EMPLOYMENT GUIDELINES FOR SHARED PERSONNEL
Effective 10-30-15

I. Overview

This document provides a framework for the recruitment and appointment/employment by Carle Physician Group and/or The Carle Foundation Hospital ("Carle") and the University of Illinois at Urbana-Champaign Illinois ("Illinois") of shared personnel contemplated by their medical education and research affiliations, which necessitates a coordinated approach to recruiting, hiring and retaining world-class physicians, clinician-scientists, and faculty.

Clarity regarding the structure of shared personnel between Carle and Illinois is critically important to ensuring the success of their affiliations. The parties are separate, unrelated legal entities that must have the flexibility and autonomy to operate independently and within the private corporate and public academic structures that govern them. The success of the shared employees will depend upon clear and transparent articulation of the appointment/employment structures and the respective responsibilities and resources that attach to each of the parties. Finally, well-defined and documented employment arrangements optimally support the ability of Carle and Illinois to respectively comply with their separate legal, regulatory and policy obligations and to limit their liability exposure.

By adopting the concept of shared personnel, the parties acknowledge that, under the relevant law, the status of the shared personnel likely would be regarded as a "borrowed servant," where there is a primary (or "general") employer, and the party borrowing the employee for generally a lesser percentage of time is the secondary (or "special") employer. Because the parties may have joint and several liability for the acts and omissions of their shared personnel, they have apportioned their rights and obligations with respect to liability, indemnity and insurance in their affiliation agreements.

II. Definitions

Once the parties have agreed to hire an individual whose time will be shared between them, the parties will determine which of them serves as the following:

"Primary Employer" is the entity ultimately responsible for making any final decisions relating to the individual’s compensation, benefits, advancement, discipline, continued employment and other terms and conditions of employment. As such, the Primary Employer will be responsible for paying the individual’s salary, providing fringe benefits, collecting and remitting payroll taxes, and so forth. In most cases, the Primary Employer will be the entity for which the individual devotes the majority of his or her worktime.

"Secondary Employer" is the entity that borrows an employee from the Primary Employer. While the Secondary Employer may offer input to the Primary Employer on employment decisions regarding the individual and may terminate that individual’s services for the Secondary Employer, the Secondary Employer will not be responsible for making final employment decisions for the Primary Employer with regard to that individual. The Secondary Employer, however, will direct and control the duties and responsibilities of the shared employee while the shared employee is working on behalf of the Secondary Employer, and, at the same time, the shared employee will be expected to adhere to the Secondary
Employer’s policies, practices and reporting lines. In most cases, the Secondary Employer will be the entity for which the individual devotes less than a majority of his or her worktime.

"Illinois Faculty" is an individual who holds a faculty appointment from at least one Illinois academic unit.

"Carle Provider" is an individual who is employed by Carle Physician Group and holds medical staff privileges at The Carle Foundation Hospital.

III. Hiring Structures for Shared Personnel

There are three general categories of employment arrangements for shared personnel. These categories fall on a continuum ranging from individuals who are fully employed by Carle with some courtesy appointment (0% FTE) at Illinois to faculty members with 100% FTE appointments at Illinois with some minor affiliation with Carle.

1. 100% Primary Employer with courtesy (0%) academic appointment or affiliation with the other party

   - The Primary Employer will conduct the employment search in accordance with its normal processes and enter into the employment contract with the individual. As a general rule, the party granting a zero percentage appointment or affiliation will not enter into an employment contract with the individual other than what is necessary to document the courtesy academic appointment or clinical or research affiliation.

   - Illinois courtesy appointment is subject to the governing policies and procedures of the relevant unit and of the campus and university. A courtesy appointment may be granted to a Carle physician, for instance, to facilitate joint research with Illinois Faculty, to enable participation in educational activities at the university, or to establish a preceptor arrangement in the College of Medicine.

   - Courtesy affiliation at Carle is subject to Carle’s policies and procedures related to such individuals. A courtesy affiliation may be granted for Illinois Faculty at Carle, for instance, to enable participation in clinical care and/or joint research activities occurring on Carle’s premises. Participation in clinical care requires compliance with Carle’s policies and procedures including its Medical Staff Bylaws.

2. Primary employment at Illinois with less than 50% assignment to Carle

   - Individuals with primary employment at Illinois and secondary employment at Carle may include:

     o Illinois tenure system faculty (unmodified titles of assistant, associate or full professor)
• specialized faculty not in the tenure system (e.g., lecturers and clinical, research or teaching professors at any rank)
• academic professional positions

• Illinois tenure system faculty will have a tenure home in the appropriate Illinois academic department.

