

ALASKA PHYSICIANS & SURGEONS, INC.
A Non-Profit Corporation

PARTICIPATING PROVIDER AGREEMENT

This Agreement is effective the _____ day of _____, 19____ by and between "Alaska Physicians & Surgeons, Inc. (hereinafter "APS") and _____ (hereinafter "Provider").

RECITALS

APS is a not-for-profit taxable corporation organized and operated pursuant to the Laws of the State of Alaska, established to provide an organization and management structure for its physician subspecialist Members to provide quality and efficient health care.

Provider is a person who holds required and appropriate licenses, registrations and certificates to practice and provide health care services, and wishes to provide such services to Enrollees of health care plans pursuant to the terms and conditions of separate APS/Plan Contracts and as described in this Agreement.

APS intends to attract and administer a variety of medical service agreements to implement and deliver health care services in an economic and efficient manner. A Provider will be free to accept or reject any contract based solely on his or her own consideration, regardless of any actions taken by other Members.

This is a non-exclusive agreement. Both Provider and APS are free to contract with any other organization, employer, individual, or health care plan whether or not the other party is a participant in such an agreement.

I. DEFINITIONS

As used in this Agreement, the following terms have the indicated meaning:

1.1 "APS" shall mean Alaska Physicians & Surgeons, Inc., a not-for-profit taxable corporation. The Board of Directors and Board Committees of APS shall be understood to represent the interests of provider Members in relation to quality health care and management.

1.2 "APS/Plan Contract" shall mean the agreement between Provider and/or APS, and a Payor for the provision of health care services to patient-Enrollees who are enrolled in the relevant Plan.

1.3 "Covered Services" shall mean those health care services and supplies provided or ordered by Provider to or for Enrollees for which Provider is qualified to order and provide, which qualify for payment by the Payor pursuant to the terms of the applicable Enrollee/Plan and APS/Plan Contracts.

1.4 "Emergency" shall mean the sudden and unexpected onset of a condition requiring medical or surgical care, for which the Enrollee 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 situation shall include, but not be limited to, suspected heart attack or stroke, poisoning, loss of consciousness, severe respiratory distress, hemorrhaging or convulsion. A Payor may determine that other similarly acute conditions are Emergencies. The decision of whether a condition is an Emergency rests with the appropriate Payor and may be subject to the procedures for post-treatment utilization review and grievance described in the appropriate APS/Plan Contract and/or Payor Attachment hereto.

1.5 "Enrollee" shall mean any person who is enrolled in a health care Plan with which Provider has contracted through APS who has the right (and/or whose dependent(s) has/have the right) to receive Covered Services pursuant to the appropriate Enrollee/Plan Contract.

1.6 "Medically Indicated" shall mean a service or supply ordered by Provider 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 Provider's profession as appropriate in the treatment.

1.7 "Non Covered Service" means any services or supplies which do not qualify for payment by a Payor pursuant to the terms of the relevant APS/Plan and Enrollee/Plan Contracts.

1.8 "Participating Provider" shall mean a licensed doctor of medicine or osteopathy who is a member of, or a contract provider affiliated with, APS.

1.9 "Payor" shall mean any insurer, Health Care Service Provider pursuant to A.S. 18.231.070, government, individual consumer or consumer's employer, which is a party to a APS/Plan and corresponding Enrollee/Plan Contract.

1.10 "Provider" shall mean the Member of APS who has signed this Agreement and agrees to provide health care Services to Enrollees of Plans with which Provider has contracted.

1.11 "Plan" or "Enrollee/Plan Contract" means an individual agreement between an insurer, Health Care Service Contractor, the government, an individual consumer or consumer's employer, or other "Payor," with Enrollees or their representative, under which Enrollees are entitled to be provided or reimbursed for designated health care Services.

1.12 "Rules and Regulations" shall mean the procedures for application and reevaluation of Members of APS and such other matters determined from time to time by the Board of APS.

II. SERVICES

2.1 Provider agrees to provide or arrange for the provision of Covered Services to Enrollees of Plans with which Provider has contracted through APS. Provider shall be available to provide Covered Services to Enrollees as required under this Agreement and shall perform such services during Provider's regular business hours. Provider further agrees to provide on-call coverage after regular business hours, twenty-four (24) hours per day, seven (7) days a week, in coordination with other Participating Providers.

