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I. SCOPE:


This policy applies to (1) Tenet Healthcare Corporation and its wholly-owned 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, “Tenet Entity”) (collectively “Tenet”).

II. PURPOSE:

The electronic contract approval term sheet (eCATS) system serves as the electronic depository of all agreements entered into by Tenet Entities and all licenses and accreditations such as The Joint Commission, laboratory, pharmacy, etc. The purpose of this policy is to set forth the general guidelines and procedures for the submission, approval, and administration of all contractual agreements entered into by a Tenet Entity. The eCATS system will have a strong emphasis on administration of Referral Source Arrangements as defined below.

III. DEFINITIONS:

- A. **“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 of a Physician.
- B. **“Operations Counsel”** means, in the case of a hospital, its Operations 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; in the case of a non-hospital outpatient facility, its assigned Counsel responsible for outpatient facility legal operations and for managed care organizations, Managed Care Counsel.
- C. **“Referral Source Arrangement”** means an arrangement with a physician or other person or entity that can influence or recommend the purchasing, leasing, ordering or arranging for any goods, facility, item or service paid for, in whole or in part, by a federal or state healthcare program. It is anyone (including an immediate family member of a physician) who has the capacity to refer or influence the flow of Medicare/Medicaid or other government healthcare programs business to another party including anyone who has referred a patient to the Tenet Entity in the past or who is reasonably anticipated to refer a patient to

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the Tenet Entity in the future. This definition includes instances when Tenet or one of its Entities is the party in a position to refer or influence the referral of federal healthcare program business to a vendor. Some examples of Referral Sources are listed on Exhibit A to this policy.

- D. **“Non-Referral Source Arrangement”** means an arrangement with any other person or entity not a Referral Source, as defined above. Some examples of Non-Referral Sources are listed on Exhibit A to this policy.

IV. POLICY:


Except as set forth in this policy, all Referral Source Arrangements shall be approved in the eCATS system prior to execution and stored in the eCATS system after execution. This policy does not apply to agreements executed by a Group Purchasing Organizations (GPO) on behalf of a Tenet Entity which are maintained by the GPO and not stored in eCATS or to arrangements between Tenet Entities if none of the entities is a TPR or USPI Entity or if the TPR or USPI Entity arrangement does not involve physician services or result in compensation, directly or indirectly, to a physician or other referral source.

The procedure for approval of an eCATS package is set forth in this policy and depends on: (1) the type of vendor/contractor, *i.e.*, whether the proposed agreement is a Referral Source Arrangement or Non-Referral Source Arrangement; (2) the type of the proposed agreement; and (3) the dollar amount of the proposed agreement. These factors will dictate the required approvers. An eCATS package will automatically route to the necessary approvers based on the Agreement Group and Agreement Type chosen by the Tenet Entity when creating the eCATS package. **If you have any questions about which Agreement Group or Type to select before submitting a new eCATS package, please contact your Operations Counsel, as appropriate.**

Except as otherwise described in this policy, Tenet Entities shall ensure the final executed copy of all Referral and Non-Referral Source Arrangements and all required approvals are stored in the eCATS system.

Except as otherwise described in this or any other Tenet policy, Tenet Entity Compliance Officers, Contracts Administrators, and/or other Tenet Entity designated persons, shall be responsible to ensure Referral Source Arrangement eCATS packages contain the following:

- A. Each party involved in the Referral Source Arrangement;
- B. The type of Referral Source Arrangement (*e.g.*, physician employment agreement, medical directorship, lease agreement, etc.);

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- C. The term of the Referral Source Arrangement, including the effective and expiration dates and any automatic renewal provisions;
- D. The amount of compensation expected to be paid pursuant to/by the Referral Source Arrangement and the means by which compensation is paid;
- E. The methodology for determining the compensation under the Referral Source Arrangements, including the methodology used to validate the fair market value of such compensation;
- F. Whether the Referral Source Arrangement satisfies the requirements of an Anti-Kickback Statute safe harbor and/or a Stark Law exception or safe harbor, as applicable.


V. PROCEDURE:

A. Submission and Approval of eCATS packages

1. Referral Source Arrangements. Except as otherwise provided herein, all Referral Source Arrangements shall be submitted and approved through eCATS in accordance with Tenet Law Department policy¹. In order to facilitate timely review and approval of Referral Source Arrangements, each Tenet Entity shall strive to submit each Referral Source Arrangement for approval in eCATS no later than 60 days prior to the desired effective date. Except as otherwise provided herein, no proposed Referral Source Arrangement shall be executed until the eCATS package has obtained all appropriate reviews and approvals in accordance with this policy. This process is designed to ensure compliance with applicable laws and that all relevant information related to the proposed agreement is included in the eCATS package. The Tenet Entity shall attach all supporting documentation as required in the Law Department policies, as well as any other information requested, to the eCATS package prior to submission.

