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AFFILIATION AGREEMENT
Between
Morehouse School of Medicine, Inc.
And
The Fulton-DeKalb Hospital Authority
January 1, 2001

This Affiliation Agreement (Agreement) is made and entered into as of January 1, 2001, between THE FULTON- DEKALB HOSPITAL AUTHORITY (The Authority), a hospital authority created pursuant to the laws of Georgia which operates a modern medical center known as Grady Memorial Hospital and the Grady Health System (Grady) and the Morehouse School of Medicine, Inc. (MSM) an educational institution incorporated

under the laws of Georgia.

STATEMENT OF BACKGROUND

Pursuant to a contract with Fulton and DeKalb Counties (the Counties) The Authority

The care of the indigent sick residents of the Counties is the primary purpose and obligation of The Authority and all other activity must contribute to such patient care

program.

MSM is an historically Black institution established to recruit and train minority and other

1.
DEFINITIONS

For purposes of this Agreement, the following terms shall have the meanings set forth in this Section 1, unless otherwise clearly required by the context in which such term is used.

(a) Active Medical Staff - The term "Active Medical Staff" shall mean all physicians

the procedures outlined in the Grady Medical Staff By-laws.

(b) Community Physicians -The term "Community Physicians" shall mean physicians who meet the qualifications and requirements for membership, are appointed to membership on the Active Medical Staff and who do not hold faculty appointments at MSM or at Emory.

(g) Medical Staff - The term "Medical Staff shall mean the Active Medical Staff, the Visiting Staff and the Honorary Staff.

(h) MMA - The term MMA shall mean Morehouse Medical Associates, Inc., the faculty practice plan for MSM.

(i) Patients - The term "Patients" shall mean the inpatients and outpatients of the Grady Health System.

(j) Physician's Assistants - The term "Physician's Assistants" shall mean skilled persons qualified by academic and practical training to provide patients' services under the personal direction or supervision of a physician, as defined in Section 43-34-102(5) of the Official Code of Georgia Annotated.

(k) Physician Services to Patients – The term "Physician Services to Patients" shall

(n) Visiting Staff - The term "Visiting Staff" shall mean physicians who are on the

the Grady Medical Staff By-laws.

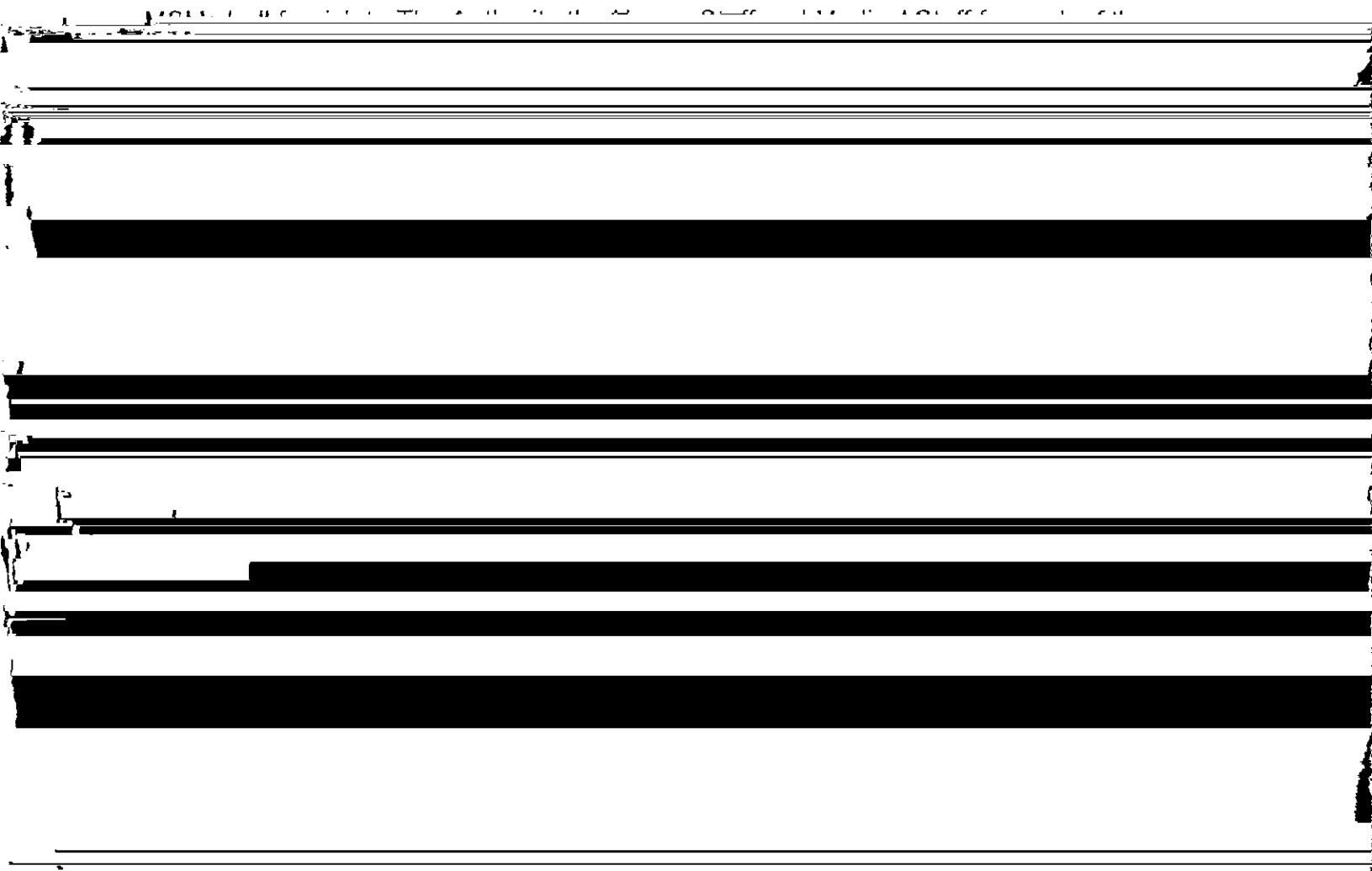
2.
**RESPONSIBILITY FOR HOSPITAL SERVICES,
PROVIDER SERVICES AND PHYSICIAN SERVICES**

