

**PHYSICIAN PARTICIPATION  
AGREEMENT  
BETWEEN  
LOS ALAMOS PHYSICIAN AND  
HOSPITAL ORGANIZATION  
AND  
PHYSICIAN**

This PHYSICIAN PARTICIPATION AGREEMENT (the "Agreement") is made and entered into effective \_\_\_\_\_, 20\_\_\_\_ (the "Commencement Date"), by and between the Los Alamos Physician and Hospital Organization, a New Mexico Corporation (hereinafter referred to as "Los Alamos PHO"), AND \_\_\_\_\_ (hereinafter referred to as "Physician").

**RECITALS**

A. The Los Alamos PHO is a not-for-profit corporation which has as its primary objective the establishment of a physician-hospital organization that will permit Physicians and hospitals to provide comprehensive health care services, assume shared risk for the delivery of cost-effective services, monitor and manage the quality of health care service delivery, and coordinate the delivery of medical and other ancillary services in the best interests of Plan Members and the communities served.

B, As indicated on the signature page of this Agreement, Physician is either (i) a Physician who is duly licensed to practice medicine in the State of New Mexico; or (ii) a professional corporation or partnership that is to provide services hereunder through such physician(s) who are its shareholders, partners, and/or employees.

Unless otherwise approved by the Board of Directors of the Los Alamos PHO, a physician member must at all times be a member in good standing of the Medical Staff of Los Alamos Medical Center (LAMC) or have current temporary privileges at LAMC and be eligible for application for medical staff membership in a file with LAMC and progressing in the regular course toward approval for medical staff membership.

C. As permitted by law, the Los Alamos PHO intends to enter into or arrange for Physician's to enter into on Physician's behalf agreements with insurance companies, non-profit hospitals, medical surgical and health services corporations, health care coverage cooperatives, employers, governmental agencies, Health Maintenance Organizations, and other purchasers of Covered Services ("Plan(s)"), for the purpose of providing health care services as defined by the Member's Health Benefit Program to persons enrolled as members of Plans.

D. The Los Alamos PHO and Physician desire to enter into a contract whereby Physician agrees to provide Covered Services to Plan Members who contract with Los Alamos PHO.

NOW, THEREFORE, in consideration of the mutual covenants and agreements, and subject to the conditions and limitations set forth herein, and the mutual reliance of the parties hereto, the parties hereto hereby agree as follows:

**1. DEFINITIONS**

When used in this Agreement, the following words and terms shall mean:

(a) Covered Services: Health care services that are authorized for payment under and defined by a Plan Members Health Benefit Program when rendered by a Provider in accordance with Los Alamos PHO Utilization Management and Quality Management guidelines.

(b) Emergency: The sudden onset of a symptom, illness, or injury requiring immediate diagnosis and/or treatment as defined by Plan Member's Health Benefit Program.

(c) Health Benefit Program: The documents issued by a Plan that define the health care services for which a Plan Member is eligible and the conditions and circumstances under which the Plan is obligated to pay for such services on behalf of the Plan Member.

(d) Participating Physician: A licensed M.D., D.O., or D.P.M. who has contracted with the Los Alamos PHO to render Covered Services to Plan Members, and who has otherwise met the requirements established by the Los Alamos PHO for participation in the Plan as a Los Alamos PHO Physician and who is under contract with the Los Alamos PHO to provide Covered Services to Plan Members.

(e) Participating Provider: Institutional or non-institutional health care providers, including Participating Physicians who have otherwise met the requirements established by the Los Alamos PHO for participation in the Los Alamos PHO and who are under contract with the Los Alamos PHO to provide Covered Services to Plan Members.

(f) Plan: The individual group health benefit contracts or plans of Payors; including, without limitation, insurance policies, administrative services only agreements, third-party administrator agreements, Multiple employer trusts, Prepaid plans, competitive medical plans, governmental programs, and self-insured trusts.

(g) Plan Member: An individual eligible to receive Covered Services under a Health Benefit Program.

(h) Hospital: Los Alamos Medical Center, a not-for-profit corporation, located in Los Alamos, New Mexico,

(i) Risk Health Contract: Any Los Alamos PHO Agreement or proposed Los Alamos PHO Agreement which compensates Los Alamos PHO Physicians based on capitation, percentage of premiums, discounted fee-for-service with a substantial performance-based risk pool or a basis other than fee-for-service or discounted fee-for-service.

(k) Non-Risk Health Care Contract: Any Los Alamos PHO Agreement or proposed Los Alamos PHO Agreement which provides compensation based on a fee-for-service or discounted fee-for-service basis other than a capitation, discounted fee-for-service with a performance-based risk pool, or percentage-of-premiums basis.