For approval purposes, the value of each Referral Source Arrangement or Non-Referral Source Arrangement shall be the maximum liability of the Tenet Entity or the maximum amount payable to the Tenet Entity, as applicable, during the proposed term. In the event of a services arrangement that may vary by the quantity of Services utilized such as an

¹All Tenet Law Department Policies, including but not limited to the policies for Services, Directorship, Employment, Relocation, and Lease Agreements are available on the Law Department's webpage on eTenet.

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hourly, daily or per-use arrangement, the value of the arrangement shall be based on the reasonably anticipated utilization during the term and any contractually permitted hold-over period. The value of the arrangement shall be used to determine approval levels in eCATS and shall serve as the maximum compensation payable for the arrangement.

The eCATS system will automatically route Referral Source Arrangements to the necessary approvers based on the dollar amount entered by the Tenet Entity. Except as otherwise provided herein, all eCATS packages:


- for Referral Source Arrangements, regardless of dollar amount, will be routed from the Tenet Entity to their respective Operations Counsel, as appropriate.
- for Non-Referral Source Arrangements, with a total package value of \$1,000,000 or above, will be routed to Operations Counsel after the Tenet Entity approvers.
- with a total package amount of \$1,000,000 or above, will be routed to (i) Group CEO if the Tenet Entity is a hospital, (ii) TPR Vice President of Operations , or (iii) Managed Care region (if applicable).
- with a total package amount of \$5,000,000 or above, will be routed to and be reviewed by Tenet's Senior Vice-President of Operations Finance² and Tenet's Chief Operating Officer, or, as applicable, (i) for TPR, Tenet's Chief Strategy Officer, or (ii) for USPI, designated members of USPI's Executive Committee.
- with a total package amount of \$25,000,000 or above, will be routed to and further reviewed by Tenet's Chief Executive Officer and Chief Financial Officer or their respective designees.

The following exceptions apply:

²Throughout this policy, the SVP Operations Finance approval can also be accomplished by Tenet's CFO, Corporate Treasurer, or Corporate Principal Accounting Officer.

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- a. All space leases, including leases with Referral Sources and Non-Referral Sources, will be approved by Operations Counsel, regardless of dollar value.
- b. Certain agreements used in form of the CAM template without substantive changes will be approved only by the Tenet Entity CFO and CEO. These agreements include (1) affiliation agreements; (2) transfer agreements; (4) supplemental staffing; (5) non-disclosure agreements; (6) program letter agreements for graduate medical education rotations; and (6) CAM letter agreements including recruitment dinner letter agreements with physicians; letter agreements with a physician to attend Tenet sponsored events; letter agreements with a physician to assess and treat people injured on the Tenet Entity's premises; CME speaker letter agreements; letter agreements with physicians to replace a patient's lost item; a physician visit reimbursement letter agreements; and patient post-discharge service letters agreements..
- c. In exigent circumstances for certain Referral Source Arrangements, Tenet Entities may execute an agreement, memorandum of understanding (MOU), or extension of an existing arrangement without prior eCATS approval provided the Tenet Entity has documented the exigent circumstances in writing and obtained prior written approval (approval may be obtained via email) from Operations Counsel. Additional email approvals shall be obtained in advance from all of the individuals whose approvals would be required for the arrangement in eCATS. All previously obtained written approvals shall be maintained as part of the eCATS package.
- d. Agreements implementing a project that received prior approval through the capital expenditures process shall not require approval in eCATS by Headquarters approvers, regardless of dollar value.
- e. All Managed Care Agreements with Referral Sources shall be reviewed by Managed Care or Operations Counsel, as determined by the Tenet Entity which is entering into the Arrangement with the Referral Source. Managed Care Agreements initiated by Managed Care entities are routed to Tenet's Vice President of

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Managed Care if the total amount of the contract is \$1,000,000 or above.

2. Treasury Review. Leases of space and equipment shall require Treasury approval.

B. Renewals and Change Requests to Approved eCATS

If a Tenet Entity desires to change the terms of an arrangement that has been approved in eCATS, the Tenet Entity shall submit a new eCATS package through a “renew” or “change” of eCATS.


