A professional practice plan is a necessary element in maintaining a faculty of excellence in teaching, research, and patient care at the University of Louisville School of Medicine and in providing funding essential to the School of Medicine’s basic operations and its continued progress in providing comprehensive medical education in today’s complex medical environment.

The University of Louisville Professional Practice Plan was originally adopted June 23, 1975. This amended and fully restated version of the Plan is necessary and appropriate because of the creation of University of Louisville Physicians, Inc. (“ULP”), an integrated faculty practice entity for the provision of clinical services, and the consolidation of all of the Clinical Faculty members’ clinical practices within ULP as of January 1, 2014. This revised Plan Document:

1. Requires all full-time members of the School of Medicine’s Clinical Faculty to provide patient services and other healthcare and life science related professional services exclusively through ULP, except as otherwise provided below.

2. Requires all full-time members of the School of Medicine’s Basic Science Faculty to provide teaching, research, and other healthcare and life science related professional services exclusively through the University, except as otherwise provided below.

3. Creates a single flat rate assessment mechanism applied to a broad base of gross receipts derived from clinical and professional activities of the Clinical Faculty, and gross receipts derived from professional activities of the Basic Science Faculty, in order to provide discretionary funding for the Dean of the School of Medicine to use for the benefit of the School, with only limited exclusions that are specifically set out in this Plan Document and with the opportunity for additional exclusions, and for other adjustments, where they may be appropriate, without returning to the University’s Board of Trustees for a formal amendment of this Plan Document.

4. Defines a system of transparency under which representatives of both the Clinical Faculty and the Basic Science Faculty will be informed on a timely basis of all material and relevant information regarding all assessments paid under the Plan and the expenditure of all funds generated by those assessments.

5. Reaffirms the duty of the Clinical Departments to provide Academic Program Support for the School of Medicine, in addition to the assessments for the Dean’s discretionary funding.
All full-time Faculty members of the School of Medicine are required to participate in this Professional Practice Plan as a condition of their full-time faculty appointment with, and employment by, the University of Louisville. This requirement applies to all members of the Clinical Faculty and to all members of the Basic Science Faculty.

The foremost duties of all full-time Faculty have always been, and remain, teaching, research and other scholarly activities, and, for the Clinical Faculty, providing clinical services directly to and for patients.

Section 1. Definitions

“Academic Department” means a department within the School of Medicine as designated by the Board of Trustees. Each Academic Department is categorized as either a Clinical Department or a Basic Science Department. Exhibit A attached to this Plan Document states the names of all of the Academic Departments as of the Effective Date of this Plan Document. The EVPHA shall have authority to modify Exhibit A whenever a new Academic Department is created, an existing Academic Department is renamed, or an existing Academic Department is eliminated.

“Academic Program Support” means the financial support ULP provides the School of Medicine described in Section 12 below, which is in addition to the Dean’s Assessment.

“Basic Science Department” means an Academic Department within the School of Medicine designated as a Basic Science Department (as opposed to a Clinical Department) by the Board of Trustees. Exhibit A attached to this Plan Document states the names of all of the Basic Science Departments as of the Effective Date of this Plan Document. Exhibit A may be modified from time to time in accordance with the definition of “Academic Department” above.

“Basic Science Faculty” means the full-time Faculty with primary appointments in a Basic Science Department and members of the Basic Science Faculty with appointments in a Clinical Department.

“Board of Trustees” means the Board of Trustees of the University.

“Clinical Department” means an Academic Department within the School of Medicine designated as a Clinical Department (as opposed to a Basic Science Department) by the Board of Trustees. Exhibit A attached to this Plan Document states the names of all of the Clinical Departments as of the Effective Date of this Plan Document. Exhibit A may be modified from time in accordance with the definition of “Academic Department” above.

“Clinical Faculty” means the full-time Faculty with primary appointments in a Clinical Department who provide patient services or any other professional services through ULP.