## 2. PHYSICIAN RESPONSIBILITIES

(a) Condition of Participation: As a condition of Physician's eligibility and continuing right to participate in the agreement, Physician (or all of Physician's shareholder, partners and/or employees who will provide services hereunder, if Physician is a professional Corporation or partnership) must be a member in good standing of the Active Staff of the Hospital without restriction, be a member in good standing of the Los Alamos PHO and have met and maintained Los Alamos PHO credentialing requirements and other criteria established by the Los Alamos PHO Board of Directors ("the Board").

(b) Physician Services: Physician shall provide Covered Services to Plan Members, on an as-needed basis, within the scope of Physician's qualifications and within Physician's designation as a Primary Care Physician (PCP), or Specialist Physician as determined by the Los Alamos PHOs Credentialing Policies and Procedures. Physician shall devote the time, attention, and energy necessary for the competent and effective performance of his or her duties hereunder to Plan Member's assigned or designated by the Los Alamos PHO and the Plan and shall provide all Covered Services in a manner consistent with accepted standards of medical practice and applicable Los Alamos PHO Agreements.

(c) Non-Discrimination: Physician shall not discriminate in the treatment of Plan Members

based on race, color, national origin, ancestry, religion, sex, health status, marital status, sexual orientation, or age, and Physician shall make Physician's services available to Plan Members in the same manner, in accordance with the same standards, and within the same availability as to patients who are not Plan Members, consistent with existing medical, ethical, and legal requirements for providing continuity of care to any patient.

(d) Utilization Management: Physician shall comply with 1) the Los Alamos PHO Utilization Management Policies and Procedures developed and adopted by the Board and which may be amended from time to time; and with 2), the applicable referral procedures established by a Plan and/or the Los Alamos PHO. Physician shall utilize the inpatient and ancillary services provided by the Participating Provider designated in the applicable Los Alamos PHO Agreement for Covered Services provided to Plan Members subject to the provisions of the Los Alamos PHO. Failure of Physician to follow the Utilization Management procedures of the Los Alamos PHO or a Plan including those stated in this Section 2(d) and Section 7(a) may result in non-payment for Covered Services provided by Physician in noncompliance with said procedures. Repeated failure to comply with Los Alamos PHO or Plan Utilization Management procedures despite repeated and documented attempts by the Los Alamos PHO Medical Director to correct the behavior and educate the Participating Provider shall be considered a material breach of this Agreement and may result in termination of the Agreement as set forth in Section 8(c) of this Agreement.

(e) Coverage: Physician agrees to be available to provide Covered Services or to provide coverage for said services twenty-four (24) hours per day, seven (7) days per week, and three hundred sixty-five (365) days per year. In the event that Physician is unable to provide the required Covered Services, Physician shall arrange with another equivalently licensed Provider to provide the required Covered Services. In the event that no other such Provider is available or able to provide the required Covered Services, Physician may arrange with another equivalently qualified physician to provide coverage during any periods in which Physician is unavailable, provided, however, that such other physician agrees to look solely to Physician for compensation and to be bound by all terms and conditions of Section 2 of this Agreement, except Sections 2(a), 2(k), 2(l), 2(m), and Articles 5 and 6. Other physician will (i) cooperate fully With the Los Alamos PHO's peer review procedures; (ii) not bill Plan Members for Covered Services other than for any applicable co-payments; and (iii) comply with the requirements of all Los Alamos PHO and Plan policies and procedures including, but not limited to, Utilization Management procedures. Unless other arrangements are made by the Los Alamos PHO, Physician will be responsible for providing care to Plan Members in an Emergency.

(f) Los Alamos PHO - Plan Polices and Procedures: Committees. Physician agrees to be bound by all of the provisions of the Articles of Incorporation and its Bylaws, and all of the policies, rules and regulations of the Los Alamos PHO; Physician recognizes that such provisions may be amended from time to time. Physician agrees to cooperate with any administrative procedures which may be adopted by the Los Alamos PHO and the Plans regarding the performance of Covered Services pursuant to this Agreement, including without limitation the Los Alamos PHO, Quality Management, credentialing and grievance procedure.

(g) Physician Practice: Each Participating Physician shall determine the method and means of performing medical and other health care services and shall be entitled to perform usual and customary procedures relative to his or her practice, subject to the other terms and conditions of this Agreement and applicable Los Alamos PHO Agreements. Nothing in this Agreement shall be construed to affect or restrict the medical or professional judgment of Physician In the provision of health care services to Plan Members.

(h) Personnel, Equipment, and Supplies: Physician shall supply all necessary office personnel, equipment, Instrumentalities and supplies required to perform Physician's Covered Services and which are usual and customary for a medical practice in Physician's specialty in the community. Physician may, at Physician's own expense, employ each non-physician personnel as Physician deems necessary to assist in the performance of the services required by this Agreement. Physician shall be solely responsible for the control, direction, and supervision of Physician's assistants or employees in the performance of those services. Physician shall be totally responsible for payment of all wages, Tax withholding, Social security taxes, workers' compensation insurance, unemployment insurance and other employment benefits for Physician's assistants and employees. Non-Physician ancillary personnel, (Nurse Practitioners, Physicians'

Assistants, Midwives, etc), who provide services for Los Alamos PHO patients must be credentialed by Los Alamos Medical Center or by the Los Alamos PHO, and must be registered with the Los Alamos PHO.

