I. **Clinical Chair.** Faculty Physician designated by a Member to manage daily activities of residents, fellows, and Faculty within a designated specialty or department.

J. **Clinical Faculty.** Health professionals employed or otherwise engaged by a Member to teach and supervise medical learners, primarily in a clinical setting.

K. **Core Members.** Members of the Alliance who are founding members or subsequently admitted as Core Members upon unanimous approval of the current Alliance Core Board Members, under Section V.G of this Agreement, with key decision-making power regarding governance and management functions and who fulfill a majority of the financial obligations for the Alliance. The founding members are Creighton, DMG, MIHS, and St. Joseph’s.

L. **Credit.** The amount owed to a Core Member by the Alliance when a Core Member has paid more than was required under its Interim Payment Amount obligation.
M. **Creighton University Executive GMEC.** The Creighton University Executive Graduate Medical Education Committee will provide overall oversight of all GME programs sponsored by Creighton and all Alliance programs as described in this Agreement. The Creighton University Executive GMEC will be chaired by the Creighton University DIO, and will include the Alliance DIO, a program director from each of Creighton, MIHS, and St. Joseph’s; one peer-selected resident/fellow from among the ACGME-accredited programs at Creighton, MIHS, and St. Joseph’s; and the hospital Chief Medical Officer or other physician executive from each of CHI-Creighton University Medical Center Bergan Mercy, MIHS, and St. Joseph’s who will serve as the quality improvement or patient safety officer from each hospital for purposes of this Agreement. Other members of the Creighton University Executive GMEC may be added as needed by Creighton with input from the Core Members.

N. **Deficit.** The amount owed by a Core Member to the Alliance when a Core Member has paid less than was required under its Interim Payment Amount obligation.

O. **DIO.** The Designated Institutional Officer is the individual who, in collaboration with a Graduate Medical Education Committee, has the authority and responsibility for the oversight and administration of each of the Sponsoring Institution’s ACGME-accredited programs, as well as for ensuring compliance with the ACGME Institutional, Common, and specialty/subspecialty-specific Program Requirements.

The Alliance will also employ an Alliance DIO, that is nominated or recommended by the Creighton University Executive GMEC subject to the approval by the Alliance Board, who will chair the Alliance GMEC and will report to the Creighton University DIO for all academic and accreditation-related matters, and will report to the Alliance’s Executive Director for administrative and operational issues.

P. **Disputes.** Disagreements or controversies arising out of the formation, performance, or alleged breach of this Agreement.

Q. **Fellowship Programs.** Programs sponsored by Creighton for the Alliance, which has the obligation to develop a curriculum for and to oversee and evaluate fellows.

R. **Fiscal Year (Academic Year).** The period from July 1 to June 30.

S. **GME.** Graduate Medical Education, which includes resident and fellowship training that allows physicians to specialize and learn to practice independently.

T. **Healthcare learners.** Medical students, residents, fellows, nurses and nursing students, and all others enrolled in an academic Program that is operated by or affiliated with the Alliance. The phrase “medical learners” is synonymous with
“health professionals,” “allied health professionals,” “health-profession students,” “health-care learners,” and other similar designations.

U. **Hospital.** Alliance Institutions and Alliance-affiliated entities that include inpatient and outpatient facilities and offices.

V. **Interim Payment Amount.** The amount each Core Member must pay annually representing its share of Alliance expenses. The amount and timing of payment will be determined by the Alliance Board.

W. **Major Participating Site.** A Review Committee-approved participating site to which all residents in at least one Program rotate for a required educational experience, and for which a master affiliation agreement must be in place. To be designated as a major participating site in a two-year Program, all residents must spend at least four months in a single required rotation or a combination of required rotations across both years of the program. In Programs of three years or longer, all residents must spend at least six months in a single required rotation or a combination of required rotations across all years of the Program. The term “major participating site” does not apply to sites providing required rotations in one year Programs.

X. **Member.** For purposes of this Agreement, Core, Affiliate, or Associate Alliance Members may be individually referred to as a “Member” and collectively referred to as “Members.”

Y. **Program.** A structured educational or training experience in medical education, including graduate medical education, designed to conform to the ACGME Program Requirements of a particular specialty/subspecialty, as well as other regulatory or oversight entities’ requirements, the satisfactory completion of which may result in eligibility for professional certification, including board certification.

Z. **PLA.** The Program Letter of Agreement is a written document that addresses GME responsibilities between an individual accredited program and a site other than the sponsoring institution at which residents receive a required part of their education.

AA. **Program Director.** A member of the faculty for an Alliance Program who is appointed by the Creighton University Executive GMEC to oversee the Alliance Program and fulfill the responsibilities specified by the ACGME or other applicable Accrediting Agencies.

BB. **Quorum.** A simple majority (50% + 1) of the then-serving membership of the Alliance Board or any committee of the Board.
CC. **Right of First Offer.** A contractual obligation of the owner of an asset to the holder of rights in an asset to negotiate the sale of an asset with that rights holder before offering the asset for sale to third parties.

DD. **Right of First Refusal.** A potential buyer’s contractual right to meet the terms of a third party’s highest offer. Should Creighton seek to develop academically focused affiliations and partnerships with other entities within Arizona, the Alliance will hold right of first refusal.

EE. **Supermajority.** Seventy-five percent (75%) of all Board directors present and voting on a particular action.

II. **PURPOSE AND OVERVIEW**

A. The purpose of this Agreement is to establish the framework for collaboration between the Parties that will enable the Parties to leverage their own expertise and resources to facilitate their shared interests in collaboration across multiple disciplines of health science, clinical learning environment, research, and teaching medical students, residents, fellows, nurses, allied health, and related health professionals.

B. This Agreement is based upon a mutually agreed goal to improve and expand the Parties’ current health education Programs and to develop new and/or consolidate existing academic and clinical education Programs in medicine, nursing, pharmacy, and allied health through a not-for-profit 501(c)(3) corporation named the Creighton University Arizona Health Education Alliance. This Agreement will provide for, among other things, joint governance and operation of the Programs conducted under the Alliance.

C. The Alliance will direct and coordinate clinical training activities among the Members for Programs conducted under the Alliance. This includes clinical rotations at Member and non-Member institutions and any Alliance Program students/residents/fellows who seek clinical training at Alliance clinical training sites. The Alliance will include coordination of its Members for non-sponsored Programs as well. One goal of the Alliance is to develop high quality academic health education Programs that produce top clinical health care professionals trained in quality and safety to improve health outcomes, increase access to health care and meet the needs of Arizona’s patient population. The Alliance will develop a transition plan for all Programs sponsored or coordinated by Alliance Members and any other such Program that the Alliance wants to sponsor or coordinate in the future. Initially, the Alliance will include the following categories of Programs: GME, medical student education, nursing education, dentistry, physical therapy, occupational therapy, and pharmacy.

D. Another goal of the Alliance is to build a robust academic health care enterprise within Arizona and the Greater Phoenix region that attracts top caliber
academicians and faculty and results in an increase in the number of learners trained in Arizona.

E. The Alliance will explore opportunities to (i) develop joint research institutes, whose focus is on scholarly activities of health professions students and which is a non-binding commitment contingent upon separate written agreement among participating Members and, if applicable, third parties; and (ii) as agreed to from time to time, collectively be a greater advocacy voice for health education funding.

F. The Alliance will provide the foundation for the potential of a new Creighton four-year medical school/health sciences campus in Arizona in the next 5 to 7 years (2021 to 2024). This is a non-binding commitment and is contingent upon (i) approval of the Creighton Board of Trustees, various accrediting bodies, and agencies of the State of Arizona; and (ii) approval of each Member or its governing authority, as applicable, for any commitment of funding, fundraising, physical or human (including faculty) resources to develop or operate such medical school/health sciences campus, other than the clinical training opportunities described in Section II.G below. A projection of anticipated student enrollment for Creighton’s medical school/health sciences campus in Arizona is attached as Exhibit A.

G. Should Creighton establish a new medical school/health sciences campus in Arizona, Alliance Core Members agree to provide Creighton health professions students clinical training opportunities with ample clinical training opportunities to support the development of academic programs.

H. After the Alliance is fully operative, and upon agreement of the Parties, Creighton shall petition the Accreditation Council for Graduate Medical Education (“ACGME”) to sponsor residency and fellowship programs.

I. Creighton shall sponsor, upon agreement of the Parties, new or expanded programs, in nursing, pharmacy, occupational therapy, physical therapy, medicine, and various medical specialties and sub-specialties.

J. Each Party will appoint appropriate representatives to facilitate the planning, preparation, and implementation, operations, and oversight of the activities within the framework of this Agreement. Meetings will be convened at a venue and time agreed upon between the Parties, and each Party shall be responsible for its own expenses incurred in sending representatives to these meetings.

K. This Agreement describes the terms upon which the Parties intend to cooperate. All activities undertaken pursuant to the Agreement are subject to the availability and, in some cases, governing body approval of personnel, resources, and appropriated funds. This Agreement does not affect or supersede any existing or future agreements or arrangements among the Parties and does not affect the
ability of the Parties to enter into other training agreements or arrangements related to this Agreement.

III. GENERAL MATTERS

A. Independence of Parties.

1. Each Party will retain responsibility for managing its own operations and related policies, processes, and organizational procedures, arrangements, regulatory/accreditation compliance, and resource deployments.

2. Each Party will retain responsibility for its own financial condition and maintain separate Boards of Directors, and fiduciary responsibilities for each Party shall remain with the Party’s Board of Directors or other governing authority.

3. Each Party will maintain their respective financial activities, including budgets, operating statements, capital funding, working capital requirements, etc.

4. Each Party will maintain current financial commitments for their individually hosted programs until those programs transition into the Alliance.

B. Religious Directives.

The Parties acknowledge that Creighton and Dignity are governed by certain religious directives related to their Jesuit and Catholic mission and values. Any service or activity operated or sponsored by Creighton and Dignity covered under this Agreement must align with these directives if it takes place at a Creighton or Dignity facility.

IV. EXCLUSIVITY, FLEXIBILITY, AND RIGHT OF FIRST OFFER

A. Except as otherwise provided in this Agreement, Creighton will serve as the exclusive sponsoring and accrediting institution for all health professions education programs conducted under the Alliance pursuant to this Agreement and that are hosted at Member organizations of the Alliance. Notwithstanding the above, health care educational programs hosted by a Core Member where the Core Member has a contractual relationship with a third party entity that was effective as of January 1, 2017 (each a “Pre-Existing Core Member Program”) will remain with the Core Member.

B. Transition of Current Programs. Alliance Members seeks to include as many Programs as possible under the Alliance to benefit from the Members’ shared resources. Programs currently in existence that are hosted or sponsored by an Alliance Member will be reviewed according to a transition review process
developed by the Alliance Board. As appropriate, Programs will be assigned or transferred to the Alliance according to a timeline that is agreed upon by the sponsoring or hosting Member and the Alliance Board. In addition to a Pre-Existing Core Member Program, upon request, and with approval by the Alliance Board, a Core Member may retain a particular Program.

