

SAMPLE AFFILIATION AGREEMENT

Hospital A and Hospital B hereby enter into this Affiliation Agreement (“Agreement”), and agree as follows:

1. Hospital A, provider number 00-0000, and Hospital B, provider number 00-0001, desire to form an affiliated group for purposes of applying both the Direct Graduate Medical Education (“DGME”) and Indirect Medical Education (“IME”) FTE Caps.
2. The Providers meet the regulatory requirements of 42 CFR §413.75(b) to form an affiliated group due to the fact that they meet the shared rotational requirement and [see §413.75(b), definition of “Medicare GME Affiliated group” to fill in appropriate qualification].
3. Each hospital’s 1996 FTE count for IME and DGME is as follows:

| HOSPITAL | IME | DGME |
|-----------------|------------|-------------|
| Hospital A | 0 | 0 |
| Hospital B | 10 | 10.5 |

4. During the term of this Agreement, the parties project that the FTE caps will be applied as follows:

| | YEAR 1 | |
|------------|-----------------------|-------------|
| | 7/1/05-6/30/06 | |
| | IME | DGME |
| Hospital A | 5 | 5 |
| Hospital B | 5 | 5.5 |

5. The adjustment to each hospital’s FTE counts results from the *shared rotational arrangement* between Hospital A and Hospital B, consisting of 5 FTE residents for IME and 5 FTE residents for DGME that train at both hospitals. Thus, during

the year of this Agreement, the FTE caps for Hospital A for purposes of IME and DGME will be increased by 5 FTEs, and the FTE caps for Hospital B for purposes of IME and DGME will be decreased by 5 FTEs.

6. The parties agree that since residency programs change throughout the academic year, the parties may make amendments to this Agreement and notify their respective fiscal intermediaries up through June 30 of each academic year for changes that occurred throughout that academic year.
7. The term of this Agreement shall be 1 year, effective July 1, 2009 through June 30, 2010.
8. Upon the expiration of the 1-year term of this Agreement, the hospitals will revert to their own individual FTE caps in effect prior to this agreement.

Hospital A Representative

Hospital B Representative

By:
Date:

By:
Date: