

PARTICIPATING PHYSICIAN AGREEMENT

THIS AGREEMENT is entered into on this ____ day of _____ by and between CENTRAL OREGON INDEPENDENT PRACTICE ASSOCIATION, a not-for-profit corporation organized under the laws of the State of Oregon (hereinafter called "COIPA"), and _____, a duly licensed physician in the State of Oregon who is associated with COIPA as a participating physician (hereinafter called "Physician").

RECITALS

- A. COIPA will enter into contracts with various Managed Care Plans.
- B. COIPA and its participants will be obligated to provide or arrange for the provision of comprehensive health care services to enrolled Members in Managed Care Plans.
- C. This is a non-exclusive Agreement. Both Physician and COIPA are free to contract with any other organization, insurer, employer, individual or Managed Care Plan whether or not the other party is a participant in such agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

I. DEFINITIONS

1.1 "Covered Services" shall mean those health services provided by Physician to Members for which Physician is qualified, which services qualify for payment by the Plan pursuant to the terms of its applicable Individual or Group Service Agreement and the Plan's Medical Service Agreement between the Plan and COIPA.

1.2 "Emergency" shall mean the sudden and unexpected onset of a condition requiring medical or surgical care, for which the Member secures such care immediately after the onset (or as soon thereafter as care can be available, but in any case no later than 24 hours after the onset). An Emergency shall include, but not be limited to, (1) placing the health of the individual (or with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy; (2) serious impairment to bodily functions; (3) serious dysfunction of any bodily organ or part; or (4) with respect to a pregnant woman who is having contractions: a) that there is inadequate time to effect a safe transfer to another hospital before delivery, or b) that the transfer may pose a threat to the health or safety of the woman or the unborn child. COIPA and/or Plans may determine that other similarly acute conditions are Emergencies. The decision of whether a condition is an Emergency rests with the Managed Care Plan and is subject to its procedures for post-treatment utilization review and grievance.

1.3 "Individual Service Agreement" or "Group Service Agreement" shall mean the agreement between a Plan and its Member or between the Plan and the Member's employer group, which defines terms and conditions of the Plan's obligation to provide, arrange for, and/or reimburse for medical care provided to the Member.

1.4 "Medically Indicated" shall mean a service or supply ordered by a Physician which is necessary in order to treat or care for symptoms of an illness or injury, or to diagnose an illness or condition that is harmful to life or health, and which is commonly and customarily recognized throughout the Physician's profession as appropriate in the treatment. The decision whether a service or supply ordered by the Physician was Medically Indicated for the purposes of qualifying for payment by the Health Care Plan rests with the Plan.

1.5 "Member" shall mean any person who is enrolled in a managed care Plan with which COIPA has contracted.

1.6 "Participating Institution" shall mean a hospital or other health care institution, which contracts with COIPA for the purpose of providing Covered Services to Members. Participating status shall be contingent upon COIPA designation as such.

1.7 "Participating Physician" shall mean respectively, those physicians who are members of COIPA who provide Covered Services to Plan Members.

1.8 "Participating Provider" shall mean those Participating Physicians and Associate Members, of COIPA who provide Covered Services to Plan Members.

1.9 "Physician" shall mean a Participating Physician of COIPA who agrees to provide medical care services to Members pursuant to this Agreement.

1.10 "Plan" shall mean any arrangement between COIPA and another party, such as an insurer, consumer or consumer's employer, Health Maintenance Organization, government or other similar entities, whose obligation it is to arrange for the provision of, or provide reimbursement for, health care services.

1.11 "Rules and Regulations of COIPA" shall mean the Physician Application, credentialing Procedures, Office Procedure Manual and Reapplication Process, and such other matters as determined from time to time by the COIPA Board of Directors.

II. SERVICES

2.1 Physician agrees to provide or arrange for Members medical services and to only provide those Covered Services, which are within Physician's medical specialty as designated to COIPA on the Credentialing Application.

2.2 Physician hereby agrees to accept and provide such Covered Services for a reasonable number of Members, provided however that upon prior approval of the Plan, Physician may limit his/her practice to existing patients who are or become Members. In doing so, Physician must close his/her practice to all new members without preference to a particular health plan. Physician may, following written notice to COIPA, the affected Member and the appropriate Plan, withdraw from the treatment of a Member when, in Physician's professional judgment, it would be in the Member's best interest to do so. Physician agrees that such notice of withdrawal from a Member's care shall allow sufficient time, under the circumstances, for the Member's care to be transferred in a proper manner to another Participating Provider.

2.3 Physician agrees not to admit any Member to a hospital or other inpatient facility in a non-Emergency or elective situation without first obtaining the necessary authorization pursuant to the Plan's preadmission certification procedure, if any.

2.4 Physician agrees, except in accordance with the provisions, spirit and intent of this Agreement, and within the limits of his/her specialty, (A) not to discriminate in his/her provision of Covered Services to Members because of race, color, national origin, ancestry, religion, sex, marital status, sexual orientation, age, health, handicap or membership in a contracting Plan, and (B) to render Covered Services to Members in the same manner, in accordance with the same standards, and within the same time availability as offered to his/her non-Plan patients.

2.5 Physician further agrees that, should he/she arrange with a non-Participating Physician to treat his/her Member-patients in his/her absence, it will be Physician's responsibility to ensure that such non-Participating Physician will comply with Physician's obligations hereunder, including but not limited to (A) acceptance of the fee established by the Plan as full payment for Covered Services rendered to Physician's Member-patients; (B) acceptance of the COIPA and the Plan's peer and utilization review procedures; (C) agreement not to bill Members directly under any circumstances except for copayments and non-covered Services as defined in Individual and Group Service Agreements; and (D) obtaining authorization from the Plan prior to all non-emergency hospitalizations.

2.6 In the event of illness or injury for which a third party has accepted financial responsibility or has been judged to be liable, the amount available for collection by Physician from the third party shall be applied to charges for medical care of a Member prior to accessing the resources of the Plan. If such third party liability eliminates any financial obligation of the Plan on a Member's behalf, the provisions of this Agreement do not apply to the situation. In the event the third party is not liable for the illness or injury of a Member or if recovery from the third party is less than the Plan's obligation to Member in the absence of payment by a third party, Physician must comply with the Plan's rules governing the provision of Covered Services and the terms of this Agreement in order for the Plan to accept financial responsibility.

2.7 Physician shall pay all dues and assessments levied by the Board of COIPA when due. Failure to pay is grounds for termination.

III. COMPENSATION

3.1 Physician's compensation for Covered Services rendered shall be at the rates set forth and according to the appropriate Plan contract.

3.2 Physician hereby agrees that in no event, including but not limited to non-payment by the Plan; insolvency of the Plan; or breach of this Agreement, shall Physician bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against a Member, enrollee, or other persons acting on their behalf other than the Plan, for Medically Indicated Covered Services provided pursuant to the Plan's Group Service Agreement. Physician acknowledges that payment is not likely in these circumstances. This provision shall not prohibit collection of supplemental charges or copayments from a Member made in accordance with the terms of the Group Service Agreement under which the Member is enrolled.

3.2.1 This provision applies to Covered Services provided during a time period for which a Member's premiums have been paid.

3.2.2 This provision shall be understood to be for the benefit of the Member.

3.3 The appropriate Plan may require its Members to pay a nominal fee or copayment for certain Covered Services as set forth in the Member's Individual or group service Agreement with the Plan. Physician shall be responsible for the collection and Members shall be responsible for payment of such copayments at the time the Covered Services are rendered. Such copayments may be modified at any time by the Plan. Members may also be responsible for co-insurance amounts.

3.4 A Plan shall have no obligation to pay any amounts that together with all other payments to and contractual adjustments made by Physician exceed the amount payable by a Plan for Covered Services rendered.