C. During the term of the Alliance, Core Members and their affiliated entities will not seek to establish or sponsor any ACGME-accredited GME training or other ACGME-accredited education programs within the Phoenix market outside the Alliance.

D. Creighton may develop academically focused affiliations and partnerships with other entities for purposes of accessing programs, patient bases, facilities, and expertise related to education programs that are not contained within the Alliance Member institutions provided that they do not negatively impact the Alliance’s programs and learners.

E. Should Creighton seek to develop primarily academically focused affiliations and partnerships with other entities within Arizona, the Alliance shall hold right of first refusal; however, the commitment by the Alliance to provide a comparable level of programmatic resources must be provided within a reasonable time frame as agreed upon by the Alliance, which is not to exceed one-hundred-twenty (120) days.

F. St. Joseph’s, MIHS, and DMG retain the ability to collaborate with other institutions to accept rotations for learners, provided those collaborations do not negatively impact the Alliance’s programs and learners.

G. St. Joseph’s, MIHS, and DMG agree that all rotations for learners from programs conducted under the Alliance into their “collective” learning environment will be administered through the Alliance to ensure a single point of contact and coordination. St. Joseph’s, MIHS and DMG will each retain, however, the individual ability to define the number and types of learners that they are willing to accept from any given institution for a given academic year.

H. Alliance Members will utilize best efforts to provide an adequate number of core (required) and elective training opportunities for all Creighton health professions students expected in Phoenix each year as their primary or rotational learning site. MIHS and Dignity will make best efforts to afford access to training opportunities at Alliance Member institutions for Creighton health professions students.

I. Alliance Members shall maintain a transparent relationship concerning potential academic affiliations with other entities offering services/relationships that may be perceived as competitive to the Alliance, subject to the terms of any commercially reasonable written commitment or other legal obligation of confidentiality or non-disclosure.
J. If any Core Member is approached about another academic affiliation or new academic program within the Arizona or Phoenix market, or if any Core Member has an interest in creating new educational programs, it shall inform Creighton by Notice as provided in this Agreement. Creighton shall have a “Right of First Offer.”

K. After a Core Member provides Creighton Notice of a “right of first offer,” Creighton shall have forty-five (45) days to review the Notice. If at the end of the forty-five (45) day period, Creighton rejects the “offer,” the Core Member making the offer may proceed with the proposed affiliation or academic program.

V. GOVERNANCE

A. Overview. The Alliance will be governed through a multi-Member institutional oversight Board of Directors (“Alliance Board”) consisting of representatives of the Core Members and the original Affiliate Member, serving as the governing body of the Alliance. The Alliance may choose to admit additional Affiliate Members, but those subsequent Affiliate Members will only have voting rights if granted by unanimous approval of the Core Members. The Alliance, through the Alliance Board and its Board committees, will develop a strategic plan, provide operational oversight, strategic direction, and ensure excellence in the clinical learning environment.

B. Board of Directors. The Alliance shall be governed by a Board of Directors (the “Board” or “Alliance Board”).

C. Board: Number and Makeup. The Board shall consist of not less than eight (8) nor more than twelve (12) Directors. The Board shall be constituted as follows:

1. Each Core Member will be represented by an equal number of voting Directors.

2. Each Affiliate Member may appoint one (1) Director. The Affiliate Member Director will only have voting rights if the Affiliate Member is granted voting rights as set forth in Section V.A above.

3. Non-voting Directors may be appointed at the discretion of the Alliance Board.

D. Term of Office. Term of office for a Director is three (3) years. Incumbent Directors shall be eligible for reappointment and the number of terms a person may serve as a Director is not limited. In the event a Director ceases to serve for any reason, the appointing Member shall appoint a replacement Director.
E. **Purpose and General Authority of the Board.** The purpose of the Alliance Board is to establish, implement, and enforce organizational policies and procedures for maintaining effective, comprehensive, and high quality medical education programs in the Alliance. The general authority of the Board shall include but not be limited to:

1. Set Alliance strategy and monitor execution.
2. Review and approve committee recommendations.
3. Determine committee membership.
4. Evaluate and approve external affiliations and new partnership opportunities.
5. Recommend and endorse Alliance personnel decisions unrelated to GMEC program leadership decisions.
6. Develop and approve Alliance policies and procedures.
8. Approve the solicitation or expenditure of Alliance funds.
9. Resolve Alliance and related medical and health education program problems.
10. Review and approve the Alliance funds flow methodology and funding amounts, including assuring adequate financial support for all Alliance functions.
11. As the Parties transition existing Programs and develop new Programs, including establishing the foundation for a new Creighton four-year medical school/health sciences campus, they will create oversight committees and institutional support plans as appropriate to ensure the success of those Programs as well as to ensure adequate clinical teaching opportunities sufficient to support those Programs. All new, transferred, transitioned, or expanded Programs shall be subject to approval by the Board of Directors.
12. To the extent practicable, design a transition plan for the transition of Core Members’ staff who provided support to any Program, training, or educational Program transitioned under this Agreement.
13. Review annually the distribution of residents among the teaching institutions in Arizona.
F. **Powers: Delegation.** Unless otherwise required through powers reserved to the Board or Core Members, or as otherwise provided herein, the Board may delegate such authority and responsibility to the Alliance Executive Director appointed pursuant to Section VI below and other agents and/or committees of the Alliance as it deems appropriate in its discretion. The Alliance Board shall have the power to adopt resolutions and engage in such activities as are necessary to effectuate the purposes of the Alliance. The Board is also empowered to appoint committees for the purpose of assisting it in effectuating the purposes of the Alliance. Unless otherwise required herein, or by accreditation organizations, or by the resolution creating such committees, members of such committees need not be officers or Directors of the Alliance Board.

1. Notwithstanding anything stated herein to the contrary, Board approval shall be required prior to the entry into any training and educational agreement or course of conduct, the effect of which is to bind the Alliance in any manner with respect to the following actions:

   a. The expansion or reduction in the residencies and fellowships, or number of residents and/or fellows included in the residencies and fellowships in Programs sponsored by the Alliance;

   b. The acquisition, sale, transfer, assignment, lease, mortgage or encumbrance of any buildings or parcel of real estate;

   c. The acquisition, sale, transfer, assignment, lease, mortgage or encumbrance of any fixed capital with a value greater than $50,000;

   d. The undertaking of any single non-budgeted expenditure in excess of $25,000;

   e. The incurrence of any debt or obligation which would bind or obligate the Alliance in an aggregate amount exceeding $50,000;

   f. The approval of the Alliance’s annual operating and capital budgets, any variances to the budget, and the annual financial obligations of Core and Affiliate Members;

   g. The approval of any amendment to, any internal audit program and selection of the certified public accounting firm to act as the Alliance’s auditor;

   h. The approval of any amendment to the Alliance’s long range financial and strategic plans; and
i. The hiring of and performance review of the Alliance’s Executive Director.

G. Powers Reserved to Alliance Core Board Members. In addition to the powers reserved to the Alliance Core Board Members stated elsewhere in this Agreement, the following duties, powers and responsibilities of the Alliance Board are reserved to Alliance Core Board Members:

1. Adopt and amend this Agreement or the bylaws that govern the operations of the Alliance and the Alliance Board.

2. Approve the admission of additional Core, Affiliate, or Associate Members to the Alliance.

3. Remove a Core Member.

4. Grant Affiliate Members voting rights.

5. Recommend that a Member remove and replace a Director.

6. Terminate or dissolve the Alliance.

H. Committees in General.

1. The Committees of the Board shall be standing or ad hoc. Committees shall have no authority to take action on behalf of or otherwise bind the Alliance or the Board unless such authority is delegated by this Agreement or by appropriate Board resolution, but the Board at each meeting shall undertake to review committee matters, findings, recommendations, and minutes.

2. The Chair of the Board shall determine the size of each committee and shall appoint special committees as necessitated by the requirements of the Alliance and/or the Board. When the specific assignment for which an ad hoc committee is created has been completed, such ad hoc committee shall be automatically dissolved. Such dissolution shall be recorded in the minutes of the meeting of the Board during which the final report of such ad hoc committee is made and accepted. Initial standing committees of the Board shall be Finance and Operations, Nursing, Other Health Sciences, Research, Innovation, the Creighton University Executive GMEC, and the Alliance GMEC.

I. Voting. Actions reserved to the Alliance Board Core Members under Section V.G above will be by unanimous vote of all Core Members, except as related to the removal of a Core Member, which will be by supermajority vote. The removal of a Core Member and all other actions by the Alliance Board will
be by supermajority vote of seventy-five percent (75%) of all voting Directors present at a meeting at which a quorum is present (e.g., if there are 8 Directors, and 6 are present and voting, an affirmative supermajority vote would require 5 votes).

J. **Meetings.** The Alliance Board shall meet regularly at least once quarterly during each academic/fiscal year (“July 1 – June 30”). Notice of regular quarterly meetings shall not be required to be given to each Director. Special meetings of the Board may be held upon the call of the Chair of the Board or the Alliance Executive Director. The Chair of the Board or the Alliance Executive Director shall give notice of such meeting to each Director either by personally delivering, email or electronic equivalent, or by depositing in the United States Mail, postage prepaid, addressed to such Director, a written or printed notice of the date and place of such meeting, such notice to be so delivered or so mailed at least five (5) days before the date of such meeting. Notice of the date, place, and purpose of the holding of such meeting of the Board may be waived in writing by any Director if the waiver sets forth, in reasonable detail, the purpose or purposes for which the meeting is called and the time and place thereof. Attendance at any such meeting in person by any Director shall constitute waiver of the notice of such meeting. Whenever all of the then-serving Directors of the Board shall meet, such meeting shall be valid for all purposes.

K. **Meetings by Telephonic or Other Remote Communications.** The Chair (or, in his/her absence, the presiding officer at a meeting of the Directors) may authorize any or all Directors, or a Board committee, to participate in meeting by, or through the use of any means of communication, such as conference telephone, by which all Directors of the Board, or Board committee, participating may simultaneously hear each other during the meeting. Any Director, or Board committee, participating in a meeting by such means is deemed to be present in person for all purposes at the meeting.

L. **Action by Written Consent.** Any action required or permitted to be taken at any meeting of the Board (or of any committee thereof) may be taken without a meeting by way of unanimous written consent to include electronic/e-mail communication. An electronic/e-mail communication expressing support for the pending action shall be counted as an execution of such consent.

M. **Quorum.** With the exception of those actions requiring a unanimous vote by all Core Members (such as an action by written consent), a simple majority of the membership of the Alliance Board then serving (or of any committee of the Board) shall constitute a quorum for the transaction of business by the Board (or such committee).

N. **Board Officers.** The officers of the Board, as more fully described below, shall, be elected from the Directors of the Board by vote of the Directors of the Board in
May of each year and those elected shall assume office in June of each year, Officers to be elected, and the duties incumbent on such officers, are as follows:

1. **Chair of the Board.** The Chair shall preside at all meetings of the Board, shall act as a liaison with the Alliance Member institutions and affiliated entities, and shall be responsible for providing effective leadership and the functioning and operation of the Board. The Chair shall in general perform all duties incident to the office of Chair and such other duties as may be prescribed by the Board from time to time. The Chair shall also serve as Chair of the Finance and Operations Committee.