“Dean” means the Dean of the School of Medicine, as designated by the Board of Trustees from time to time.
“Dean’s Assessment” means the assessment described in Section 4 below required to be paid by regularly by ULP, by the University Affiliated Entities, and by Basic Science Faculty members in their individual capacities, and, in certain instances, by individual Clinical Faculty members in their individual capacities.

“Dean’s Fund” means a pool of funds derived solely from the Dean’s Assessment to be used by the Dean to provide discretionary funding for the benefit of the School of Medicine in accordance with Sections 4 and 5 below.

“Department Chair” means a full-time Faculty member who serves as the Chair of an Academic Department in the School of Medicine, as appointed by the Board of Trustees.

“Effective Date” means the date the amended and restated Plan, as set forth in this Plan Document, becomes effective, as stated in Section 16 below.

“EVPHA” means the University’s Executive Vice President for Health Affairs, as designated by the Board of Trustees from time to time.

“Excluded Receipts” means cash basis gross receipts that are not to be included in “Professional Practice Gross Receipts” as defined below. Only the following are Excluded Receipts:

1. Honoraria for academic presentations and public speaking in the form of a cash payment or reimbursement of expenses, but not including payments for consulting services, service on an advisory board, or anything else that would otherwise be included in Professional Practice Gross Receipts, even though characterized as an “honorarium.”

2. Payments received for authoring or editing textbooks or professional articles or in connection with any other publications.

3. Compensation the University pays to a Faculty member in connection with patient services, teaching services, administrative services, or any other services rendered to or on behalf of the University, any sums paid by the University into any pension or retirement plan with respect to any such compensation, and any expense reimbursements paid by the University with respect to any such patient services, teaching services, administrative services, or other services rendered to or on behalf of the University.

4. Compensation the VA pays to a Faculty member for any services rendered to or though the VA, any sums paid by the VA into any pension or retirement plan with respect to any such compensation, and any expense reimbursements paid by the VA with respect to such services.

5. Gross receipts from any publication by a Faculty member, ULP, or a University Affiliated Entity.
6. Gross receipts from the sale or licensing of patent rights held by a Faculty member, ULP, or a University Affiliated Entity.

7. Dividends or other distributions from any entity in which a Faculty member, ULP or a University Affiliated Entity owns any interest arising from that entity’s conducting of any activity that would not give rise to Professional Practice Gross Receipts if carried on directly by the Faculty Member, ULP or the University Affiliated Entity. For example, dividends or other distributions from any entity created by a Faculty member to develop and market a medical device or procedure are Excluded Receipts.

8. Grants received by a Faculty member, ULP or a University Affiliated Entity that are used solely for research activities, or solely for educational activities, or solely for both research and educational activities.

9. Bonafide charitable contributions to ULP or a University Affiliated Entity which are deductible by the donor under Section 170 of the Internal Revenue Code by virtue of the recipient being an organization described in Section 501(c)(3) of the Internal Revenue Code and the donor having the requisite donative intent.

10. Interest income, dividend income, and other non-operating income derived from invested or deposited surplus funds of ULP or any University Affiliated Entity.

11. Any other gross receipts of any University Affiliated Entity unrelated to the activities of the Faculty.

12. Refunds or distributions from Kentuckiana Medical Reciprocal Risk Retention Group (KMRRRG) as long as ULP is a member of KMRRRG or, after ULP is no longer a member, with respect to a period during which it was a member.

13. Any additional category of receipts for which an exclusion is allowed under Section 8 below.

“Faculty” means the Clinical Faculty and the Basic Science Faculty.

“Foundation” means University of Louisville Foundation, Inc., a Kentucky nonstock, nonprofit corporation, organized and operated exclusively for the purpose of supporting the University.

“Operating Agreement” means the written contract so named between ULP and the University dated __________, as it may be duly amended from time to time.

“Plan” means the professional practice plan of the University of Louisville School of Medicine as defined in, and governed by, this Plan Document.
“Plan Board” means the committee of Department Chairs described in and governed by Sections 7 and 8 below.

