

MEDINA PHYSICIAN HOSPITAL ORGANIZATION, INC.
PHYSICIAN PARTICIPATION AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 20____, at Medina, Ohio by and between _____ ("Physician") and Medina Physician Hospital Organization, Inc., ("Corporation") an Ohio not-for-profit corporation.

Whereas, the Physician wishes to become affiliated with the Corporation, to facilitate the integrated provision of health care in the community, all pursuant to the terms and conditions of this Agreement.

Now, Therefore, in consideration of the premises and mutual promises set forth below, the parties agree as follows:

1. Relationship of Parties.

1.1 Independent Contractor. By this Agreement, Physician contracts with Corporation to become a Participating Physician with the Corporation in the following practice specialty(ies):

_____. This Agreement establishes a contractual relationship between Corporation and Physician as an independent contractor. Nothing contained in this Agreement shall be construed to create a partnership, joint venture or similar relationship between the parties. Neither Physician nor Corporation is an employee of the other for any purpose. There is no third party intended to be a contractual beneficiary of this Agreement.

1.2. Related Documents. The Physician acknowledges that upon execution of this Agreement, the Physician shall be bound by and subject to the rules, terms and conditions of participation stated in the Articles of Incorporation and the Code of Regulations of the Corporation ("governing documents") and the Policies and Procedures, and other rules of the Corporation ("operating documents"), which operating documents are contained in the Provider Handbook. Physician acknowledges receipt of copies of the governing documents and Provider Handbook. The terms used in this Agreement shall have the same meaning as defined in the Policies and Procedures. The Physician acknowledges that such documents are subject to modification as stated in paragraph 1.4.

1.3. Notice of Modifications. The Corporation shall provide the Physician with written notification of any modifications to the Provider Handbook, and shall promptly provide the Physician with a revised copy of the Provider Handbook whenever any material changes are made to the operating documents. The Corporation shall provide notice to the Physician of any modifications to the governing documents to the extent such changes affect the Physician, and shall post such revised documents for inspection in the Corporation's administrative offices.

1.4. Modifications. The Corporation in its sole discretion shall have the right to modify or terminate the rules, terms, and conditions of participation of the Physician in the Corporation as contained in the governing documents and operating documents. This Agreement shall be subject to all applicable federal, state and local laws, and amendments thereto, present or future. Any provision of law or regulation that invalidates or is inconsistent with any terms of this Agreement shall be deemed to have superseded the applicable terms of this Agreement. Upon receiving notice of any modification to the governing documents or operating documents, the Physician shall have thirty (30) days to object to the modification in writing to the Corporation at its office. Failure to object in writing within such time shall be conclusively presumed to be the Physician's consent to the modification. Upon making a written objection within the time period, the Physician shall be deemed to have terminated this Agreement immediately pursuant to paragraph 5.4.

2. Duties of the Corporation.

2.1. Services. The Corporation agrees to market the services of the Physician to insurance companies, health maintenance organizations, preferred provider organizations, and other purchasers of health care services. Subject to the right of the Physician to object to any Payor Agreement (as stated in paragraph 3.1), the Corporation, in its sole discretion, may enter into Payor Agreements upon such terms and conditions as the Corporation deems best, including without limitation those related to covered services, covered persons, compensation, the amount and application of co-payments, utilization management, quality management, and cost management, all without prior approval of the Physician. The Corporation shall arrange for Payors to pay the Physician in accordance with the terms of the Payor Agreements. The Corporation, through its various committees, shall provide certain administrative services, including quality management and utilization management.

2.2. Review of Agreements. Each Payor Agreement and any modification thereto shall be posted for inspection and comment by the Physicians to the appropriate Corporation Trustees or committee members a reasonable time prior to the Corporation entering into the particular Payor Agreement or modification. Notice of such pending Payor Agreement and modification ***will be sent to the physician corporation***, and a copy of the Payor Agreement and a summary of its major terms shall be available for inspection in the administrative offices. Within seven (7) days after entering into a Payor Agreement or modification thereto, the Corporation shall send notice to the Physician stating the effective date of the Payor Agreement and a summary of its major terms, with a full copy of the Payor Agreement to be available for inspection at the Corporation's administrative offices.

