	Law Department Policy	No. L-5
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page: 1 of 20
		Effective Date: 10-05-20
		Previous Versions Dated: 08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated: 09-29-20

I. SCOPE:



This policy applies to (1) Tenet Healthcare Corporation and its subsidiaries and affiliates (each, an “Affiliate”); (2) any other entity or organization in which Tenet Healthcare Corporation or an Affiliate owns a direct or indirect equity interest greater than 50%, and (3) any hospital or entity in which an Affiliate either manages or controls the day-to-day operations of the entity (each, an “entity”) (each, a “Tenet Entity” and collectively, “Tenet”).

II. PURPOSE:



The purpose of this policy is to ensure, through the implementation of prudent and reasonable controls, that:

- A. All Personal Services Arrangements are undertaken only when a Tenet Entity has a legitimate need for a Physician to provide the type and quantity of Services contemplated to promote quality, cost-effective care or to fulfill other legitimate needs of the Tenet Entity;
- B. Tenet Entities are prohibited from entering into Personal Services Arrangements with referral sources (including Physicians and Physician-owned entities) in certain circumstances where non-referral sources are available to provide the Services;
- C. The Compensation paid pursuant to all Personal Services Arrangements is commercially reasonable and consistent with Fair Market Value for the Services furnished;
- D. All Services furnished pursuant to a Personal Services Arrangement are adequately and contemporaneously documented by the Physician;
- E. All Personal Services Arrangements comply with applicable laws and regulations, including the federal and state Anti-Kickback laws and the federal Stark law and state self-referral laws; and
- F. Under no circumstance will a Personal Services Arrangement involve a Tenet Entity paying Compensation to a Physician, directly or indirectly, with the intent to induce the Physician to refer patients to, or otherwise generate business for, any hospital or Tenet Entity.

III. DEFINITIONS:

 	Law Department Policy	No.	L-5	
	PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Title:	Page:	2 of 20
		Effective Date:	10-05-20	
		Previous Versions Dated:	08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04	
		Corporate Review Dated:	09-29-20	

- A. **“Activity Log”** means the Activity Log contained in the CAM and attached as an exhibit to the Agreement, or another means of documenting Services as set forth in this policy and reflected in the Services Agreement. An Activity Log may also be captured by an automated time entry system approved by the Tenet Law Department and designated for such purpose.
- B. **“Assistant General Counsel”** means the Assistant General Counsel for Hospital Operations or Senior Managing Counsel for Ambulatory Operations or other attorney in the Tenet Law Department who oversees Tenet Facility’s Operations Counsel. Throughout this policy, the Assistant General Counsel approval can also be accomplished by Tenet’s General Counsel.
- C. **“CAM”** means the Tenet Contractual Arrangements and Governance Manual found on eTenet.
- D. **“Compensation”** means anything of value, including, but not limited to, cash, items or Services.
- E. **“Fair Market Value”** means the value in arm’s-length transactions, consistent with the Compensation that would be included in a Personal Services Agreement, as the result of bona fide bargaining between well-informed parties to the agreement who are not otherwise in a position to generate business for the other party at the time of the Personal Service Agreement.
- F. **“Federal Health Care Program”** means any plan or program that provides health benefits, whether directly, through insurance, or otherwise, which is funded directly, in whole or in part, by the United States Government, including, but not limited to, Medicare, Medicaid/MediCal, managed Medicare/Medicaid/MediCal, TriCare/VA/CHAMPUS, SCHIP, Federal Employees Health Benefit Plan, Indian Health Services, Health Services for Peace Corp Volunteers, Railroad Retirement Benefits Black Lung Program, Services Provided to Federal Prisoners, and Pre-Existing Condition Insurance Plans (PCIPs).
- G. **“Group Practice”** means two or more Physicians who practice medicine through a single legal entity, using a common trade name and a common tax identification number, including a faculty practice plan or other Physician group practice organization affiliated with an academic medical center.
- H. **“Immediate Family Member”** means husband or wife; birth or adoptive parent, child, or sibling; stepparent, stepchild, stepbrother, or stepsister; father-in-law,



 	Law Department Policy	No. L-5
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page: 3 of 20
		Effective Date: 10-05-20
		Previous Versions Dated: 08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated: 09-29-20

mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and spouse of a grandparent or grandchild of a Physician.