• Illinois will have appropriately tailored promotion and tenure policies and procedures, along with annual evaluation and promotion policy and procedures for specialized faculty to help ensure that individuals whose scholarship, teaching and service include a clinical component and focus are fairly and comprehensively evaluated based on their contributions to Illinois research, teaching, service and public engagement missions.

• Pursuant to the University Statutes, an individual must have at least a 51% FTE appointment with an assistant professor title to be on the tenure track. Assistant professors earning probationary credit toward tenure (i.e., pre-tenure assistant professors) must have adequate time, support and resources to develop a record sufficient to earn tenure.

• When Carle is the Secondary Employer, the shared employee is expected to meet and adhere to Carle’s employment policies, procedures, and practices.

3. Primary employment at Carle with less than 50% assignment to Illinois

• Individuals with primary employment at Carle and secondary employment at Illinois may include faculty and academic professionals.

• Pre-tenure assistant professors cannot be included in this category of appointments.

• After tenure is granted, there may be situations that support a reduction of a tenured appointment at FTE percentages below 51%. Such a reduction would require the prior consent of Carle if it will result in an increased assignment at Carle, as well as an amended employment contract agreed to by all of the parties.

• Tenured associate professors and professors shall have Illinois academic appointments in the appropriate academic units of Illinois, commensurate with their time, commitment, qualifications and responsibility for teaching, research and/or service.

• Illinois will develop appropriately tailored evaluation and promotion policies and procedures to ensure career advancement for individuals holding Illinois appointments at any FTE percentages (including 0% FTE courtesy appointments in academic units). The relevant unit and campus policies and procedures will ensure that individuals whose scholarship, teaching and service include a clinician component and focus are fairly and
comprehensively evaluated as appropriate based on their contributions to the unit, campus, and Illinois research, teaching, service and public engagement missions.

- Carle will protect the time that Carle Providers have agreed to devote to their academic, educational and research commitments as Illinois Faculty, and Carle will ensure that productivity expectations reflect the employment contracts of shared personnel.

- When Illinois is the Secondary Employer, the shared employee is expected to meet and adhere to the employment policies, procedures and practices of Illinois.

On occasion, a shared employee may be temporarily assigned to perform services on behalf of the Secondary Employer for a majority of the shared employee’s worktime. This temporary assignment normally should be to address an exigent or unexpected need of the Secondary Employer and should not exceed 12 months in length without further consideration by the parties. During this temporary assignment, the Primary Employer will continue to remain responsible for making any final decisions relating to the shared employee’s compensation, benefits, advancement, discipline and other terms and conditions of employment. The amount that the Secondary Employer is required to reimburse to the Primary Employer for the costs associated with the employment of the shared employee, as well as the share of clinical revenues paid by Carle to Illinois, may need to be adjusted during this temporary period.

The parties intend to have the Dean of the Carle Illinois College of Medicine be a joint employee of both Illinois and Carle, with Illinois as the Primary Employer and Carle as the Secondary Employer, unless precluded by any applicable accreditation standards. If precluded, the parties will establish a different model for addressing the employment of the Dean.

IV. Joint Recruitment Program

The ability to attract and recruit the best physicians and scholars is essential. Carle and Illinois must have a coordinated recruitment and hiring strategy that facilitates and supports recruitment and employment of shared personnel across the spectrum of appointments contemplated by their affiliations. The joint recruitment guidelines are as follows:
a. Searches will be conducted as follows:

<table>
<thead>
<tr>
<th>Appointment/Employment</th>
<th>Search Lead</th>
<th>Process/Documentation</th>
<th>Recruitment Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% Carle employee with courtesy 0% faculty appointment at Illinois</td>
<td>Carle</td>
<td>Search will be conducted at Carle adhering to all of its related policies and procedures. 0% appointment at Illinois will not require documentation relating to the search process, but will require documentation demonstrating compliance with the appointment process.</td>
<td>Carle</td>
</tr>
<tr>
<td>100% Illinois employee with an external affiliation or appointment with Carle</td>
<td>Illinois</td>
<td>Search will be conducted at Illinois in accordance with its normal search process.</td>
<td>Illinois</td>
</tr>
<tr>
<td>All other % appointments</td>
<td>Primary Employer</td>
<td>The Primary Employer will conduct the search in accordance with its normal search process. All documentation of applicant materials and justification for interview/hire will be shared with the Secondary Employer upon request.</td>
<td>Primary Employer</td>
</tr>
</tbody>
</table>

b. The search committee for positions involving appointments of less than 100% should include representatives from both Carle and Illinois, and any hiring decisions relating to such appointments shall require the consent of both the Primary Employer and the Secondary Employer.
c. The search committee for high-level positions of strategic importance in the College of Medicine should include representatives from both Carle and Illinois, even if the appointment is 100% with one institution.