(i) Insurance: Physician shall secure and maintain, at his or her expense, throughout the term of this Agreement, professional liability insurance consistent with the Medical Malpractice Act of New Mexico, for each physician who will provide services pursuant to this Agreement, unless otherwise approved by the Los Alamos PHO Board of Directors. On or before the Commencement Date, Physician shall provide the Los Alamos PHO with copies of the policies or other evidence of compliance with the foregoing insurance requirements acceptable to the Los Alamos PHO. Physician shall notify the Los Alamos PHO promptly whenever a Plan Member files a claim or notice of intent to commence legal action against Physician. If, at any time, Physician's insurance is provided on a "claim made" basis and the Insurance is not renewed at the end of the policy term or terminated for any reason, Physician will place in effect optional extension period ("tail") coverage to assure that insurance coverage in required amounts is maintained for claims made at any time related to an occurrence during the term of this Agreement or any renewals hereof. Physician will only purchase "claims made" coverage during the term of the Agreement if the policy permits Physician to purchase optional extension period ("tail") coverage. Physician shall provide Los Alamos PHO with ten {10} days notice in the event of any proposed, actual, or material change of such insurance coverage. If Physician desires to change insurance carriers at any time during the term of this Agreement or any extension thereto, Physician shall either purchase optional extension ("tail") coverage from the existing carrier or purchase prior acts ("nose") coverage from the proposed carrier. Under no circumstances shall Physician be without such coverage in the event of a change in carriers. The obligations of this Section 2(i) shall survive the termination of this Agreement.

(j) Professional Requirements: Physician shall meet the following professional requirements at all times during the term of this Agreement:

(1) Physician shall maintain an unrestricted current license to practice medicine in The State of New Mexico;

(2) Physician shall be a member in good standing of the Active, Courtesy, or Consulting Staff and shall maintain unrestricted Medical Staff privileges at Hospital, or shall be so licensed and have current temporary privileges at Hospital and/or be eligible for membership on the Active, Courtesy, or Consulting Staff, both having an Active, Courtesy, or Consulting Staff membership application on file and progressing in the normal course toward approval for Active, Courtesy, or Consulting Staff membership;

(3) Physician shall have current controlled substance registration issued by the New Mexico Department of Public Health and the United States Drug Enforcement Administration, which registrations have not been surrendered, revoked, or restricted in any manner;

(4) Physician shall conduct Physician's professional activities in accordance and compliance with all applicable Federal, State, city laws and regulations and standards of the profession;

(5) Physician shall be eligible to participate in all government programs for payment of medical services, including without limitation, Medicare, Medicaid, and CHAMPUS; and

(6) Physician shall meet the credentialing criteria established by the Los Alamos PHO Board of Directors. If Physician employs or contracts with non-physician health care providers, Physician shall ensure that such providers comply with subsections (1), (4), (5) and (6) of this Section, as modified to reflect the customary requirement of the non-physician providers' profession.

(k) Physician Information: Physician shall complete and submit the Los Alamos PHO Credentialing Application and Release of Information form, and Physician hereby warrants that such information is correct and will promptly notify Los Alamos PHO of any change in such information. In order to ensure Los Alamos PHO access to information regarding Physician, Physician agrees to comply with and be bound by the Los Alamos PHO Policy Regarding Obtaining of Physician Information.

(l) Notification of Disciplinary Action: Physician shall notify the Los Alamos PHO promptly concerning any modifications, reduction, or suspension of Physician's privileges by a hospital and Physician hereby authorizes the hospital(s) at which Physician has privileges to notify the Los

Alamos PHO promptly should any disciplinary or other action of any kind be initiated against Physician which could result in any suspension, reduction, or modifications of the Physician's privileges. Further, Physician shall notify the Los Alamos PHO promptly of (i) any modifications, suspension, or revocation of Physician's license to practice medicine or license to prescribe or to administer controlled substances, (ii) the imposition of any sanctions against Physician under the Medicare or Medicaid programs; or (iii) any termination or restriction of privileges or membership against Physician by any hospital or other health care organization, including, but not limited to, managed care organizations, HMOs and PPOs which is either initiated, in progress, or completed as of the effective date of the Agreement and at all times thereafter.