- I. **“Operations Counsel”** means, in the case of a hospital, its Regional Counsel responsible for hospital legal operations; in the case of a Physician organization, its Tenet Physician Resources (TPR) Counsel responsible for Physician practice legal operations; and in the case of a non-hospital outpatient facility, its assigned Counsel responsible for outpatient facility legal operations.
- J. **“Personal Services”** or **“Services”** mean professional medical, medico-administrative or consulting Services (including on-call Services) furnished by a Physician on behalf of a Tenet Entity, consistent with this policy.
- K. **“Personal Services Agreement”** or **“Agreement”** means a written Agreement reflecting a Personal Services Arrangement.
- L. **“Personal Services Arrangement”** means an arrangement pursuant to which a Tenet Entity provides Compensation to a Physician or an entity wholly or partially owned by a Physician for the performance of professional medical, medico-administrative or consulting Services furnished by the Physician on behalf of the Tenet Entity, but does not include Services otherwise covered by Law Department Policy L-3 Medical Directorships or Law Department Policy L-10 Physician Employment. See Tenet Law Department Policy L-23 for Personal Services Arrangements with Non-Physician Referral Sources.
- M. **“Physician”** means a duly licensed and authorized doctor of medicine or osteopathy, doctor of dental surgery or dental medicine, doctor of podiatric medicine, doctor of optometry, or chiropractor and his or her immediate family members. Immediate family member means husband or wife; birth or adoptive parent, child or sibling; stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and spouse of a grandparent or grandchild.

IV. POLICY:

A Tenet Entity may not enter into a Personal Services Arrangement with a Physician, Group Practice, or any Immediate Family Member of a Physician or Physician affiliated with a Group Practice for Services listed on Exhibit A. For Services not included on Exhibit A, a Tenet Entity may not enter into a Personal Services Arrangement with a Physician, Group Practice, a

 	Law Department Policy	No. L-5
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page: 4 of 20
		Effective Date: 10-05-20
		Previous Versions Dated: 08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated: 09-29-20

Physician affiliated with a Group Practice or his or her Immediate Family Member unless the Tenet Entity has an objectively determined, legitimate need for the Services contemplated by the Personal Services Arrangement as set forth in this policy.

V. PROCEDURE:

A. Entity Implementation

The Tenet Entity shall ensure that this policy is adhered to by following all of the steps set forth in this policy.



1. Step 1 Identify the Need for the Services

The Tenet Entity shall identify any mandates or recommendations from legal authorities, government organizations, provider accreditation bodies, medical education program accreditation bodies, independent third party consultants, third party payers, or the Tenet Entity’s medical staff or governing board, and any other evidence, indicating that one or more Physicians should be retained to furnish the Services contemplated by the Personal Services Arrangement in order to promote quality, cost-effective care or fulfill other legitimate needs of the Tenet Entity.

Tenet Entities are prohibited from entering into Personal Services Arrangements with Physicians for the Personal Services listed on Exhibit A, except as set forth herein. In the case of personal medical Services, the Tenet Entity shall identify why the Services are best contracted for and compensated by the Tenet Entity rather than having the Physician bill a payer independently for the service.

In the case of on-call Services, the Tenet Entity (a) shall identify any mandates or recommendations from legal authorities (*e.g.*, EMTALA, trauma center designation requirements, other state regulations), and any other evidence, that on-call coverage in the particular specialty or subspecialty should be secured, (b) shall also document whether such on-call Services are required without Compensation under the medical staff bylaws or rules and regulations; and (c) shall also document prior efforts to obtain such Services on a voluntary basis.

2. Step 2 Project the Number of Hours/Specific Services Required



 	Law Department Policy	No. L-5
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page: 5 of 20
		Effective Date: 10-05-20
		Previous Versions Dated: 08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated: 09-29-20

- a. Medico-administrative and consulting Services should generally be contracted for based on a fixed number of hours per month. A Tenet Entity may not enter into a Personal Services Arrangement unless the Tenet Entity has made an objective determination that the number of hours of medico-administrative or consulting Services contemplated by the Personal Services Arrangement is reasonable and necessary to accomplish the Tenet Entity's legitimate needs for the Services. The Tenet Entity must prepare a written projection of the number of hours reasonably necessary to discharge the medico-administrative or consulting Services based on:
 - (1) Any benchmarks referenced by legal authorities, government organizations, provider accreditation bodies, medical education program accreditation bodies, independent third party consultants, third party payers, or the Tenet Entity's medical staff or governing board;
 - (2) Data from Activity Logs or other documentation provided to reflect Services; and/or
 - (3) Other factors, such as a detailed description of the scope of the consulting project.

- b. Professional medical Services should be contracted for on an hourly basis or on a unit of Service basis. Hourly Services must meet the requirements for Medico-administrative Services set forth in Paragraph 2(a) above. Services rendered on a unit of Service basis should be identified by Physician using a CPT or APC code number and descriptor or other service designation approved by the Law Department.

