



STANDARD TERMS AND CONDITIONS OF SERVICE

This document describes the standard terms and conditions for the provision of services by Favorite Healthcare Staffing, Inc. to its clients. In the event any of these terms and conditions conflict with other arrangements agreed upon in writing or stated in a Favorite Healthcare Staffing, Inc. agreement or rate schedule, such other terms and conditions shall apply. Changes to these standard terms and conditions of service may occur from time to time and will be published at the www.favoritestaffing.com public website and can be found by going to "MENU", "CLIENT SERVICES".

DEFINITIONS

- A. THP is a temporary healthcare professional working as an employee of Favorite on assignment at Client.
- B. Per Diem THP is any THP not regarded as a Traveler under this agreement.
- C. Traveler is any THP provided by Favorite for whom a Confirmation of terms of an assignment of not less than 4 weeks in duration has been made by Client.
- D. Confirmation is the Client's written acceptance of a particular Traveler to fill a specific Client need.

The Responsibilities of Favorite Healthcare Staffing, Inc.:

It is Favorite Healthcare Staffing, Inc.'s responsibility to:

1. Provide services in conformance with all Joint Commission standards applicable to Health Care Staffing Services.
2. Provide service coordinator staff on a 24 hour per day, 365 day per year basis to receive and process service requests and changes.
3. Match client service requests with Temporary Healthcare Personnel (THPs) who are properly screened and qualified in accordance with our standard hiring practices.
4. Provide clients, upon request, with documentation of the skills and qualifications of assigned personnel, either via e-mail or facsimile.
5. Instruct all THPs to always carry on their person an original license, evidence of current CPR and any applicable specialty certifications, for immediate client inspection.
6. Assume sole responsibility as the employer of record for the payment of wages to THPs and for the withholding of applicable federal, state and local income taxes, the making of required Social Security tax contributions, and the meeting of all other statutory employer responsibilities (including, but not limited to, unemployment and worker's compensation insurance, payroll excise taxes, etc.).
7. Comply with federal, state and local labor and employment laws applicable to Assigned Employees, including the Immigration Reform and Control Act of 1986; the Internal Revenue Code ("Code"); the Employee Retirement Income Security Act ("ERISA"); the Health Insurance Portability and Accountability Act ("HIPAA"); the Family Medical Leave Act; Title VII of the Civil Rights Act of 1964; the Americans with Disabilities Act; the Fair Labor Standards Act; the Consolidated Omnibus Budget Reconciliation Act ("COBRA"); the Uniformed Services Employment and Reemployment Rights Act of 1994; as set forth in subparagraph h. below, the Patient Protection and Affordable Care Act (ACA); and the Occupational Safety and Health Act of 1970.
8. Comply with all provisions of the ACA applicable to Assigned Employees, including the employer shared responsibility provisions relating to the offer of "minimum essential coverage" to "full-time" employees (as those terms are defined in Code §4980H and related regulations) and the applicable employer information reporting provisions under Code §6055 and §6056 and related regulations.
9. Maintain a system documenting, tracking, and reporting unexpected incidents, including errors, unanticipated deaths and other events, injuries, and safety hazards relating to the care and services provided. (It is the Clients' responsibility to promptly notify Favorite Healthcare Staffing within 24 hours of when an incident occurs. Upon notification, Favorite Healthcare Staffing will then implement incident tracking/resolution processes and communicate with the client as needed.) Client may be required to provide written documentation to Favorite to facilitate the investigation and potential corrective actions of incidents. Depending on the severity of the incident; Favorite will also have our Risk Oversight Committee review and make recommendations.
10. Maintain general liability insurance and professional liability insurance with limits equal to or greater than \$1,000,000 per occurrence and \$3,000,000 aggregate. Maintain workers compensation in the amounts mandated by law in the state or states in which services are being performed. Favorite will provide certificates of insurance on request.
11. May use subcontractors in the usual course of providing staffing services.
12. Not discriminate in employment with respect to race, religion, sex, creed, disability or national origin in compliance with all applicable laws including Title VII of the Civil Rights Acts of 1964, or any of its amendments, and the Americans with Disabilities Act.
13. Comply with Section 1861(v) of the Social Security Act, and, therefore, for a period of four years, make available upon written request such books, documents and records as are necessary to certify the nature and extent of the cost of providing services.
14. Any contract entered into concerning a Client located within the State of Missouri will be subject to Section 198.644(1)(10) of RSMo.