2.2 Provider agrees to provide Covered Services to a reasonable number of Enrollees of Plans with which APS has contracted; provided, however, that upon prior approval of the appropriate Payor(s), Provider may limit the number of Enrollees he or she will add to his or her practice. Provider may, following written notice to APS, the affected Enrollee and the appropriate Payor, withdraw from the treatment of an Enrollee when, in Provider's professional judgment, it would be in the Enrollee's best interest to do so. Provider agrees that such notice of withdrawal from an Enrollee's care shall allow sufficient time, under the circumstances, for the Enrollee's care to be transferred in a proper manner to another Participating Provider.

2.3- Provider agrees not to admit any Enrollee to a hospital or other inpatient facility in a non-Emergency or elective situation without first obtaining the necessary authorizations pursuant to the appropriate Payor's pre-admission certification procedure, as provided in the APS/Plan Contract(s).

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

2.5 Provider shall carry out the terms of this Agreement in the capacity of an independent contractor and, except as otherwise provided in this Agreement, APS shall not control or direct the time, place or manner in which Provider renders Covered Services to Enrollees.

2.6 From time to time, a Payor with which APS intends to contract may require APS to amend this Agreement to include specific terms and conditions applicable to the treatment of said Payor's Enrollees. In that instance, APS shall be entitled to prepare an amendment to this Agreement applicable specifically to the provision of Covered Services to the appropriate Payor's Enrollees, which shall be set forth in a Payor Attachment hereto, identifying said Payor, and shall be incorporated herein by this reference and provided to APS participating providers within thirty (30) days of the amendment becoming effective.

III. COMPENSATION/OBLIGATIONS

3.1 APS intends to attract a variety of managed health care contracts, From time to time, APS may utilize the services of an independent third party consultant employed or contracted (who has no financial interest in APS) to act as a super messenger to convey information between Provider and plans.

3.2 Provider authorizes the independent third party consultant provided for in Article XI of APS Bylaws to gather relevant price information and convey contract terms offered to APS Participating Providers, including fees and reimbursement terms. Provider may accept or reject any such contract so offered. Provider agrees to provide the consultant information reasonably requested by it to provide to plans. Provider shall not discuss with any other Participating Provider the fee structure, cost, terms and/or service pricing of such contracts, whether or not accepted. Provider shall also not discuss with other Participating Providers whether or not such other Participating Providers have accepted or rejected the same or similar contracts.

3.3 Provider shall be bound by the terms and fee structure of any contract APS directly enters into which contemplates Provider's participation, subject to Provider's right to terminate this Agreement and his or her Membership in APS, as provided in Section 11.6 hereof (and as provided in relevant provisions of APS's Bylaws).

3.4 Provider agrees to accept as his or her compensation for Covered Services provided to Enrollees, the rates and method of payment set forth in the appropriate APS/Plan Contract(s), and to make no charge to Enrollees or others on their behalf, except as permitted by the appropriate Payor.

3.5 Provider hereby agrees that in no event, including but not limited to non-payment by a Payor, insolvency of a Payor, or breach of this Agreement, shall Provider bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against an Enrollee or other persons acting on their behalf, other than the appropriate Payor, for Medically Indicated Covered Services provided pursuant to this Agreement. Provider acknowledges that payment is not likely in these circumstances. This provision shall not prohibit collection of supplemental charges or copayments from Enrollees, in accordance with the terms of the Plan within which the Enrollee is enrolled.

Provider further agrees that (1) this provision shall survive termination of this Agreement regardless of the cause giving rise to termination and shall be construed to be for the benefit of Plan Enrollees; and (2) this provision supersedes any oral or written contrary agreement now existing or hereafter entered into between Provider and any Enrollee(s) or person(s) acting on their behalf.

This provision applies to Covered Services provided during a time period for which Enrollee premiums have been paid. Provider will continue to provide Covered Services to Enrollees who are confined in an inpatient facility until discharge from that facility.

This provision shall be understood to be for the benefit of Plan Enrollees. Any modification, addition or deletion to the provisions of this section shall become effective only upon 15 days prior written approval of such proposed changes, by the State of Alaska Insurance Division, and the HCFA/Office of Prepaid Health Care, where required.

3.6 Nothing contained herein shall prevent Provider from providing non-Covered Services to Enrollees, provided that Provider notifies the Enrollee that the service is non-Covered and that he or she shall solely be responsible for payment. Provider may charge and collect from Enrollees any amount due for non-Covered Services rendered, or for services rendered as a result of fraud by an Enrollee.

3.7 In the event the terms of any APS/Plan Contract provide that monies are paid over to APS for Covered Services provided by Provider, such monies will be disbursed to Provider according to the terms of separate agreement(s) between APS and Provider. The separate agreement(s) will be attached to and become a part of this Agreement.

