

Commonwealth of Virginia

AGREEMENT

THIS DOCUMENT CONSTITUTES AN AGREEMENT BETWEEN:

The Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS), an agency of the Commonwealth of Virginia

AND

_____, hereinafter referred to as RESIDENT

AND IS DATED: _____

PURPOSE: The purpose of this agreement is to provide a residency stipend to support third, fourth and certain 5th year psychiatric residents during their training in exchange for their employment in Community Services Boards (CSBs) and DMHMRSAS Facilities in areas of Virginia which are underserved by psychiatric professionals.

WHEREAS, the resident named herein has been nominated by the _____ as an eligible applicant and determined qualified consistent with the requirements specified herein; and

WHEREAS, the award of any stipend requires the resident to sign a contract of agreement to complete the training requirements of his/her residency training program and, upon completion of the residency program, to obtain employment at a CSB or DMHMRSAS Facility located in an area that DMHMRSAS has been determined to be underserved by psychiatric professionals.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. The resident named above affirms that he/she has been nominated as eligible by the (*Name of Residency Training Program*) and qualifies for the stipend pursuant to the regulations contained in this agreement, and that he/she understands and agrees to the terms and conditions of psychiatric care practice in a medically underserved area of Virginia and to the terms and conditions of default set forth in this contract.
2. The resident shall authorize the (*Training Program*) to disclose to the DMHMRSAS all information regarding his/her academic standing that is required to monitor compliance with the terms and conditions stated below and shall report to DMHMRSAS and the Medical School named above, annually each July (April?), his/her current mailing address and other information as requested or as necessary to enable appraisal of compliance with this contract.
3. The resident agrees that, immediately following completion general psychiatry residency training, combined psychiatry-medicine training or an approved psychiatric Fellowship, that he/she shall practice psychiatry for a period of twelve consecutive months, for each one-year award as an employee of or in a Community Service Board or DMHMRSAS Facility in a community designated by the DMHMRSAS as underserved. The one-year obligation agreed to by execution of this contract shall take precedence over any other practice obligation. It is understood that the resident will be free to negotiate a reasonable salary and benefits with the employing or contracting organization, and that the stipend awarded here is not considered salary or payment for future services after graduation. It is also expected that upon completion of residency

training, that the resident will have a full license to practice medicine in the Commonwealth of Virginia.

4. DMHMRSAS shall pay to (Name of Resident), the sum of \$_____, within forty-five days of the execution of this contract, as payment in full for DMHMRSAS's obligation under this contract, to provide a non-transferable scholarship or stipend intended for the purpose of defraying the cost of the recipient's service as a psychiatrist in a psychiatrically underserved area of Virginia after completion of training. This stipend shall be in addition to, and shall not supplant, any other funding for which the resident is eligible.

TERMS AND CONDITIONS OF THIS AGREEMENT:

- A. The selection of an employment area, where service shall take place, will be made at some point during the last year of residency training (4th or 5th year). The resident will choose from available openings, from those sites that are considered by DMHMRSAS to be psychiatrically underserved. In some instances there may be deemed a need for a practice in a psychiatrically underserved or rural area of Virginia. In those cases, the Commissioner may evaluate such potential practices, and if deemed appropriate to the mission of public mental health, may approve it as meeting criteria for scholarship payback. All practice locations must receive written approval from the Commissioner of DMHMRSAS, or his designee.
- B. Commencement of practice shall begin no later than ninety days following completion of residency training. The resident shall receive credit toward fulfillment of his/her contractual obligation at the rate of 12 months of psychiatric medical practice for each scholarship awarded. Absence from the employment in excess of seven weeks without written permission from the Commissioner shall result in a proportional reduction of the period of credit toward fulfillment of the contractual obligation.
- C. The Resident agrees to maintain office hours consistent with standard psychiatric practice, and in conformance with the employing agencies routine. Resident shall provide care to all persons covered by Medicare, Medicaid, or any other government health care reimbursement program. Patients admitted to the practice will be charged the usual and customary fees prevailing in the area in which service is provided, except that if the patient is unable to pay the charge, such a patient will be charged a reduced rate or will not be charged at all. This stipulation may be waived at the Commissioner's discretion.
- D. The resident shall be considered in default of his/her obligations under the terms and conditions of this contract for any of the following causes: placement on academic or other probation at his/her Training Program, Suspension or expulsion from the Training Program; failure to obtain or retain a license to practice Medicine in the Commonwealth of Virginia; revocation or suspension of his/her license by the Virginia Board of Medicine; failure to fulfill the required duration, location, or type of medical practice requirements; voluntary military service by recipient beyond that required by United States law; permanent disability or death of the recipient.
- E. If the resident defaults while still in medical school or residency by voluntarily notifying the Commissioner in writing that he/she will not practice psychiatric psychiatry in a medically underserved area as required by this contract, by voluntarily not proceeding to the next year of medical education or residency, or by withdrawing from residency training, the resident agrees to make full restitution to the Commonwealth of Virginia by repayment of all monetary stipend awards plus interest on the amount of such restitution. All interest shall accrue from the date of the award of the stipend.

- F. If the resident defaults by failing to maintain satisfactory progress or by reason of his/her dismissal from residency training for any reason, the resident shall make restitution to the Commonwealth of Virginia by repayment of all monetary stipend awards plus interest on the amount of such restitution. All interest shall accrue from the date of the award of the stipend.
- G. If the resident defaults by failing or refusing to practice psychiatry in an approved underserved area as provided in this contract, he/she shall make restitution to the Commonwealth of Virginia by repaying all monetary stipend awards, plus interest on such restitution. All interest shall accrue from the date of the award of the stipend.
- H. In the case of default by reason of: (1) failure to maintain satisfactory scholastic progress, (2) death, or (3) permanent disability of the resident prior to completion of the year of residency training for which this stipend is awarded, or prior to fulfillment of his/her practice obligation, the Commissioner may waive the obligation to practice psychiatry in a medically underserved area of Virginia.
- I. In the case of default by reason of death or permanent disability the obligation to make restitution may be waived by the Commissioner upon application by the recipient or his/her estate to the Commissioner with proof of hardship or inability to pay.
- J. The rate of interest following default by resident shall be determined by Section 6.1-330.54 of the Code of Virginia. The prejudgment rate of interest which shall commence accrual upon resident's default shall be the rate as set forth in Section 6.1-330.54 of the Code of Virginia.
- K. The Commissioner in his discretion may authorize extension of the period of repayment of any stipend, plus interest, for up to 24 months from the date that the resident commits an act of default.
- L. Failure of a resident to make any payment on his/her debt of restitution plus interest when it is due shall be cause for the Commissioner to refer the debt to the Attorney General of the Commonwealth of Virginia for collection. The resident shall be responsible for any and all costs of collection as may be provided in Virginia law, including 25% attorney fees.

This contract constitutes the entire agreement between the parties. Nothing in this contract shall be construed as authority for either party to limit or to make commitments beyond the terms and conditions contained herein.

COMMONWEALTH OF VIRGINIA
 DEPARTMENT OF MENTAL HEALTH,
 MENTAL RETARDATION AND
 SUBSTANCE ABUSE SERVICES:

RESIDENT:

Signature: _____

Signature: _____

Name: _____

Name: _____

Soc. Sec. # _____

Title: _____

Date: _____

Date: _____