

UNIVERSITY OF LOUISVILLE SCHOOL OF MEDICINE
PROFESSIONAL PRACTICE PLAN DOCUMENT

PREAMBLE

Professional practice plans are a necessary element in maintaining a faculty of excellence in teaching, research, and patient care at the School of Medicine (as defined below) 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.

This Plan Document (as defined below) was originally adopted by the University (as defined below) as of June 23, 1975 and most recently revised effective March 1, 2020. This Plan Document was previously amended and fully restated in connection with the creation of University of Louisville Physicians, Inc. ("ULP"), an integrated faculty practice entity for the provision of clinical services, and the consolidation of the Clinical Faculty (as defined below) members' clinical practices within ULP as of January 1, 2014. This Plan Document was again amended and fully restated in connection with the creation of Norton Children's Medical Group, LLC ("NCMG") and the designation by the University of NCMG as its sole faculty practice plan for pediatric clinical services provided by Pediatric Clinical Faculty (as defined below) as of the Effective Date (as defined below).

This revised Plan Document:

1. Requires all full-time members of the School of Medicine's Clinical Faculty (as defined below) to provide clinical services and other healthcare and life science related professional services exclusively through a Practice Plan (as defined below), except as otherwise provided below.
2. Requires all full-time members of the School of Medicine's Basic Science Faculty (as defined below) to provide teaching, research, and other healthcare and life science related professional services exclusively through the University, except as otherwise provided below.
3. Provides that part-time and gratis clinical faculty may also be required to provide clinical services through a Practice Plan as a condition of his or her faculty appointment with the University if so indicated in his or her Letter of Faculty Appointment from the University, as applicable.
4. Creates an 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 Trustees for a formal amendment of this Plan Document.

5. 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 Document and the expenditure of all funds generated by those assessments.
6. Reaffirms the duty of the Clinical Departments to provide Academic Program Support (as defined below) 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 a Practice Plan as a condition of their full-time faculty appointment with, and employment by, the University. This requirement applies to all Full-Time Clinical Faculty members and to all Full-Time Basic Science Faculty members. Part-time and gratis Clinical Faculty may also be required to provide clinical services through a Practice Plan as a condition of his or her faculty appointment with the University if so indicated in his or her Letter of Faculty Appointment from the University, as applicable.

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 Dean 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 a Practice Plan provides to the School of Medicine, pursuant to a Clinical Affiliation Agreement and as described in Section 12 below.

“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 Faculty with primary appointments in a Basic Science Department.

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

“Clinical Affiliation Agreement” means the agreement between the University and a Practice Plan, as it may be duly amended from time to time, which outlines the commitments of the Practice Plan regarding the operation of the faculty practice plan, including payment of the applicable Dean’s Assessment, and the basis on which the University will continue to recognize the entity as an authorized Practice Plan.

“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 all Faculty with primary appointments in a Clinical Department.

“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.

“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 Practice Plan, as set forth in this Plan Document, becomes effective, as stated in Section 16 below.

“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. Payments made by the University (i) as compensation for a Faculty member’s employment, (ii) as reimbursement for employment-related expenses incurred by a

Faculty member, or (iii) in accordance with the terms of any University-sponsored pension or retirement plan.

4. Payments made by the VA (i) as compensation for a Faculty member's employment, (ii) as reimbursement for employment-related expenses incurred by a Faculty member, or (iii) in accordance with the terms of any VA pension or retirement plan.
5. Payments made by a Practice Plan (i) as compensation for a Faculty member's employment, (ii) as reimbursement for employment-related expenses incurred by a Faculty member, or (iii) in accordance with the terms of any Practice Plan pension or retirement plan.
6. Gross receipts from any publication by a Faculty member.
7. Gross receipts from the sale or licensing of patent rights held by a Faculty member.
8. Dividends or other distributions from any entity in which a Faculty member, Practice Plan 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, Practice Plan 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.
9. Grants received by a Faculty member, Practice Plan or a University Affiliated Entity that are used solely for research activities and/or educational activities.
10. *Bona fide* charitable contributions to a Practice Plan 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.
11. Interest income, dividend income, and other non-operating income derived from invested or deposited surplus funds of a Practice Plan or any University Affiliated Entity.
12. Any other gross receipts of any University Affiliated Entity unrelated to the activities of the Faculty.
13. 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.
14. 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.