3.8 Except as specifically provided by written Agreement signed by Provider and APS, APS assumes no risk or responsibility for payment to Provider. APS is not a guarantor of the payment or performance by any Payor or the performance by Provider of any of the terms or conditions set forth in any APS/Plan Contract.

IV. BILLING PROCEDURES

4.1 Provider shall bill the appropriate Payor for all Covered Services rendered to Enrollees. Provider shall receive compensation for Services rendered according to the APS/Plan Contract, less any applicable co-payments and deductions regardless of whether such co-payments and deductions were actually collected.

4.2 Payors may require Enrollees to pay a nominal fee or co-payment for certain Covered Services as set forth in the Plan. Provider shall be responsible for the collection and

Enrollees shall be responsible for payment of such co-payments at the time the Covered Services are rendered.

4.3 Provider shall submit a claim form to the appropriate Payor for all Covered Services rendered to Enrollees, which claim form shall show whether the applicable co-payment or deductible has been collected. Such claim form shall include demographic and descriptive medical and patient data in a form specified by the Payor. Billings will be consistent with ethical and community standard billing practices. Such claim form shall be submitted to the Payor within a reasonable time after the time of the date of service. Appeals of payment or denial decisions must be made according to the guidelines, if any, in the appropriate APS/Plan Contract.

4.4 Provider understands and agrees that any additional fees charged to Enrollees are prohibited except for co-payments or for Non-Covered Services. An "additional fee" shall mean any charge which is not previously approved by the appropriate Payor.

V. PROVIDER WARRANTIES AND OTHER RESPONSIBILITIES

5.1 Provider states as a material term of this Agreement that he or she is now, and will remain as long as this Agreement remains in effect, (A) the holder of a currently valid DEA certificate and license to practice medicine or osteopathy from the appropriate state licensing agency, and (B) maintain medical staff membership, in good standing, at a hospital licensed by the State of Alaska.

5.2 Provider shall cooperate with such programs of initial and periodic credentialing and appraisal as may be established by APS. Provider hereby consents and authorizes the release to APS or APS's designated agents, any utilization, peer review, NCQA or other information regarding Provider's practice of medicine (hereinafter "Credentialing Information"). To the extent any State law applies to any Credentialing Information, and to the extent the privilege conferred thereunder extends to Provider, Provider hereby waives said privilege. To the extent a privilege conferred by any State law is claimed by, or applies to any other individual(s) or entity(ies) with regard to any Credentialing Information, APS 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. Provider releases from liability APS and its designated agents, Payors and their employees and agents, Participating Providers, and any other person(s) or entities which furnish Credentialing Information to APS or its designated agents, for acts made in good faith and without malice in connection with this provision. Further, Provider agrees to indemnify any director or officer of the corporation to the extent set forth in Article 9.3 of the Bylaws of APS.

5.3 Provider acknowledges receipt of and shall be bound by the applicable Bylaws, and Rules and Regulations of APS, as they may be adopted and amended from time to time. If Provider violates any of the provisions of the Bylaws or Rules and Regulations, or any of the

principles of professional conduct adopted by APS, or acts contrary to or in violation of any APS/Plan Contract(s), or any statute, regulation or rule applicable to providing health care services, all contractual rights under this Agreement which pertain to Provider may be terminated as provided herein. Fees for Covered Services rendered to Enrollees by Provider which accrue prior to such termination shall be paid according to the terms of the appropriate APS/Plan Contract(s).

5.4 From time to time, the Board of Directors may determine and levy assessments against the Member Providers of APS to pay expenses incurred by the corporation. Notice of assessments shall be mailed to each Member. Assessments shall be payable within sixty (60) days after the date of the notice. Provider agrees to promptly pay any assessment levied by the Board. Failure to pay any assessment when due, is cause for termination of this Agreement.

VI. RECORDS SHARING AND CONFIDENTIALITY

6.1 Provider shall treat all health care records of Enrollees as confidential, in compliance with all federal and state laws and regulations regarding the confidentiality of patient records. However, Provider shall participate in any system established by a Payor or APS, which will facilitate, to the extent feasible, the maximum sharing of patient, records and information relating to Provider and/or health care services rendered, subject to compliance by Payor or APS, with state and/or federal law regarding confidentiality. Provider agrees to retain records in accordance with the minimum requirements of any state law. Such obligations continue despite the termination of this Agreement, whether by rescission, lapse or otherwise.