15. Mutual Indemnification. Each Party agrees to indemnify, defend, and hold harmless the other Party and its Affiliates, and their directors, officers, employees, agents, successors and assigns (collectively, the "Other Party Indemnitees") from and against all liabilities, losses, damages and costs (including reasonable attorneys' fees) (collectively, "Losses") they may suffer as the result of third party claims, demands, actions, suits or judgments against them resulting from or arising out of : (a) the negligence, recklessness, or willful misconduct on the part of the indemnifying Party; (b) a breach of applicable Law caused by the acts or omissions of the indemnifying Party; and/or (c) any breach of the Agreement by the indemnifying Party. The foregoing indemnification obligation shall not apply to Losses to the extent such Losses result from or arise out of : (i) the negligence, recklessness, or willful misconduct on the part of any of the Other Party Indemnitees; (ii) the failure by any of the Other Party Indemnitees to comply with applicable Law; or (iii) any breach of the Agreement by any of the Other Party Indemnitees.

Any Party seeking indemnity hereunder shall promptly notify the other Party in writing of any third party claims, demands, actions, suits or judgments that fall within the scope of this Mutual Indemnification provision, promptly give the other Party the opportunity to assume sole control of the defense or settlement of such third party claims, demands, actions, suits or judgments, and promptly provide the other Party all necessary information and assistance (at the other Party's sole expense) in connection with such defense and settlement. The indemnifying Party shall have the sole authority to settle any matter subject to indemnification without the consent of the indemnified Party; provided, however, that such settlement shall not impose any restrictions or liabilities upon the indemnified Party.

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The Roles/Responsibilities of Client:

1. Make final determination of the suitability of THP documented competencies and experience as presented by Favorite Healthcare Staffing, Inc. for the designated assignment.
2. Provide orientation which, at minimum, includes the review of policies and procedures regarding medication administration, documentation procedures, patient rights, Infection Prevention, and Fire and Safety, OSHA and EMR/Charting (if applicable).
3. Manage Favorite Healthcare Staffing, Inc.' THPs consistent with their own policies and procedures and address any incident consistent with those policies and procedures. Promptly notify (within 24 hours) Favorite Healthcare Staffing, Inc. by written documentation of any unexpected incidents, errors and sentinel events that involve THPs and of any occupational safety hazards or events that involve THPs.
4. Recognize Favorite Healthcare Staffing, Inc.' policy regarding the floating of staff whereby THPs are instructed not to accept a floating assignment if they do not have the skills required to perform a competent level of care.
5. Assist Favorite Healthcare Staffing, Inc. with the periodic evaluation (no less than annually) of THP job performance. Travelers will be evaluated after each assignment.
6. If applicable, when advanced practice services are requested (NPs and/or PAs), it is the responsibility of the CLIENT to have an executed copy of the Collaborative Agreement between the advanced practice personnel and the collaborating physician.
7. Promptly notify (within 24 hours) Favorite Healthcare Staffing, Inc. by written documentation of any unsatisfactory job performance or action taken to terminate the services of a THP due to incompetence, negligence, or misconduct. In such event the client shall only be obligated to compensate Favorite Healthcare Staffing, Inc. for actual time worked by the THP.
8. If unable to resolve a problem or complaint at the branch or department level, please refer to our Client Grievance Policy located on our website at www.favoritestaffing.com for instructions on how to submit a grievance to Favorite or to report concerns to The Joint Commission. Client may submit a grievance in writing to the corporate office by mail or by email to clientcomments@favoritestaffing.com or by calling our corporate office Human Resources/Quality Assurance Director at 800-676-3456.
9. Provide at least two hours notice of any cancellation of assignment or accept responsibility for payment of two hours of service at the applicable rate for Per Diem shifts. Travelers should not be cancelled unless rescheduled within the same week. Minimum billing once THP has started to work a four (4) hour or greater assignment is 4 hours.
10. Timely and accurately approve THP's time via Favorite's Timecard Mobile App. THP will provide the shift information via mobile phone to the Client and Client will review, approve and sign on the THP's mobile phone. Once a THP's timecard has been approved it will be submitted to Favorite Healthcare electronically and an email confirmation will be sent to the Supervisor if they choose to receive one. Weekly invoices will include a copy of the Supervisor's signature along with the approval details for each shift. A copy of our Timecard Mobile App Instructions can be found on our website at www.favoritestaffing.com for Client's convenience and reference. If the Client requires the THP to provide additional information such as nursing notes, narratives, etc., the Client approval acknowledges the receipt of such additional information.