“Full-Time Faculty” means a Faculty member with an appointment of at least 0.80 full-time equivalent annual work plan (combining total clinical, teaching, research and service work assignments) approved by his or her Department Chair.

“Pediatric Clinical Faculty” means (i) each Clinical Faculty member with a faculty appointment in the Department of Pediatrics, as well as (ii) each Clinical Faculty member specializing in a pediatric specialty or subspecialty with a faculty appointment in another Clinical Department who spends a substantial part of his or her clinical practice providing clinical services to individuals under the age of 21 through the Pediatric Practice Plan as designated in the Annual Pediatric Faculty Work Plan as defined in the Clinical Affiliation Agreement with the Pediatric Practice Plan.

“Pediatric Practice Plan” means NCMG, hereby designated by the University and the School of Medicine as the sole Practice Plan through which all Pediatric Clinical Faculty must provide all of their clinical medical practice to pediatric patients.

“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 certain terms and conditions relating to the Practice Plans, as adopted by the Board of Trustees and as it may be amended from time to time by the Board of Trustees.

“Practice Plan” means a physician practice entity designated under this Plan Document as an entity through which Clinical Faculty are authorized to perform clinical medical practice. The Practice Plans approved under this Plan Document as of the Effective Date of this Plan Document are listed on Exhibit B and Exhibit C.

“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 a Practice Plan of any sort whatsoever, except for the Pediatric Practice Plan,

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

3. with respect to an individual Clinical Faculty member, any cash basis gross receipts received either (i) directly by an individual Clinical Faculty member, or (ii) indirectly through an entity controlled by an individual Clinical Faculty member, for the provision of any services which are related to such Clinical Faculty member’s professional knowledge and experience, and

4. with respect to an individual Basic Science Faculty member, any cash basis gross receipts received either (i) directly by an individual Basic Science Faculty member, or (ii) indirectly through an entity controlled by an individual Basic Science Faculty member, for the provision of any services which are related to such Basic Science Faculty member's professional knowledge and experience.

It is the intent of this Plan Document 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 and received (a) by ULP from professional patient care diagnostic and treatment services provided by any Clinical Faculty member 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) by any individual Clinical Faculty member from the provision 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.

"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.

"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 as recipient of payments for patient services or other professional services rendered by Clinical Faculty.

"VA" means the United States Veterans Administration.

Section 2. Clinical Faculty Practice and Exceptions

All Full-Time Clinical Faculty members shall provide patient services and other healthcare and life science related professional services exclusively through the applicable Practice Plan or University Affiliated Entity designated in either Exhibit B or Exhibit C, as either an employee or contractor except as otherwise authorized below in this Section 2. For the avoidance of doubt, all Clinical Faculty other than Pediatric Clinical Faculty shall provide clinical services through ULP. Part-time and gratis Clinical Faculty may also be required to provide clinical services through a Practice Plan as a condition of his or her faculty appointment with the University if so indicated in his or her Letter of Faculty Appointment from the University, as applicable.

Any Full-Time Clinical Faculty member other than a Pediatric 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 his or her Practice Plan 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 Dean the name of each Full-Time Clinical Faculty member the Department Chair has authorized to provide patient services or other professional services outside of a Practice Plan, the specific services the Department Chair has authorized, and the reason for the authorization.

All Professional Practice Gross Receipts of a Full-Time 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. Such Clinical Faculty member shall report in writing regarding such receipts on a calendar quarterly basis to the Department Chair. Such Clinical Faculty member and the Department Chair shall annually, on or before April 15 of each calendar year, certify to the Dean, the amount of such receipts for the calendar year most recently ended, and such Clinical Faculty member shall pay the Dean's Assessment with respect to those receipts at the time of that certification. Such Clinical Faculty member shall make available any and all information regarding the services provided, and the gross receipts from them, to the Dean, or the Dean's designee, 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 Full-Time 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 Dean the name of each Full-Time 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 a Full-Time 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 Dean 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 Dean, or the Dean's designee, 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 in either Exhibit B or Exhibit C.