- c. On-call Services should be contracted for on the basis of 24-hour coverage, however partial days of on-call coverage may be permitted provided that Compensation is adjusted to Fair Market Value for a partial day.

3. Step 3 Demonstrate the Qualifications of the Physician

 	Law Department Policy	No. L-5
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page: 6 of 20
		Effective Date: 10-05-20
		Previous Versions Dated: 08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated: 09-29-20

A Tenet Entity may not enter into a Personal Services Arrangement unless the Tenet Entity has objectively determined that the Physician is qualified and capable of performing the Services. To demonstrate the Physician’s qualifications, the Tenet Entity must:



- a. Verify that the Physician is capable of furnishing the Services (i.e., the Physician must confirm that he/she does not have other preexisting obligations which would limit or restrict the Physician from fully performing the Services);
- b. c. Verify, if not evident from existing information, that the Physician is currently licensed in the State;
- d. Verify that the Physician is qualified to provide the Services (e.g., that the Physician possesses relevant training and/or experience in the area); and
- e. Verify that the Physician (and, in the context of a Personal Services Agreement with a Group Practice, the Group) has no exclusions, suspensions or debarments from participation in any Federal Health Care Program.
- f. Confirm that the Physician and, if applicable, Physician-owned entity has cleared all required Tenet vendor screening processes.

4. Step 4 Calculate Fair Market Value Compensation

A Tenet Entity may not enter into a Personal Services Arrangement unless the Tenet Entity has objectively determined and documented that the Compensation being offered to the Physician for the Services is consistent with Fair Market Value.

- a. For Services to be compensated on, or calculated using, an hourly rate basis, in order to ensure that the Compensation is consistent with Fair Market Value, the Tenet Entity may rely upon the most-recent Law Department chart of hourly rates for Physician Services (the “Hourly Rate”).

The Tenet Entity shall multiply the Hourly Rate by the projected number of hours set forth in the Personal Services Agreement in



 	Law Department Policy	No. L-5
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page: 7 of 20
		Effective Date: 10-05-20
		Previous Versions Dated: 08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated: 09-29-20

order to determine the Compensation to be offered for the Services of the particular Physician.

Notwithstanding the foregoing, for Physician Governing Board members, the Tenet Entity shall compensate the Physician Governing Board member at a Fair Market Value rate equal to the amount paid to non-Physician Governing Board members, as determined by the Governing Board, and approved in advance by Operations Counsel. The Compensation, including any other benefits, such as meals, board retreats, etc. shall be set forth in the Governing Board member's appointment letter.

Notwithstanding the foregoing, if the Tenet Entity believes that a Compensation amount that differs from and exceeds the average Hourly Rate derived above is Fair Market Value, and all other requirements of this policy are met, the Tenet Entity may seek approval of the proposed Hourly Rate to be utilized in calculating the Compensation from the operations Senior Vice President or equivalent, Operations Counsel and Assistant General Counsel. The Tenet Entity shall provide all supporting documentation, as well as any other information requested, to the CATS package.

- b. For Services to be compensated on a unit of Service basis, documentation of Fair Market Value must be demonstrated by reference to objective benchmarks relevant to the Service. Such benchmarks may include applicable Medicare and Medicaid rates, prevailing managed care rates in the relevant market, amounts received by the Tenet Entity from third party payers for the specific contracted Services, weighted averages of the above benchmarks based on historical or anticipated case mix and payer mix, or independent valuations. The Tenet Entity shall identify the basis for selection of the benchmark(s) utilized as most appropriate for the Service.
- c. On-call Services may be contracted on a fixed hourly or per-diem basis, on the basis of fixed per-encounter or per unit of Service payments for indigent patients, or on such other basis as is reasonably necessary to secure coverage. The Tenet Entity must objectively determine and document that the Compensation being

 	Law Department Policy	No. L-5	
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page:	8 of 20
		Effective Date:	10-05-20
		Previous Versions Dated:	08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated:	09-29-20



offered to the Physician for the on-call Services is Fair Market Value.

- d. In determining Fair Market Value, the Tenet Entity shall take into account both monetary Compensation and any other contract items of value to the Physician, including indemnification for acts within the scope of the Physician’s Services under the Personal Services Arrangement or extension of malpractice coverage for such Services, and meals furnished when Services are rendered and specifically contemplated in the Personal Services Agreement.