2. **Vice-Chair of the Board.** The Vice-Chair shall assist the Chair in the discharge of the duties of the Chair as the Chair may direct, and shall perform such other duties as from time to time may be assigned by the Chair, this Agreement, or the Board, In the absence of the Chair, or in the event of the Chair’s inability or refusal to act, the Vice-Chair shall perform the duties of the Chair, and when so acting shall have all the powers of and be subject to all of the restrictions upon the Chair.

3. **Secretary.** The Secretary shall ensure the custody and care of all corporate records and minutes relating to the activities of the Board and Board committee meetings for permanent recording and/or filing. The Secretary shall keep, or cause to be kept a true and complete record of the acts and votes and the minutes of proceedings of such meetings, and shall perform a like duty for all standing committees of the Board, when required. The Secretary shall authenticate records of the Alliance as necessary, and shall perform such other duties as maybe prescribed by the Board or the Chair.

4. **Treasurer.** The Treasurer or the Treasurer’s designee shall render to the Chair, the Vice-Chair, the Alliance Executive Director, and the Board, whenever they may require it, an accounting of the financial condition of the Alliance. The Treasurer shall keep, or cause to be kept, a record of accounts, showing accurately at all times the financial condition of the Alliance.

5. **Additional Officers.** The Board may elect or authorize the appointment of additional officers as the business of the Alliance may require, including, without limitation, a Chief Financial Officer, Assistant Secretaries, and Assistant Treasurers, each of whom shall hold office for such period, have such authority and perform such duties as the Board from time to time may direct.

O. **Term of Office.** The officers of the Alliance shall hold office for three (3) years and/or until their successors are chosen and qualify. Any officer may succeed himself or herself for at least one (1) additional term in the same office. Any terms beyond the first additional term will need Board approval. Any officer
elected or appointed by the Board may be removed at any time by the affirmative vote of the majority of the Board. If the office of any officer becomes vacant by reason of death, resignation, disqualification, or other cause, the Board may choose a successor who shall hold office for the unexpired term of the office in which such vacancy occurs.

P. Resignation. Any Director may resign his or her office at any time by delivering notice of such resignation in writing to the Secretary of the Alliance. The acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective.

Q. Removal. Any Director may be removed and replaced by the Director’s Core Member at any time. The Board may recommend the removal of a Director by supermajority vote if the Director misses three (3) consecutive Board meetings that for any other reason. Any replacement of a Director will be made at the discretion of the Core Member who appointed that Director.

VI. EXECUTIVE OVERSIGHT

A. Appointment, Qualifications, and Tenure. The Alliance Executive Director shall be employed by the Alliance and shall be appointed by, responsible to, and may be removed with or without cause by the Board upon vote of the then-serving Board Directors.

B. Duties. The Alliance Executive Director, who shall be the chief executive officer of the Alliance, shall be responsible for and report directly to the Board for, among other duties, the following:

1. All day-to-day operations of the Alliance, including, without limitation, the creation and maintenance of all personnel and operating policies and procedures of the Alliance.

2. All fiscal operations of the Alliance including, without limitation, creation and maintenance of, development of, and compliance with, an operating budget to ensure financial stability of the Alliance.

3. Recruit, hire, supervise, monitor, manage and terminate, if necessary, employees of the Alliance.

4. Direct long-range planning and curricula enhancement for the Alliance.

5. Establish such positions as are necessary for implementing an efficient organization.
6. Work with all parties to this Agreement to maintain and develop effective high quality medical education programs that comply with all applicable requirements of Accrediting Agencies.

7. Executive Oversight and Single Point of Accountability.

8. Identify and pursue opportunities to secure new and additional funding to support the operation and expansion of health professions training in the Arizona and Greater Phoenix area.

9. Participate in the formulation and evaluation of goals and objectives for the Alliance in alignment with the strategic direction provided by the Alliance Board.

10. Coordinate with Core Members and the Alliance Board around facilities planning, marketing, branding, and communications, and philanthropy/fund-raising functions to advance the mission of the Alliance.

11. Serve as a liaison among the Alliance Members and with external partners, affiliates, and other entities to further the mission of the Alliance through partnerships.

12. Perform other duties as assigned by the Alliance Board.

The Alliance Executive Director shall be a voting member of all committees of the Alliance. The enumeration of the above powers and duties of the Alliance Executive Director shall not be interpreted as being in derogation of other duties normally incumbent upon the Executive Director of such an organization, and the Alliance Executive Director shall have plenary authority to take action on behalf of the Alliance except as limited herein or by appropriate resolution of the Board.

C. Reports to Board. Within ninety (90) days of the end of each fiscal year, the Alliance Executive Director shall submit to the Board a report of the operations of the Alliance for the preceding year, including, an annual report of revenues and expenses of the Alliance and the annual audited financial statement of the Alliance prepared by the Alliance’s auditors. The Alliance Executive Director shall bring other matters of importance about the Alliance to the attention of the Board as necessary.

D. Annual Budget. The proposed annual operating budget developed by the Executive Director in conjunction with the Finance and Operations Committee, shall be submitted to the Alliance Board for review and approval at least ninety (90) days prior to July 1 of each fiscal year.

VII. MEDICAL EDUCATION
A. **Medical Student Education.** The Alliance will coordinate rotations of Creighton medical students and medical students of other Programs conducted under the Alliance ("Medical Students") in collaboration with St. Joseph’s and MIHS and at Alliance-affiliated entities ("Medical Student Rotations").

1. The Alliance agrees to develop a detailed implementation plan for rotations of Medical Students and other health care learner Programs that will describe the timing and process for transitioning these functions to the Alliance.

B. **Graduate Medical Education.** Creighton shall sponsor all Programs conducted under the Alliance for residents ("Residency Programs") and fellows ("Fellowship Programs") (collectively "GME Programs"). St. Joseph’s and MIHS shall initially employ the residents and fellows until July 1, 2019, when the Alliance will employ them under a common salary and benefits structure. The Alliance, through its GMEC oversight, shall have overall responsibility for the employment and orientation of the residents and fellows who are recruited and selected by the Program Directors for the GME Programs. The Alliance, through its GMEC oversight, will review the overall performance of the residents and fellows and develop and maintain a curriculum for each the GME Programs that meets the requirements of the appropriate accreditation agencies.

1. **Creighton University Executive GMEC:** Among other things, the Creighton University Executive GMEC monitors the administration and performance of all Alliance programs and Program directors, ensures that sites are compliant and that they receive necessary support and scrutiny, develops policies and Programs to further the Alliance’s mission and goals, and advocates for and secures funding for sufficient resources required to support resident education and clinical requirements that promote resident-centered Programs and services.

2. **Alliance GMEC.** GME will be conducted through the Phoenix Graduate Medical Education Committee ("Alliance GMEC"), a subcommittee of the Creighton University Executive GMEC. The Alliance will provide centralized coordination and oversight of the residency and fellowship programs, expand training, maintain affiliations with external partners, increase access to greater patient/community diversity, develop new clinical care models aligned with population health and value-based care, reduce costs due to consolidation, expand existing programs, develop new residencies and fellowships, improve advocacy for medical education funding, and address the health care work force needs of the State of Arizona. The committee’s composition, function, and responsibilities shall be defined by ACGME requirements and shall include but not be limited to:
a. Establishing and implementing policies and procedures regarding the quality of education and the work environment for the residents and fellows in all ACGME accredited graduate medical education residency and fellowship programs.

b. Advising the Creighton University Executive GMEC and the Alliance Board on all aspects of GME education including monitoring of all Alliance GME Programs.

c. Exercising those powers and duties required by the Charter for Creighton University Arizona Alliance in the Area of Graduate Medical Education.

d. Annually reviewing and recommending resident and fellow compensation to the Alliance Board, which shall include information that the proposed compensation is consistent with compensation provided by comparable programs outside of the Alliance, and developing and implementing policies regarding resident and fellow duty hours to ensure compliance with ACGME requirements.

e. Ensuring that each residency and fellowship program provides a curriculum and evaluation system that enables residents and fellows to demonstrate achievement of ACGME common and specialty-specific competencies.

f. Reviewing and advising the Alliance Board and the Creighton University Executive GMEC, as appropriate, prior to submission to the ACGME, on the following:

   i. Applications for ACGME accreditation of new programs.

   ii. Changes in the location and size of programs.

   iii. Appointment of new program directors.

   iv. Progress reports requested by Review Committees.

   v. Responses to all proposed adverse actions by the ACGME.

   vi. ACGME program accreditation letters of notification and action plans for correction of citations and areas of non-compliance.
vii. Monitoring the activities of an effective appeals process for residents and fellows to ensure due process, as required by the ACGME.

3. Accreditation-Related Topics.

   a. Maintain and/or support accreditation for any Alliance Health Professions Education or education-related research programs.

   b. Accreditation-related functions will be overseen and administered by the Alliance through the Alliance GMEC, a subcommittee of the Creighton University Executive GMEC.

   c. Creighton will employ an Associate Dean for Graduate Medical Education who will oversee the Alliance GMEC and serve as the Creighton Designated Institutional Official (“DIO”), with oversight by the Creighton University Executive GMEC.

   d. The Alliance will employ an Alliance DIO who will chair the Alliance GMEC and who will have a dual reporting relationship to the Alliance Executive Director and the Creighton DIO.

   e. Creighton maintains accreditation with the LCME that is specific to its medical education program and leads to the granting of the MD degree.

   f. The Alliance will ensure that LCME-related accreditation requirements are met and administer operational aspects of the Medical Student Rotations for Creighton students as well as for visiting students from other allopathic and osteopathic medical school programs who choose to do either elective or required rotations within Hospitals.

   g. The Alliance will analyze the capacity of clinical training opportunities at its Hospitals on an annual basis and make recommendations to the Board about the number and distribution of trainees throughout the clinical learning environment.

   h. Core Members will use best efforts (i) to provide an adequate number of clinical placements to permit Creighton to maintain accreditation for its medical student and health professions training programs based in Phoenix; and (ii) to give preference to such Creighton students for placement at Core Members’ facilities.

   i. The Alliance will support accreditation-related needs of Alliance health professions education programs. These may include:
nursing, pharmacy, pastoral care, physical therapy, occupational therapy, physician assistant.

4. **Employment of Residents and Fellows.** To the extent possible and practicable, effective on or about July 1, 2019, the Alliance will employ the residents and fellows in GME Programs and will, after approval by the Creighton University Executive GMEC, have sole responsibility and authority to administer their salaries and benefits, including their professional liability insurance, in accordance with Alliance policies and procedures and GME requirements. Such amounts for salaries and benefits will be reflected in the annual operating budget to be reviewed and approved by the Alliance Board. The residents and fellows in GME Programs shall not be entitled to receive any compensation or benefits from Hospitals for services provided pursuant to this Agreement except as otherwise may be provided herein. Compensation paid to the residents and fellows in GME Programs will not take into account the volume or value of any referrals or other business generated by such residents or fellows either within the Alliance or at any Member hospitals.