“Plan Document” means this document, setting forth all of the terms and conditions of the Plan, as adopted by the Board of Trustees and as it may be amended from time to time by the Board of Trustees.

“Professional Practice Gross Receipts” means and includes any and all receipts falling into any one or more of the following four (4) categories, except for any such gross receipts which are Excluded Receipts:

1. all of the cash basis gross receipts of ULP of any sort whatsoever,

2. any cash basis gross receipts received directly or indirectly by the Research Foundation, the Foundation, or by any other University Affiliated Entity, with respect to patient services provided by any Clinical Faculty member or by any other ULP Professional,

3. any cash basis gross receipts received directly or indirectly through any entity or arrangement by any Clinical Faculty member which are related directly or indirectly to such Clinical Faculty member’s provision of patient services and other medically related or life science related services, or are related directly or indirectly to such Faculty member’s medically related or life science related knowledge and experience, and

4. any and all cash basis gross receipts received directly or indirectly through any entity or arrangement by any Basic Science Faculty member which are related directly or indirectly to such Basic Science Faculty member’s provision of healthcare or life science related services, or are related directly or indirectly to such Basic Science Faculty member’s healthcare or life science related knowledge and experience.

It is the intent of this Plan that no receipts that are initially classified as Professional Practice Gross Receipts will cease to be so classified because they are then paid over, in whole or in part, to the University to fund salaries paid by the University or benefits provided by the University.

Consistent with the foregoing provisions of this definition, Professional Practice Gross Receipts shall include, but shall not be limited to (unless specifically excluded as “Excluded Receipts”) the applicable cash basis gross receipts (before deduction for any expenses) that are generated directly or indirectly from (a) professional patient care diagnostic and treatment services provided by any Clinical Faculty member or other ULP Professional, including, but not limited to, the professional component (but not the technical component) of any diagnostic and treatment services rendered by ULP (with receipts for services billed globally reasonably allocated between the professional and technical components), and (b) the provision by any Clinical Faculty member of any hospital-based physician services or medical director services, hospital-related consulting or advisory services, medical expert witness services, and any other services of any sort relating in any way to healthcare or the life sciences. In all instances, the presumption shall be that any cash basis receipts of ULP, any member of the Clinical Faculty, and any member of the Basic Science Faculty, related to healthcare or the life sciences are included in
Professional Practice Gross Receipts, unless specifically excluded as “Excluded Receipts.” With respect to gross receipts from patient service, adjustments to Professional Practice Gross Receipts shall be made with respect to refunds to patients and their payers and other actual cash basis adjustments so that Professional Practice Gross Receipts always reflects sums actually collected and held under a claim of right. Gross receipts of ULP Professionals who are not Clinical Faculty members, such as advanced practice registered nurses, physician assistants, registered nurses, and licensed practical nurses employed by ULP, and locum tenens physicians temporarily retained by ULP, which are derived from their activities conducted outside of their employment or retention by ULP are not included in Professional Practice Gross Receipts.

“Rate” means a percentage rate to be applied to Professional Practice Gross Receipts to compute the Dean’s Assessment as stated in Section 5 below and adjusted from time to time in accordance with Section 4.

“Research Foundation” means University of Louisville Research Foundation, Inc., a Kentucky nonstock, nonprofit corporation, organized and operated exclusively for the purpose of supporting the research and teaching activities of the University, including the School of Medicine.

“School of Medicine” means the School of Medicine of the University of Louisville.

“ULP” means University of Louisville Physicians, Inc., a Kentucky nonstock, nonprofit corporation that employs members of the Clinical Faculty and through which they provide clinical services to patients.