(m) Consent to Obtain Information: Physician grants the Los Alamos PHO permission to gain access to any and all information, records, summaries of records, reports, files, or data relative to Physician's professional qualifications, Physician's mental or physical fitness, or the quality of care rendered by Physician from any hospital, governmental or private agency or association (including the National Practitioner Data Bank and the New Mexico State Board of Medical Examiners) or any other entity or individual. Physician agrees to provide the Los Alamos PHO with any authorizations, consents or releases the Los Alamos PHO may require from Physician to obtain the information described above. In addition, Physician grants the Los Alamos PHO permission, for and on behalf of Physician, to authorize representatives of Plans contracting with the Los Alamos PHO to obtain the information described above. Physician hereby releases the Los Alamos PHO, its employees and/or its authorized agents from any and all liability and expense which is incurred by the Los Alamos PHO, its employees or its authorized agents due to action taken by the Los Alamos PHO pursuant to this Section 2(m).

(n) Compliance with State and Federal Statutes: Physician agrees to cooperate with the Los Alamos PHO so that the Los Alamos PHO may meet any requirements imposed on the Los Alamos PHO by state and federal law, as amended, and all regulations issued pursuant thereto. Physician agrees to maintain such records and provide such information to the Los Alamos PHO, to contracting Plans, to applicable laws, rules and regulations. Physician shall further cooperate with and assist the Los Alamos PHO with the requirements of the National Commission of Quality Assurance ("NCQA") and the Joint Commission on Accreditation of Healthcare Organizations ("JCAHO"). Physician agrees to permit the Los Alamos PHO, Plans, or the Los Alamos PHO's authorized representative at all reasonable times, and with reasonable notification, to have access upon request to books, records, and other papers relating to Covered Services rendered to Plan Members by Physician, and access to the cost thereof, and to the amounts of any payments received from Members or from others on such Plan Member's behalf. Physician agrees to retain such books and records for a term of at least five (5) years from and after the termination of this Agreement. Physician further agrees to permit access to and inspection by the Los Alamos PHO, contracting Plans, the New Mexico Department of Insurance, the New Mexico Department of Health, NCQA and JCAHO, and any and all applicable organizations at all reasonable times and with reasonable notification of all of those facilities, books, and records maintained or utilized by Physician in performance of Covered Services pursuant to this Agreement. The Obligations of this Section 2(n) shall survive the termination of this Agreement

(o) Independent Contractor: Physician understands and agrees that, in providing Covered Services under this Agreement, Physician acts as in independent contractor and not as a partner, employee, or agent of the Los Alamos PHO or Plans. Physician is and shall be solely liable for any state and federal income and withholding taxes, unemployment taxes, FICA taxes, and Workers' Compensations payments and premiums applicable to the services provided under this Agreement. Physician shall indemnify the Los Alamos PHO for any liability resulting from nonpayment of such taxes and sums. Physician is not and shall not be entitled to unemployment insurance benefits through this Agreement unless unemployment compensation is provided by Physician or some entity other than the Los Alamos PHO.

(p) Coordination of Benefits: Physician agrees to cooperate in providing for effective implementation of the provisions of programs established by the Los Alamos PHO or a Health Benefit Program or the coordination of benefits

(q) Provider Directory: Physician hereby authorizes the Los Alamos PHO to list Physician's name, Specialty, address, telephone number, and willingness to accept new patients in the Los Alamos PHO or Plan directory of Los Alamos PHO or Plan participants. Such directory may be

inspected by and is intended to be used by patients, Prospective patients, providers, Plans, and others.

(r) Nonexclusively: Nothing in this Agreement shall be construed to restrict Physician from providing or entering into other contracts or agreements to provide health care services to non-Plan Members nor from independently negotiating with Plans to provide health care services to Plan Members provided that: (1) Physician/Corporation notify the Los Alamos PHO of such contracts or Agreements; (2) such activities do not hinder or conflict with Physician's ability to perform his or her duties and obligations under this agreement; (3) in rendering such services, Physician shall neither represent nor imply in any way to the recipient that such services are being rendered by or on behalf of the Los Alamos PHO; and (4) any professional services rendered by Physician outside the scope of this Agreement shall not be billed by or through the Los Alamos PHO.

(s) Professional Corporation or Partnership: If Physician is a professional corporation or partnership, Physician shall obligate in writing each of its shareholders, partners, and/or professional employees who intend to perform services hereunder to comply with all of the obligations of Physician hereunder. The Los Alamos PHO shall insure that a membership application of a physician (1) Who commences a practice with a current Los Alamos PHO member, and (2) is needed to provide services (including on- call coverage) to plan members on the Los Alamos PHO member's current primary or Specialty patient panel, receives first priority for Los Alamos PHO membership.

### 3. LOS ALAMOS PHO RESPONSIBILITIES.

(a) Los Alamos PHO Personnel: Los Alamos PHO may employ an Executive Director and such other personnel as are necessary to fulfill its obligations under this Agreement.