5. **GME Program Transition Items.**
   a. Parties will transition GME program sponsorship to Creighton. Creighton will make efforts to minimize disruption to the Hospitals, and their respective Programs, staff, and health care learners.
   b. To be eligible for transition of sponsorship programs to Creighton, GME Programs must be in good academic standing with the relevant accrediting body.
   c. All new program applications must be approved by the Alliance GMEC and the Creighton University Executive GMEC and submitted by Creighton to the ACGME.
   d. The Parties agree to work together to integrate any duplicative programs, where there is rationale to support integration, as rapidly as feasible taking into account operational and other practical considerations.

C. **Health Professions Education.**

1. The Alliance, with input from the Core Members, will coordinate rotations of Creighton health professions education program students (“Health Professions Students”) with Hospitals (“Health Profession Student Rotations”).
2. **Hospital Rotations.** The Alliance will coordinate medical learner hospital rotations with St. Joseph’s and MIHS (collectively “Alliance Institutions”) and at Alliance-affiliated entities including outpatient facilities and offices (Alliance Institutions and Alliance-affiliated entities are collectively referred to as “Hospital” or “Hospitals”). The Alliance will also coordinate resident and fellow rotations from non-Alliance institutions and hospitals.

D. **Nursing Committee.** The Nursing Committee shall include in its composition, the MIHS and Dignity Chief Nursing Officers or their designee and the Committee’s function and responsibilities shall include but are not limited to:

1. Oversee nursing programs, accreditation, and site-specific program infrastructure.
2. Make recommendations about strategic and programmatic planning for nursing education programs.
3. Review performance measures and targets.
5. Identify opportunities to expand and grow training programs; identify new alliances, resources, etc.
6. Work in conjunction with the Finance and Operations Committee to develop annual budgets.
7. Coordinate training and operating efforts among Alliance Member Institutions.
8. The Alliance will develop and recommend to the Board for Board approval a detailed transition plan to coordinate the transition of any learner rotations to the Alliance.

E. **Other Health Sciences Committee.** The Other Health Sciences Committee’s function and responsibilities shall include but not be limited to:

1. Oversee health professions education programs, accreditation, and site-specific program infrastructure.
2. Make recommendations about strategic and programmatic planning for health professions education programs.
3. Review performance measures and targets.
4. Review health professions education program(s) performance.

5. Identify opportunities to expand and grow training programs; identify new alliances, resources, etc.

6. Work in conjunction with the Finance and Operations Committee to develop annual budgets.

7. Coordinate training and operating efforts among collaborative members.

8. The Alliance will develop and recommend to the Board, for Board approval, a detailed transition plan to coordinate the transition of any learner rotations to the Alliance.

F. **Innovation Committee.** The Committee’s function and responsibilities shall include but not be limited to:

1. Promote collaboration and innovation among Alliance Members and training programs.

2. Support and identify opportunities for inter-professional education.

3. Develop innovative education and research initiatives.

4. Research innovative training and education approaches and make recommendations for adoption by the Alliance Board.

5. Evaluate opportunities to utilize investments made in health professions education to stimulate and sustain meaningful improvements in quality and patient safety and other initiatives that drive value.

G. **Creighton Education Obligations.**

1. Be the sponsoring institution and maintain accreditation and oversight as appropriate for Creighton-sponsored educational programs at Alliance Member institutions, and operate and manage all programs pursuant to accreditation guidelines and standards.

2. Ensure that appropriate resources are provided to support the operation of high-quality, cost-efficient education and research programs at Alliance Member institutions (e.g., subject matter expertise).

3. Make facilities, equipment, and programs reasonably available to Alliance Members.
4. Ensure that Creighton resources, as applicable, be appropriately licensed and accredited, operated in compliance with all standards for the uses intended by Alliance Members, and managed in accordance with law and generally applicable standards.

5. Comply with all requirements necessary to support the rotations for educational programs and qualified reimbursement for such programs (if applicable).

6. Partner with and/or lead efforts, where appropriate, to advocate for the resources necessary to support educational and research programs at the regional, state and national levels.

7. Develop and implement documents required by the ACGME relating to specific GME programs established under the Alliance including but not limited to oversight of affiliation agreements approved by the Creighton University Executive GMEC between Alliance and each Hospital that is a “Major Participating Site,” and program letters of agreement (“PLAs”) approved by the Creighton University Executive GMEC between each program and all training sites where required rotations will occur.

8. Coordinate all ACGME processes for participating residencies and fellowships and be identified as the recipient for all ACGME materials for participating residencies and fellowships.

H. Medical Education Research and Scholarly Activities.

1. The Alliance shall facilitate an academic culture where the educational programs operate in an environment that fosters the intellectual challenge and spirit of inquiry appropriate to a community of scholars, sufficient opportunities, encouragement, and support for health professions’ student participation in the research and other scholarly activities of its health profession learners, faculty, and Alliance Members.

2. The Alliance will encourage and support clinical research. The Alliance shall facilitate Members, Hospitals and Clinical Faculty, as appropriate, entering into clinical research study agreements with study sponsors that encompass multiple sites throughout the Alliance. The Alliance shall ensure that Members, Hospitals, and Clinical Faculty devote sufficient time and professional services to clinical research to satisfy ACGME requirements.

3. Research Committee. The Research Committee’s function and responsibilities shall include but not be limited to:
a. Support research activities in accordance with accreditation requirements.

b. Identify and develop opportunities for learners to participate and engage in research.

c. Make recommendations to the Alliance Board regarding:
   i. Opportunities to strategically advance the research activities of the Alliance.
   ii. Administrative collaboration, common/centralized processes, economies, and opportunities for alignment of research policies and procedures.
   iii. Maximize financial and other resources potentially available to the research activities of the Alliance.

d. Identify and evaluate opportunities to partner with organizations outside of the Alliance on research activities.

I. Infrastructure.

   1. Employment of Operations Staff.
      a. Recruitment, employment, contracting, and leasing of appropriate administrative/academic support staff for training and related functions by the Alliance.
      b. Transition, when feasible, of administrative/academic support staff, currently employed by other Parties, to Alliance employment.
      c. Develop administrative/academic support staff job descriptions, requirements, and performance expectations, including a career development pathway within the Alliance.
      d. Administer payroll, benefits, and all other HR-related functions for its employees.

      a. The Alliance will enter into a contractual arrangement with one or more Core Members who can provide access to back-office/support functions and services.
b. The Alliance will initially contract for the following support functions and services:

i. **Human Resources**: Employee recruitment, on-boarding, and off-boarding; regulatory compliance functions; payroll and benefits; personnel matters; other.

ii. **Legal**: Develop, plan, organize, and implement programs to comply with applicable federal and state statutes and regulations; assist with developing and executing contracts on behalf of the Alliance; provide input about the appointment of learners and other learner-related agreements; participate in dispute resolution; provide input about policy development where appropriate; provide other assistance as requested.

iii. **Information Technology**: Implements and monitors all activities that relate to the Alliance’s information systems, including help desk functions, system maintenance, data processing, networking, and system security operations, and tasks related to programming and integration, with a focus on readiness for future organizational growth.

iv. **Accounting and Finance**: Responsible for ensuring that the financial long-term goals and obligations of the Alliance are met, developing financial policies and processes, and overseeing implementation. Monitors and executes a variety of financial activities, including budgeting, analysis, payroll, preparation of tax returns, and design and production of regular financial management reports.

J. **Advocacy and Government Relations**.

1. The Alliance will develop an advocacy program that represents and supports its Core Members and its Affiliate and Associate Members in identifying opportunities to advocate for access to resources as well as legislative, regulatory, and other action that would benefit the Alliance and its programs.

2. The Alliance will be responsible for developing action plans, materials, and providing education to key constituents as appropriate to effectively advocate for the Alliance, its Members and its Programs.

K. **Philanthropy**.
1. Alliance Members will retain their own independent philanthropic functions. It is not anticipated that the Alliance will also formulate a development function. However, the Alliance Board and the Alliance Executive Director will participate in efforts to support and coordinate philanthropic efforts for its Members to benefit the Alliance and its programs wherever possible, and to support and to advance each Member’s pursuit of opportunities.

2. The foundations of Alliance Members will establish fundraising agreements, as appropriate, to foster coordination and cooperation in fundraising campaigns and other philanthropic activities in a manner beneficial to the strategic objectives of the Alliance.

3. Coordination and collaboration of philanthropic activities should focus on expanding the total amount of aggregate funds raised in support of the programs of the Alliance.

4. The philanthropic activities associated with the Alliance should consider as paramount the intent and interests of the donor.

5. The priorities of the Alliance should be reflected in both the joint and separate fund-raising activities of the Alliance Members.

6. When appropriate, the Alliance Board may provide guidance on joint philanthropic activities and priorities.

VIII. PROTECTION OF CREIGHTON ACADEMIC INTERESTS

All parties to the Agreement have a shared responsibility for the academic programs and training conducted through the Alliance. Although the Alliance Agreement is meant to avoid duplication of academic assets and to increase the efficiency and quality of delivering clinical training for health professions programs, Creighton retains ultimate control over its academic interests, specifically the appointment of faculty and academic department chairs at Creighton, approval of the curriculum, and the development and implementation of standards for those in the Alliance programs. The policies and procedures governing student, resident, and fellow education shall be those of Creighton University as the sponsoring institution of health professions training programs. Given the Alliance’s collaborative structure, Creighton will consider recommendations of Alliance Members, with specific deference to recommendations based on the law of the state in which the Alliance Member is located.

In the relationship between Creighton’s health professions schools and the Alliance Members in their role as clinical affiliates of the health professions programs, the educational programs for all health professions students remains under the control of the respective health professions school’s faculty. This Agreement shall serve in lieu of individual institutional clinical affiliation agreements between Creighton and other Alliance Members. Clinical affiliation agreements for required clinical experiences may also be warranted with other clinical
facilities that have a significant role in the clinical education program. Such agreements provide for, at a minimum the following:

- The assurance of health professions student and faculty access to appropriate resources for the student education
- The primacy of the health professions education program’s authority over academic affairs and the education/assessment of health professions students
- The role of Creighton’s health professions colleges and schools in the appointment and assignment of faculty members with responsibility for health professions student teaching
- Specification of the responsibility for treatment and follow-up when a health professions student is exposed to an infectious or environmental hazard or other occupational injury
- The shared responsibility of the clinical affiliate and the health professions school for creating and maintaining an appropriate learning environment.

IX. FACULTY AND MEDICAL STAFF MATTERS

A. Creighton, through the Deans of its health professions colleges and schools, will accept and actively solicit applications from Clinical Faculty to obtain faculty appointments with Creighton.

B. Creighton shall ensure that the Clinical Faculty at Member sites and medical school levels at each campus are functionally integrated by appropriate administrative mechanisms (e.g., regular meetings and/or communication, periodic visits, participation in shared governance, and data sharing).