5. Step 5 Review the Requirements of the Personal Services Agreement

The Tenet Entity shall confirm that the proposed Personal Services Arrangement will meet all of the following terms to be included in the Personal Services Agreement:



- a. The Personal Services Arrangement shall be evidenced by a written Personal Services Agreement, preferably in the general form of Agreement contained in the CAM. There shall be no oral or implied understandings that are not incorporated in the written Agreement. If the Physician is not affiliated with a Group Practice, the Agreement shall be between the Tenet Entity and the Physician who will provide the Services (the individual Agreement). If the Physician is an employee, independent contractor, partner, member or is otherwise affiliated with a Group Practice (or practices through a sole shareholder PC), unless otherwise approved by Operations Counsel, the Agreement shall be among the Tenet Entity and the Group Practice (the Group Agreement) or the sole shareholder PC (the sole shareholder PC Agreement), and the Agreement shall identify the Physician who will provide the personal Services. In the event that the Tenet Entity desires for a Physician to furnish Services to more than one department of the Tenet Entity, the Tenet Entity shall obtain the advance approval of Operations Counsel and shall prepare separate Personal Services Agreements, require separate Activity Logs and make separate payments to the Physician to ensure that expenses are appropriately allocated for cost reporting purposes.

 	Law Department Policy	No. L-5
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page: 9 of 20
		Effective Date: 10-05-20
		Previous Versions Dated: 08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated: 09-29-20

- b. The Personal Services Agreement shall specify what documentation is required to be completed by the Physician or Group to evidence that the Services were performed. Specifically, the Agreement shall require the documentation set forth in Step 9 “Documenting the Physician’s Completion of Duties.” For example, Physician Advisor Agreements shall expressly require the completion of an Activity Log in the form set forth in the CAM.
- c. If a Tenet Entity proposes entering into a Group agreement, the Group Practice shall furnish the Tenet Entity with a written representation and warranty that (1) the Compensation of each Physician affiliated with the Group Practice including, without limitation, shareholders, members, partners, employees and independent contractors (a) will be commercially reasonable and consistent with Fair Market Value; and (b) will not vary with, or reflect or relate to – either directly or indirectly – the volume or value of patient referrals (actual or anticipated) to, or other business generated for, any Tenet Entity; and (2) that the Group Practice agrees to comply with all relevant claims submission and billing laws and regulations.
- d. The Personal Services Agreement shall set forth with specificity all of the Services to be furnished by the Physician. The designated duties shall not include (1) advertising or marketing on behalf of the Tenet Entity, (2) duties which the Physician is obligated to perform free of charge as a result of his or her licensure or medical staff membership, including, without limitation, attendance at meetings that the Physician is otherwise required to attend, such as regularly scheduled or mandatory medical staff or Governing Board meetings (unless the Physician is also a Governing Board member and has signed a separate appointment letter), (3) continuing medical education (unless approved by the Tenet Entity’s Operations Counsel and Assistant General Counsel), (4) review of medical journals and periodicals, (5) any entertainment activities, (6) completing Activity Logs, or (7) duties that involve the counseling or promotion of a business arrangement or other activity that violates any federal or state law. The designated duties shall be specific to the Personal Services Arrangement.



 	Law Department Policy	No. L-5
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page: 10 of 20
		Effective Date: 10-05-20
		Previous Versions Dated: 08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated: 09-29-20

- e. The term of the Personal Services Agreement shall not exceed two years except with the prior approval of the Assistant General Counsel. Notwithstanding the foregoing, Personal Services Agreements for hospital based Services (*e.g.*, radiology, pathology, anesthesiology and emergency department) for which no Compensation is paid by the Tenet Entity shall not exceed five (5) years except with the prior approval of the Assistant General Counsel and Personal Services Agreements for on-call coverage of Tenet Entity Emergency Department shall not exceed three (3) years except with the prior approval of the Assistant General Counsel. Additionally, Personal Services Agreements related to clinical research studies may have a term appropriate to achieve the legitimate business purposes of the study. The Personal Services Agreement may contain an automatic month-to-month renewal provision for up to six (6) months provided the arrangement is on the same terms and conditions as the immediately preceding Agreement but shall otherwise require affirmative renewal by mutual written Agreement of the parties.
- f. The Personal Services Agreement shall provide that, in the event the Agreement is terminated during the first year of the term, then neither the Tenet Entity and the Physician, nor the Tenet Entity and any affiliated Group Practice, shall enter into an arrangement for the same items and Services for the remainder of the first year of the intended term of the Agreement. Notwithstanding the foregoing, if the Agreement does not contain similar language, and the Agreement is terminated during the first year of the term, then neither the Tenet Entity and the Physician, nor the Tenet Entity and any affiliated Group Practice, shall enter into an arrangement for the same items and Services for the remainder of the first year of the intended term of the Agreement.
- g. The Personal Services Arrangement shall not be conditioned on the Physician, or, in the event of a Group agreement, the Group Practice or any Physician affiliated with the Group Practice, (a) making referrals to any Tenet Entity, (b) being in a position to make or influence referrals to any Tenet Entity, or (c) otherwise generating business for any Tenet Entity; provided, however, that the Personal Services Agreement may require that the Physician

 	Law Department Policy	No. L-5
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page: 11 of 20
		Effective Date: 10-05-20
		Previous Versions Dated: 08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated: 09-29-20



obtain and maintain active staff privileges at the Tenet Entity if appropriate for the Services.