(b) Patient Records: The Los Alamos PHO shall obligate all Providers to comply with all reasonable requests of the Physician for access to patient records reasonably necessary for the performance of the Physician's duties under this Agreement.

(c) Coordination with Plans: The Los Alamos PHO shall ensure that its policies and procedures and the Los Alamos PHO Agreements establish protocols upon which Physician may rely with respect to verification of enrollment and eligibility of Plan Members, assignment of Plan Members to primary care physicians (if applicable) and referrals to Participating and non-Participating Providers.

(d) Utilization Management: The Los Alamos PHO shall develop and implement Utilization Management programs to monitor the provision of contracted services by Participating Providers, to develop data concerning the care provided under Los Alamos PHO Agreements, and to coordinate such information among participating Providers.

(e) Quality Management: The Los Alamos PHO shall develop a Quality Management program, including peer review activities developed pursuant to C.R.S. 12-36.5-101 et. Seq. to monitor the quality of health care services provided pursuant to Los Alamos PHO Agreements.

(f) Financial Management: At the direction of the Los Alamos PHO Board of Directors, the Los Alamos PHO may undertake the financial management of the Los Alamos PHO Agreements, including claims processing, reserve account management, investment of reserve accounts and all other programs or activities customarily provided or required for the prudent management of funds received by Los Alamos PHO pursuant to Los Alamos PHO Agreements.

(g) Marketing program: The Los Alamos PHO may design, develop, and implement a marketing program to identify, solicit, enroll, and retain Plan Members.

### 4. MEDICAL RECORDS

(a) Plan Member Records: Physician shall maintain medical records in accordance with all applicable federal and state statutory and regulatory requirements, for each Plan Member in the same manner as for other patients of Physician. Physician will comply with all reasonable requests for access to or copies of medical records as required by the Los Alamos PHO or Plans.

(b) Confidentiality: Except as otherwise required by applicable law or this Agreement, Los Alamos PHO and Physician agree to keep confidential and to take the usual precautions to prevent the unauthorized disclosure of any and all records required to be prepared or maintained by Physician hereunder. Physician shall obtain from Plan Members written authorization to release Plan Member's records to the Los Alamos PHO and Plans as necessary to carry out their obligations under this Agreement and Los Alamos PHO Agreements, unless such authorization has been obtained by the Plan.

## 5. EXECUTION OF HEALTH CARE CONTRACTS

(a) Appointment: Physician hereby appoints the Los Alamos PHO and the Los Alamos PHO accepts the appointment to review non-fee terms and conditions of Health Care Contracts and obtain independent Physician approval of all Risk or Non-Risk Health Care Contracts in accordance with Policies set forth in this Agreement and in the Contract Review Policies and Procedures approved by the Los Alamos PHO Board of Directors.

(b) Binding Effect: Physician shall independently approve each Health Plan Contract and agrees to be bound by the terms and conditions of the Contract as executed by Los Alamos PHO pursuant to the provision of this Article 5. Upon execution of a Los Alamos PHO Agreement, the Los Alamos PHO shall provide Physician that has approved the Agreement with a copy of the fee schedule and a summary of the Physician's obligations under the Agreement.

## 6. PAYMENT FOR COVERED SERVICES

(a) Billing Procedure: Physician shall bill the Los Alamos PHO or a Plan (as provided in the applicable Los Alamos PHO Agreement) in a form approved by the Los Alamos PHO and the Plan pursuant to the applicable Los Alamos PHO Agreement, and in compliance with any requirements of a Los Alamos PHO Agreement. Physician shall submit such forms no later than thirty (30) days after the provision of Covered Services unless otherwise required by the Los Alamos PHO Agreement except where Physician bills a Plan directly pursuant to a Los Alamos PHO Agreement. If applicable, Physician hereby appoints the Los Alamos PHO as Physician's agent and attorney-in-fact, and the Los Alamos PHO hereby accepts such appointment, for the purpose of billing Plans on Physician's behalf for Covered Services provided to Plan Members and to collect and receive on Physician's behalf all accounts receivable generated by such billings.

(b) No Billing of Members: Physician may not under any circumstances bill a Plan Member for any Covered Services except to collect any co-payments or deductible provided for under a Health Benefit Program. All co-payments or deductibles should, whenever possible, be collected by Physician at the time services are rendered, and Physician shall report to the Los Alamos PHO, upon request, all co-payments and deductibles received by Physician hereunder. Physician shall be solely responsible for billing and collecting such co-payments and deductibles. Physician shall not maintain any action at law or equity against Plan Members to collect sums owed to Physician by the Los Alamos PHO, Plan, or otherwise for Covered Services under this Agreement. Physician may bill a Plan Member for any non-Covered Services which Physician may provide to a Plan Member only if Physician has obtained a written acknowledgement of financial responsibility from the Plan Member prior to the time such non-Covered Services are provided. Physician shall provide Los Alamos PHO with a copy of said acknowledgement upon request. Physician shall further comply with all requirements of a Plan for billing and collection from Plan Members, as set forth in the Los Alamos PHO Agreement or other Plan documents.