The Authority has the duty to provide medical care, treatment and hospitalization to the indigent sick of the Counties and to certain other persons. This duty will be performed

MSM accepts such authority and responsibility, along with the duties and obligations that are incident thereto.

Grady shall continue to be used as a major teaching affiliate by MSM upon the terms and conditions herein set forth. MSM shall organize, supervise and direct all professional services rendered to Patients at Grady by the MSM Medical Staff under these conditions.

MSM shall conduct undergraduate, graduate, continuing medical education and research programs at Grady in clinical disciplines and research areas mutually agreed upon by both parties from time to time. The clinical disciplines to support MSM medical education programs include, but are not limited to, Internal Medicine, Obstetrics and Gynecology, Pediatrics, Psychiatry, Public Health-Preventive Medicine, Family Practice and General Surgery (the Clinical Services).



Patients at Grady. MSM and Emory shall delineate and administer the arrangements required for effective collaboration at Grady.

This Agreement acknowledges that all medical education programs at Grady exist pursuant to contracts between The Authority and MSM and The Authority and Emory.

The implementation or adjustment of any Clinical Services or medical education programs that would impact the operations of any of these three parties, including use of Community Physicians in accordance with Article 4 hereof, shall require consultation

When Grady has a documented professional service need not currently met by its Medical Staff, The Authority shall give Emory and MSM written notice and documentation of such unmet need. Upon such notice, MSM and Emory will respond promptly and at least within forty five (45) business days regarding their ability and

willingness to meet the professional service need within the time frame requested by The Authority. If Emory and MSM both are able and willing to meet such professional service needs, the proper allocation between Emory and MSM will be determined by

this Agreement. If either party desires not to renew the Agreement at the expiration of the initial term or any successive term, each party shall give the other party written notice

months prior written notice of the intent not to renew. If neither party has notified the other party that the Agreement shall not be renewed, the notice shall commence within

responsibility for the exercise of any of its functions, duties or authority. The Authority shall continue to operate Grady and retains all authority in such operation. MSM shall continue to operate its medical school and graduate medical education programs at Grady, and MSM retains all authority in such operations. Since both parties will be conducting their functions at Grady, it is essential that each respects the separate independence of the other as set forth herein and cooperates fully to assure retention of

with Emory and to assist the other in the performance of their independent functions.

President, the Dean of Emory, the Dean of MSM, the Chiefs of Service, named in a manner hereafter provided in this Agreement and other individuals as agreed upon from time to time by the Executive Committee. The Emory Vice President for Health Affairs and the MSM President shall be non-voting members.

The Grady Senior Vice President for Medical Affairs shall serve as chair of the Executive Committee. Upon the absence of the Grady Senior Vice President for Medical Affairs, the Grady Deputy Vice President for Medical Affairs shall serve as chair. In the absence of both the Senior Vice President for Medical Affairs and the Deputy Vice President for Medical Affairs, the Senior Vice President for Medical Affairs shall appoint an acting chair from the membership of the Executive Committee. Upon the absence of the MSM Dean or the Emory Dean, the Dean's designee shall

vote in the place of the Dean. Upon the absence of a Chief of Service, the Chair of the Department of the Chief's affiliated medical school may serve and vote. If the Chief and the Chair are both present, there shall only be one vote cast between them.