- h. The Compensation paid by the Tenet Entity to the Physician and/or affiliated Group Practice under the Personal Services Agreement shall be subject to reduction or forfeiture pursuant to the conditions described in Step 9 “Documenting the Physician’s Completion of Duties.”
- i. The Compensation paid by the Tenet Entity to the Physician and/or affiliated Group Practice under the Personal Services Agreement (which may include per unit of service-based Compensation) shall not vary (or be adjusted or renegotiated) in any manner based on the volume or value of any actual or expected referrals to, or business otherwise generated for, any Tenet Entity by the Physician or, in the event of a Group agreement, by the Group Practice or any individual or entity affiliated with the Group Practice.
- j. No Physician, or, in the event of Services provided by a Group, any Physician affiliated with the Group Practice, shall be precluded or restricted in any way from (a) establishing staff privileges at any other hospital or entity, (b) referring patients to or utilizing the Services of any other hospital or entity, or (c) otherwise generating business for any other hospital or entity.
- k. The Personal Services Agreement shall provide that Compensation shall not be paid by the Tenet Entity to a Physician, the Physician’s sole shareholder PC, and/or affiliated Group Practice (as appropriate) for a given payment period unless the Physician furnishes adequate, contemporaneous documentation pursuant to Step 9 “Documenting Completion of Physician Duties” indicating that he or she fully discharged all designated duties during the payment period.
- l. Except as permitted by this Policy, the Compensation set forth in the Personal Services Arrangement shall not be renegotiated, renewed, terminated, extended or amended after the Personal Services Agreement is executed by the parties. In the event of the addition of a new Service or removal of a Service from the

 	Law Department Policy	No. L-5
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page: 12 of 20
		Effective Date: 10-05-20
		Previous Versions Dated: 08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated: 09-29-20

Personal Services Arrangement, it shall be reflected in an amendment, including adjustment to the Compensation reflecting the revision to the Service. Notwithstanding the foregoing, extensions or renewals of the Agreement are permitted only after a full review and approval of the entire arrangement through eCATS as set forth in Steps 6 “Preparing eCATS Package” and 7 “Legal Review and Approval” of this policy, and terminations of the Agreement during its term other than automatic terminations and notices of non-renewal to be effective at the end of the term are permitted only after Operations Counsel has determined that termination is unrelated to the value and volume of referrals or other business generated between the parties, and the requirements set forth in Section V.B. “Renewal, Amendment and Termination” of this policy are met.

- m. The Physician and any affiliated Group Practice shall agree to treat in a nondiscriminatory manner patients receiving medical benefits or assistance under any Federal Health Care Program.
- n. Other than as specifically provided for in this policy, the Compensation shall not directly or indirectly benefit any individual or entity in a position to make or influence patient referrals to, or otherwise generate business for, any Tenet Entity.
- o. Notwithstanding the foregoing, Physician Governing Board members are not required to meet the requirements set forth in this Section V.A.5, except for requirements n. and p., provided the Physician Governing Board member has executed the Governing Board appointment letter in the CAM.
- p. The Personal Services Agreement shall require the Physician and the Group Practice, if applicable, to abide by Tenet’s Compliance Program. Specifically, the Physician and Group will be required to have received, read, understood and abide by Tenet’s Code of Conduct. The parties to the Personal Services Agreement shall comply with Tenet’s Compliance Program and Tenet’s policies and procedures related to the federal and state Anti-Kickback Statutes and the federal Stark Law and the state self-referral laws. A summary of Tenet’s Compliance Program and a link to Tenet’s policies and procedures shall be provided to the Physician and



 	Law Department Policy	No. L-5
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page: 13 of 20
		Effective Date: 10-05-20
		Previous Versions Dated: 08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated: 09-29-20

Group upon request. Further, the parties to the Personal Services Agreement shall certify that they shall not violate the federal and state Anti-Kickback Statutes and/or the federal Stark Law and state self-referral statutes. The Physician and Group, if applicable, shall complete any training required under Tenet’s Compliance Program.