(c) PHO Fees: The Los Alamos PHO may assess an initial application fee, payable at the time that this Agreement is executed. The Los Alamos PHO may deduct from the amount paid to Physician for Covered Services rendered by Physician an administrative fee in an amount determined by the Los Alamos PHO Board of Directors if the Board determines that such Administrative Fee is necessary to fund the Los Alamos PHO's administrative costs.

## 7. UTILIZATION MANAGEMENT, QUALITY MANAGEMENT AND GRIEVANCE PROCEDURE

(a) Utilization Management Program: A Utilization Management Program may be established to review the medical necessity of Covered Services furnished by Physician to Plan Members on an

inpatient and outpatient basis. Such program may be established by the Los Alamos PHO, in its sole and absolute discretion, and may include prior authorization of services, concurrent case management, discharge planning and retrospective review and shall be in addition to any Utilization Management program required by the conditions or provisions of a Plan. Physician shall comply with and shall be bound by the Utilization Management programs of the Los Alamos PHO and Plans with which the Los Alamos PHO has contracted with on behalf of Physician. If requested, Physician shall serve on the Utilization Management committee of such program(s) in accordance with the procedures established by the Los Alamos PHO and the Plans. Physician agrees that the decisions of the Los Alamos PHO or Plan Utilization Management committee may be used to deny Physician payment hereunder for those Covered Services provided to a Plan Member, which are determined not to be medically necessary (as defined by Los Alamos PHO or a Health Benefit program) or for which Physician failed to receive a prior authorization, if required by Los Alamos PHO or Plan policies, to treat a Plan Member. Failure to comply with the requirements of this Section 7 (a) may be deemed by the Los Alamos PHO to be a material breach of this Agreement and may, at Los Alamos PHO option, be grounds for immediate termination of this Agreement.

(b) Quality Management Program: A Quality Management program may be established to review the quality of Covered Services furnished by Physician to Plan Members on an inpatient and outpatient basis. Such program may be established by the Los Alamos PHO, in its sole and absolute discretion, and shall be in addition to any Quality Management program required by the conditions or provisions of a Plan. Physician shall comply with and shall be bound by such Quality Management programs that the Los Alamos PHO has contracted with on behalf of Physician. If requested, Physician shall serve on the Quality Management committee of such programs in accordance with the procedures established by Los Alamos PHO and the Plans. Failure to comply with the requirements of this Section 7(b) may be deemed by the Los Alamos PHO to be a material breach of this Agreement. Physician agrees that decisions of the Los Alamos PHO or Plan Quality Management committee may be used to deny Physician payment hereunder for those Covered Services provided to a Plan Member which are determined not to be medically necessary, medically inappropriate, or of poor medical quality.

(c) Grievance Procedure: A grievance procedure may be established for the processing of any patient complaint regarding Covered Services furnished by Physician. Such procedure may be established by the Los Alamos PHO and/or the Plans, in their sole and absolute discretion. Physician shall comply with and be subject to Physician's rights of appeal and shall be bound by such grievance procedures.

## 8. TERMS and TERMINATION

(a) Term and Renewal: The term of this Agreement shall begin on the effective date and shall continue for an initial term of one (1) year following the date on which the Los Alamos PHO is first obligated to provide Covered Services to a Plan Member and shall be automatically renewed for additional one (1) year periods thereafter unless terminated in accordance with this section 8.

(b) Termination: Either party may terminate this Agreement, with or without cause, upon at least ninety (90) days prior written notice to the other party. Within the ninety (90) day period, any physician terminated may request the reason for such in writing from the Los Alamos PHO Board of Directors. The terminated physician, at his/her discretion, may schedule an interim review before the Los Alamos PHO Utilization Management/Quality Improvement Committee within a 14-day notification in advance of such a review. Pending the review's outcome, terminated physician, at his/her discretion, may schedule a final review before the Los Alamos PHO Board with a 14 day notification in advance of such a review. A majority decision among the Los Alamos PHO Board will be necessary to finalize the physician's termination.

(c) Material Breach: In the event of a material breach of this Agreement by either party hereto; the other party shall have the right to cancel this Agreement by giving written notice of cancellation to the defaulting party (the "Default Notice"). In the event such breach is not cured with ten (10) days after the giving of the Default Notice, this Agreement shall automatically terminate at the election of the non-defaulting party upon the giving of a written notice of termination to the breaching party.