“ULP Professional” means and includes each Clinical Faculty member and every other physician, and every advanced practice registered nurse, physician assistant, registered nurse, licensed practical nurse, or other licensed or certified healthcare professional who is either (a) employed by ULP or by any University Affiliated Entity, or (b) retained by ULP or by any University Affiliated Entity as an independent contractor either directly or through any type of agency or other entity, including, without limitation, any such person retained temporarily on a locum tenens basis, to the extent so retained.

“University” means the University of Louisville, a public university governed by KRS 164.810 through KRS 164.870 and other provisions of the Kentucky revised statutes.

“University Affiliated Entity” means the Research Foundation and the Foundation, as recipients of payments for patient services or other professional services rendered by any ULP Professional, and any other entity affiliated with the University, as a recipient of payments for patient services or other professional services rendered by any ULP Professional, which after the Effective Date of this Plan Document receives such payments and which the EVPHA hereafter designates in writing to the Plan Board as a “University Affiliated Entity.”

“VA” means the United States Veterans Administration.
Section 2.  **Clinical Faculty Practice Through ULP and Exceptions**

All Clinical Faculty members shall provide patient services and other healthcare and life science related professional services exclusively through ULP, except as authorized below in this Section 2.

A Clinical Faculty member may apply in writing to the Chair of the Clinical Department to which the member is primarily assigned (or, in the case of a Department Chair, may apply in writing to the Dean) for permission to provide patient services or other professional services outside ULP where either (a) such services are outside the specialty in which that Clinical Department is engaged, (b) such services do not involve direct patient care, and ULP is not equipped to monitor such activity and bill for it, or (c) such services are to be provided outside the geographic area in which the Clinical Department and ULP provides services. The application shall specify the patient services or other professional services to be performed. If the Department Chair, or Dean as applicable, approves the application in writing, the Clinical Faculty member may provide the services in accordance with the Department Chair’s (or Dean’s) written approval.

Each Department Chair of a Clinical Department shall annually, on or before April 15 of each calendar year, certify to the EVPHA, the Dean, and the Plan Board, the name of each Clinical Faculty member the Department Chair has authorized to provide patient services or other professional services outside of ULP, the specific services the Department Chair has authorized, and the reason for the authorization.

All gross receipts of the Clinical Faculty member from his or her provision of the authorized services shall be subject to the Dean’s Assessment, unless they are Excluded Receipts. The Clinical Faculty member shall report in writing regarding such receipts on a calendar quarterly basis to the Department Chair. The Clinical Faculty member and the Department Chair shall annually, on or before April 15 of each calendar year, certify to the EVPHA, the Dean, and the Plan Board, the amount of such receipts for the calendar year most recently ended, and the Clinical Faculty member shall pay the Dean’s Assessment with respect to those receipts at the time of that certification. The Clinical Faculty member shall make available any and all information regarding the services provided, and the gross receipts from them, to the EVPHA, the Dean, or their designees, on request, and shall otherwise be subject to audit as stated in Section 11 below.

Section 3.  **Basic Sciences Faculty Work Through University and Exceptions**

All Basic Science Faculty members shall perform teaching, research, and other healthcare and life science related professional activities exclusively through the University, except as authorized below in this Section 3.

A Basic Science Faculty member may apply in writing to the Chair of the Basic Science Department to which the member is primarily assigned for permission to provide teaching, research, or other healthcare or life science related professional services outside the University. The application shall specify the services to be performed. If the Basic Science Department
Chair approves the application in writing, the Basic Science Faculty member may provide the services in accordance with the Basic Science Department Chair’s written approval.

Each Department Chair of a Basic Science Department shall annually, on or before April 15 of each calendar year, certify to the EVPHA, the Dean, and the Plan Board, the name of each Basic Science Faculty member the Department Chair has authorized to provide teaching, research, and other healthcare and life science related professional services outside of the University, the specific services the Department Chair has authorized, and the reason for the authorization.