6.2 In the event of termination of this Agreement, Provider shall make Enrollee health care records available within a reasonable period of time to the requesting Enrollee or appropriate Payor for copying, by the Payor or another Participating Provider, for a reasonable copying charge.

6.3 Provider shall, upon reasonable request by a Payor, and subject to proof of compliance with Section 5.2 hereof, provide the Payor, or its designee, access to and/or copies of all records necessary to process claims and to comply with the provisions of the utilization and quality management program and records requests from state and federal regulatory agencies and review organizations. The Payor, or its designee, will allow Provider a reasonable length of time within which to provide the requested documents. Whenever possible, convenient and approved by Provider, the Payor or its designee will review records on-site to avoid the need for duplication of records by Provider. The parties agree that such records shall maintain the same confidential nature they had while in the possession of Provider.

6.4 Provider shall cooperate with APS and contracting Payors in maintaining and providing medical histories, financial, administrative and other records of Enrollees as shall be requested. APS shall require Payors with which it contracts to obtain medical records releases from such Payor's Plan Enrollees.

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

VII. UTILIZATION OF OTHER PERSONNEL

7.1 To the extent feasible, Provider shall refer an Enrollee to other Participating Providers who have contracted with the Enrollee's Plan; provided that such referral is consistent with sound medical practice. Provider shall inform an Enrollee 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 Enrollee or deemed necessary by Provider. Prior written authorization, except in an emergency, from the Plan's Medical Director, 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 If Provider is, for any reason, from time to time unable to provide Covered Services when and as needed, Provider shall secure the services of a qualified covering physician who shall render such Covered Services otherwise required of Provider; provided however, that the use of a covering physician who is not a Participating Provider shall be subject to the prior approval of APS. Provider shall ensure that the covering physician: (1) will accept the reimbursement rates established by the appropriate Plan or, where applicable, look solely to Provider for compensation; (2) will accept APS's and the appropriate Payor's peer and utilization review procedures; (3) will not directly bill Enrollees for Covered Services under any circumstances except for copayments; (4) shall, prior to all elective hospitalization obtain authorization in accordance with APS's and the appropriate Payor's Medical Director; and (5) shall comply with the terms hereof.

VIII. INSURANCE

8.1 Provider 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 APS, insuring against any claim or claims for damages arising by reason of personal injuries or death occasioned directly in connection with the performance of, or the failure to perform, any health care service provided by Provider or his/her employees or agents. The amounts and extent of such insurance coverage shall be subject to the approval of APS, which approval shall not be unreasonably withheld; provided that the minimum amount

of coverage that will be acceptable shall be \$500,000 per occurrence and \$1,000,000 in the aggregate. Upon request by APS, Provider will provide APS with evidence of such coverage, including the name of the carrier, policy number, limits and expiration date. Provider shall notify APS in writing at least ten (10) days prior to cancellation or amendment of such policy.

IX. ADMINISTRATION

9.1 Whether implemented by APS and/or any Payor(s), Provider agrees to cooperate and participate in the following, as designated from time to time by APS and/or the appropriate Payor(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. Initial credentialing and periodic recredentialing processes, including on-site visitation at Provider's place of practice by an APS and/or Payor designee;
- f. Medical record organization and retention systems; and
- g. Such other systems, activities and procedures relating to HMO accreditation by the National Committee for Quality Assurance ("NCQA") as may be determined from time to time by APS and/or any Payor(s) with which APS contracts.

Provider 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 rights and responsibilities under this Agreement. The above activities, systems, rules and regulations are further described in APS's Rules and Regulations and/or Payor Attachments hereto.

9.2 Provider agrees that APS may use his or her name, address, telephone number, type of practice, and an indication of willingness to accept Enrollees in the roster of Participating Providers of A.P.S. Provider shall be given a copy of the roster prior to its

distribution and has the right to request reasonable changes in the event such material may create a legal liability for him or her. This roster may be inspected by and is intended for the use of Participating Providers, Enrollees, and current/prospective Payors.

9.3 Provider agrees to cooperate in providing for effective implementation of the provisions of any Payor's individual or group service agreement relating to covered benefits or coordination of benefits and other third party claims, relating to any APS/Plan Contract Provider has entered into.

X. TERM AND TERMINATION

10.1 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 sooner pursuant to the terms hereof.

10.2 During the first twelve (12) months of this Agreement, Provider shall hold "Provisional Membership" in APS. Thereafter, Provider will be considered a Full Member in APS. During Provider's Provisional Membership, this Agreement may be terminated at any time without cause, provided that if the basis for termination arises out of Provider's professional conduct or competency, Provider shall have a right to the hearing procedure set forth in Section IV of APS Rules and Regulations (hereafter "Fair Hearing Plan") before this Agreement may be terminated.