When renewing an agreement, the existing eCATS package should be accessed, the system will generate a new sequence number for the renewal package, and the package will be subject to the same dollar approval limits as a new agreement. Any changes to the compensation methodology or to the required number of hours shall be disclosed in the executive summary. For amendments to active agreements previously approved in eCATS, other than amendments for the sole purpose of extending the approved term by a duration not to exceed 90 days, the Tenet Entity shall submit a renewal eCATS packages.

For changes to the eCATS dollar amount or the term of an existing Referral Source Agreement, a Change Request to Approved eCATS package will be necessary.

If it is not possible to process a renewal or a change under the existing eCATS package for any reason, the contract administrator shall prepare a new eCATS package and identify the prior eCATS package shall be identified in the keyword section and executive summary of the new eCATS package. The contract administrator shall also add the new eCATS number to the keywords on the prior eCATS package. Additionally, an archive edit shall done change the expiration date of the existing or “active” eCATS sequence if applicable.

C. Batch Approval of Multiple Similar Agreements

Multiple agreements for the same services on the same terms and which expire concurrently may be processed in a “batch” as opposed to individually. The Tenet Entity will initiate a batch eCATS package and will insert the names of each physician or other Referral Source who will be providing or receiving services under the proposed agreements under the Additional Physicians link, along with such other

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documentation as is requested, such as OIG/SAM searches. Batch packages should be designated by inserting “BATCH” as the physician first and last name on the Term Sheet. Batch eCATS packages should be submitted in the aggregate amount expected for the arrangements represented in the batch

D. Demonstration of Purpose of Referral Source Arrangements in eCATS

Each eCATS package for a Referral Source Arrangement shall include an executive memo or contract request documentation consistent with the form(s) published on the CAM that describes the terms of the proposed arrangement, the purpose of the proposed arrangement, the basis for the Tenet Entity’s determination that any compensation is consistent with fair market value, the basis for selection of the other contracting party if the Tenet Entity is purchasing services from the party or the space if the Tenet Entity is the lessee, and any other information required under the policy specifically applicable to the arrangement.

All communications regarding an existing or proposed referral source arrangement shall accurately record the business purpose behind an arrangement and avoid any possible implication that recordkeeping should in any way obscure an improper purpose or create a falsely favorable impression.


E. Related Agreements

Arrangements involving multiple related agreements which are part of an integrated transaction may be processed in a single eCATS package. The package shall be submitted under the category of the primary arrangement without which the other related arrangements would not take place. The dollar value of the package should be the aggregate value of the arrangements submitted in the eCATS package.

If any arrangement approved as part of a related agreement is an on-going arrangement, as opposed to a one-time arrangement such as a physician practice acquisition, the Tenet Entity shall create an eCATS package for that arrangement with a copy of the executed agreement, referencing the approved eCATS number in the keyword section. This package may have a dollar value reflective of the value of the arrangement.

F. Review of Multiple Services Agreements with the Same Physician Referral Source

For proposed Referral Source arrangements for personal services with a Physician, the Tenet Entity CFO must review eCATS package to determine whether any Tenet Entity already has one or more active agreement(s) with the same Physician. If

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additional agreements are identified, the Facility CFO must review the proposed agreement, along with the other active agreement(s), to determine: (1) whether payments across all contracts are consistent with fair market value; (2) whether there is a commercial need for the physician to provide services as proposed in the Referral Source arrangement; (3) whether it is reasonable to expect that the Physician can fulfill the duties and responsibilities of all agreements within a reasonable number of working hours per week; and (4) whether there are reasonable safeguards to assure that duties performed under the arrangements are not paid in connection with a different contract.


G. Entity Licenses/Accreditations

The eCATS system will also serve as the electronic depository for the Tenet Entity's specific licenses and accreditations such as The Joint Commission, laboratory, pharmacy, etc. The Tenet Entity should choose the Agreement Group for "Licenses/Accreditations" when entering these into the eCATS system. When this Agreement Group is chosen, the Tenet Entity should scan and upload all relevant data for the license/accreditation including the license itself. This type of package will automatically be archived into the eCATS system and will not go through any approval process.

H. Package Finalization

Once an agreement requiring eCATS approval has been approved by all relevant personnel, the eCATS system will automatically route the package back to the Tenet Entity's contract administrator for execution of the agreement.

