EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, made and entered into as of the 24th day of July, 2002, between HEALTH MIDWEST (the "Employer") and J. KENT HOWARD (the "Employee").

1. Employment. The Employer hereby employs the Employee and the Employee hereby accepts employment pursuant to the terms and conditions set forth in this Employment Agreement.

2. Duties. The Employee shall render full-time employment to the Employer in the position of Chief Operating Officer, Health Midwest ~~Independence~~ Eastern Region and President & Chief Executive Officer, Medical Center of Independence, and Senior Vice President Rural Hospitals. The Employee will at all times faithfully, industriously and to the best of his ability perform all duties that may be required of him by virtue of his position. Such duties shall include directing, coordinating, and administering the operations and activities of the Health Midwest Rural Hospitals and Health Midwest ~~Independence~~ Eastern Region and its subsidiaries, including without limitation, Independence Regional Health Center, Lee's Summit Hospital and Medical Center of Independence, and various outpatient services so as to respond to the health care needs of the community and to achieve established goals and objectives. In addition to such duties and those that may be reasonably inferred from the position of Employee, the Employee shall perform such other duties as may from time to time be assigned to him by the President and Chief Executive Office of Health Midwest ~~Independence~~ Eastern Region, the President and Chief Executive Officer of Health Midwest, or the Chairman of the Board of Directors of Health Midwest.

3. Term. The term of this Employment Agreement shall commence as of the above date and shall continue until terminated by either party as provided herein.

4. Compensation and Benefits. In consideration for the services provided by the Employee hereunder, the Employer will pay Employee a base salary of $19,267.12 per month during 2002. An annual review of Employee's performance and compensation shall occur on or before January 1 of each subsequent year, unless prevented by reasons beyond the reasonable control of Employer or Employee, and after discussion between Employer and Employee any changes in compensation will be determined by the Employer and will be effective as of January 1 of that year. Employee will also be entitled to participate in the bonus program described in Exhibit A to this Employment Agreement subject to all modifications to such program as may be made for all executives at the senior executive level. Employee will receive a monthly car allowance in the amount of $520.00, which will be considered taxable income to Employee.

The Employee shall be eligible to participate in the benefit programs identified on Exhibit B to this Employment Agreement subject to all applicable eligibility requirements, waiting periods and modifications to such programs as may be made for all executives at the senior executive level. Employer's health and dental insurance benefits will not be available to Employee until the first day of the month following 90 days of employment.

5. Paid Time Off. The Employee shall be entitled to 28 days, or 224 hours, of paid time off during each year of employment, and Employee will accumulate paid time off hours each pay period beginning with the Employee's date of hire with Employer. A maximum aggregate of 224 hours of unused paid time off may be carried over each year on the Employee's

employment anniversary date. The taking of paid time off shall be scheduled with the Employee's supervisor. Upon termination of employment of Employee by Employer without Cause, or by Employee, with or without Good Reason, as such terms are defined below, Employee shall be entitled to payment in lieu of paid time off for all paid time off hours which have been accumulated but not taken for the year in which the termination occurs plus any paid time off hours carried over from the prior year up to the above described maximum. No further paid time off-hours shall accrue beyond the date of termination or during any Severance Period provided in Section 7(b). Upon termination of employment of Employee by Employer for Cause, all entitlement to unused paid time off shall cease and lapse, and Employee shall not be entitled to any payment in lieu thereof.

6. Reimbursement of Certain Business Expenses. The Employer agrees to pay dues to professional associations and societies and such service organizations as are approved by the the President and Chief Executive Officer of Health Midwest-~~Independence~~ Eastern Region as being in the best interests of the Employer. The Employer shall reimburse Employee for reasonable expenses incurred by him incident to attendance at professional meetings and shall reimburse such reasonable entertainment expenses incurred by the Employee in furtherance of the employer's interests. The Employer shall furnish for the use by Employee of a cellular phone and shall reimburse Employee for the use thereof except for personal use in accordance with the policies of Health Midwest.