11. Remit payment for services directly to Favorite Healthcare Staffing, Inc. upon receipt of invoice, **no later than 30 days**. In the event the client questions any amounts invoiced, an explanation of any items in question must be received by Favorite Healthcare Staffing, Inc.' Accounts Receivable department within 15 days. This notification must be made by one of the following means:

By telephone: (800) 676 – 3456	By U.S. mail to:
By fax: 866-291-1511	Favorite Healthcare Staffing, Inc.
By e-mail: accountsreceivable@favoritestaffing.com	Attn.: Accounts Receivable
	7255 W. 98 th Terr., Suite 150
	Overland Park, KS 66212
12. Pay interest equal to annual maximum allowable by state law, plus cost and disbursements, including reasonable attorney and/or collection fees, incurred in the collection of the client's account in the event client fails to remit payment within 30 days from the invoice date.
13. Client shall be responsible for all taxes of any kind imposed upon the sale of services under this Contract, including, but not limited to, any and all taxes imposed by the State of New Mexico and/or localities within the State of New Mexico upon the gross receipts paid to Favorite hereunder; provided, however, that Favorite shall be responsible for any and all taxes imposed by the State of New Mexico and/or localities within the State of New Mexico upon the net income earned by Favorite hereunder.
14. **Flipping.** During the term of this Agreement, if, and to the extent that, any THP whose profile is submitted by Favorite to Client and is working at Client's facility for Favorite, Client agrees that it will not, and will cause its affiliates not to, interfere with the business of Favorite by inducing that candidate to become employed by any other party or agency at Client's facility (e.g. no "flipping").
15. Client will not hire a per diem or travel THP from Favorite 12 months from their last worked shift at Client facility. If the 12-month period is not honored, Favorite will invoice for a conversion fee based on the Temp-to-Perm conversion fee schedule.

The following Direct Hire and Temp-to-Perm terms shall apply unless this right is specifically protected in accordance with state and/or local law (e.g. Illinois, Iowa, Kentucky, Louisiana, Minnesota, Missouri).

THE FOLLOWING POLICY AND FEE SCHEDULE SHALL APPLY TO DIRECT HIRE PLACEMENTS:

The direct hire fee shall be equal to the following percent of the candidate's first year's annualized salary for any candidate presented to Client by Favorite who accepts a position with any clinic, group, healthcare facility or organization owned, operated, or affiliated with Client whether or not in Client's actual local community. Salary amount will be listed on the employment letter for the candidate. In the event Favorite submits a candidate that has been in Client's database, but has not been contacted by Client within 45 days, the candidate is considered eligible to be presented through Favorite.

<u>Position Level</u>	<u>Job Specification</u>	<u>Direct Hire Fees</u>
Staff Position	Registered Nurse, Licensed Practical Nurse, Certified Nursing Assistant, Case Manager, Charge RN, Health Informatics	18%
Mid-Level	Nurse Practitioner, Physician Assistant, Department Manager/Director	20%
Executive Level	Director of Nursing, VP Operations and C-Level Healthcare Personnel	25%
Physicians		\$20,000

A. Client agrees to make payment to Favorite in the following manner:

- i. Client will be invoiced upon confirmation of placement for each candidate.
- ii. Full payment of the direct hire fee will be due to Favorite upon receipt of the invoice date.

B. Direct Hire Guarantee:

The Direct Hire Guarantee will apply if payment is received within ten (10) days of the date on the invoice. In the unlikely event that the client is unsatisfied with a candidate provided by Favorite prior to completion of ninety (90) days of the start date the client may choose to end the candidate's employment. Favorite will work with Client to replace the candidate, or Client will be issued a credit on a replacement as follows:

0 – 30 days	75% credit
31 – 60 days	50% credit
61 – 90 days	25% credit

- i. No replacement will be offered in the event of layoff, a substantial change in the original job description, or elimination of the position.
- ii. Credits may be used immediately or within twelve (12) months beginning at the termination date. A credit may be used for the original candidate search; any deviation from this will need to be approved in advance by Favorite.



- iii. Client will not directly hire a candidate from Favorite or another staffing agency for 12 months from when Favorite initially presented the candidate for hire. If the 12-month period is not honored, the full Direct Hire Fee's associated above shall apply.
- iv. If applicable, and if/when advanced practice services are requested (NPs and/or PAs), it is the responsibility of the CLIENT to have an executed copy of the Collaborative Agreement between the advanced practice personnel and the collaborating physician.