3.5 COIPA hereby is given the authority to enter into agreements with various Plans, among which one or more may require withholds. In such an event, COIPA has the authority to authorize the withholding of a percentage of each payment due to Physician to be set aside by the Plan(s) in risk pools or reserve funds, and Physician will be compensated at a set rate as specified by the Plan. COIPA shall require the Plans to agree that reserve funds will be used for utilization in excess of projected amounts or returned to Physician, if projections are met.

IV. BILLING PROCEDURES

4.1 Physician shall bill the Plan for all Covered Services rendered to Members. Physician shall receive compensation for Covered Services rendered according to the Plan, less any applicable copayments regardless of whether such copayments were actually collected.

4.2 Physician shall submit a HCFA 1500 claim form or electronic claim to the appropriate Plan for all Covered Services rendered to Members, which claim form shall show whether the applicable copayment has been collected. Such claim form shall include statistical and descriptive medical, including all CPT, HCPC, ICD-9 coding, and patient data in a form specified by the Plan. Billings will be consistent with ethical and community standard billing practices. Such claim form shall be submitted to the Plan within 120 days of the date the physician provides such service for which he/she seeks reimbursement. Appeals of payment or denial decisions must be made according to guidelines, if any, in the Plan. Physician shall submit all claims within one year of the date the physician provides such service regardless of whether the claims will be reimbursed.

V. MEDICAL SERVICE AGREEMENTS PLAN(S)

5.1 COIPA intends to contract for the delivery of health care services through contracts with health maintenance organizations (HMO) . Physician shall be required to participate in "risk-sharing" agreements COIPA enters into, to the extent Physician's services are contemplated thereunder.

5.2 Physician shall individually elect whether to participate in any nonrisk PPO contract offered to COIPA Participating Providers. Physician or Physician's representative shall be individually responsible for negotiating all fees and reimbursement(s) to be received under such nonrisk-sharing agreements. COIPA will only negotiate the non-reimbursement issues associated with nonrisk-sharing agreements. To the extent a nonrisk-sharing agreement is offered to COIPA Participating Providers, Physician shall not discuss the reimbursement rates, fees or service pricing of such nonrisk agreement(s) with any other Participating Provider, including whether or not such Participating Providers have accepted or rejected the same or similar agreement(s).

VI. PHYSICIAN WARRANTIES/COMPLIANCE WITH RULES AND REGULATIONS

6.1 Physician states as a material term of this Agreement that he/she is now, and will remain as long as this Agreement remains in effect, (A) the holder of a currently valid license to practice medicine or osteopathy in the State of Oregon, and (B) an active, associate or provisional active member in good standing on the medical staff of a Participating Institution, if appropriate to their practice.

6.2 Physician shall cooperate with such programs of initial and periodic credentialing and appraisal as may be established by COIPA. Physician hereby consents and authorizes the release to COIPA or COIPA's designated agents, any utilization, peer review, NCQA or other information regarding Physician's practice of medicine (hereinafter "Credentialing Information"). To the extent ORS 41.675 applies to any Credentialing Information, and to the extent the privilege conferred thereunder extends to Physician, Physician hereby waives said privilege. To the extent a privilege conferred by ORS 41.675 is claimed by, or applies to any other individual(s) or entity with regard to any Credentialing Information, COIPA and its designated agents shall first obtain consent to the release of the Credentialing Information by the holder(s) of the privilege before obtaining the Credentialing Information. Physician releases from liability COIPA and its designated agents, Plans and their employees and agents, Participating Providers, and any other person(s) or entities which furnish Credentialing Information to COIPA or its designated agents, for acts made in good faith and without malice in connection with this provision.