7. Termination.

a. General and Definitions. The Employer may terminate this Agreement either with or without Cause, or upon Employee's death, or upon Employee's disability which renders the Employee unable to perform the essential functions of the job, with or without reasonable accommodation. It is recognized that the foregoing is subject to the provisions of the Americans with Disabilities Act. The Employee may terminate this Agreement with or without Good Reason. As used in this Agreement, the term, "Cause" shall mean: (a) conviction of Employee of (i) a felony (except as provided below); or (ii) a misdemeanor involving lying, stealing or immoral conduct; (b) actions or omissions by Employee which materially and adversely affect the Employer, or which could have such effect if allowed to continue, and which are not cured within 15 days following notice of the requirement to cure; or (c) material breach of this Agreement by the Employee which is not cured within 15 days after written notice of the breach is sent to the Employee by Employer. Notwithstanding the foregoing definition of "Cause", the Employer and Employee agree that Cause shall not include a criminal conviction resulting from acts or omissions by Employee which were taken in good faith and in the reasonable belief that same were in or not opposed to the best interests of the Employer, and with respect to which the Employee had no intent to violate the law. Conviction of crime requiring a finding of specific intent to violate the law shall not necessarily result in a finding hereunder that Employee's actions or omissions in question constituted "Cause" for termination hereunder. As used in this Agreement, "Good Reason" shall mean (x) assignment to the Employee of duties which result in Executive no longer performing the duties at a level comparable to the duties required of a senior executive; (y) material breach of this Agreement by the Employer which is not cured within 30 days after written notice of the breach is received by the President of Health Midwest; or (z) the assignment of this Agreement by Employer to an employer which is not an wholly or partly owned subsidiary of Health Midwest. Before terminating the employment of Employee

hereunder, the President and Chief Executive Officer of Health Midwest ~~Independence~~ Eastern Region shall consult with the President and Chief Executive Officer of Health Midwest and the Executive Committee of the Board of Directors of Health Midwest. All terminations by the Employer shall be effective on the date set forth in a written notice sent to Employee.

b. Effect of Termination by Employer Without Cause. In the event Employer terminates the employment of Employee without Cause, the obligations of Employer and Employee to one another hereunder shall cease as of the effective date of such termination except that:

1. Employer shall pay Employee's then current base salary, without reduction except for taxes, for the then current pay period and for that number of additional pay periods which will result in one year's salary as an agreed upon termination payment (the "Termination Payment"). The one-year period shall be referred to as the "Severance Period."

2. During the Severance Period, the Employer shall also maintain the Employee's group term life and long term disability coverage on the same basis as such coverage is being provided to senior executives at the time such payments are due, provided that the Employee continues to be eligible for such benefits. Employer's obligation to maintain such benefits shall cease at such time as Employee obtains employment elsewhere regardless of whether such employment, or benefits provided in connection therewith, are the same as or comparable to the employment benefits provided hereunder.

3. During the Severance Period, the Employer shall also pay the costs of COBRA continuation at the same percentage it paid toward the premium for health and dental coverage at the time of termination of employment (including the Exec-u-Care coverage, if any is then provided) provided such benefits are being provided for senior executives at the time such payments are due. Employer's obligation to maintain such benefits shall cease at such time as Employee obtains employment elsewhere regardless of whether such employment, or benefits provided in connection therewith are the same as or comparable to the benefits provided hereunder.

4. During the Severance Period, Employee shall not be entitled to participate in the Execuflex program. Employee will not participate in the Employer contribution to the benefit allowance pool, nor will he be entitled to designate a portion of the Termination Payment for purchase of certain flexible benefits and no such benefits shall be provided with respect to the Termination Payments. The eligibility and entitlement of Employee to distributions from previous designations, for example, amounts set aside in the Capital Accumulation Account, shall be determined by the terms of the Execuflex program in effect at the time of the termination of employment hereunder.

5. The obligation of Employer to provide the benefits and payments set forth in this subsection (b) shall be conditioned upon the execution by Employee of a release of claims against Employer and such other documentation

as Employer may reasonably request of Employee.

c. Effect of Termination by Employer With Cause or by the Resignation of Employee or by Employee otherwise without Good Reason. In the event that the Employer terminates the employment of Employee with cause or the Employee resigns or otherwise terminates without Good Reason, all obligations of the parties to one another shall cease as of the effective date of such termination. Employer shall not be obligated to provide any Termination Payment or benefits following such effective date except such benefits with respect to which (i) Employee has already become vested as of the effective date of the termination; and (ii) the provisions of the plan or program covering such benefits require the payment thereof under such circumstances. For not less than one year following any termination under this Section 7(c), Employee will neither seek nor accept any position for a health care provider or health insurance/ managed care entity with operations in the counties of Jackson, Clay, Platte, Cass or Lafayette in the State of Missouri; or in the counties of Johnson, Wyandotte, Leavenworth, Miami or Douglas in the State of Kansas; or in the Topeka or Wichita Kansas metropolitan area. If Employer prevails in an action against Employee for breach of the non-competition provisions of this Section 7(c), in addition to any injunctive relief that may be awarded, Employee will pay the reasonable costs and expenses of enforcement by Employer of the provisions hereof.

d. Effect of Termination by Employee with Good Reason. In the event that Employee terminates employment hereunder with Good Reason, the payments and benefits set forth under Section 7(b) above shall be provided by Employer, conditioned upon the release agreement and documentation referred to in Section 7(b)(5); provided that Employee shall have the obligation to seek other employment and any amounts earned by or paid to Employee during the Severance Period shall reduce, dollar for dollar, the obligation of Employer to make the Termination Payment.