6. Step 6 Prepare the Electronic Contractual Arrangements Term Sheet (eCATS) Package



For each proposed Personal Services Arrangement, the Tenet Entity shall prepare all of the following documentation for submission into eCATS:

- a. A cover memorandum (Note: a sample cover memo is included in the CAM Forms on eTenet) that includes:
 - (1) A detailed description of the Services to be provided;
 - (2) The reasons why the Tenet Entity needs the Services, and (i) in the case of professional medical Services to be compensated in whole or in part by the Tenet Entity, why the Services cannot or should not be billed directly to the patient or payer by the Physician or affiliated Group Practice, or (ii) in the case of on-call Agreements, a description of any mandatory call requirements in the medical staff bylaws or rules and regulations, and a description of the efforts made to secure the Services on a voluntary basis;
 - (3) The Physician’s qualifications (and, for on-call or panel Agreements, the basis for selecting members of the panel);
 - (4) For hourly Services, the reasons why the number of hours required for the Services is appropriate;
 - (5) The means of calculating the Fair Market Value of the Compensation;
 - (6) An outline of the terms and conditions of the proposed Personal Services Arrangement, and a summary of any

 	Law Department Policy	No. L-5
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page: 14 of 20
		Effective Date: 10-05-20
		Previous Versions Dated: 08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated: 09-29-20

amendments or supplements made to the CAM individual or Group agreement (as appropriate);

- (7) An outline of all current or anticipated arrangements or Agreements between (a) the Tenet Entity and the Physician, or (b) the Tenet Entity and the Group Practice with which the Physician is affiliated, or any other Physician affiliated with such Group Practice; and
 - (8) A statement that the proposed Personal Services Agreement represents the entire Agreement with respect to the Personal Services Arrangement between the Tenet Entity and the Physician or Group Practice, as appropriate.
- b. A fully completed eCATS signed by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), setting forth the total dollar value (or, as applicable, the estimated maximum total dollar value) of the Compensation that may be furnished by the Tenet Entity pursuant to the Personal Services Agreement during the term;
 - c. A draft Agreement, preferably in the CAM form;
 - e. The results of an OIG/GSA/SAM and applicable state healthcare exclusion list search noting no exclusions, suspensions or debarments of the Physician (in the case of an individual agreement), or of the Physician and the Group Practice (in the case of a Group agreement), from participation in any Federal Health Care Program unless Physician is a medical staff of a Tenet Entity which participates in a continuous query program which would identify any exclusion, suspension or debarment in a timely manner;
 - g. Verification that the Physician and, if applicable, Group Practice or other Physician-owned entity has been qualified through Tenet’s vendor screening process or is qualified for exemption from the vendor screening process;
 - h. Any original source or other documentation required to support the statements included in the cover memorandum; and



 	Law Department Policy	No.	L-5
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page:	15 of 20
		Effective Date:	10-05-20
		Previous Versions Dated:	08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated:	09-29-20

- i. Any other information required by the Tenet Entity’s Operations Counsel or the Assistant General Counsel.

7. Step 7 Obtain Legal Review and Approval

No Personal Services Agreement shall be executed until the Operations Counsel and, if required by this Policy, the Assistant General Counsel, has reviewed and approved the proposed Personal Services Arrangement and the Personal Services Agreement to ensure compliance with the applicable laws and ensured that all documents relevant to the proposed Personal Services Arrangement and Personal Services Agreement are set forth in eCATS. If any one or more of the following apply, the Assistant General Counsel shall also be required to approve the eCATS package prior to the execution of the proposed Personal Services Agreement by the Tenet Entity:

- a. The Personal Services Arrangement proposes an hours requirement in excess of 25 hours per month (excluding on-call arrangements and hospital-department physician coverage); or Personal Services Arrangements for which federal or state law or regulation requires a greater number of hours per month);
- b. For hourly Compensation, the Compensation set forth in the Personal Services Agreement exceeds the Hourly Rate range set forth in Step 4 “Calculating Fair Market Value;”
- c. Within twelve (12) months following the effective date of a Personal Services Agreement, an amendment to the Personal Services Arrangement or a new agreement for the same or similar Services following termination of a previous agreement;
- d. The term of the Personal Services Agreement other than a clinical research arrangement exceeds two (2) years or, in the case of a hospital-based Personal Services Agreement without compensation, five years or for on-call Personal Services Agreements, three (3) years; or
- e. In the case of an on-call or panel Services, if the arrangement will not be offered to all qualified members of the medical staff on the same terms or in a manner consistent with the FAQs to this policy.