C. Temp-to-Perm Option:

A Temp-to-Perm position will include a temporary hourly bill rate and a reduced permanent placement (conversion) fee upon the successful completion of the temporary portion of the assignment based on the fee schedule as shown below. Full payment of the placement fee and invoices for services prior to conversion are due within 30 days of the Temporary Healthcare Professional's start date as an 'employee' of the client. These terms shall apply unless this right is specifically protected in accordance with state and/or local law.

Hours Worked at Facility Through Favorite:		Permanent Placement Fee:
0-249	=	100% of Direct Hire Fee
250-579	=	75% of Direct Hire Fee
580-1079	=	50% of Direct Hire Fee
1080+	=	25% of Direct Hire Fee

Joint Commission

The Joint Commission standards under which Favorite is certified relate to quality and safety of care issues as impacted by Favorite's temporary healthcare professionals. Anyone believing that he or she has pertinent and valid concerns about such matters should report these to the management of Favorite Healthcare Staffing either at the branch office or the corporate office (please see our web site at www.favoritestaffing.com for contact information). If the concerns cannot be resolved through Favorite, the individual is encouraged to contact The Joint Commission.

Phone: 800-994-6610

E-Mail: patientsafetyreport@jointcommission.org

Fax: 630-792-5636

Mail: Office of Quality and Patient Safety
The Joint Commission
One Renaissance Boulevard
Oakbrook Terrace, IL 60181

Online: www.jointcommission.org



STANDARD HIRING PRACTICES

1. **THE FOLLOWING DOCUMENTATION COLLECTED AND RETAINED IN THE PERSONNEL FILE FOR ALL PERSONNEL:**

- A. Picture Identification: A photo I.D. from a reliable source.
- B. Pre-Employment Screening: All applicants are subjected to a 10-panel drug screen and otherwise tested in accordance with applicable regulatory requirements.
- C. Criminal Background Investigation: Employees are checked in a manner compliant with the requirements of Client and always in accordance with government regulations.
- D. I-9: Documentation and verification upon Pre-employment
- E. Education: Documentation of Education associated with profession/class. (Accepted if it is documented on the application)
- F. Work History: Documentation of work history associated with profession/class or as required by client. (Accepted if it is documented on the application)
- G. References: At least two satisfactory written or verbal references verifying work performance in applicable clinical areas.

2. **THE FOLLOWING DOCUMENTATION COLLECTED AND RETAINED IN THE PERSONNEL FILE FOR CLINICAL PERSONNEL:**

- A. License Verification: Primary Source On-Line Verification of the employee's license/certification verified with the state, unless the state does not offer verification.
- B. Certifications: C.P.R. card and/or other certifications (ACLS, PALS, etc.) as required by policy and client requirements.
- C. Skills Inventory: A comprehensive skills inventory appropriate to job classification and age-specific self-assessment.
- D. OIG/GSA: Automatically checked on all new hires and then approximately every 1-3 months thereafter.
- E. Annual Training and Orientation: Evidence of a yearly review of Fire & Safety, Infection Prevention, Hazardous Waste, Joint Commission Patient Safety Goals and OSHA and HIPAA Privacy and Security standards.
- F. Health and TB Test: Pre-employment health self-assessment. Upon hire, TB within the past year/or TB questionnaire and current clear chest x-ray. Other specific health requirements as directed by client or state health guidelines. Each applicant must have received the Hepatitis B vaccination series or have provided a declination.
- G. Testing: Documentation of applicants' competency tests for most clinical staffing areas. A passing grade of 80 percent or better must be obtained. Certain specialty areas and paraprofessional testing may be replaced with client interview or other evaluation.

3. **INTERVIEW, PLACEMENT AND ORIENTATION:**

- A. Prospective employees are interviewed by the branch director or designee. During the interview, emphasis is placed upon work history and clinical expertise.
- B. Information is provided to applicants regarding performance requirements, Favorite's policies and procedures and, in many cases, specific policies and procedures of client institutions.
- C. The assignment of employees is made with consideration for the skills and expertise of the employee, the needs of the client and ultimately the client's acceptance of the suitability of the employee to perform the duties of the assignment.
- D. Favorite Healthcare Staffing, Inc. assists its client institutions, as requested, with implementation of their orientation policies and procedures.