C. Alliance Affiliation and Core Members will continue to oversee and manage physician deployment and compensation arrangements.

D. Clinical Faculty will not generally be employed by Creighton or the Alliance unless there is Alliance Board approval for an exception to this policy. The Alliance may contract with its Members for Clinical Faculty. The Alliance may also employ clinical faculty for non-clinical administrative positions (e.g., the Alliance Executive Director).

E. Educators, including physicians, nurses, allied health professionals, and scientists with assigned responsibility for the training, instruction, supervision, and control of learners and who are in positions of administrative leadership or designated as core faculty will be required to apply for faculty appointments with the appropriate school at Creighton.
F. Physicians who currently serve as Clinical Faculty are eligible to apply for Creighton faculty appointments that will be granted, or not, in accordance with Creighton policies.

G. Creighton retains sole authority with respect to the granting, renewal, and maintenance of faculty appointments and the attendant rights and responsibilities.

H. Creighton retains sole authority with respect to naming of academic Department Chairs at Creighton.

I. Alliance Core Members who maintain medical staffs (i.e., MIHS and St. Joseph’s) and/or clinical departmental structures (i.e., DMG and SJHMC/DHMG) will retain sole authority with respect to:

1. Granting, renewing, and maintaining medical staff membership and privileges.

2. Selecting and appointing Department Chairs, Service Chiefs, or equivalent consistent with their medical staff bylaws, physician practice bylaws, and other relevant policies and procedures.

J. Recruitment for the administrative leadership positions of academic programs (e.g., program directors, regional Deans) will be coordinated by the Alliance.

K. Alliance Members may choose to engage in joint recruitment of other faculty for educational programs.

L. Employment arrangements for any jointly recruited faculty/physicians will be determined on a case-by-case basis and will take into account factors such as anticipated deployment and source of funding/support for faculty compensation, among others.

X. AVAILABILITY OF CLINICAL FACILITIES AND RESOURCES

A. DMG Obligations.

1. Provide adequate support and resources for the education programs to be established and otherwise fulfill all duties, powers, and responsibilities as appropriate and/or as required by the relevant accreditation or regulatory agencies.

2. Maintain medical staffing, clinical administration, and faculty support for Alliance education and training programs.

3. Ensure that Clinical Faculty members devote sufficient time to the educational program to fulfill their supervisory and teaching
responsibilities and to demonstrate a strong interest in the education of residents and students. The Clinical Faculty must establish and maintain an environment of inquiry and scholarship that includes research opportunities for learners. Faculty members, including the program director, must regularly participate in faculty development activities related to resident and student education, including evaluation, feedback, mentoring, supervision, or teaching.

4. If DMG operates independent facilities (e.g., ambulatory care sites), make space, facilities, equipment, infrastructure, and other resources reasonably available to foster the Alliance’s education training programs and to ensure that Creighton is successful in maintaining accreditation by the LCME by meeting or exceeding all of its standards.

5. Provide a convenient and patient-sensitive environment for faculty practice.

6. Foster Clinical Faculty and Clinical Chair recruitment/retention and support program development and operations at Alliance-affiliated institutions.

7. Partner with and/or lead efforts, where appropriate, to advocate for the resources necessary to support educational programs at the regional, state and national levels.

8. Manage physician deployment and compensation plans in a manner that supports the needs of the Alliance training programs and ensures adequate support for physicians to meet academic-related expectations, subject to DMG policies and parameters.

9. Encourage and support physicians to pursue and maintain Creighton faculty appointments.

10. Provide an adequate clinical instructional setting, including access to patients in a variety of clinical settings. Creighton will provide oversight of the clinical learning environment in accordance with program accreditation requirements.

B. Dignity Health/St. Joseph’s Obligations.

1. Provide adequate support and resources for the education programs to be established and otherwise fulfill all duties, powers, and responsibilities as appropriate and/or as required by the relevant accreditation or regulatory agencies, including entering into master affiliation agreements and PLAs.
2. Provide a convenient and patient-sensitive environment for faculty practice with an adequate clinical instructional setting, including access to patients, inpatient care, ambulatory care, data, and clinical records. Creighton will provide oversight of the clinical learning environment in accordance with program accreditation requirements.

3. If SJHMC operates independent facilities (e.g., ambulatory care sites), make space, facilities, equipment, infrastructure, and other resources reasonably available to foster the Alliance’s education training programs and to ensure that Creighton is successful in maintaining accreditation by the LCME by meeting or exceeding all of its standards.

4. Ensure that the use of resources by Alliance clinical faculty members and learners shall be subject to all applicable rules, regulations, and policies of the hospital(s).

5. Maintain licensure and be in good standing with relevant government agencies, regulatory, and accrediting bodies (e.g., Department of Health, Medicare/Medicaid, and The Joint Commission).

6. Maintain medical staffing, clinical administration, and faculty support for Alliance education and training programs and ensure that Clinical Faculty devotes sufficient time to the educational programs to fulfill their supervisory and teaching responsibilities; and to demonstrate a strong interest in the education of residents and students. The Clinical Faculty must establish and maintain an environment of inquiry and scholarship that includes research opportunities for learners. Faculty members, including the program director, must regularly participate in faculty development activities related to resident and student education, including evaluation, feedback, mentoring, supervision, or teaching.

7. Partner with and/or lead efforts, where appropriate, to advocate for the resources necessary to support educational programs at the regional, state and national levels.

8. Continue to aggressively pursue available sources of hospital funding for health professions training, for example, Medicare GME reimbursement, and work closely with the Alliance to ensure compliance with all reporting and documentation requirements related to external funding opportunities.

9. Encourage and support medical staff and/or affiliated physicians to pursue and maintain Creighton faculty appointments.

10. Foster Faculty and Clinical Chair recruitment/retention and support program development and operations at Alliance-affiliated institutions.
11. Provide an adequate clinical instructional setting, including access to patients in a variety of clinical settings. Creighton will provide oversight of the clinical learning environment in accordance with program accreditation requirements.

12. Manage physician deployment and compensation plans in a manner that supports the needs of the Alliance training programs and ensures adequate support for physicians to meet academic-related expectations, subject to DHMG policies and parameters.

13. Identify a physician as the Site Director Clinical Leadership Officer.

C. MIHS Obligations.

1. Maintain licensure and be in good standing with relevant government agencies, regulatory, and accrediting bodies (e.g., Department of Health, Medicare/Medicaid, The Joint Commission, DNV, or other federally approved accrediting entity).

2. Provide adequate support and resources for the education programs to be established and otherwise fulfill all duties, powers, and responsibilities as appropriate and/or as required by the relevant accreditation or regulatory agencies, including entering into master affiliation agreements and PLAs.

3. Ensure that Clinical Faculty devotes sufficient time to the educational programs to fulfill their supervisory and teaching responsibilities; and to demonstrate a strong interest in the education of residents and students. The Clinical Faculty must establish and maintain an environment of inquiry and scholarship that includes research opportunities for learners. Faculty members, including the program director, must regularly participate in faculty development activities related to resident and student education, including evaluation, feedback, mentoring, supervision, or teaching.

4. Make space, facilities, equipment, infrastructure, and other resources reasonably available to foster the Alliance’s education training programs and to ensure that Creighton is successful in maintaining accreditation by the Liaison Committee on Medical Education (“LCME”) by meeting or exceeding all of its standards.

5. Provide an adequate clinical instructional setting, including access to patients, inpatient care, ambulatory care, data, and clinical records. Provide Creighton oversight of the clinical learning environment in accordance with program accreditation requirements.
6. Ensure that the use of resources by Alliance clinical faculty members and learners shall be subject to all applicable rules, regulations, and policies of the hospital(s).

7. Partner with and/or lead efforts, where appropriate, to advocate for the resources necessary to support educational programs at the regional, state and national levels.

8. Continue to aggressively pursue available sources of hospital funding for health professions training, for example, Medicare GME reimbursement, and work closely with the Alliance to ensure compliance with all reporting and documentation requirements related to external funding opportunities.

9. Encourage and support medical staff and/or affiliated physicians to pursue and maintain Creighton faculty appointments.

10. Identify a physician as the Site Director Clinical Leadership Officer.

XI. FINANCIAL MATTERS

A. Initial Financial Obligation

1. Each Core Member’s initial financial obligation to the Alliance is to maintain their current level of financial support for health professions education.

2. In addition, Core Members will proportionately share in the costs to support the initial Alliance start-up budget as agreed to by the Core Members and attached hereto as Exhibit B.

3. The Executive Director and Finance and Operations Committee will develop and submit to the Alliance Board for review and approval the allocation methodology that will be used to determine each Core Member’s financial obligation to the Alliance for the approved operating budget.

4. The Executive Director and Finance and Operations Committee will submit to the Alliance Board for approval an operating budget that replaces the commitment in Sections XI.A.1 and 2 above for maintenance of effort and payment to fund the initial start-up budget as soon as reasonably possible after approval of this Agreement with an effective date as agreed upon by the Parties.

5. If the Executive Director and Finance and Operations Committee are unable to agree to an updated 2018 operating budget in advance of the normal due date of adoption of the 2019 annual operating budget,
however, then the Core Members agree that the commitment in Sections XI.A.1 and 2 above regarding maintenance of effort and payment to fund the initial start-up costs remains in effect through June 30, 2018.

6. The Executive Director and Finance and Operations Committee shall submit the 2019 operating budget to the Alliance Board for review and approval at least ninety (90) days before July 1, 2018.

B. **Non-Shared Expenses.** Expenses directly related to any single Member shall be attributed solely to and paid solely by that Member.

C. **Payment/Reconciliation Process.**

1. Each Core Member shall pay annually its share of Alliance expenses based upon the Budget. The Alliance Board shall establish an Interim Payment Schedule for the Core Members to fund the Alliance and the education programs. The Interim Payment schedule (monthly/quarterly payments) will be determined annually in accordance with the approved annual Budget and the division of Expenses outlined therein. Payments shall be made within thirty (30) days of each invoice.

2. Within thirty (30) days after the end of each fiscal year quarter during the term of this Agreement, the Alliance will provide the Core Members with financial reports and will reconcile Interim Payment Amounts for that quarter with the Expenses that the Alliance incurred during that quarter.

3. In the event that any Core Member’s Interim Payment Amount exceeds the Net Expenses that are allocable to that Member (“Credit”), the Alliance shall carry forward the Credit as a prepayment of that Core Member’s Interim Payment Amount for the next quarter. In the event that any Core Member’s Interim Payment Amount is less than the Net Expenses that are allocable to that Core Member (“Deficit”), then that Core Member shall pay the Alliance the Deficit within 30 days of the date on which Alliance provides that Core Member with notice of the Deficit.

4. The Interim Payment Amount of each Core Member may be adjusted with unanimous Core Member approval in subsequent quarters to better estimate its portion of the Expenses in those quarters.