10.3 Following Provider's completion of Provisional Membership, this Agreement may be terminated as follows:

- a. Automatically without further action required by APS if Provider dies, retires or is adjudicated legally incompetent.
- b. At the Board's discretion upon the happening of the following:
 - i. Failure or refusal to comply with the criteria set forth in APS Bylaws Section 4.9, paragraphs (a) through 0); or
 - ii. Material breach of any term of this Agreement;
- c. Pursuant to the criteria and procedures set forth in the Fair Hearing Plan.

10.4 Nothing herein shall be construed as limiting the right of APS to terminate this Agreement immediately where APS determines that the health, safety or welfare of Enrollees

are jeopardized by continuation of this Agreement, or if Provider suffers limitation, revocation, termination, or suspension of his or her professional license, DEA certificate and/or hospital staff privileges.

10.5 If this Agreement is terminated Provider will be paid in accordance with the APS/Plan Contract(s) he or she is a party to, for Covered Services provided to Enrollees prior to termination.

10.6 If Provider is not then a party to an APS/Plan Contract which requires otherwise, Provider may voluntarily terminate this Agreement by giving written notice to APS at least sixty (60) days in advance of such termination. Upon such termination, the rights and responsibilities of Provider shall terminate with respect to Enrollees enrolled by Payors after APS receives Provider's notice of termination; provided, however, this Agreement shall continue in effect with respect to Enrollees or groups enrolled prior to APS's receipt of such notice for a maximum period of sixty (60) days from the date such notice is mailed. Subject to the conditions set forth in Section 3 of this Agreement, during said sixty (60) day period, Provider shall be regularly paid for Covered Services rendered to Enrollees per the then existing compensation schedule of the appropriate Payor.

10.7 Upon termination of this Agreement., Provider shall have no right to return of any prior assessments paid or assets of APS, if any, except for professional fees due to Provider and held by APS.

XI. GENERAL PROVISIONS

11.1 Amendments. This Agreement may be amended by APS upon thirty (30) days' prior written notice to Provider by first class or certified mail of such proposed amendment. The continued participation in the program by Provider without objection within the thirty (30) day period shall constitute Provider's approval of such amendment. In the event Provider objects to such amendment. this Agreement shall, at APS's option, continue unamended for its term or terminate sixty (60) days from the date written receipt of objection is received from Provider. During said sixty (60) day period, the terms and conditions of the Agreement as originally agreed shall continue to be in effect. Termination of the Agreement under this provision of the contract shall be treated as a "voluntary termination" by Provider.

11.2 Waive. 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.

11.3 Governing Law. This Agreement shall be governed in all respects by the applicable laws of Alaska and applicable federal law. In the event any term or condition hereof shall be deemed invalid by a court of competent jurisdiction, any and all other terms or provisions hereof shall remain valid and in force.

11.4 Nonassignability. This Agreement is for the personal services of Provider. Neither this Agreement nor any of Provider's obligations herein may be assigned or delegated

without the prior written consent of APS.

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

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

11.7 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. None of the parties hereto, nor any of their respective officers, directors, contractors or employees, shall act as nor be construed to be the agent, partner, employee or the representative of the other party.

11.8 Arbitration. Except for matters which are grounds for a hearing pursuant to the Fair Hearing Plan, determinations made in accordance with which are not subject to this Section or any other right of appeal, any and all other disputes or controversies arising out of or relating to this Agreement or the breach thereof shall be settled by binding arbitration pursuant to A. S. 09.43.010 et. seq. One arbitrator shall be named by each party and a third shall be named by the two arbitrators so chosen. In the event that a third arbitrator is not agreed upon within ten (10) days after the appointment of the other two arbitrators, he or she shall be named by the Presiding Superior Court Judge of the Third Judicial District in Anchorage and if appropriate the Chief Judge for the District of Alaska. The parties shall name their choice of arbitrators within ten (10) days after one party has given written notice of the dispute or controversy to the other party. The award or decision by all or a majority of the arbitrators shall be final and binding, and judgment may be entered in the judgment docket or any court having jurisdiction thereof. The cost of arbitration shall be shared equally by the parties to it. Each party shall be solely responsible for its attorney's fees, if any.

11.9 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 are null and void and of no further force or effect.

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

PROVIDER

ALASKA PHYSICIANS & SURGEONS, INC.

(Signature)

BY: _____
(Signature)

(Print Name)

(Print Name)

(Address)

(Address)