The Executive Committee shall have the duty and responsibility of coordinating the activities of the Emory and MSM Clinical Services at Grady and to facilitate the rendering of quality patient care at Grady through peer review. It shall be authorized to act for the Medical Staff as a whole, and to receive and act upon reports of all committees as may be appointed pursuant to the authority of the Grady Medical Staff Bylaws. The Medical Executive Committee

Except for those committees whose membership or composition or duties are specifically set forth in the Grady Medical Staff Bylaws, the membership, composition and duties of each committee shall be determined by the Executive Committee.

MSM/GRADY COMMITTEE

The MSM/Grady Committee shall consist of an equal number of members of The Authority's Board of Trustees and of the MSM Board of Trustees. Said members shall be selected and named by their respective governing bodies. The Chair of the Committee shall be the Chair of The Authority's Medical Schools Relations Committee.

The MSM/Grady Committee shall have authority, subject to the jurisdiction of the respective governing bodies of The Authority and MSM, to settle and resolve all issues and questions of policy arising under this Agreement and with respect to performance of this Agreement. The MSM/Grady Committee shall recommend steps deemed by it appropriate to improve Grady and to further the interests of the public in efforts of the parties toward the achievement of their respective objectives. It shall be the duty of the

11.

MEDICAL AND HOUSE STAFF CLASSIFICATION
AND APPOINTMENT; ASSIGNMENT OF SCIENTIFIC
STAFF AND PHYSICIANS

The Chief of the appropriate clinical service shall nominate qualified applicants for membership on the Visiting Staff, subject to approval by the Executive

Committee, and confirmation of appointment by The Authority.

(d) Honorary Staff - The Honorary Staff shall consist of physicians who are not active

the Community Physician Medical Staff, subject to approval by the Executive Committee and confirmation of the appointment by The Authority. Members of the Community Physician Medical Staff shall work directly under the Chiefs of the various Clinical Services as assigned and as directed by such Chiefs, subject to the authority of the Medical Executive Committee and The Authority.

(g) Physician's Assistants – Physician's Assistants shall be assigned to a supervising

physician on the Active Medical Staff in the manner established in Grady Medical Staff Bylaws, as revised from time to time.

12. CHIEFS OF SERVICE

(a) Selection and Appointment - The Chiefs of Service, with respect to any MSM

In cases where MSM and Emory provide clinical services within the same clinical discipline, the MSM Chief shall work with the Emory Chief to assure a distribution of Patients as set forth in Section 4 herein, and effective collaboration in the care of Patients. Any conflicts between or among MSM, Emory and the Community Physician Medical Staff, with respect to their services, shall be presented to the Grady Senior Vice

President for Medical Affairs who will attempt to resolve such matters. If such matters remain unresolved, the Grady Senior Vice President for Medical Affairs shall submit such matters for resolution to The Authority through its Medical Schools Relations Committee.

programs at Grady and will coordinate and cooperate with each other with respect to their use of facilities at Grady in connection with those programs. Grady may require the removal of any MSM undergraduate medical student whose conduct or performance

15.
MEDICAL LIBRARY

MSM shall have access to library facilities for its Medical Staff, House Staff, medical

MSM shall provide, subject to its legal limitations and financial means and availability, personnel, equipment, materials and other requirements used for its undergraduate teaching program unless the contrary is expressly agreed to in writing. Expenses with respect to any research and experiments conducted by MSM shall be borne by MSM unless otherwise expressly agreed to in writing.

**18.
COVENANTS OF MSM**

(a) Retention of Medical Staff

MSM shall employ or otherwise retain a sufficient number of Medical Staff members as are deemed necessary by The Authority and MSM to discharge the responsibilities and duties to be performed by MSM under this Agreement.

(b) Retention of House Staff

MSM shall appoint to its residency training programs and make available for assignment to the House Staff a sufficient number of resident physicians as

deemed necessary by The Authority and MSM to discharge the responsibilities and duties to be performed by MSM under this Agreement.

(c) Selection, Supervision, Training and Scheduling of Non-Physician Personnel

MSM shall cause its Medical Staff physicians to cooperate with respect to the

selection, retention and termination of non-physician personnel who may be required for the proper operation of the Clinical Services. When necessary

(e) Supplies and Support Services

MSM believes its Medical Staff physicians to provide clinical services

designated by The Authority information concerning supplies and support

services required for the operation of the Clinical Services.

or records of the subcontractor that are necessary to verify the nature and extent of the costs under the subcontract.