(d) Immediate Termination: The Los Alamos PHO shall have the right to terminate this Agreement immediately upon written notice to the Physician upon the occurrence of any of the following event:

(1) Physician's license to practice medicine in the State of New Mexico is suspended, restricted, or revoked;

(2) Physician's license(s) to prescribe or administer controlled substances is suspended, restricted, or revoked;

(3) Physician's medical staff privileges at any hospital are denied, revoked, relinquished, suspended, or reduced for reasons other than incomplete medical records;

(4) Physician's professional liability coverage as required under Section 2 (i) of this Agreement is no longer in effect;

(5) Physician's death or incapacity. The Board of Directors of the Los Alamos PHO shall determine whether Physician is incapacitated for the purposes of this Section 8(d) (5);

(6) Physician fails to notify the Los Alamos PHO in accordance with Section 2(l) of this Agreement; or

(7) Physician's participation in the Medicare or Medicaid program is terminated, suspended, or restricted;

(8) Physician fails to meet the credentialing criteria established by the Los Alamos PHO Board of Directors;

(9) Physician is in material violation of the policies, rules, or regulations of the Los Alamos PHO;

(10) Physician demonstrates conduct which is below the generally accepted standard of care, is reasonably likely to be detrimental to the safety of Plan Members, and violates ethical standards or federal, state, or local laws, or adversely affects the reputation of the Los Alamos PHO;

(11) Physician engages in repeated or egregious conduct which is disruptive of the operations of the Los Alamos PHO or of the provision of quality medical care by Participating Providers;

(12) Physician fails to maintain his/her membership in good standing in the Los Alamos PHO.

In the event that Physician is a professional corporation or partnership and one of the events listed in the Section 7(d) (1) - (11) occurs with respect to a shareholder/partner/employee of Physician, this Agreement may be continued at the sole option of the Los Alamos PHO if Physician excludes any services under this Agreement or any Los Alamos PHO Agreements.

(e) Change in Law: In the event either party develops a good faith concern that any provision of this Agreement or any activity of the other party relating to this Agreement is in violation of any applicable federal, state, or local laws or any regulation, policy, or order of any state, federal, or local issues under any such laws, such party shall immediately notify the other party, in writing, of such concern, the specific activities giving rise to such concern and the reasons for it. If the parties agree on a method for resolving such concern within 10 days of the written notice and reasonable steps are taken, in the judgment of the party giving notice, to correct the activities or concerns described in the notice, the Agreement shall continue in full force and effect. If the parties cannot agree on a method of resolving the concern to the satisfaction of the party giving notice, the party giving notice may terminate this Agreement without liability upon written notice to the other party.

(f) Physician's Rights Upon Termination: Unless otherwise required by law, Physician agrees that any Los Alamos PHO decision to terminate this Agreement pursuant to this Article 8 shall be final. Unless otherwise required by law, Physician further agrees that he/she shall have no right(s) to

appeal the decision of the Los Alamos PHO through any formal or informal administrative hearing or review process nor shall he/she have any other due process right to appeal a Los Alamos PHO decision to terminate this Agreement.

(g) Termination of Physician by Plan: Notwithstanding any other provision of this Agreement, in the event that a Plan Contracting with the Los Alamos PHO notifies the Los Alamos PHO that said Plan wishes to remove Physician from the Plan roster of participating physicians/providers, the Los Alamos PHO shall have the right to terminate Physician's participation in said Plan and/or from the Los Alamos PHO entirely, in the Los Alamos PHO's sole and absolute discretion.

(h) Effect of Termination: Upon termination, all rights and obligations of the parties under this Agreement shall immediately cease, except as provided in subsections 2(i), 8(f), 8(h), 8(i), 8(j) and 9(c), and of this Agreement; provided however, that termination of this Agreement shall not relieve either party of any obligation to the other party in accordance with the terms of this Agreement with respect to services furnished prior to such termination, and termination shall not relieve Physician of his or her obligation to cooperate with the Los Alamos PHO in arranging for the transfer of care of Plan Members then receiving treatment from Physician.

(i) Continuation of Services: If requested by the Los Alamos PHO or Plan, Physician shall continue to furnish, and the Los Alamos PHO or Plan shall continue to pay for, Covered Services rendered to Plan Members under the care of Physician at the time of termination until the services being rendered are completed, unless the Plan or the Los Alamos PHO makes provisions for the assumption of such services by another provider. Furthermore, if the Los Alamos PHO or Physician has executed a Los Alamos PHO Agreement which requires the continuing provision of services to Plan Members after termination of this Agreement, Physician agrees to continue to provide services to Plan Members in accordance with such Los Alamos PHO Agreement. Nothing in this Agreement is intended to modify or otherwise affect Physician's medical, legal or ethical obligations to provide continuity of care to patients.

(j) Access to Records: Notwithstanding any termination of this Agreement, the Los Alamos PHO and the Plan shall continue to have access to Physician's records in accordance with Section 4 and 6(a) hereof for five (5) years from the date on which Physician provided the Covered Services referred to in such records.