All gross receipts of the Basic Science Faculty member from his or her provision of the authorized services shall be subject to the Dean’s Assessment, unless they are Excluded Receipts. The Basic Science Faculty member shall report in writing regarding such receipts on a calendar quarterly basis to the Department Chair. The Basic Science Faculty member and the Department Chair shall annually, on or before April 15 of each calendar year, certify to the EVPHA, the Dean, and the Plan Board, the amount of such receipts for the calendar year most recently ended, and the Basic Science Faculty member shall pay the Dean’s Assessment with respect to those receipts at the time of that certification. The Basic Faculty member shall make available any and all information regarding the services provided, and the gross receipts from them, to the EVPHA, the Dean, or their designees, on request, and shall otherwise be subject to audit as stated in Section 11 below.

Section 4. **Payment Mechanism, Assessment Computation & Rate Adjustments**

The Dean’s Assessment shall in each instance be computed by applying the applicable Rate set forth below to all Professional Practice Gross Receipts as they are received.

<table>
<thead>
<tr>
<th>Date of Receipt</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>From July 1, 2016 to June 30, 2017</td>
<td>2.00%</td>
</tr>
<tr>
<td>From July 1, 2017 to June 30, 2018</td>
<td>2.50%</td>
</tr>
<tr>
<td>From July 1, 2018 to June 30, 2019</td>
<td>3.00%</td>
</tr>
<tr>
<td>From July 1, 2019 to June 30, 2020</td>
<td>3.50%</td>
</tr>
<tr>
<td>At all times after June 30, 2020</td>
<td>4.00%</td>
</tr>
</tbody>
</table>

ULP and each University Affiliated Entity shall pay the Dean’s Assessment by automatic and immediate transfers from their Professional Practice Gross Receipts. Each such payment shall be made directly to the University, the Research Foundation, and/or one or more other University Affiliated Entities, as directed from time to time by the EVPHA or his or her designee. ULP and each separate University Affiliated Entity shall be responsible for assuring compliance with their respective direct payment obligations.

Each individual Clinical Faculty member shall pay the Dean’s Assessment not later than April 15 of each calendar year with respect to his or her Professional Practice Gross Receipts received during the prior calendar year directly and not through ULP or a University Affiliated Entity. ULP and the Department Chairs of the respective Clinical Departments shall have the
duty to account to the University for each Clinical Faculty member’s obligation to pay the Dean’s Assessment with respect to any such personally received Professional Practice Gross Receipts.

Each Basic Science Faculty member shall pay the Dean’s Assessment not later than April 15 of each calendar year with respect to his or her Professional Practice Gross Receipts received during the prior calendar year. The Department Chairs of the respective Basic Science Departments shall have the duty to account to the University for each Basic Science Faculty member’s obligation to pay the Dean’s Assessment with respect to any such personally received Professional Practice Gross Receipts.

Section 5. The Dean’s Fund

The proceeds of the Dean’s Assessment shall constitute the Dean’s Fund. Dean’s Assessment proceeds may be held at any time in accounts of the University, the Research Foundation, and other University Entities as determined by the EVPHA and the Dean. The EVPHA and the Dean, or their designees, shall be responsible for coordinating accounting among the various entities so that the entire Dean’s Fund may be accounted for at any time.

The Dean shall use the Dean’s Fund to provide discretionary funding for teaching and research by and through the School of Medicine and for the administrative functions of the Dean’s office. This funding may include, but shall not be limited to, funding for faculty recruitment and retention, particular research projects, and investment in School of Medicine’s facilities, technology, and other assets relating to teaching or research. The Dean’s Fund shall not be used for any purpose unrelated to the School of Medicine. The Dean shall have broad discretion in applying the Dean’s Fund in support of teaching, research, and necessary and appropriate administrative activities of the School of Medicine.

The Dean shall report in writing to the Plan Board on the receipts by, and disbursements from, the Dean’s Fund within 60 days after the end of each fiscal year of the School of Medicine and at such other times as the Plan Board may reasonably request.

Section 6. EVPHA’s Governance of the Plan

The EVPHA shall have the governance authority over the Plan and shall administer the Plan in accordance with this Plan Document, with assistance from the Dean and from designees of the EVPHA and the Dean.