Each University Affiliated Entity and Practice Plan shall pay the Dean's Assessment in accordance with the terms of its Clinical Affiliation Agreement with the University, as may be amended from time to time.

Each individual Full-Time Clinical Faculty member shall pay the applicable 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 a Practice Plan or a University Affiliated Entity. The Department Chairs of the respective Clinical Departments and the Practice Plan, as applicable, shall have the duty to account to the University for each such Clinical Faculty member's obligation to pay the Dean's Assessment with respect to any such personally received Professional Practice Gross Receipts.

Each Full-Time 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 Dean. The Dean, or the Dean's designee, 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. **Administration of the Plan Document**

The Dean shall administer this Plan Document on behalf of the University in accordance with its terms.

Section 7. **Plan Board**

All Department Chairs shall serve on the Plan Board in order to provide oversight and to make recommendations to the Dean regarding the administration of the Plan Document. The Dean shall be an ex officio non-voting member 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 Document 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 Document among the

Faculty members in his or her Academic Department, and (d) to actively foster understanding of the Plan Document and support for the Plan Document 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 the University which relates to the Plan Document, including information on the payment of the Dean's Assessments and expenditures from the Dean's Fund. The Plan Board shall advise the Dean on such requests and on other matters relating to the Plan Document 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 Document 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 Dean with respect to the interpretation and application of the Plan Document 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, and the Dean) 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 Document.

The Plan Board shall discuss each Request at a duly convened Plan Board meeting and shall vote on each Request.

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

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 administering this Plan Document, 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**

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 Document, 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 Document in all other respects, all under the ultimate administrative authority of the Dean. Each Practice Plan shall cooperate in all matters relating to the Plan Document in accordance with the terms and conditions of its Clinical Affiliation Agreement with the University.

Section 11. **Audits and Examinations**

Each University Affiliated Entity and each of the individual Full-Time Clinical Faculty members and Full-Time Basic Science Faculty members hereby consents to the Dean, and the Dean's 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 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 Practice Plan.

Upon request, each such member of the Clinical Faculty and each such member of the Basic Science Faculty shall provide to the Dean, or his or her designee, copies of the Schedule C from his or her Form 1040 Income Tax Returns and other portions of those tax 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 D.

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

The Faculty and the Practice Plans 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 provide. Such additional funding has been classified as "Academic Program Support" under prior versions of this Plan Document. Any such additional funding applicable to each such Practice Plan shall be established in and governed by the applicable Clinical Affiliation Agreement between the University and the Practice Plan.

Section 13 **Binding Effect**

All provisions of the Plan Document are binding on the University, each University Affiliated Entity, each member of the Clinical Faculty, and each member of the Basic Science Faculty. The Clinical Affiliation Agreement between the University and each Practice Plan shall

establish and govern the relationship between the University and each Practice Plan and the extent to which each Practice Plan may be subject to the terms of this Plan Document.

Section 14. **Superseding Effect**

The obligations under this Plan Document 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 Document 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) any contract to which any Faculty Member is a party, and/or (d) any rule, policy, directive, or other instrument or standard of any sort promulgated the University and any University Affiliated Entity. The provisions of the Clinical Affiliation Agreement between the University and each Practice Plan shall supersede and control with respect to the matters specifically addressed in this Plan Document if there is any inconsistency between such Clinical Affiliation Agreement and this Plan Document.

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 24, 2020 to be effective on and after the Effective Date.

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 Dean, or on the recommendation of the Plan Board. The Board of Trustees, or the Dean or another representative of the University administration, shall consult with both the Plan Board and the Faculty before the Board of Trustees approves any amendment or rescission.