6.3 Physician shall be bound by the Bylaws of COIPA and its Rules and Regulations as they may be amended from time to time. If Physician violates any of the provisions of the Bylaws or Rules and Regulations, or any of the principles of professional conduct, or acts contrary to or in violation of any Plan's agreement, all contractual rights under this Agreement which pertain to Physician may terminate and all fees for Covered Services rendered to Members by Physician which accrue prior to such termination shall be paid within 10 days of the date of termination. Copies of the Bylaws and Rules and Regulations will be provided to or be available for examination by Physician upon request.

6.4 Whether implemented by COIPA and/or any Plan(s), Physician agrees to cooperate and participate in the following, as designated from time to time by COIPA and/or the appropriate Plan(s), and/or as required by state or federal regulations:

- a. Internal utilization review/management, quality improvement and customer service activities, systems and rules and regulations;
- b. External audit systems;
- c. Grievance system rules and regulations;
- d. Development of evaluation criteria for new medical technologies or new applications of established technologies (including medical procedures, drugs and devices);
- e. Credentialing processes including on-site visitation of Physician's place of practice by COIPA and/or Plan designee;
- f. Medical record organization and retention systems; and
- g. Such other systems, activities and procedures relating to Plan accreditation by the National Committee for Quality Assurance and any other accreditation organizations, as may be determined from time to time by COIPA and the Plans with which it contracts.
- h. Standards of Participation from each health plan which include such items as; payment rules, provider manual; and code of conduct.

Physician further agrees to comply with any final determinations made pursuant to any of the review processes noted above, as such determination(s) relate to his or her responsibilities under this Agreement.

VII. REFERRALS

7.1 Physician shall refer Members to other Participating Providers who have contracted with the Member's Plan; provided that such referrals are consistent with sound medical practice. Physician shall inform a Member that he or she may be responsible for payment of health care services provided by a non-Participating Provider to the extent such a referral is requested by the Member or deemed necessary by Physician. Prior documented authorization, except in an Emergency, from the Medical Director of the Plan must be obtained for referral to health care providers who are not Participating Providers if such referral is for the purpose of receiving Covered Services.

7.2 In cooperation with utilization/quality management, Physician shall participate in referral systems established by Plan(s) and reviewed by the COIPA Board, to facilitate appropriate referrals for Covered Services. The purpose of the referral system is to evaluate provider criteria to facilitate appropriate referrals to meet patient needs. Physician retains the right to exercise his or her medical judgment when making patient referrals. The procedures Physician shall follow when utilizing the referral system shall be set forth in the Rules and Regulations of COIPA.

VIII. RECORDS SHARING AND CONFIDENTIALITY

8.1 Physician shall participate in any system established by COIPA or an appropriate Plan which will facilitate, to the extent feasible, the maximum sharing of records, subject to compliance by the Plan with state and/or federal law regarding confidentiality. Physician agrees to retain records in accordance with the minimum requirements of state and federal law (no less than 6 years). Such obligations continue despite the termination of this Agreement, whether by rescission or otherwise. COIPA shall have access at reasonable times upon demand to the books, records, and papers of Physician relating to Covered Services provided to Members, the cost thereof, and any payments received by Physician from Members.

8.2 In the event of termination of this Agreement, Physician shall nonetheless make Member medical records available upon request of the appropriate Plan or Member for copying by the Plan or another Participating Provider.

8.3 Physician shall treat all medical records of Members as confidential, in compliance with all federal and state laws and regulations regarding the confidentiality of patient records.

8.4 Physician shall cooperate with COIPA and the Plans in maintaining and providing medical histories, financial, administrative and other records of Members as shall be requested. COIPA shall require Plans with which it contracts to obtain medical records releases from such Plans' Members. The parties agree that such records shall maintain the confidential nature they had while in the possession of Physician.

8.5 Physician shall, upon reasonable request by a Plan, and subject to proof of compliance with Section 6.2 hereof, provide the Plan access to and/or copies of records necessary to process claims and to comply with the provisions of COIPA and/or Plan utilization and quality management programs and records requests from state and federal regulatory agencies and review organizations. Plans will allow Physician a reasonable length of time within which to provide the requested documents. Whenever possible and convenient, the Plan will review records on-site to avoid the need for duplication of records by Physician. The parties agree that such records shall maintain the same confidential nature they had while in the possession of Physician.

