HOSPITAL PRIVILEGE REQUIREMENTS

USAble Corporation and HMO Partners, Inc., d/b/a Health Advantage announce the following amendment to network terms and conditions for their respective PPO (Arkansas’ FirstSource® and True Blue) and HMO (Health Advantage) provider networks, published originally in July, 2005, revised September 28, 2006, as a “Notice of Payer Policies and Procedures and Terms and Conditions Applicable to All Individual Network Participants and Applicants”:

Section XIV of the Rev. 09/28/2006 “Notice of Payer Policies and Procedures and Terms and Conditions Applicable to All Individual Network Participants and Applicants,” is hereby amended by replacing the entire section with the following:

XIV. Hospital Privileges

Maintenance of staff privileges at a network-participating hospital has always been a requirement for network participation in USAble’s PPO networks and Health Advantage’s HMO network. USAble and Health Advantage require as a term and condition of network participation that participating providers who perform or intend to perform any type of invasive or interventional procedure, (as the term “Invasive / Interventional Procedure” is hereinafter defined), must have and maintain at a participating hospital no more than 35 miles from their primary practice location hospital privileges that equate to the highest level or degree of privileges recognized or utilized by such hospital with respect to the licensure status and practice activities of the relevant provider. Except as otherwise specifically recognized below, this “highest level of privileges” standard applies regardless of whether the provider in question intends to regularly practice in a hospital setting, make inpatient rounds, or otherwise see patients in the hospital because the networks expect most in-network providers whose patients might be hospitalized to be immediately qualified and able to provide ongoing care in an inpatient as well as outpatient or office setting.

For purposes of this “highest level of privileges” standard, the term “Invasive / Interventional Procedure(s)” means those procedures represented and described by CPT codes on a list of select CPT codes compiled and maintained by the networks and listed on the provider websites of Health Advantage or USAble Corporation (Blue Advantage Administrators).

Exceptions to this “highest level of privileges” standard may include one or more of the following, as applicable to a given provider:

1. **Category 1: Temporary Hospital Privileges:**
   Temporary hospital privileges may be accepted in the sole discretion of the network sponsoring company and the Credentialing Committee, provided, at a minimum, that the applicable hospital’s review procedures and standards for granting temporary staff privileges are equivalent in scope to the review
procedures and standards for full, active staff privileges at the highest level or degree of such privileges.

2. **Category 2: Providers who do not perform Invasive / Interventional procedures and who do NOT have any hospital privileges:**

The network-sponsoring companies may, in their sole discretion, grant exceptions to the highest level of hospital staff privileges standard for primary care physicians and other physicians who do not perform or intend to perform Invasive / Interventional Procedures (as this term is defined herein) if the physician seeking an exception to the “highest level of privileges” requirement (“Applicant”), makes written application for an exception and satisfies all of the following requirements:

(i) The Applicant must include in the written exception application the following words of assurance: “If my application for an exception to the “highest level of privileges” requirement is granted, I agree, represent and warrant to the networks that I do not currently perform and do not intend to perform at any time in the future any Invasive / Interventional Procedure, as that term is defined by the networks. I acknowledge that I have been furnished with and have had full opportunity to review the networks’ list of Invasive / Interventional Procedures, and I am thus fully aware of which procedures would disqualify me for this exception. I understand that in the event of a bona fide emergency in which there is immediate threat of loss of life or serious bodily injury if immediate intervention is not applied, the networks will waive the Invasive / Interventional Procedures standard on a one-time basis and without otherwise waiving or relaxing this part of the “highest level of privileges” exception requirements. I further understand that should it appear at any time that a claimed emergency was not in fact an emergency, or that I have otherwise exploited or abused the emergency exception to the Invasive / Interventional Procedures standard, the networks shall be free to revoke my “highest level of privileges” exception, and

(ii) A written plan is submitted that includes specific identification of other participating providers (hospitalists are acceptable) who will act to provide coverage for the Applicant to admit the Applicant’s patients to a participating hospital if the Applicant does not maintain any level of hospital privileges, and