## 9. GENERAL PROVISIONS

(a) Documentation: The Los Alamos PHO shall provide Physician with a copy of any document required by a Plan which has been approved by the Board and which requires Physician's signature. If Physician does not execute and return said document within fifteen (15) calendar days of document receipt, said document shall be deemed to be executed by Physician and may be executed by the Executive Director of the Los Alamos PHO on behalf of the Los Alamos PHO or Physician.

(b) No Third Party Beneficiaries: Unless otherwise required by a Los Alamos PHO Agreement, neither Plan Members nor any other third parties are intended by the parties hereto to be third party beneficiaries under this Agreement, and no action to enforce the terms of this Agreement may be brought against either party by any person who is not a party hereto.

(c) Confidential and Proprietary Information: Physician shall maintain all Plan Member information including, but not limited to, the Plan Member's name, address, telephone number ("Plan Member Information"), and all other Los Alamos PHO Trade Secret Information confidential. For purposes of this Agreement, "Los Alamos PHO Trade Secret Information" shall include, but shall not be limited to; all Los Alamos PHO Plan Agreements and the information contained therein regarding Los Alamos PHO, Plans, employer groups, the financial arrangements between any hospital and Los Alamos PHO, any Plan and Los Alamos PHO, or Physician and the Los Alamos PHO, Physician's Fee Schedules and Financial Arrangement Statements and all manuals, policies, forms, records, files, (other than patient medical files) and lists of Los Alamos PHO. Physician shall not disclose or use any Plan Member information or Los Alamos PHO Trade Secret Information for his/her own benefit or gain either during the term of this Agreement or after the date of termination of this Agreement, provided, however, Physician may use the name, address and telephone number or other medical information of a Plan Member if medically necessary for the proper treatment of such

Plan Member or upon express prior written permission of Los Alamos PHO, Plans and the Plan Member.

(d) Non assignment: Physician may not assign or transfer his or her rights or obligations under this Agreement without the prior written consent of the Alamos PHO. The Los Alamos PHO may assign its rights or obligations hereunder upon at least sixty (60) days prior written notice, provided that such assignment has received the approval of the Los Alamos PHO Board of Directors. Any purported assignment or transfer in violation of this section shall be null and void.

(e) Notices: Any notice required to be given pursuant to the terms of this Agreement shall be in writing and shall be either hand delivered or sent postage prepaid, by certified mail, return receipt requested, to the Los Alamos PHO or Physician at the address set forth below. The notice shall be effective on the date of delivery, either by hand or as indicated on the return receipt.

If to the Los Alamos PHO:  
Board President  
Los Alamos PHO Office  
3917 West Road, Suite 175  
Los Alamos. New Mexico 87544

If to the Member: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(f) Severability: The invalidity or unenforceability of any term or provision hereof shall not affect enforceability of any other term(s) or the validity or provision(s).

(g) Effect of Severable Provision: In the event that a provision of this Agreement is rendered invalid or unenforceable as provided in Section 8(e) hereof and its removal has the effect of materially altering (i) the Los Alamos PHO in such manner as, in the sole judgment of the Los Alamos PHO, will cause the Los Alamos PHO to act in violation of its corporate Articles or Bylaws, or (ii) the obligations of either the Los Alamos PHO or Physician in such manner as, in the sole judgment of the affected party, will cause serious financial hardship to such party, the party so affected shall have the right to terminate this Agreement upon thirty (30) days prior written notice to the other party. In the event of termination pursuant to this Section 9(g), the provisions of Section 8 shall govern such termination.

(h) Waiver of Breach: The waiver of any breach of this Agreement by either party shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or any other provision of this Agreement.

(i) Governing Law: This Agreement shall be construed and enforced in accordance with the laws of New Mexico.

(j) Arbitration: All claims or controversies concerning this Agreement, or arising in any way out of the performance of this Agreement, except those occurring pursuant to Section 8, hereto, shall be subject to arbitration by a single arbitrator in accordance with the arbitration rules of the National Health Care Lawyers Association. Notwithstanding the foregoing, neither the Los Alamos PHO nor Physician shall be required to participate in any arbitration proceedings under this Agreement relating to any professional liability claim if such participation would violate the terms and conditions of the professional liability coverage of the Los Alamos PHO or Physician.

(k) Entire Agreement and Amendments: This Agreement contains the entire understanding between the parties and supersedes all prior agreements, either oral or in writing, with respect to the subject matter hereof, Unless otherwise specifically provided herein, this Agreement may be amended or changed only by mutual written consent of the Los Alamos PHO's and Physician's duly authorized representatives. Notwithstanding the above, Los Alamos PHO may modify this Agreement upon thirty (30) days written notice to Physician in order to comply with any law or regulations promulgated by the New Mexico Insurance Commission or other state agency, applicable to provider networks.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first set forth above.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Participating Physician

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

EIN Number : \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
PHO President

Print Name: \_\_\_\_\_