8.6 Physician agrees to maintain the confidentiality of documents, terms, and conditions relating to reimbursement rates and methods and other proprietary information of each Plan with which COIPA contracts. Physician agrees to return all copies of documents containing any of the Plan's proprietary information upon termination of this Agreement. This provision shall continue in effect notwithstanding the termination of this Agreement.

IX. ACCESSIBILITY AND CONTINUITY OF CARE

9.1 Physician agrees to make prior arrangements for other Participating Physician(s) to provide coverage for Members on a 24-hour a day, 7-day a week basis when Physician is unavailable to Members. The same terms and conditions as agreed to by Physician shall be in effect and primary coverage may not be through a hospital emergency room or urgent care center.

X. INSURANCE

10.1 Physician shall provide and maintain such policies of general and professional liability insurance or such other program of professional liability coverage, as may be customary and acceptable to COIPA to insure Physician against any claim or claims for damages arising by reason of personal injuries or death occasioned directly or in connection with the performance of, or the failure to perform, any service provided by Physician or his/her employees or agents. The amounts and extent of such insurance coverage shall be subject to the approval of COIPA, which approval shall not be unreasonably withheld. Upon request by COIPA, Physician will provide COIPA with evidence of such coverage, including name of carrier, policy number, limits and expiration date. As a minimum, Physician shall have professional liability coverage of \$1,000,000. per occurrence and \$3,000,000. aggregate. Physician shall provide COIPA with at least ten (10) days advance written notice of any modification to or termination of such insurance coverage.

XI. ADMINISTRATION

11.1 Physician agrees that COIPA and each Plan with which COIPA contracts may use his/her name, address, phone number, type of practice and an indication of willingness to accept new patients through COIPA and/or a Plan on a roster of Participating Providers. This roster may be inspected by and is intended for the use of enrolled Members, prospective Members, Participating Providers, non-Participating Providers and prospective Participating Providers.

11.2 Physician agrees to cooperate in providing for effective implementation of the provisions of Members' Individual or Group Service Agreements relating to covered benefits or coordination of benefits and other third party claims.

11.3 Physician understands and agrees that any additional fees charged to Members are prohibited except for copayments or for non-Covered Services. An "additional fee" shall mean any charge which is not previously approved by the appropriate Plan or COIPA.

XII. TERM AND TERMINATION

12.1 The term of this Agreement shall commence on the date of execution. This Agreement shall continue in effect until December 31 of the year of execution, and thereafter to December 31 of each following year unless terminated pursuant to the terms hereof or by the Bylaws of COIPA.

12.2 This Agreement may be terminated by COIPA as follows:

- a. Automatically without further action required by the Board of Directors of COIPA if Physician retires from the practice of medicine, is adjudicated legally incompetent, dies or has his or her professional license not renewed, revoked, restricted or suspended without reinstatement;
- b. At the Board's discretion if Physician fails to meet any of the criteria set forth within Section 3.11 of COIPA Bylaws; or
- c. Pursuant to the criteria and procedures set forth in Articles V and VI of COIPA Bylaws (collectively the "Fair Hearing Plan").

12.3 At any time during the term hereof, this Agreement may be terminated by Physician by giving written notice at least 60 days in advance of such termination. Upon such termination, the rights of Physician shall terminate with respect to Members of groups enrolled by any Plan after COIPA receives such Physician's notice of termination provided, however, this Agreement shall continue in effect with respect to Members of groups enrolled prior to COIPA's receipt of such notice for a maximum period of 60 days from the date such notice is mailed. Subject to the conditions set forth in Article III of this Agreement, during said 60-day period, Physician shall be regularly paid for Covered Services rendered to enrolled Members per the then existing compensation schedule of the appropriate Plan(s).