Section 7. Plan Board

All Department Chairs shall serve on the Plan Board in order to provide oversight and to make recommendations to the EVPHA and the Dean regarding the Plan’s organization and operations. The EVPHA and the Dean shall be ex officio non-voting members of the Plan Board.
The Plan Board shall have a Chair and a Vice-Chair elected by the Department Chairs. The Plan Board shall meet in the months of April and October and at such other times as may be set by the Board Chair or, in his or her absence, the Vice Chair.

All Department Chairs, as members of the Plan Board, shall communicate regularly with the Faculty members in their respective Academic Departments (a) to give and receive information about any and all financial support payments made under this Plan to the Dean’s Fund, (b) to give and receive information about expenditures from the Dean’s Fund for the benefit of the Academic Department he or she chairs and for the benefit of other Academic Departments, (c) to gain insights regarding any concerns or grievances regarding the Plan among the Faculty members in his or her Academic Department, and (d) to actively foster understanding of the Plan and support for the Plan among all Faculty members.

All Department Chairs, as members of the Plan Board, shall have the right to receive any and all information available to ULP, the University, or any University Affiliated Entity, which relates to the organization or operations of the Plan, including information on the payment of the Dean’s Assessments and expenditures from the Dean’s Fund. The Plan Board shall consider requests for additional exclusions from the Professional Practice Gross Receipts in accordance with Section 8 below and shall advise the EVPHA and the Dean on such requests and on other matters relating to the Plan as the Plan Board shall consider appropriate.

Section 8. **Process for Additional Exclusions from Professional Practice Gross Receipts and Other Binding Plan Interpretations**

Any Department Chair may seek a determination that the computation of the Dean’s Assessment payable in any instance under the provisions of this Plan would lead to an inequitable result and that there should be an addition to the definition of “Excluded Receipts” or that another determination by the EVPHA with respect to the interpretation and application of the Plan is necessary to eliminate an inequity or error. Any member of the Clinical Faculty or the Basic Science Faculty seeking such a determination shall act through the appropriate Department Chair or Chairs. The Department Chair or Department Chairs seeking such a determination shall submit a written request for a determination (“Request”) to all members of the Plan Board (i.e. all other Department Chairs, the Dean, and the EVPHA) setting forth in reasonable detail the reasons for the Request and proposing particular wording for the proposed new exclusion or other new interpretation and application of the Plan.

If the EVPHA or the Dean acting on his or her own initiative believes there should be an addition to the definition of “Excluded Receipts” or that a determination by the EVPHA with respect to the interpretation and application of the Plan is necessary to eliminate any material inequity or error, the EVPHA or the Dean, as the case may be, shall prepare a written proposal for the addition or interpretation (“Proposal”) and submit it to all members of the Plan Board.

The Plan Board shall discuss each Request or Proposal at a duly convened Plan Board meeting and shall vote on each Request or Proposal.
The EVPHA and the Dean shall consider the Plan Board’s discussion and its vote but shall not be bound by them. The EVPHA and the Dean shall issue a written determination, signed by both of them, based on the written Request or the written Proposal as initially worded at any time after the meeting at which the Plan Board discusses the particular Request or Proposal. Any written determination may adopt in whole or in part the proposed language submitted in the original Request or the original Proposal or may use other language entirely.

Any determination or decision by the EVPHA and the Dean under this Section 8 shall be in writing. Without limiting the generality of that requirement, there shall be no addition to the definition of “Excluded Receipts” except in writing. Any written determination or decision made in accordance with this Section 8 may have the effect of amending the computation of the Dean’s Assessment. No change made through any written determination or decision made in accordance with this Section 8 shall require a formal amendment of this Plan Document by the Board of Trustees.