 	Law Department Policy	No. L-5
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page: 16 of 20
		Effective Date: 10-05-20
		Previous Versions Dated: 08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated: 09-29-20



8. Step 8 Execute the Personal Services Agreement

The CATS package shall be submitted for review and approval in eCATS. Once all required approvals have been obtained and are documented in eCATS, the CEO may execute the Personal Services Agreement on behalf of the Tenet Entity. The CEO shall notify the Physician that he/she shall not perform any of the designated duties, and the Tenet Entity shall not provide any Compensation in connection with a Personal Services Agreement, until after the Personal Services Agreement and all supporting documents have been executed by all parties. Immediately after execution of the Personal Services Agreement, the CEO, or his designee, shall scan the executed Agreement into the eCATS system.



9. Step 9 Documenting the Physician’s Completion of Duties Prior to Payment

Prior to making any payment pursuant to the Agreement, the Tenet Entity is required to obtain and approve the documentation described below to confirm that the Services were performed in accordance with the Agreement:

Agreement Type	Who is Required to Document Performance of Services by the Physician	Form(s) of Documentation Accepted	Who at Tenet Entity Must Sign Documentation to Verify that Services were Provided	Frequency of Documentation Required	Tenet Entity Approval Required to Issue Payment
Medico-administrative (e.g., Physician Advisor) or professional medical Services provided on an hourly basis	The Physician performing the Services shall complete the Activity Log	Activity Log in the CAM format	The Department/Unit Director, CEO and CFO shall sign the Activity Log to confirm that Services were provided in accordance with the Agreement	The Physician shall submit Activity Logs monthly	CFO
Attendance at Governing Board Meetings by Physician Members of the Governing Board	CEO shall ensure that Governing Board meeting minutes accurately reflect each Governing Board member’s attendance at each meeting. The Physician Governing Board member is not required to provide	CEO shall ensure that Governing Board meeting minutes accurately reflect each Governing Board member’s attendance at each meeting. The Physician Governing Board member is not required to provide	The Chair or other individual assigned to take minutes shall sign the minutes of each meeting.	The Tenet Entity shall maintain minutes of each Governing Board Meeting.	CFO

 	Law Department Policy	No. L-5
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page: 17 of 20
		Effective Date: 10-05-20
		Previous Versions Dated: 08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated: 09-29-20

Agreement Type	Who is Required to Document Performance of Services by the Physician	Form(s) of Documentation Accepted	Who at Tenet Entity Must Sign Documentation to Verify that Services were Provided	Frequency of Documentation Required	Tenet Entity Approval Required to Issue Payment
	additional documentation.	additional documentation.			
On-Call Agreements (whether on an hourly, per-diem or partial day basis)	Physician providing on-call Services shall review the Tenet Entity's records of on-call Services provided and sign a certification that the records reflect Services provided or make corrections prior to signing the certification OR shall independently create an invoice identifying the specific periods for which Physician or the Group's members provided on-call Services along with a certification that it accurately reflects the Services provided	Physician certification that the Tenet Entity's on-call records are accurate or that the certification provided by the Physician or Group practice accurately reflects the periods of on-call Services provided.	The Tenet Entity's Unit/Department Director of the ED shall maintain accurate records of on-call Services provided and shall provide such records to the Physician for review and certification that the records accurately reflect on-call Services provided. In the alternative, the Tenet Entity may accept a certification submitted by the Group or Physician attesting to the periods during which on-call Services were provided. If consistent with the records of the Tenet Entity, the Unit/Department Directors shall approve the Services for payment.	Physician(s) or Groups shall submit the certification within one month after the month in which the on-call Services are performed.	CFO
Professional medical Services provided on a per-procedure basis	Physician performing the Services.	The Physician or Group shall submit one of the following: (1) a monthly invoice signed by the Physician or the Group that identifies each Service provided by the Physician by patient name or number, date of service and CPT code(s) or other descriptor approved in accordance with this policy; (2) individual Form 1500s reflecting each Service provided	The Department Director/Unit Director shall approve the documentation submitted by the Physician or Group to confirm that Services were provided.	The Physician or Group shall provide documentation to the Department Director/Unit Director on a monthly basis.	CFO

 	Law Department Policy	No. L-5
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page: 18 of 20
		Effective Date: 10-05-20
		Previous Versions Dated: 08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated: 09-29-20



Agreement Type	Who is Required to Document Performance of Services by the Physician	Form(s) of Documentation Accepted	Who at Tenet Entity Must Sign Documentation to Verify that Services were Provided	Frequency of Documentation Required	Tenet Entity Approval Required to Issue Payment
		by the Physician; OR (3) the Tenet Entity's determination of Services on a per-procedure or wRVU basis generated by the Tenet Entity from its contemporaneously-created patient medical records.			