(iii) The Applicant includes in the written exception application the following words of assurance: “If my application for an exception to the “highest level of privileges” requirement is granted, I agree, represent and warrant to the networks and to any Payer whose members access such networks and receive any services from me that in any situation in which a covering physician acts to admit my patients to any hospital that I will ensure that only one evaluation and management (“E&M”) service will be billed with respect to such admission for the day of admission or the day following. I understand and
agree that a single E&M service may be billed either by me or by the covering physician, but in no case shall E&M services be billed by both of us with respect to any such admission. Should any dispute arise in this regard, I agree to withdraw and waive any billing by me for an E&M service if the covering physician chooses to bill for the same”, and

(iv) The Applicant makes arrangements satisfactory to the networks whereby Applicant’s office records are made readily available to the attending hospital physician.

3. Category 3: Providers who do not perform Invasive / Interventional procedures and who MAINTAIN some form of hospital privileges:
The network-sponsoring companies may, in their sole discretion, grant exceptions to the highest level of hospital staff privileges standard for primary care physicians and other physicians who do not perform or intend to perform Invasive / Interventional Procedures (as this term is defined herein) if the physician seeking an exception to the “highest level of privileges” requirement (“Applicant”), makes written application for an exception and satisfies all of the following requirements:

(i) The Applicant must include in the written exception application the following words of assurance: “If my application for an exception to the “highest level of privileges” requirement is granted, I agree, represent and warrant to the networks that I do not currently perform and do not intend to perform at any time in the future any Invasive / Interventional Procedure, as that term is defined by the networks. I acknowledge that I have been furnished with and have had full opportunity to review the networks’ list of Invasive / Interventional Procedures, and I am thus fully aware of which procedures would disqualify me for this exception. I understand that in the event of a bona fide emergency in which there is immediate threat of loss of life or serious bodily injury if immediate intervention is not applied, the networks will waive the Invasive / Interventional Procedures standard on a one-time basis and without otherwise waiving or relaxing this part of the “highest level of privileges” exception requirements. I further understand that should it appear at any time that a claimed emergency was not in fact an emergency, or that I have otherwise exploited or abused the emergency exception to the Invasive / Interventional Procedures standard, the networks shall be free to revoke my “highest level of privileges” exception, and

(ii) The Applicant maintains some form of hospital privileges (in this context, reduced levels of privileges, such as courtesy, consulting, or the like are acceptable) provided they allow the Applicant to provide inpatient hospital care when necessary.

4. Category 4: Providers who do not perform Invasive / Interventional procedures and who are primarily hospital based:
The network-sponsoring companies may, in their sole discretion, grant exceptions to the highest level of privileges standard for specialist categories such as pathology, radiology, or other specialist categories which are primarily hospital based in a participating hospital, and who do not perform or intend to perform Invasive / Interventional Procedures (as this term is defined herein) if the physician seeking an exemption to the “highest level of privileges” requirement (“Applicant”) makes written exception and satisfies all of the following requirements:

(i) The Applicant must include in the written exception application the following words of assurance: “If my application for an exception to the “highest level of privileges” requirement is granted, I agree, represent and warrant to the networks that I do not currently perform and do not intend to perform at any time in the future any Invasive / Interventional Procedure, as that term is defined by the networks. I acknowledge that I have been furnished with and have had full opportunity to review the networks’ list of Invasive / Interventional Procedures, and I am thus fully aware of which procedures would disqualify me for this exception. I understand that in the event of a bona fide emergency in which there is immediate threat of loss of life or serious bodily injury if immediate intervention is not applied, the networks will waive the Invasive / Interventional Procedures standard on a one-time basis and without otherwise waiving or relaxing this part of the “highest level of privileges” exception requirements. I further understand that should it appear at any time that a claimed emergency was not in fact an emergency, or that I have otherwise exploited or abused the emergency exception to the Invasive / Interventional Procedures standard, the networks shall be free to revoke my “highest level of privileges” exception. and

(ii) The Applicant maintains some form of hospital privileges (in this context, reduced levels of privileges, such as courtesy, consulting, or the like are acceptable).