3. Duties of the Physician.

3.1. Services. The Physician agrees to provide to Covered Persons those medically necessary Covered Services which are normally provided by the Physician to the general public and which the Physician is credentialed to provide on behalf of the Corporation. The Physician shall comply with all applicable federal, state and local laws, rules and regulations. The Physician agrees to comply with and be bound by the rules, terms and conditions stated in the Provider Handbook, incorporated by reference, as the same may be modified from time to time. The Physician shall cooperate with the Corporation and Payors in the resolution of any complaints by Covered Persons. The Physician agrees to be bound by all Payor Agreements entered into by the Corporation unless the Physician objects in writing to the Corporation within thirty (30) days after the Physician receives notice of the Payor Agreement or any modification thereto (as provided in paragraph 2). Failure to object in writing within such time period shall be conclusively presumed to be the Physician's consent. Upon making a written objection within the time period, the Physician shall be deemed to have terminated this Agreement immediately pursuant to paragraph

3.2. Representations. The Physician certifies that all representations made in the participation application are and shall remain true to the best of the Physician's knowledge, during the term of this Agreement. The Physician shall report any material changes in the information provided to the Corporation within twenty (20) days after any change.

3.3. Confidentiality. The Physician agrees to keep confidential all information concerning the Corporation, including without limitation all membership, financial, contractual, and quality maintenance data. This paragraph shall survive the termination of this Agreement.

3.4. Dues. The Physician shall pay the initial and annual dues as determined by the Corporation from time to time and specified in Policies and Procedures. The Physician shall pay such other fees, charges and assessments as the Corporation determines are reasonably necessary to cover Corporation operating costs. The imposition of any fees, charges and assessments in excess of those stated in the Corporation's Policies and Procedures at the time this Agreement is signed shall be deemed to be a modification of the operating documents subject to paragraph 1.4 above.

3.5. License: Privileges. The Physician shall maintain a valid license to practice the Physician's stated specialties in the State of Ohio and active or associate full privileges in good standing at MGH. The Corporation, at the discretion of its Board of Trustees, may permit participation with courtesy or consulting privileges at MGH.

3.6. Groups. If any one Physician in a group practice wishes to participate, all Physicians who practice in that particular group must sign individually and be bound by a participation agreement with each Physician to pay dues, unless otherwise determined by the Corporation.

3.7. Release. The Physician hereby releases the Corporation, its members, officers, employees and agents from any liability arising from the application, credentialing and participation process. The Physician authorizes the Corporation to share information in its credentialing files, to the extent legally required to do so, with the National Practitioner Data Bank.

4. Compensation.

4.1. Fees. The Physician agrees to accept compensation for Covered Services rendered to Covered Persons under this Agreement at the rate set forth in the appropriate Payor Agreement. The Corporation may modify such compensation arrangement to protect the financial integrity of the Corporation by written notice to the Physician, provided such modification is consistently applied to all Participating Physicians. The Physician agrees to comply with billing policies with respect to Covered Services to Covered Persons as established by the Corporation. The compensation and billing policies apply only to Covered Services rendered to Covered Persons pursuant to this Agreement.

4.2. HMO. In the event the Covered Services being provided by the Physician are under a Health Benefits Plan offered by a health maintenance organization, the Physician agrees that, except for co-payments, in no event shall the Physician bill a Covered Person for such Covered Services provided under such Health Benefit Plan.

5. Term and Termination.

5.1. Term. The initial term of this Agreement shall commence as of the date hereof and shall terminate upon the expiration of one (1) year thereafter. This Agreement shall be automatically renewed thereafter for successive one (1) year periods unless either party gives written notice to the other party of its election to terminate this Agreement at least ninety (90) days prior to the expiration of the then current term.