Section 9. **Expense Payments**

The Dean may pay from the Dean’s Fund expenses of the operation of this Plan, including, but not limited to, the costs of administering the Dean’s Fund and preparing reports to the Plan Board relating to the Dean’s Assessment and the Dean’s Fund.

Section 10. **Cooperation**

ULP, each University Affiliated Entity, the School of Medicine, all of their respective, officers, staff, and representatives, and each individual member of the Clinical Faculty and the Basic Science Faculty, shall cooperate in all matters relating to the Dean’s Assessment, the Dean’s Fund, and all other terms and conditions of the Plan, with the goal of efficient payments to and collections by the Dean’s Fund, appropriate payments from the Dean’s Fund, the provision of complete and correct information to the Plan Board, and complete compliance with this Plan in all other respects, all under the ultimate governance authority of the EVPHA.

Section 11. **Audits and Examinations**

ULP, each University Affiliated Entity, and each of the individual Clinical Faculty members and Basic Science Faculty members hereby consents to the EVPHA, the Dean, and their respective designees having access to and examining, after reasonable notice, any and all documents, data bases, information technology devices, and others sources of information held by or available to ULP, a University Affiliated Entity, or any such Faculty member in order to assure the proper computation of the Dean’s Assessment and the achievement of all other purposes of this Plan.

Upon request, each member of the Clinical Faculty and each member of the Basic Science Faculty shall provide to the EVPHA or his or her designee copies of the Schedule C from his or her Form 1040 Income Tax Returns and other portions of those Returns necessary to disclose any and all Professional Practice Gross Receipts he or she has realized directly as an individual, and any and all similar tax return information with respect to any and all limited
liability companies, partnerships, professional service corporations, general business corporations or other entities or arrangements necessary to disclose any and all Professional Practice Gross Receipts he or she has realized indirectly through any such entity or arrangement. In lieu of submitting that documentation, a Faculty member may submit a certification by an independent certified public accountant in the form attached as Exhibit B.

Section 12. Academic Program Support and Balanced Budgets in Clinical Departments

The Faculty, the Department Heads, and ULP recognize that the Dean’s Assessment will provide only limited discretionary funding administered by the Dean for teaching and research in the School of Medicine and for the administrative functions of the Dean’s office. They recognize that the School of Medicine has always required, and will continue to require, substantial additional funding which must be paid from revenues from patient services the Clinical Faculty provides. Such additional funding has been classified as “Academic Program Support” under prior versions of this Plan.

ULP shall pay to the University, in addition to the Dean’s Assessment, Academic Program Support calculated by the EVPHA, the Dean, and the respective Department Heads of the Clinical Departments to be sufficient to cause each Clinical Department within the School of Medicine to operate each fiscal year with a balanced budget. ULP and the respective Department Heads of the Clinical Departments shall operate each clinical department within ULP corresponding to each Clinical Department within the School of Medicine so that each such clinical department within ULP also has a balanced budget each fiscal year.

Section 13 Binding Effect

All provisions of the Plan are binding on the University, each University Affiliated Entity, ULP, each member of the Clinical Faculty, and each member of the Basic Science Faculty.

Section 14. Superseding Effect

The obligations under this Plan supersede and are in lieu of the obligations under (a) Section 4.3.3 of the Redbook (limiting outside employment to an average of one [1] day per week), and (b) the Clinical Services Association (“CSA”) Agreement adopted by the Board of Trustees on May 17, 1967.

The provisions of this Plan shall supersede and control with respect to the matters specifically addressed in this Plan Document if there is any inconsistency between this Plan Document and (a) any other provision of the Redbook, (b) any provision of any other document promulgated by or entered into by the Board of Trustees, (c) the Operating Agreement, (d) ULP’s Articles of Incorporation, (e) ULP’s Bylaws, (f) any employment agreement between ULP and any Clinical Faculty member, (g) any other contract between ULP and any Clinical Faculty member of any sort, (h) any contract between ULP or any Clinical Faculty member and any hospital organization, (i) any other contract to which ULP or any Clinical Faculty member is a party, (j) any contract to which any Basic Science Faculty member is a party, and/or (k) any
rule, policy, directive, or other instrument or standard of any sort promulgated the University, any University Affiliated Entity, or ULP.