D. **Cap Sharing Arrangements.** Core Members may engage with one another to develop Medicare Affiliated Group or other cap sharing arrangements that will enable them to optimize their collective access to federal GME reimbursement. The Alliance may serve in a coordinating function to support and facilitate cap sharing among Core Members. However, any cap sharing arrangements will be executed outside of the Alliance by the Core Member in accordance with current
Medicare regulations. Core Members shall not participate in cap-sharing arrangements with non-Alliance Members without first notifying and soliciting input from the Alliance Board regarding the proposed arrangement.

E. **Access to GME Funding.** Core Members will collaborate and coordinate wherever possible to expand access to Federal, State, and other available funding for GME. The parties agree to work both collectively and individually (e.g., applying for available cap positions when periodic redistributions occur) to increase resources available to support health professions training in Phoenix and Arizona more broadly.

F. **Finance and Operations Committee.** The Finance and Operations Committee’s function and responsibilities shall include but not be limited to:

1. Recommend to the Alliance actions necessary to guarantee the fiscal and legal integrity of the Alliance.

2. Develop and maintain a consolidated operating budget and financial statement for the Alliance, including funds flow model to determine the appropriate amount of financial support required of the Alliance Members. It is anticipated that the funds flow methodology will take into account among other considerations the following:
   a. Available funds and revenue sources.
   b. Valuation of in-kind services and support.
   c. Usual and customary expenses associated with health professions education will be covered by the Hospitals. This includes costs associated with alliance administration (personnel and non-personnel), GME (resident comp/benefits, faculty comp/benefits, other program costs), medical education and allied health (coordinator staff/benefits), etc.
   d. Size and scope of training programs.
   e. Accreditation requirements and national benchmarks when available.
   f. Availability of faculty and faculty employment models.
   g. Local/regional market dynamics or other unique factors.
   h. Distribution of learners/amount of activity associated with each Hospital/participating institution, to determine pro-rata payment obligations.
i. Additional program initiatives such as research, simulation, and other advances.

3. Annually update the Alliance funds flow model.

4. Develop budget recommendations to support new programs developed under the Alliance, including the financial obligations of each party.

5. Contribute to improving the financial performance of the Alliance.

6. Ensure appropriate operational infrastructure and integration of clinical training programs.

7. Make recommendations about learner distribution in conjunction with other committees and program directors.

8. Periodically, review the personnel policies, salary schedules and job descriptions of the Alliance employees.

XII. BRANDING AND COMMUNICATION

A. No party shall use the name, logo, likeness, trademarks, image or other intellectual property (“Branding Rights”) of any other party for any advertising, marketing, endorsement or any other purposes without the specific prior written consent of an authorized representative of the other party. Notwithstanding the foregoing the parties may refer to the Alliance in its brochures and materials and in other public information materials.

B. The Alliance will serve as a common “brand” for the collective health professions training programs and research initiatives undertaken by the Parties.

C. The naming convention for Creighton-sponsored educational programs hosted at Alliance Members will uniquely identify the Alliance to provide distinction from any sponsored programs outside of the Alliance.

D. The Parties agree that programs that are primarily sited at the Barrow Neurological Institute will retain a name and brand that identifies them as such and ensures ongoing opportunity to promote the well-established national reputation of these programs.

E. Notwithstanding anything in this Agreement to the contrary, the Parties agree that MIHS and Dignity own and have the right to protect their respective Branding Rights; however, to the extent practicable MIHS and Dignity will work collaboratively with the Alliance to further Alliance’s Branding activities.
F. This agreed-upon Alliance naming convention will be utilized across all websites, publications, accrediting bodies and other education sites where potential faculty and students may visit.

G. Co-branding at the corporate level will be allowed exclusively among the Core Members of the Alliance.

H. Any new co-branded logo developed as a result of the Alliance will be used exclusively by the Alliance at the discretion and approval of the Alliance Board.

I. To the extent that affiliations are developed with external entities, limited co-branding at the programmatic level with these external entities will be permitted.

J. Except as required by law, no press release or other statements in connection with this Agreement intended for use in the public media, having or containing any reference to any Party shall be made by any Party without the prior approval of the Alliance, which shall not be unreasonably withheld. All statements by the Parties shall describe the scope and nature of their participation accurately and appropriately.

XIII. PROFESSIONAL LIABILITY

A. Graduate Medical Education. The Alliance will provide all employed residents and fellows (collectively “Trainees”) with professional liability insurance coverage for their acts and omissions that occur at any Hospitals while engaged in educational activities and such Alliance-provided coverage will be primary coverage to any coverage provided by a Hospital. Hospitals will provide professional liability insurance coverage for Trainees’ acts and omissions while the Trainees are on rotation to Hospitals and at Sites Sponsored by the Alliance, including any non-Alliance external sites affiliated with the sponsored Programs. When individual Trainees are not engaged in a Program involving the care of patients at Hospitals or are on rotations at any location that is not a Site Sponsored by the Alliance, e.g., moonlighting, no professional liability coverage will be provided under this Agreement. The Alliance shall also provide extended reporting or “tail” insurance coverage, if applicable, for the Trainees consistent with the standards that each Hospital applies for its employed physicians. Coverage shall include both liability protection to the limits of coverage and the costs of defending litigation. Proof of coverage will be provided upon request to any party to this Agreement. If an Alliance Member or Hospital wishes to change its insurance or its coverage applicable to Trainees, that Alliance Member or Hospital will provide at least thirty (30) days’ advanced written notice to the Alliance Board and the individual Members. As part of its orientation process, the Alliance will inform Trainees as to the scope and applicability of the professional liability insurance coverage provided under this Section.
B. Clinical Faculty Members. The Members that employ the Clinical Faculty shall provide professional liability coverage for the Clinical Faculty members for liability arising from teaching services provided to the Trainees at Hospitals and such coverage will be primary coverage. Each party shall include in its contract with any Clinical Faculty member a commitment by the Faculty member to cooperate in the defense of any claim insured pursuant to this Section.

C. Outside Activities. To the extent that any residents, fellows, or Clinical Faculty engage in activities or provide services outside the scope of their Alliance employment or function, the foregoing professional liability coverages shall not apply to such activities or services.

XIV. DISPUTE RESOLUTION

A. Scope. Any dispute or controversy, including but not limited to the formation, performance or alleged breach of this Agreement, arising out of or relating to this Agreement ("disputes") shall be resolved in accordance with the procedures specified in this Section, which shall be the sole and exclusive procedures for the resolution of any such disputes. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

B. Negotiation Between Executives. The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between the Chief Executive Officers of the Parties to the dispute or their respective designees. Either party may give the other Party written notice of any dispute not resolved in the normal course of business and such notice shall include (a) a statement of that Party’s position and a summary of arguments supporting that position, and (b) the name and title of the executive who will represent that Party and of any other person who will accompany the executive. Within thirty (30) days after delivery of the notice, the receiving Party shall submit to the other Party a written response which shall include (a) a statement of that Party’s position and a summary of arguments supporting that position, and (b) the name and title of the executive who will represent that Party and of any other person who will accompany the executive. Within ten (10) days after delivery of the response notice, the executives of both Parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All reasonable requests for information made by one Party to the other will be honored.

C. Mediation. If the Parties are unable to resolve their dispute pursuant to Section XIV.B above, the Parties thereafter agree to attempt to resolve such dispute via a mediation process sponsored by the American Health Care Lawyers Association ("AHLA") or other agreed upon mediation service.
D. **Arbitration.** Any dispute arising out of or relating to the Agreement which has not been resolved pursuant to Section XIV.B and XIV.C above within thirty (30) days, shall be finally resolved by arbitration pursuant to paragraph XIV.F below; provided, however, that if one Party fails to participate in the negotiations as agreed herein, the other Party can commence arbitration prior to the expiration of the time periods set forth above.

E. **Arbitrators.** If the amount in controversy is less than One Million Dollars ($1,000,000.00), the dispute shall be resolved by a sole arbitrator. If the amount in controversy is equal to or greater than One Million Dollars ($1,000,000.00), the Arbitration Panel shall consist of three (3) arbitrators selected as follows. Each Party shall select one arbitrator, and the two Party-selected arbitrators shall select the third arbitrator who shall serve as Chair of the Panel. Regardless of the number of arbitrators, each arbitrator shall have not less than ten (10) years’ experience as a hospital administrator or as a lawyer serving the health care industry with knowledge and experience in the legal regulation of hospitals and physicians, and each arbitrator must be neutral and independent of the Parties.

F. **Law and Jurisdiction.** The arbitration shall be governed by applicable provisions of A.R.S. § 12-1501 et seq. and the Arizona and Local Rules of Civil Procedure and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. The place of arbitration shall be Phoenix, Arizona.

XV. **SAFEGUARDING CONFIDENTIAL PATIENT INFORMATION**

Notwithstanding anything to the contrary in this Agreement, all individually identifiable health information shall be treated as confidential by the Parties in accordance with all applicable federal, state or local laws and regulations governing the confidentiality and privacy of individually identifiable health information, including without limitation the Health Information Portability and Accountability Act of 1996 (“HIPAA”), as amended, and any regulations and official guidelines promulgated thereunder; and the Parties agree to take such additional steps and/or to negotiate such amendments to this Agreement as may be required to ensure that the Parties and this Agreement are and remain in compliance with the HIPAA regulations and official guidance. In connection with the execution of this Agreement, each Alliance Member, as a covered entity, and the Alliance, as business associate of each Alliance Member, shall enter into the Business Associate Agreement attached hereto as Exhibit C.

XVI. **INDEMNIFICATION**

To the extent permitted by law, each Party agrees to indemnify, defend and hold harmless the other Parties and the Alliance from and against any and all claims, losses, liability, costs or expenses including but not limited to, those arising out of bodily injury to any person, including death, or property damage; however, such indemnification shall be solely to the extent that such claims are caused or arising directly from the negligence, misconduct, or other fault of the indemnitor, its agents, employees, or contractors in connection with their performance under this
Agreement. If the claim becomes subject to this indemnity provision, the Parties will meet to discuss a common and mutual defense including proportional liability and payment of possible litigation expenses and money damages all to occur under a Common Interest or Joint Defense Agreement. This section shall survive termination of this Agreement.

XVII. INSURANCE

A. The Parties and the Alliance shall maintain during the term of this Agreement insurance of the types and amounts set forth below. In addition, the Parties and Alliance shall, where possible, notify every other Party of any cancellation of the insurance or any material decrease in the amounts of coverage at least thirty (30) days before such action occurs.

In the event that the Alliance or any Party does not purchase commercial insurance to fulfill all or a portion of its obligations under this Section, becomes self-insured for all or a portion of its obligations, or creates or enters any financial arrangement to fulfill its obligation hereunder, the Party, including Alliance, will ensure, to the satisfaction of all other Parties, that such non-commercial insurance arrangements are financially and actuarially sound.