5.2. Termination Without Cause. Either party may terminate this Agreement without cause at any time by providing the other party ninety (90) days prior written notice.

5.3. Termination With Cause. Either party may terminate this Agreement at any time with cause by giving the other party thirty (30) days prior written notice. Reasons constituting "with cause" shall include, without limitation: breach of any of the terms and conditions of this Agreement; and failure to perform in accordance with the professional and quality standards established by the Corporation in its discretion, provided that the Medical Director shall first have met with the Physician to discuss the perceived failures and given the Physician an opportunity to remedy the same.

5.4. Immediate Termination. Notwithstanding Section 5.3 above, the Corporation may immediately terminate this Agreement with written notice to Physician upon the occurrence of any of the following: a.) If Physician shall cease to be properly licensed to practice in the State of Ohio, or if such license is suspended, revoked, placed on probation, or limited or restricted in any manner; b.) If Physician shall cease to have full active or associate privileges at Medina General Hospital; c.) If Physician is suspended from or loses participation status in the Medicare or Medicaid programs; d.) If Physician's drug enforcement administration number is revoked for any reason; e.) If Physician is convicted of a felony; f.) If Physician's professional liability insurance coverage, as required in the Policies and Procedures, is cancelled or lost, and such coverage is not replaced with equivalent coverage that is effective immediately as of the date of such cancellation or loss; g.) If Physician shall have been found by super majority vote of the Corporation Board of Trustees to be a significant compromise to patient safety or to be contrary to the

best interests of the Corporation; h.) Upon the dissolution of the Corporation; i.) If the Physician objects to any proposed modification of this Agreement, the governing documents or the operating documents; j.) If the Physician objects to any completed Payor Agreement or modification thereto; or k.) In the event of Physician's termination of membership in the Corporation.

5.5. Transition. Upon any termination of this Agreement, the Physician shall cease to be a Participating Physician of the Corporation upon the effective date of the termination. However, the Physician shall remain obligated under any Payor Agreements continuing after the effective date of termination until the termination of the Payor Agreements (but not for any mutually agreed extensions permitted under such Payor Agreements) unless the Corporation consents to a release of the Physician from such obligation. The Corporation shall use its best efforts to obtain coverage for the Covered Persons being served by the Physician to allow Physician to be released from duties under this Agreement.

5.6. Inability to Perform. The Physician shall be released from the Physician's duties under this Agreement in the event of the Physician's death or if the Physician is unable to perform substantially all of the duties due to the Physician's disability lasting more than six (6) months caused by illness or accident. The Corporation, upon reasonable request of the Physician, may in the discretion of its Board of Trustees, allow the Physician to decline to accept new patients if increasing the size of the Physician's practice might compromise the standard of patient care. In all other events when the Physician is unable to perform, the Physician shall comply with the rules and procedures to obtain appropriate coverage as specified in the Corporation's Policies and Procedures, from time to time.

6. Appeals Process. Physician shall direct all disputes or claims concerning the Corporation (other than professional liability claims) to the Medical Director. The final arbiter of any dispute or claim shall be the Corporation Board of Trustees which shall act by super majority vote.

7. General Provisions.

7.1 Notice. All notices, requests, demands or other communication hereunder shall be in writing, shall be deemed to have been duly given and effective on delivery if hand delivered, or three (3) business days after mailing, if mailed, postage pre-paid, by United States certified mail, return receipt requested to the party intended at the address stated below the respective signature herein, or such other addresses as may be directed by notice duly given. A business day shall be deemed any day on which the United States Postal Service shall make regular mail deliveries to the address to which the notice shall be directed.

7.2 Entire Agreement. This Agreement constitutes the entire, integrated agreement by and among the parties, hereby superseding any and all prior representations, understandings, or agreements on the subject matter of employment. This Agreement shall not be amended, modified, revised, revoked, terminated or waived, in whole or in part, except in a writing signed by all parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors and assigns.