(i) Ownership of Records

The ownership and right of control of all reports, records, and supporting documents prepared in connection with the operation of Grady shall vest in The Authority; provided however, that MSM shall have the right of access to records and documents relevant to this Agreement in accordance with applicable law and Grady policies.

(j) Budget

MSM shall submit a budget to the Authority for review and approval.

timely review and a timely decision by the MSM Graduate Medical Education Committee (GMEC) and The Authority. Increases or decreases in the number of graduate medical education (GME) programs and the number of resident positions at each level will be considered in determining an annual graduate medical education budget, along with the faculty and ancillary support required. If GME programs are deleted or resident positions reduced in number, they will be phased out proportionately as between Family Medicine and Internal Medicine.

federal, state, or local government agency, corporate entity, or individual
exercising authority with respect to, or affecting Grady. MSM shall conform to all

requirements of the federal and Georgia constitutions and all applicable federal
and Georgia statutes and regulations.

19.
COVENANTS OF THE AUTHORITY

(a) Operational Requirements

[In consultation with MSM and Emory, The Authority shall provide the facilities

equipment, supplies, utilities and other support services deemed appropriate for
the proper functioning of the hospital and other health care facilities within the
Grady Healthcare System.

1

[REDACTED]

2

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3

HOSPITAL AND PHYSICIAN CHARGES

(a) Grady Charges

The Authority shall from time to time establish and amend a schedule of charges for services other than Physician Services to Patients rendered at Grady Hospital.

charges shall be separate and distinct from the charges made on behalf of the Medical Staff for Physician Services to Patients. The Authority shall perform appropriate billing and collection functions for all charges as stated herein.

expenses including Section 1886(h) of the Social Security Act and 42 C.F.R.

8-112-96

(b) Compensation for House Staff

The Authority shall pay MSM amounts equal to the stipend and related fringe expenses for all resident physicians assigned to the House Staff and paid or incurred by MSM. The rate of reimbursement for resident stipends shall be evaluated and determined annually by reviewing the "Council of Teaching Hospitals and Health Systems Survey of House Staff Stipends, Benefits and Funding". The recommended stipend rate shall be presented to The Authority for review and concurrence.

MSM shall provide projections of the number of residents assigned to Grady in the annual medical school GME budget. The stipend and fringe benefit expenses for MSM residents shall be determined annually by mutual agreement between The Authority and MSM. The rates of payment, number of residents, method of calculation and timing of the payments to be made by The Authority to

(a) Compensation for Scientific Staff and Physicians' Assistants

they shall work together in good faith to reform this Agreement to bring it into conformance with such change in laws, regulations or rules.

22.
METHOD OF GIVING NOTICE REQUIRED
UNDER THIS AGREEMENT

Whenever notice is required hereunder a party may give such notice in writing to the other party at the address set forth in the schedule to this Agreement.

[REDACTED]

23.
MISCELLANEOUS

(a) Patient Care

The parties further agree that the first and prime responsibility of The Authority is to render care to the sick and injured and that such responsibility shall likewise be the first purpose of the parties in performance of this Agreement.

(b) Salary Supplements

MSM agrees that it shall not supplement the salary of any person on the Grady payroll and Grady agrees that it shall not supplement the salary of

the MSM payroll without the prior written consent of the other party to this Agreement.

(c) Spokespersons

The Chair of The Authority and the Grady CEO shall be the spokespersons for

behalf of MSM, the House Staff, the Scientific Staff, Physician's Assistants or the
Active Medical Staff and is not liable for any withholding or for

income tax, unemployment insurance, Social Security, or any other withholding
pursuant to any law or requirement of any governmental body relating to
employees, (2) The Authority will not, and is not obligated to make available to
MSM House Staff, the Scientific Staff, Physician's Assistants or Active Medical
Staff any of the benefits afforded to employees of The Authority, and (3) all

(f) Governing law

This Agreement has been entered into and shall be governed by the laws of Georgia.

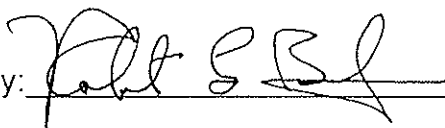
construed, and enforced pursuant to and in accordance with the laws of Georgia.

(g) Assignment

The parties to this Agreement will have continuing responsibility for the obligations herein provided and will not be able to avoid these obligations by assignment or delegation of the rights or obligations here under, without the specific prior written consent of both parties.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed in duplicate in their names and on their behalf and have caused their seals to be affixed

The Fulton-DeKalb Hospital Authority

By:  _____