1. Prepare: The contract administrator must first read all comments made to the package during the approval process and share those comments with the person who will ultimately be signing the agreement prior to execution. In most instances, this person is the Tenet Entity CEO. The contract administrator shall circulate the final agreement, in a form approved by Operations Counsel, for final approval by the Tenet Entity CEO and, upon approval for signature.
2. Execute: The preferred method of agreement execution is for the contract administrator to initiate a request to the party other than the Tenet Entity for electronic signature. If the other party is not willing to sign electronically, the contract administrator shall send 2 unsigned originals to

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the outside contracting entity with a request both be signed, dated, and returned to the contract administrator. Upon return, the contract administrator should then obtain the Tenet Entity CEO's signature on both original agreements. One fully executed and dated original agreement should then be returned to the outside contracting entity.

3. Upload: The fully executed original agreement shall be uploaded into the eCATS package no more than thirty (30) days from the date of final signature. The contract administrator shall then fill in the actual effective date on the eCATS term sheet (so the tickler system will have the accurate date) and complete the package.

I. Payment

Unless otherwise approved as set forth in this policy, the Tenet Entity CFO is responsible for ensuring that no remuneration is furnished in connection with an arrangement until all appropriate approvals are indicated in eCATS and the agreement is signed by all parties. The Tenet Entity CFO may delegate this responsibility so long as the delegation is in writing in advance.


J. Document Retention

The eCATS system will serve as the electronic depository and document retention system for Tenet Entity agreements. The original signed agreement shall be maintained in the Tenet Entity's paper file, as well. Tenet Entities shall retain all eCATS documents and records in accordance with Administrative policy AD 1.11, Records Management and its Records Retention Schedule.

K. Auditing and Monitoring

The Tenet Entity Compliance Officer shall be responsible to review the eCATS database for appropriateness of Agreement Group and Type classification of arrangements.

Tenet's Chief Compliance Officer (or designees) shall review the eCATS database and internal review and approval process on a quarterly basis and shall provide a

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report on the results of the review to the Quality, Compliance and Ethics Committee of the Tenet Board of Directors.

L. Enforcement

All employees whose responsibilities are affected by this policy are expected to be familiar with the basic procedures and responsibilities created by this policy. 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.

VI. REFERENCES:

- Standards of Conduct
- Tenet's Quality, Compliance and Ethics Program Charter
- Frequently Asked Questions

VII. ATTACHMENTS:

- Exhibit A: Examples of Referral Sources
- Exhibit B: eCATS Routing

EXHIBIT B

The chart below shows how various Agreement Groups and Types will flow in the eCATS system subject to the exceptions noted in the eCATS Policy. The following definitions apply for purposes of the chart:

1. **Conditional Review:** Receive additional review by Tenet Quality Management (QM), Tenet Clinical Asset Management (TCAM) or other Tenet department, as needed.
2. **Archive Only:** Reviewed by Tenet Provider CEO and then automatically archived without further review and approval.
3. **Always Legal and Fiscal Rule Driven:** Always reviewed by Regional Counsel and will also be fiscal rule driven as described below.
4. **Group, Legal and AGC only:** Always go to Group Operations/Finance, Operations Counsel and AGC/GC. They will not go beyond these approvers to Tenet's Senior Vice President of Operations Finance, Tenet's Chief Operating Officer or Tenet's Chief Executive Officer.
5. **Always Group and Legal Fiscal Driven:** Always go to Operations Counsel regardless of dollar amount; other approvers are dictated by financial approval levels set forth in Policy L-15.
6. **Fiscal Rule Driven:** Approvers are dictated by the financial approval levels set forth in Policy L-15 .
7. **Facility and Legal Only:** Route through Facility and Operations Counsel
8. **Facility and Legal Only (prior eCER approval):** These agreement types are distinguishable as they have "(prior eCER approval)" in the name. Generally, these agreement types have already received business review and approval through the eCER process and will only receive legal review through eCATS if the package amount is \$1 million or more.
9. **Always MC Legal:** Commence with the Managed Care Contract Administrator and proceed to the Managed Care Negotiator, Managed Care Regional AVP/Director, Tenet Provider CFO, Tenet Provider CEO, Managed Care Paralegal (consult review only), Managed Care Counsel, Regional VP Finance/CFO, and Regional VP Operations/CEO for review and approval. These agreements are also fiscal rule driven if the contract amount equals or exceeds \$1,000,000. In that instance, the package will flow to Managed Care VP Operations prior to the Tenet Provider CFO, etc.

10. **Always AGC and Corporate:** Will always go to Operations Counsel, Group President, AGC Operations/GC, Tenet's SVP of Operations Finance, and Tenet's Chief Operating Officer. Formerly, this category of review was for physician employment agreements.
11. **Clinical Research Flow:** These packages will go from the Tenet Provider Contracts Administrator to the Tenet Director of Clinical Research in the Tenet Quality Management Department and return to the Contracts Administrator.