Exhibit A

Academic Departments within the University of Louisville School of Medicine as of the Effective Date of this Plan Document

Basic Science Departments

Anatomical Sciences and Neurobiology
Biochemistry and Molecular Genetics
Microbiology and Immunology
Pharmacology and Toxicology
Physiology

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 – Head and Neck Surgery & Communicative Disorders
Pathology & Laboratory Medicine
Pediatrics
Psychiatry and Behavioral Sciences
Radiology
Radiation Oncology
Surgery
Urology

Exhibit B

DESIGNATED PRACTICE PLANS & DEAN’S ASSESSMENT CALCULATION FOR
CLINICAL PEDIATRIC FACULTY

Practice Plan	Clinical Faculty
Norton Children’s Medical Group, LLC (“NCMG”)	<ul style="list-style-type: none"> The exclusive practice plan for clinical services provided to pediatric patients by Pediatric Clinical Faculty.

Practice Plan & University Affiliated Entity	Revenue Subject to Dean’s Assessment	Dean’s Assessment Rate
Norton Children’s Medical Group, LLC (Pediatric Practice Plan)	Actual collected revenues of NCMG, from all payor sources, for professional services provided to pediatric patients by all Clinical Pediatric Faculty.	On and after Effective Date to December 31, 2024: 8% On and after January 1, 2025: 10%

Individual Pediatric Clinical Faculty Member	Revenue Subject to Dean’s Assessment	Dean’s Assessment Rate
Full-Time Clinical Faculty (including Pediatric Clinical Faculty)	“Professional Practice Gross Receipts” received by such Pediatric Clinical Faculty (other than through a Practice Plan or a University Affiliated Entity).	From Effective Date to June 30, 2020: 3.50% On and after July 1, 2020: 4.00%

Exhibit C

DESIGNATED PRACTICE PLAN & DEAN’S ASSESSMENT CALCULATION FOR ALL CLINICAL FACULTY (OTHER THAN CLINICAL PEDIATRIC FACULTY)

Practice Plan	Clinical Faculty
University of Louisville Physicians, Inc.	<ul style="list-style-type: none"> The exclusive practice plan for all Full-Time Faculty¹ (other than Pediatric Clinical Faculty) for clinical services provided to patients..

Practice Plan & University Affiliated Entity	Revenue Subject to Dean’s Assessment	Dean’s Assessment Rate
University of Louisville Physicians, Inc. (a Practice Plan) Research Foundation (a University Affiliated Entity)	“Professional Practice Gross Receipts” generated by ULP. ²	From Effective Date to June 30, 2020: 3.50% On and after July 1, 2020: 4.00%
Individual Faculty Member	Revenue Subject to Dean’s Assessment	Dean’s Assessment Rate
Full-Time Clinical Faculty (other than Pediatric Clinical Faculty)	“Professional Practice Gross Receipts” received by such Clinical Faculty (other than through a Practice Plan or a University Affiliated Entity).	From Effective Date to June 30, 2020: 3.50% On and after July 1, 2020: 4.00%
Full-Time Basic Science Faculty	“Professional Practice Gross Receipts” received by Basic Science Faculty	From Effective Date to June 30, 2020: 3.50% On and after July 1, 2020: 4.00%

¹ Note: These Clinical Faculty may also practice medicine through the Research Foundation and other University Affiliates, as applicable.

² Note: Beginning March 1, 2020, clinical services provided to pediatric patients by Pediatric Clinical Faculty will be provided exclusively through Norton Children’s Medical Group, and not through ULP or any University Affiliated Entity.

Exhibit D

20XX SCHEDULE FOR VERIFICATION OF PROFESSIONAL
PRACTICE GROSS RECEIPTS RECEIVED DIRECTLY
BY INDIVIDUAL FACULTY MEMBER

FACULTY MEMBER'S NAME: _____

DEPARTMENT NAME: _____

1) GROSS RECEIPTS FROM PROFESSIONAL PRACTICE OR OTHER WORK
(*OUTSIDE OF PRACTICE PLAN*):

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.

SIGNATURE

DATE

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.