B. The insurance(s) required to be maintained are:

1. Worker’s compensation and employer’s liability insurance with limits of $1,000,000.00 each accident, $1,000,000.00 each disease and $1,000,000.00 disease policy limits;

2. Automobile and General Liability Insurance;
   a. General liability insurance at least as broad as ISO’s CG0001 with a limit of $1,000,000.00 for each occurrence, a $2,000,000.00 Products/Completed Operations Aggregate, and $2,000,000.00 General Aggregate. The insurance shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual;
   b. Automobile insurance for vehicles owned, hired and non-owned or leased by a Party with limits of $1,000,000.00 per occurrence;
   c. Directors and Officers Liability coverage, with coverage limits at levels that are customary in the community for each Party.

3. Professional Liability
   a. Except as provided in Section XVII(B)(4), below, each Party shall be solely responsible for procuring and maintaining professional liability coverage for any and all professional activities. Such
professional liability coverage shall be maintained during the term of this Agreement and for the period of five (5) years following the withdrawal, conclusion, or termination of this Agreement, and shall have annual policy period coverage minimum limits of $2,000,000 per occurrence and $5,000,000 in the aggregate for healthcare professionals who are employees and/or independent contractors of a Party. Such professional liability insurance coverage requirements may be met through a combination of captive insurance and commercially purchased insurance policies.

4. General Liability and Professional Liability Insurance Regarding Alliance Medical Staff Activities:

a. Notwithstanding the above, the Alliance agrees to provide “Alliance Medical Staff Activities Liability Coverage” as that term is defined below to each Party’s Clinical Faculty. For purposes of this Paragraph, such “Alliance Medical Staff Activities” Liability Coverage means that each Party’s Clinical Faculty shall be entitled to defense and indemnity coverage for claims, suits, losses or expenses arising out of “the Alliance Medical Staff Activities.” For purposes of this Section, “Alliance Medical Staff Activities” means activities: (a) relating to non-clinical administrative duties of Hospital’s Medical Staff that are performed by any committee member or officer of the Hospital’s Medical Staff in their capacity as a committee member or officer; (b) relating to the training or education, employment, disciplinary, termination, non-renewal or related decisions affecting graduate medical personnel; (c) relating to the performance by Clinical Faculty in his or her capacity as a medical director for services provided under this Agreement; or (d) relating to the performance of non-clinical administrative duties at the request, and on behalf, of the Alliance at Hospitals. The coverage provided under this Section shall apply to all Alliance clinical faculty activities occurring during the Term of this Agreement and any extensions or renewals thereof.

b. The defense and indemnity and professional liability insurance provided under this Section, including coverage limits and exclusions, shall be governed by the terms of the Alliance’s Insurance Plan. Coverage, defense costs and indemnification for intentional and willful/wrongful acts, criminal acts, fines, assessments, penalties or punitive damages are specifically excluded under this Section.

5. Privacy, Security, and Data Breach Insurance. The Alliance and each Member will procure and maintain during the term of this Agreement privacy, security, and data breach insurance in an annual aggregate amount
of no less than $3,000,000. The provisions and obligations under this section will survive the withdrawal, termination, or conclusion of the Agreement.

6. The provisions under this Section XVII will survive a Party’s withdrawal from this Agreement and the termination or conclusion of the Agreement.

C. The insurance requirements outlined in this Section shall be reviewed annually by the Alliance Board and shall be amended from time to time as agreed by the Parties to be consistent with the levels of professional and other liability coverage prevailing in the community and current insurance market conditions and availability.

XVIII. INTELLECTUAL PROPERTY RIGHTS

The Parties acknowledge and agree that the activities performed under this Agreement may result in the creation of new intellectual property; therefore unless otherwise provided, the following will apply:

A. Alliance shall retain exclusive title and all rights to inventions, copyrights, and other intellectual property arising from the conceptions or efforts of Alliance employees, agents or consultants in performing this Agreement, including but not limited to all research activities and all outcome studies related to the Alliance as defined in Section VII(H), Medical Education Research and Scholarly Activities.

B. Core Members shall retain exclusive title and all rights to inventions, copyrights, and other intellectual property arising from the conceptions or efforts of the Core Members’ respective employees, agents, or consultants in performing this Agreement that are not related to the Alliance and the operation of the GME programs under the Alliance.

XIX. TERM AND TERMINATION OF AGREEMENT

A. The Agreement will become effective upon the Effective Date and will continue in effect for twenty (20) years, at which time it will be automatically renewed for additional periods of five (5) years, unless otherwise terminated pursuant to the terms herein. After a notice of withdrawal or termination is provided by a party, all parties (including the withdrawing entity) will cooperate in developing a Transition Plan, as defined herein.

B. If the Alliance Board determines that any Member has breached a material provision of this Agreement, it shall provide written notice of such breach to the breaching Member. Provided that the Member fails to cure such breach, within ninety (90) days after receipt of such notice, the Alliance Board may, upon unanimous vote of the non-breaching Members, terminate the participation by the breaching Member or Affiliated Entity in the Alliance.
C. The Alliance Board Core Members, upon unanimous vote, may terminate this Agreement immediately if Creighton fails to maintain its institutional sponsorship in good standing with the LCME.

D. The Creighton may terminate a Hospital’s participation in the Alliance immediately upon notice that (i) such Hospital has lost its state licensure or accreditation with JCAHO, DNV, or other federally approved accrediting entity; (ii) such Hospital is excluded or debarred from participation in any federal healthcare programs, federal or state procurement or non-procurement program or is designated a Specially Designated National or Blocked Person by the Practice Site of Foreign Asset Control of the U.S. Department of Treasury; (iii) such Hospital has made an application for the appointment of a receiver, trustee or custodian for its assets; (iv) a petition under any section or chapter of the Federal Bankruptcy Code or any similar law or regulation is filed by or against such Hospital; (v) such Hospital makes an assignment for the benefit of its creditors; or (vi) such Hospital becomes insolvent or fails generally to pay its debts as they become due.

E. The termination rights in this section are not exclusive, but rather are in addition to any other rights and remedies that the parties may have at law or in equity.

F. If this Agreement is terminated and/or any Alliance GME program is discontinued for any reason, or if a party withdraws from the Alliance or is otherwise terminated from participating in the Alliance, each party (including those that may be withdrawing or terminating) will cooperate to adopt a transition plan (a “Transition Plan”) that (a) ends the affected GME programs in a responsible manner that is consistent with ACGME requirements related to the closure of such programs; (b) protects the interests of the then current residents and fellows and those residents and fellows who may have been admitted to, but not yet begun, their residency or fellowship program; and (c) resolves outstanding financial and other issues between the parties and fellows.

G. Notwithstanding the foregoing, neither the withdrawal or termination of a party from the Alliance, nor the expiration or termination of this Agreement for any reason will cause the termination or modification of any existing master affiliation agreements and PLAs. Such master affiliation agreements and PLAs will remain valid and in effect in accordance with their terms. However, the expiration or termination of all master affiliation agreements and PLAs between the Alliance and any given Hospital will trigger an automatic withdrawal or termination of such Hospital from the Alliance and termination of its rights and obligations hereunder.

H. The covenants of this section shall survive the expiration or termination of this Agreement.
XX. WITHDRAWAL

A. Withdrawal for Convenience. Intent to withdraw from the Alliance shall be by notice. Core Members must provide the Alliance with at least five (5) years’ notice of intent to withdraw. Affiliate and Associate Members must provide the Alliance with at least twenty-four (24) months’ Notice of Intent to Withdraw.

B. Withdrawal for Cause. If Creighton determines that it will not establish a four-year medical school and health-sciences campus in Phoenix, or if Creighton fails to perform certain tasks within the timeline that will be established by the Alliance Board, any Party may review the Agreement and its obligations. If Creighton fails to (i) perform certain tasks toward a four-year medical school and health sciences campus in Phoenix as agreed upon by a unanimous vote of the Core Members, or (ii) establish such medical school and health sciences campus on or before January 1, 2024, any other Party to this Agreement may withdraw from the Agreement. To withdraw for cause, (i) Core Members must provide the Alliance with at least two (2) years’ notice of intent to withdraw and (ii) Affiliate and Associate Members must provide the Alliance with at least twelve (12) months’ Notice of Intent to Withdraw.

C. Adjustment in Event of Withdrawal. In the event that a Member withdraws from this Agreement for Convenience or Cause as set forth in herein, the costs of operating the Alliance shall be allocated among the remaining Members from and after the effective date of such withdrawal. The withdrawing Member shall remain responsible for its share of costs as allocated by the Alliance up to and including the effective time of such withdrawal. Withdrawal from the Alliance does not release any Member from its obligations as a Participating Site for GME or other training programs and the Member will still be required to comply with any related agreements until they terminate or expire and any policies that are incorporated by reference into the agreements, including the insurance obligations mentioned above.

D. Notwithstanding anything herein to the contrary, if on the written advice of legal counsel: (i) any party determines that this Agreement may be interpreted to violate any applicable laws, regulations or court orders, as they may be amended from time to time; (ii) any party determines that a law precludes it (as a result of this Agreement) from billing Medicare or another public or private third party payor for its healthcare items and services; (iii) any party determines that as a result of this Agreement a law prohibits, limits, or otherwise adversely affects its reimbursement for healthcare items or services; (iv) any party determines that this Agreement jeopardizes such party’s tax-exempt status or its tax-exempt bonds; (v) the Alliance Board determines that one or more of its Members’ status would jeopardize its accreditation under ACGME, LCME, or any applicable accrediting body; or (vi) any Core Member determines that its participation in the Alliance would jeopardize its state licensure or accreditation with JCAHO, DNV, or other federally approved accrediting entity; the party making such determination may
withdraw from the Alliance upon sixty (60) days’ advance written notice of the intent to withdraw and the basis for the determination to the Alliance. The Alliance shall use good-faith efforts during such sixty (60) day period to avoid such withdrawal by amending this Agreement in such a manner so that it complies with applicable laws, does not preclude a party from billing a third party payor, does not adversely affect reimbursement for a party’s services, does not jeopardize the tax-exempt status of any tax-exempt party or their respective tax-exempt bonds, and does not jeopardize a party’s accreditation or state licensure, as applicable.

E. Withdrawal upon Non-Renewal of MIHS’ Tax Levy. Notwithstanding any provision in this Agreement to the contrary, in the event that MIHS’ statutory tax levy pursuant to A.R.S. § 48-5565 is not renewed by the voters of Maricopa County, MIHS may withdraw from the Alliance, without penalty, upon twelve (12) months’ written notice.

XXI. MISCELLANEOUS

A. Non-Discrimination. Discrimination against any individual involved in this Agreement, because of race, color, religion, sex, national origin, age, handicap, veteran’s status, marital status, or sexual orientation or preference is prohibited by the parties, and if practiced by any party or Hospital may be cause for terminating the offending entity’s participation in the Alliance.

B. Amendment and Assignment. Amendments and modifications to the terms and conditions of this Agreement shall be effective only upon the mutual written agreement of the parties hereto, signed by a person authorized to approve such amendments and/or modifications. No party may assign this Agreement or any rights hereunder without the prior written consent of the other parties.