d. Each party must notify the other party whenever it anticipates a need for a shared employee or identifies an opportunity for or interest in sharing a candidate with the other institution. This notification should occur at the earliest stage possible so as to facilitate a joint recruitment or an appropriate review of a candidate’s qualifications and credentials, as well as to address questions of strategic fit.

e. Recognizing the need to adhere to shared faculty governance, Illinois Faculty will need to be involved in the recruitment and approval of potential hires for faculty appointments.

f. Both Carle and Illinois must adhere to any applicable affirmative action obligations or policies.

g. The parties will assess and determine the best practices and procedures for coordinating their efforts in conducting any requisite background checks on candidates.

V. Other Considerations

The Primary Employer is ultimately responsible for making any final decisions relating to the shared employee’s compensation, benefits, advancement, discipline, continued employment and other terms and conditions of employment with the Primary Employer in consultation with the Secondary Employer. The shared employee’s overall compensation will be based upon a blend of, and be commensurate with, the shared employee’s responsibilities for Primary Employer and Secondary Employer.

1. Compensation and Other Costs – The Primary Employer generally will be responsible for the costs associated with the employment of a shared employee. Accordingly, the Primary Employer will be responsible for compensating the shared employee for his or her services at both institutions and for withholding any requisite payroll taxes and other deductions. This compensation will be paid in accordance with the Primary Employer’s regular payroll procedures and practices. The Secondary Employer will be required to reimburse the Primary Employer for an agreed upon portion of the salary, fringe benefits based on an appropriate and mutually agreed basis of computation\(^1\), and other costs paid to, or associated with the employment of, the shared employee.

\(^1\)The fringe benefits amount to be reimbursed by the Secondary Employer to the Primary Employer will be the Secondary Employer's salary contribution multiplied by the Primary Employer's federally negotiated fringe benefits rate (FBR). If the Primary Employer has no FBR, then the Secondary Employer will reimburse the Primary Employer for its share of fringe benefits based on the Secondary Employer's salary contribution multiplied by the Primary Employer’s current fiscal year benefits rate that will enable the Primary Employer to recover its approximate cost of fringe benefits.
2. **Health Care Benefits** – The Primary Employer will offer health care benefits to the shared employee under the same terms as those benefits are offered to its other similarly situated employees. If Illinois is the Primary Employer, eligibility for benefits currently is based on the equivalent of one FTE employment for at least 4.5 months (or .5 FTE employment for at least nine months), unless precluded by international visa status. If participation in the Primary Employer’s benefits plan is precluded, participation in Secondary Employer’s benefits plan may be considered or support of some kind may be provided to the individual for purchasing insurance outside of the Primary Employer’s plan.

3. **Retirement Benefits** – The Primary Employer will offer retirement benefits to the shared employee under the same terms as those benefits are offered to its other similarly situated employees. The shared employee will not be able to participate in the retirement plan offered by the Secondary Employer regardless of the percentage of appointment.

4. **Other Benefits** – The Primary Employer will be responsible for offering any additional applicable benefits, such as paid vacation, sick leave, and sabbatical leave to the shared employee under the same terms as those benefits are offered to its other similarly situated employees. The shared employee, though, will be required to contact, and make necessary arrangements with and obtain any necessary approvals from, his or her direct supervisors at both Carle and the University prior to utilizing those benefits. In the case of sabbatical time, the shared employee shall provide his or her direct supervisor with six (6) months’ prior notice. The Secondary Employer will continue to be required to reimburse the Primary Employer for the agreed-upon portion of the salary, fringe benefits, and other costs paid to, or associated with the employment of, the shared employee while the shared employee is utilizing any of those benefits other than sabbatical leave. In the case of a sabbatical, Carle reserves the right to determine to what extent, if any, it will continue to reimburse the Primary Employer for the shared employee’s salary, fringe benefits and other costs during the sabbatical. Carle also reserves the right to permanently replace a shared employee while on a sabbatical if necessary to fulfill its clinical care responsibilities. Prior to a sabbatical being approved, the shared employee will be informed in writing of Carle’s ability to replace a shared employee while on a sabbatical and be afforded the opportunity to forgo the sabbatical.