e. Notice of Termination by Employee without Good Reason. Employee may elect to terminate employment hereunder without Good Reason upon not less than 120 days prior written notice to Employer of the termination. Employer may shorten the notice period by written notice to Employee. The obligations of the parties shall cease hereunder upon the expiration of the notice period, whether the 120-day period or such shorter period as may be elected by Employer.

f. Termination upon the Death or Disability of Employee. Upon the death of Employee or upon disability which renders the Employee unable to perform the essential functions of the job, with or without reasonable accommodation, this agreement shall terminate and all rights, duties and obligations of both parties shall cease, except for the payments of benefits to the Employee and his beneficiaries pursuant to any benefit programs providing death or disability benefits for which Employee was vested at the time of his death or disability. It is recognized that the foregoing is subject to the provisions of the Americans for Disabilities Act.

g. Confidentiality. The provisions of Section 8 shall continue to apply following any termination of this Agreement pursuant to Section 7 or otherwise.

8. Confidentiality. Employee shall at all times during and after the term hereof maintain in strictest confidence and not disclose to any person or entity any proprietary or business related information that he has acquired about the Employer, including, but not limited to all finance matters, business matters, physician matters, human resource matters and long-range planning information.

9. Miscellaneous.

a. This contract constitutes the entire agreement between the parties and contains all the agreements between them with respect to the subject matter hereof. It supercedes any and all other prior or contemporaneous agreements or contracts, either oral or written, between the parties with respect to the subject matter hereof.

b. Except as otherwise specifically provided, the terms and conditions of this Agreement may be amended at any time by mutual written agreement of the parties approved by the President and Chief Executive Officer of Health Midwest-~~Independence.~~ Eastern Region

c. The invalidity or unenforceability of any particular provision of this Agreement shall not affect its other provisions, and this contract shall be construed in all respects as if such invalid or unenforceable provision had been omitted.

d. This Agreement shall be binding upon and inure to the benefit of the Employer and its successors and assigns and the Employee, his administrators, executors, legatees, heirs and assigns. Employee may not assign the rights or delegate the duties hereunder.

e. This Agreement shall be construed and enforced under and in accordance with the laws of the State of Missouri.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year written next to their signatures below.

Health Midwest "Employer"	"Employee"
By _____	_____
Michael W. Chappelow President and CEO, Health Midwest-~~Independence~~ EASTERN REGION	J. Kent Howard
Date 7/24/02	Date 7-24-02

Exhibit A

Health Midwest Executive Incentive Compensation Plan

Employee will be eligible to participate in the Health Midwest Executive Incentive Compensation Plan. The plan provides for the opportunity to earn an annual bonus, up to a maximum of 30% of base salary. The plan also provides for a longer term, three-year bonus potential. Each year objectives for the next three years are approved, and each year a three-year bonus is paid to eligible executives if objectives have been met. The maximum bonus that can be earned for achieving three-year objectives is equal to 40% of base salary, and it is paid based on the average of the participant's salary for the three-year period. Therefore, each year the total maximum bonus potential is 70% of base salary. A senior executive entering the plan will receive a prorated amount for the calendar year in which he/she is hired, if established objectives have been met. The objectives that are established each year for this bonus plan are Health Midwest system/organizational objectives, not individual executive objectives, and any payouts earned are based on system results. The objectives that are identified each year are typically quality and financial-related in nature.

Exhibit B

Health Midwest Senior Executive Benefits

Employee will be eligible to participate in the following Health Midwest benefits:

Execuflex
Supplemental Employee Retirement Plan (Wrap SERP)
Disability Salary Continuation
Long Term Disability
Leave Of Absence
Jury Pay
Bereavement Pay
Health Care Plan
Dental Plan
Pre-Tax Savings Plan
Inpatient/Outpatient Discount
Pharmacy Discount
Post-Offer Physical
Periodic Health Appraisal
Life and Accidental Death and Dismemberment Insurance
Supplemental Life Insurance
Spouse and Child Life Insurance
Travel Accident Insurance
Health Midwest Retirement Reserve Plan
Health Midwest Retirement Savings Plan
Social Security
Worker's Compensation
Tuition Reimbursement
Consern Educational Loan
Liability Insurance
Child Development Center
Direct Deposit
Health Midwest Credit Union
Employee Assistance Program
Friend-In-Need Program
HealthPlus
Prevent
Healthy Deliveries
Discounts For Certain Recreational Activities
Notary Public

These benefits are subject to the terms of the underlying plans and policies, which may be amended from time to time by Health Midwest.