Only time that a Physician spends on his or her designated duties under a Personal Services Agreement shall be reimbursable, and all other time, including, but not limited to, time relating to the Physician's private practice, shall not be reimbursable. All documentation shall be legible and complete.

A Physician's failure to sign, date and submit the documentation required by this Policy and applicable to a given month by the due date set forth in the Agreement shall result in a forfeiture of Compensation due for that particular month.

For Personal Services Agreements where the Compensation is fixed in the aggregate and based on an Hourly Rate times a projected number of hours, if, in any given month while a Personal Services Agreement is in effect, a Physician provides fewer hours of personal Services than the projected number of hours, then the Physician or Group Practice (as appropriate) shall be compensated at the Hourly Rate for each hour of Services actually provided as set forth in the Personal Services Agreement.

The Tenet Entity CFO is responsible for ensuring that (1) the documentation required by this Policy has been received and approved as described above, (2) that payments are made consistent with the Agreement and requirements of this Policy, and (3) that payments are recorded in accordance with Tenet's accounting policies and are charged only to accounts designated for such arrangements.

 	Law Department Policy	No. L-5	
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page:	19 of 20
		Effective Date:	10-05-20
		Previous Versions Dated:	08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated:	09-29-20

B. Renewal, Amendment and Termination

Renewal or amendment of the Agreement is permitted only through a full review of the entire arrangement through the CATS process as provided in Steps 6 “Prepare the eCATS Package” and 7 “Obtain Legal Review and Approval” of this policy.

Should the Tenet Entity propose to terminate the Personal Services Agreement during its term other than in accordance with automatic termination provisions set forth in the Agreement or notices of non-renewal to be effective at the end of the term, the reasons termination is desired, along with a proposed termination letter, shall be approved in advance via email by Operations Counsel before being provided to the Physician or Group Practice to confirm that the termination is appropriate and not related to the value or volume of referrals made by the Physician, any Physician affiliated with the Group Practice or his or her Immediate Family Members to any Tenet Entity. Operations Counsel’s approval and executed termination letter shall be uploaded into the eCATS package for the Personal Services Agreement.

C. Document Retention



The Tenet Entity shall retain all CATS packages, Agreements and other documentation relating to each Personal Services Arrangement in accordance with Administrative Policy AD 1.11, Records Management and its Record Retention Schedule.

VI. ENFORCEMENT:

All employees whose responsibilities are affected by this policy are expected to be familiar with the basic procedures, protocols, and responsibilities created by this policy and its supporting documents. Failure to comply with this policy will be subject to appropriate performance management pursuant to all applicable policies and procedures, up to and including termination. Such performance management may also include modification of compensation, including any merit or discretionary compensation awards, as allowed by applicable law.

VII. REFERENCES:

- Stark Law, 42 U.S.C. § 1395nn, and implementing regulations
- Personal Services Arrangements exception, 42 U.S.C. § 1395nn (e) (3); 42 C.F.R. § 411.357(d).

 	Law Department Policy	No.	L-5
	Title: PERSONAL SERVICES ARRANGEMENTS WITH PHYSICIANS	Page:	20 of 20
		Effective Date:	10-05-20
		Previous Versions Dated:	08-11-18; 05-11-19; 09-15-17; 02-01-17; 06-30-16; 10-26-12; 09-27-11; 05-06-08; 11-01-07; 02-12-07; 01-01-07; 01-04-05; 08-17-04
		Corporate Review Dated:	09-29-20

- Definition of Immediate Family Member, 42 C.F.R. § 411.351.
- Fair Market Value exception, 42 C.F.R. § 411.357(l).
- Anti-Kickback Statute, 42 U.S.C. § 1320a-7b (b):
- Safe Harbor for Personal Services and Management Contracts, 42 C.F.R. § 1001.952(d).
- CAM Standard Form Consulting Agreement
- CAM Standard Form Services Agreement
- CAM Standard Form Emergency Room On-Call Panel Services Agreement
- CAM Standard Form Non-Invasive Cardiology Panel Agreement [Direct Pay]
- Administrative Policy AD 1.11, Records Management and its Record Retention Schedule
- Tenet Law Department Policy L-23, Personal Services Arrangements with Non-Physician Referral Sources
- Tenet Code of Conduct

VIII. ATTACHMENTS:

[L-05A Personal Services Arrangement with Physicians \(Attachment A\) \(DTR\)](#)

[L-15.PR.01 Operations Counsel Approval of Delayed Signature and Limited Remuneration Arrangements \(Procedure\)](#)

[L-23B Restricted Services](#)