Section 15. **Severability.**

If any court should determine in a final nonappealable order that any term or condition of this Plan Document is unenforceable or prohibited, or cannot be implemented, the rights and obligations under this Plan Document shall be construed and enforced with that term or condition limited so as to make it enforceable or capable of implementation to the greatest extent allowed by law, or, if it is totally unenforceable, or impossible to implement, as if this Plan Document did not contain that particular term or condition, and all other terms and conditions of this Plan Document shall remain in full force and effect.

Section 16. **Adoption.**

This Plan Document has been adopted by the action of the Board of Trustees on February 5, 2015 to be effective on and after July 1, 2016, which shall be the “Effective Date” of this Plan Document.

Section 17. **Amendments.**

As a consequence of its statutory authority and responsibility, the Board of Trustees may amend or rescind this Plan Document on its own initiative, on the recommendation of the EVPHA, or on the recommendation of the Plan Board. The Board of Trustees, or the EVPHA or another representative of the University administration, shall consult with both the Fund Board and the Faculty before the Board of Trustees approves any amendment or rescission.
Academic Departments within the University of Louisville School of Medicine as of the July 1, 2016 Effective Date of this Plan Document

**Basic Science Departments**

- Anatomical Sciences & Neurobiology
- Biochemistry and Molecular Biology
- Microbiology & Immunology
- Pharmacology and Toxicology
- Physiology & Biophysics

**Clinical Departments**

- Anesthesiology and Perioperative Medicine
- Cardiovascular and Thoracic Surgery
- Emergency Medicine
- Family & Geriatric Medicine
- Medicine
- Neurological Surgery
- Neurology
- Obstetrics, Gynecology & Women’s Health
- Ophthalmology and Visual Sciences
- Orthopedic Surgery
- Otolaryngology
- Pathology & Laboratory Medicine
- Pediatrics
- Psychiatry and Behavioral Sciences
- Radiology
- Radiation Oncology
- Surgery
- Urology
Exhibit B

20XX SCHEDULE FOR VERIFICATION OF PROFESSIONAL PRACTICE GROSS RECEIPTS

INDIVIDUAL’S NAME: ___________________________
DEPARTMENT NAME: ___________________________

1) GROSS RECEIPTS FROM PROFESSIONAL PRACTICE OR OTHER WORK:
   ITEM: W-2 FORMS $__________
   ITEM: FEDERAL SCHEDULE C GROSS INCOME $__________
   ITEM: OTHER W-2S, 1099S, ETC $__________

   TOTAL GROSS RECEIPTS: $__________

2) LESS EXCLUDED RECEIPTS:
   ITEM: Honoraria for academic presentations and public speaking $__________
   ITEM: Payments for publications, patent rights, royalties, or license fees $__________
   ITEM: Other (describe) $__________

   TOTAL EXCLUDED RECEIPTS: $__________

3) GROSS RECEIPTS SUBJECT TO DEAN’S ASSESSMENT: $__________

INDEPENDENT CPA VERIFICATION

The undersigned Certified Public Accountant certifies that he/she has reviewed the Federal Income Tax return of the above named Individual for 20XX and the University of Louisville Professional Practice Plan that the Gross Receipts Subject to Dean’s Assessment (Line 3) are calculated according to the Professional Practice Plan.

_________________________________________ DATE ___________________
SIGNATURE STATE LICENSED PERMIT# ____________________

NAME PRINTED PHONE ____________________________

If a CPA does not sign the above certification, then a complete copy of your 20XX Federal income tax return (form 1040 with schedules, attachments, and 20XX W-2’s and 1099’s) must accompany this verification form.

This form must be submitted to University of Louisville CFO by April 15, 20XX.

4852-2419-9195v12