7.3 Multiple Originals. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument representing the agreement of the parties hereto.

7.4 Waiver. Failure of any party to enforce any provision or provisions of this Agreement shall not constitute a waiver of such provision by such party, nor shall it prevent the party thereafter from enforcing each and every other provision of this Agreement.

7.5 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Ohio.

7.6 Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

7.7 Headings. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Words in any gender shall be deemed to include all genders, as appropriate; and words of one number shall refer to singular or plural, as appropriate.

7.8 Non-Assignable. This Agreement shall be deemed personal to the Physician and Corporation, and shall not be assigned, by act, omission, operation of law (including, but not limited to, merger, consolidation or sale of assets) or otherwise without the express written consent to the Physician and Corporation. Any attempt to do so without such consent shall be void ab initio.

7.9 Medicare Access to Records. To the extent applicable, the access to records law, as prescribed by the Secretary of Health and Human Services, pursuant to section 952 of the Omnibus Budget Reconciliation Act of 1980, shall be made a part of this Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first written above.

Witnessed by:

MEDINA PHYSICIAN HOSPITAL
ORGANIZATION, INC.

By: _____

President
1000 East Washington Street
Medina, OH 44256

PHYSICIAN:

Address

1. Definitions.

As used in this Agreement, the following terms shall have the following meanings:

- A. "Covered Persons" means any person and his eligible dependents who are entitled to the provision of healthcare services by Participating Physicians under a Payor Agreement.
- B. "Covered Services" means those healthcare services described in a Payor Agreement for which benefits are available to Covered Persons in any negotiated managed care plan.
- C. "Emergency Services" means those services prescribed and provided in accordance with community standard medical or surgical practice which, if delayed, would threaten the life or physical condition of the patient.
- D. "Group Practice Physicians" means those physicians who belong to a group practice arrangement including, but not limited to, a professional corporation, partnership, limited liability company, limited liability partnership, unincorporated association, contractual group practice or business trust.
- E. "Inpatient Services" means services provided to a person who is confined overnight in a hospital or other facility as an admitted bed patient.
- F. "Medically Necessary Services" means those services prescribed and provided in accordance with community standards for medical or surgical practice, and approved for payment in accordance with Corporation's or Payor's policies subject to benefit and eligibility determinations.
- G. "Medical Director" means a physician, licensed to practice in the State of Ohio and named to such position by the Corporation Board of Trustees, who is responsible to make certain decisions consistent with Corporation policies and procedures regarding the medical care received by Covered Persons.
- H. "Outpatient Services" means hospital-type services or in-office services rendered to a patient who has not been admitted as an inpatient.
- I. "Participating Institution" means a hospital, outpatient surgery center, radiology clinic or other healthcare facility which is licensed or authorized to provide healthcare services in contracts with Corporation as part of Corporation's network.
- J. "Participating Physician" means an Ohio licensed physician who has entered into an agreement with Corporation to provide Covered Services to Covered Persons.
- K. "Participating Non-Physician" means an allied health professional duly licensed as such in Ohio who has entered into an agreement with the Corporation to provide Covered Services to a Covered Person.
- L. "Payor" means the insurance company, third-party administrator, self-insured employer, managed care plan or other entity that is responsible to a Participating Physician or a Participating Institution for the payment of healthcare services rendered to a Covered Person.
- M. "Payor Agreement" means an agreement between the Corporation and the Payor for the provision of healthcare services pursuant to negotiated terms.

- N. "Corporation Rules and Regulations" means any manual, documents or materials of Corporation or Payor regarding rules, regulations and policies for Participating Physicians as may be periodically updated by Corporation or Payor. These materials will be made available to Physician at his request.
- O. "Super Majority Vote" means that vote of the Corporation's Board of Trustees defined by its Code of Regulations as requiring approval of two-thirds (2/3) of each class of Trustees.

***Draft Revisions 12/13/2005
01/2006***