5. **Employment Records** – The Primary Employer will be responsible for maintaining all employment records relating to the shared employee, but will make those records available to the Secondary Employer or a regulatory agency upon reasonable request. In an effort to ensure that the Primary Employer’s employment records relating to the shared employee are complete, the Secondary Employer shall forward to the Primary Employer copies of all employment records that it maintains on the shared employee, including without limitation any records considered or relied upon by the Secondary Employer for reviewing the shared employee’s performance. In order to preserve the privilege established by the Illinois Medical Studies Act, 735 ILCS 5/8-2101-2102, Carle is not required to share with Illinois any confidential records that have been gathered or used by its committees for the purpose of internal quality control or of medical study for the purpose of reducing patient morbidity or mortality, or for improving patient care, or for increasing organ and tissue donation. To the extent that confidential assessments of a shared employee’s professional competence as a health care practitioner at Carle may bear upon or impact that employee’s appointment with Illinois (such as a claim of harassment or assault...
of a patient), Carle shall share relevant information with Illinois while taking appropriate measures to safeguard such confidential assessments. The shared employee’s consent to any interchange of employment information and documents between the Primary and Secondary Employers must be obtained at the outset of the employment relationship as part of the employment contract.

6. **Visa Processes** – The parties will assess and determine the best practices and procedures for coordinating their compliance with the visa and immigration requirements for any shared personnel.

7. **Performance Evaluations** – The shared employee will be expected to perform his or her respective services on behalf of both employers in a professional, competent and diligent manner that conforms to the expected performance and conduct standards for each entity, as well as to all applicable federal, state and local laws, regulations, standards and orders regulating the workplace. Both employers will separately review the shared employee’s performance in accordance with their respective review processes and then share and confer about those reviews with each other.

8. **Employment Issues** – Each party will notify the other whenever it becomes aware of an employment issue with a shared employee through a grievance, complaint, administrative charge or other means. If the grievance, complaint or charge relates to the shared employee’s patient care at Carle, Carle, in providing notification to Illinois, shall take appropriate measures to safeguard all confidential assessments of professional competence privileged under the Illinois Medical Studies Act. Grievances, complaints and charges raised by shared employees will be addressed in accordance with the policies and practices in place at the institution that is the subject of the grievance. The other institution reserves the right, though, to review and offer input on any response to a grievance, complaint or charge before it is submitted.

9. **Employment Continuation or Termination** – The parties will adhere to the policies and practices in place at their respective institutions to address questions of reappointment, non-reappointment continued employment and/or termination. In a case of non-reappointment or termination, the parties will notify the other of any proposed action as soon as possible and will cooperate with each other in investigations of employee misconduct. If one party terminates the services of the shared employee, the employee may remain the employee of the other party under the terms of that employee’s appointment or employment with that employer and the employer’s relevant policies. Generally, Illinois will continue an individual’s employment for the remaining period of the term set forth in that individual’s notice of appointment, unless just cause exists for immediate termination. If a shared employee’s individual employment agreement contains a restrictive covenant, the shared employee will be bound by the terms of that restrictive covenant with regard to his or her ability to engage in a competing practice following the termination. The parties agree, though, that any such restrictive covenant cannot preclude or restrict employment with Illinois unless such employment would violate the terms of Section 15 ("Faculty Practice Organizations") of the parties’ Affiliation Agreement.
10. **Liability, Indemnity and Insurance** – Issues relating to the apportionment of liability, responsibility for maintaining insurance coverage (including malpractice, general liability, employment practices, worker’s compensation, and cyber breach), and indemnification for the acts or omissions of shared employees shall be assessed and determined pursuant to the provisions of the parties’ Research Affiliation Agreement.

11. **Employment Contract** – The parties will develop templates for the three categories of employment arrangements set forth in these Guidelines. The templates should address, among other issues:

- Identification of Primary and Secondary Employer with details of appointment and percentage of commitment;
- Duties with each employer, conditions of employment, standards and expectations of performance;
- Salary, leaves and benefits;
- Intellectual property rights;
- Confidentiality requirements;
- Requirement to undergo background checks as appropriate;
- Conduct of performance evaluations, clinical evaluations, and disciplinary actions;
- Consent to share employment records and performance evaluations; and
- Termination or reduction in appointment by Primary or Secondary Employer.

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**Illinois Approval:**

Edward Feser  
Interim Provost and Vice Chancellor for Academic Affairs  
Date: 10-28-15

**Carle Approval:**

L.J. Fallon  
Executive Vice President  
Chief Legal and Human Resources Officer  
Date: 10/24/15