C. Independent Contractors. The Parties are independent contractors, and nothing herein shall be deemed or construed to create an employment or agency relationship. The obligations of the Parties under this Agreement are several and not joint. This Agreement is strictly for the benefit of the parties hereto, and is not meant to create any rights in third parties or third party beneficiaries.

D. Compliance with or Change of Law. The Parties specifically intend to comply with all applicable laws, rules and regulations as they may be amended from time to time. If any part of this Agreement is determined, upon written advice from counsel, to violate federal, state, or local laws, rules, or regulations, as they may be amended from time to time, the parties agree to negotiate in good faith revisions to any such provisions. If the parties fail to agree within a reasonable time to revisions required to bring the entire Agreement into compliance, any party may withdraw from the Alliance upon sixty (60) days’ prior written notice to the other parties as described in Section XX.D.
E. **Severability.** The provisions of this Agreement are severable, and if any provision of this Agreement is found to be invalid, void or unenforceable, the remaining provisions will remain in full force and effect.

F. **Entire Agreement.** Except for the existence of any current professional services agreements between MIHS and DMG, Creighton and Dignity Health’s Affiliation Agreement, and the PIROG Agreement between MIHS and Dignity, this Agreement represents the understanding among the Parties regarding the subject matter hereof, and shall supersede all previous communications, representations, understandings, whether oral or written, by or among the Parties with respect to this Agreement. This Agreement, including any exhibits referenced herein, shall constitute the entire agreement and understanding between the parties as to the subject matter hereof and supersedes all prior discussions, agreements and undertakings of every kind and nature between them, whether written or oral, with respect to such subject matter.

G. **Compliance with Federal Programs.** Each party hereby represents and warrants that it (i) is not currently excluded, debarred or otherwise ineligible to participate in the Federal health care programs as defined in 42 U.S.C. § 1320a-7b(f) (“Federal health care programs”); (ii) is not convicted of a criminal offense related to the provision of healthcare items or services and has not been excluded, debarred, or otherwise declared ineligible to participate in the Federal health care programs; and (iii) is not under investigation or otherwise aware of any circumstances which may result in being excluded from participation in the Federal health care programs. Each party shall immediately notify the Alliance of any change in the status of the representation and warranty set forth in this section, at which point the Alliance may elect to terminate such party’s participation in the Alliance.

H. **No Obligation to Make Referrals.** The parties acknowledge that there is no requirement under this Agreement, or any other agreement between the parties, that any party refer any patients to any healthcare provider or purchase any healthcare goods or services from any source. Additionally, no payment under this Agreement is (i) in return for the referral of patients, if any, or (ii) in return for purchasing, leasing, or ordering services from any party. Any party may refer, or not refer, patients to the other parties or Hospitals and shall make such referrals, if any, based only on the professional medical judgment of the healthcare provider, and the needs and desires of the relevant patients.

I. **Counterparts.** This Agreement may be executed in one or more counterparts, all of which together shall constitute only one (1) agreement.

J. **Governing Law.** This Agreement has been entered into in the State of Arizona and shall be construed and interpreted in accordance with, and shall be governed by, the laws of the State of Arizona, notwithstanding that State’s choice of law provisions. Venue for any action will be in Phoenix, Arizona.
K. **Authorization.** Each party represents and warrants that it is duly authorized to enter into or sign in acknowledgment, as applicable, this Agreement on behalf of itself and its affiliates, and that this Agreement shall not conflict with or cause it to be in breach of any other agreements or obligations such party or Hospital might have.

L. **Notices.** All notices and other communications hereunder shall be in writing (including telecopy, electronic, or similar writing) and shall be sent, delivered or mailed, addressed or emailed:

**CREIGHTON UNIVERSITY,**
**ATTN: Counsel for Health Services**
Creighton University
2500 California Plaza
Omaha, Nebraska 68178

**DIGNITY HEALTH, a California nonprofit public benefit corporation d/b/a ST. JOSEPH’S HOSPITAL AND MEDICAL CENTER and d/b/a DIGNITY HEALTH MEDICAL GROUP**
**ATTN: Legal Department**
3200 North Central Avenue, 23rd Floor
Phoenix, Arizona 85012

**DISTRICT MEDICAL GROUP, INC.,**
**ATTN: CEO**
2929 East Thomas Road
Phoenix, Arizona 85016

**MARICOPA COUNTY SPECIAL HEALTH CARE DISTRICT d/b/a MARICOPA INTEGRATED HEALTH SYSTEM,**
**ATTN: CEO**
2601 East Roosevelt
Phoenix, Arizona 85008

Each such notice, request, or communication shall be effective (i) if delivered by hand or by nationally recognized courier service, when delivered at the address specified in this Section (or in accordance with the latest unrevoked direction from such party) and (ii) if given by facsimile or electronic communication, when such facsimile or electronic communication is transmitted to the facsimile or electronic number or address, as the case may be, specified in this Section (or in accordance with the latest unrevoked direction from such party), if confirmation is received from the recipient of the notice.
M. **Interpretation.** 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. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.”

N. **Severability.** If any provision of this Agreement, or the application thereof to any person, entity, place or circumstances, shall be held by a court of competent jurisdiction to be invalid, unenforceable, or void, the remainder of this Agreement and such provisions as applied to other persons, places, and circumstances shall remain in full force and effect; provided however, that in the event that the terms and conditions of this Agreement are materially altered as a result of this paragraph, the parties will renegotiate the terms and conditions of this Agreement to resolve any inequities.

O. **Compliance with Law, Regulations and Accrediting Requirements.** The parties agree to conduct the GME and other health professionals education Programs in accordance with the accrediting agency standards applicable to them. The parties acknowledge that this Agreement is subject to, and the parties agree to comply with, applicable local, state and federal rules, and regulations. In particular, the parties agree to comply with the requirements of HIPAA, as amended from time to time.

P. **Use of Protected Health Information.** The Alliance as Business Associate of the parties may use Protected Health Information to carry out its responsibilities pursuant to this Agreement. The Alliance shall ensure that its directors, officers, employees, contractors and agents do not use Protected Health Information received from a Covered Entity, as defined in HIPAA, in any manner that would constitute a violation of the Privacy Standards if used by a Covered Entity, except that the Alliance may use Protected Health Information (i) for a Business Associate’s proper management and administration; or (ii) to carry out the legal responsibilities of a Business Associate.

Q. **Confidentiality.** The Parties having previously executed a Confidentiality and Non-Disclosure Agreement (“NDA”) in February 2016, agree that the NDA shall continue to govern the disclosure of any confidential information between the Parties with regard to this Agreement. Additionally, the Parties acknowledge that as a result of this Agreement, they may have access to certain confidential and proprietary information of each other and the Alliance. The Parties shall hold such confidential and proprietary information, including the terms and conditions of this Agreement, in confidence and shall not use or disclose such information, either by publication or otherwise, to any person without the prior written consent of the other Party, except as may be required by law and except as may be required to fulfill the rights and obligations set forth in this Agreement.
R. No Restriction on Existing Business and Relationships. Notwithstanding any other provision of this Agreement to the contrary, each Party acknowledges and agrees that the execution of this Agreement is not intended to restrict the other Party’s or any of its affiliated entities’ ability to carry on its existing business, enter into a new line of business, develop new services, engage in non-GME related business arrangements, or otherwise expand its business. Each Party and its affiliated entities are free to conduct any existing business that competes with the other Party and develop any additional business that may compete with the other Party. Notwithstanding the foregoing, the parties agree, that to the extent permitted by law, the collaboration envisioned by this Agreement is considered to be an exclusive arrangement among the Parties and that they will not enter into any arrangement whose intent and focus is inconsistent with this Agreement. The exclusive arrangement described in this paragraph shall (i) not require a Party to divest of, modify or terminate any education-related arrangement entered into by such Party prior to the Effective Date of this Agreement; and (ii) not prohibit a Party from sending, receiving or training health education students, residents or fellows under arrangements with organizations other than the Alliance, provided all learners within the Alliance Programs continue to receive sufficient training opportunities to complete their training.

S. This Agreement is subject to termination under A.R.S. § 38-511. The Parties agree that they are not currently engaged in, and agree that for the duration of the Agreement they will not engage in, a boycott of Israel, as that term is defined in A.R.S. § 35-393.

{ Signature Page Follows }
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date last written below.

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<th>DIGNITY HEALTH, a California nonprofit public benefit corporation d/b/a ST. JOSEPH’S HOSPITAL AND MEDICAL CENTER and d/b/a DIGNITY HEALTH MEDICAL GROUP</th>
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## Exhibit A

Creighton University Health Science Arizona Campus
Student Projections

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<td>-</td>
<td>30</td>
<td>60</td>
<td>90</td>
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<tr>
<td>Occupational Therapy</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>4</td>
<td>20</td>
<td>40</td>
<td>60</td>
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<tr>
<td>Emergency Services</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
<td>24</td>
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<tr>
<td>Totals</td>
<td>108</td>
<td>156</td>
<td>232</td>
<td>354</td>
<td>520</td>
<td>638</td>
<td>746</td>
<td>806</td>
<td>826</td>
</tr>
</tbody>
</table>
# Estimated Alliance Start-Up Costs

<table>
<thead>
<tr>
<th>Category</th>
<th>Expense</th>
<th>Proposed Core</th>
<th>Estimated Member</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alliance Executive Director</td>
<td>$166,667</td>
<td>25%</td>
<td>$42,000</td>
</tr>
<tr>
<td>Administrative Assistant</td>
<td>$32,500</td>
<td>25%</td>
<td>$8,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$199,167</td>
<td></td>
<td>$50,000</td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td>$59,750</td>
<td>25%</td>
<td>$15,000</td>
</tr>
<tr>
<td><strong>Total Personnel</strong></td>
<td>$258,917</td>
<td></td>
<td>$65,000</td>
</tr>
<tr>
<td><strong>Legal Fees</strong></td>
<td>$34,000</td>
<td>25%</td>
<td>$9,000</td>
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<tr>
<td><strong>Consulting Fees</strong></td>
<td>$275,000</td>
<td>25%</td>
<td>$69,000</td>
</tr>
<tr>
<td><strong>Non-Personnel</strong></td>
<td>$16,000</td>
<td>25%</td>
<td>$4,000</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>$131,381</td>
<td>25%</td>
<td>$33,000</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>$715,298</td>
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<td>$180,000</td>
</tr>
</tbody>
</table>

---

1. All costs are assumed to be split equally among the four core members.
2. Figures may not be exact, due to rounding.
3. Assumes $250,000 annual salary, adjusted for eight months in FY 2018.
4. Assumes $65,000 annual salary, adjusted for six months in FY 2018.
5. Assumes 30% fringe benefits rate.
6. Estimated based on doubling of current legal fees ($17,000).
7. Estimated based on a $55,000 monthly budget for five months.
8. Assumes $24,000 annual expense, adjusted for eight months in FY 2018. Figure estimates costs for office space, supplies, printing and copying, etc.
9. Assumes 22.5% contingency rate for unanticipated costs.
1. Reporting relationships depicted are for GME purposes only. All physicians continue to maintain other/additional reporting relationships to department chairs.