12.4 Nothing herein shall be construed as limiting the right of COIPA to terminate this Agreement immediately where COIPA determines that the health, safety or welfare of one or more Members is jeopardized by continuation of the Agreement, or if Physician suffers limitation, revocation, termination or suspension of his/her license or medical staff privileges.

12.5 Physician shall provide sixty (60) days advance notice of termination when leaving the COIPA service area.

XIII. GENERAL PROVISIONS

13.1 Amendments. This Agreement may be amended by COIPA upon giving thirty (30) days' prior written notice to Physician, personally delivered or by first class, registered or certified mail of such proposed amendment. The continued participation in the program by Physician without objection within the thirty (30) day period shall constitute Physician's approval of such amendment. In the event Physician objects to such amendment, COIPA may, at its option, continue the Agreement unamended or terminate the Agreement sixty (60) days from the date of receipt of written objection from Physician. During said sixty (60) day period, the terms and conditions of the Agreement as it existed the day prior to the date of the written notice of objection, including all terms and conditions of compensation, shall continue to be in effect. Termination of the Agreement under this provision of the contract shall be treated as a "voluntary termination" by Physician without right to hearing.

13.2 Waiver. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach thereof.

13.3 Governing Law. This Agreement shall be governed in all respects by the applicable laws of Oregon and applicable federal law. In the event any term, condition or provision hereof becomes void as a matter of law or is deemed invalid by a court of competent jurisdiction, any and all other terms and provisions hereof shall remain valid and in force.

13.4 Nonassignability. This Agreement, being intended to secure the services of Physician shall not be assigned, delegated, or transferred in any manner inconsistent with this Agreement without the written consent of COIPA.

13.5 Notices. Any notice required to be given pursuant to the terms and provisions hereof shall be in writing and shall be personally delivered or sent, postage prepaid, to COIPA or Physician at their respective places of business as designated on the signature page hereof and thereafter as designated from time to time by the parties.

13.6 Gender Neutrality. All terms and conditions of this Agreement shall be understood to be gender neutral.

13.7 Independent Parties. None of the provisions of this Agreement are intended to create nor shall be deemed or construed to create any relationship between the parties hereto other than that of independent contractors, solely for the purpose of effecting the provisions of the Agreement. Neither of the parties hereto, nor any of their respective officers, directors, or employees, shall act as nor be construed to be the agent, the employee or the representative of the other party.

13.8 Entire Agreement. This Agreement contains all of the terms and conditions agreed upon by the parties hereto regarding the subject matter of this Agreement. Any prior agreements, promises, negotiations or representations of or between the parties, either oral or written, relating to the subject matter of this Agreement, which are not expressly set forth in this Agreement or attachments hereto are null and void and of no further force or effect.

13.9 Attorneys' Fees. In the event suit or legal action is instituted by any party hereto seeking interpretation of the terms hereof or alleging a breach of this Agreement, the prevailing party shall be entitled to all costs and attorneys' fees incurred at trial or upon any appeal therefrom.

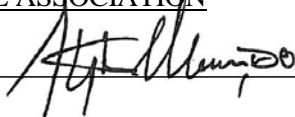
13.10 Retroactive Reimbursement. To the extent ORS 743.803 applies to this Agreement, Provider agrees to waive the right to seek retroactive reimbursement for any treatment or services rendered to an Enrollee by Provider prior to his or her credentialing and membership approval by IPA. In the event Provider is prevented by law from waiving such right, he or she shall accept the amount of one dollar (\$1.00) as full and complete consideration for all treatment or services rendered before Provider was credentialed and approved for membership by IPA.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date and year first above written.

PHYSICIAN

CENTRAL OREGON INDEPENDENT
PRACTICE ASSOCIATION

BY: _____
(Signature)

BY:  _____
(Signature)

(Print Name)

Stephen Mann, DO
(Print Name)

(Address)

963 SW Simpson Ave Ste 120

Bend, OR 97702-3487
(Address)

(Area of Practice/Specialty)