

McLAREN PHYSICIAN PARTNERS

MASTER MEMBERSHIP AGREEMENT

THIS MASTER MEMBERSHIP AGREEMENT (hereinafter "the Agreement") is made and entered into this _____ day of _____, 20__ by and between _____, a physician duly licensed to practice medicine or osteopathy in the State of Michigan (hereinafter "Physician"), and McLaren Physician Partners, a Michigan nonprofit corporation (hereinafter "MPP").

RECITALS

A. MPP is a health care delivery network which arranges for the provision of health care services through its members and other providers which MPP has engaged;

B. MPP will pursue contracts with third party payors to arrange for the delivery of health care services by its Participating Providers (defined below);

C. Physician desires to become a Participating Physician (defined below) and to participate in arrangements entered into by MPP on Physician's behalf with certain third party payors;

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

For the purpose of this Agreement and each Product Description, the following terms shall have the meanings specified unless defined otherwise in the Product Description.

1.1 "Covered Person" means any person who has entered into, or on whose behalf there has been entered into, an agreement with a Payor or MPP, for the provision to such person of Covered Services.

1.2 "Covered Services" means those health care services Covered Persons are entitled to receive and which shall be identified in the Payor Contract.

1.3 "Non-Risk Product" means a Product under which Participating Providers are reimbursed on a discounted fee-for-service basis and which does not involve both (i) financial risk to MPP and/or Participating Providers based on the cost or utilization of health care services, and (ii) clinical integration initiatives among MPP and Participating Providers to monitor and improve performance. A Product involving financial risk and/or clinical integration shall be considered a Risk Product.

1.4 "Participating Hospital" means (i) each hospital owned or operated by McLaren Health Care Corporation.; and (ii) any other hospital that has been engaged by MPP to provide Covered Services to Covered Persons.

1.5 "Participating Physician" means a primary care or specialist physician who has been engaged by MPP to provide Covered Services to Covered Persons.

1.6 "Participating Provider" means a Participating Physician, Participating Hospital, or other health care professional or facility engaged in the delivery of health care which has been engaged by MPP to provide Covered Services to Covered Persons.

1.7 "Payor" means any third party payor or combination of third party payors, including but not limited to, Blue Cross Blue Shield of Michigan, an insurance company, self-funded employer, HMO, PPO, multiple employer trust, or union trust, that has entered into a Payor Contract with MPP. The term "Payor" shall also include federal, state and local governments in connection with health care services to individuals covered by governmental health programs such as Medicare and Medicaid.

1.8 "Payor Contract" means the written agreement entered into between MPP and a Payor which identifies the terms of the arrangement under which: (i) MPP will arrange for the provision of Covered Services to Covered Persons by Participating Providers; and (ii) the Payor will reimburse or pay MPP and/or Participating Providers for providing such Covered Services.

1.9 "Product" means a program offered and financed by MPP or Payor which utilizes Participating Providers to render Covered Services to Covered Persons under terms and conditions described in the applicable Product Description.

1.10 "Product Description" means the written description of a Product which may be made available for Physician's participation in MPP's sole discretion. Product Descriptions include the relevant terms and conditions of the applicable Payor Contract pursuant to which Participating Providers will provide Covered Services to Covered Persons enrolled in that Product and includes, without limitation, a description of any risk sharing arrangement agreed upon in the applicable Payor Contract.

1.11 "Risk Product" means a Product that involves either (i) financial risk to MPP and/or Participating Providers based on the cost or utilization of health services, or (ii) clinical integration initiatives among MPP and Participating Providers to monitor and improve performance. Risk Products are limited to those Products under which MPP and Participating Providers would be considered economically or clinically integrated under the applicable antitrust laws.

2. RELATIONSHIP AMONG MPP, PHYSICIAN, AND COVERED PERSONS

2.1 Physician's Authorized Agent for Limited Purposes. Physician hereby authorizes MPP to market Physician's services to Payors and to contract with Payors on Physician's behalf subject to the terms and conditions set forth in this Agreement. MPP may furnish Product Descriptions to only those Participating Physicians who have been deemed by the prospective Payor or MPP to be appropriate for inclusion in the provider panel for a particular Product. Where Physician has been selected by Payor to be offered the terms of a particular Product, MPP shall furnish a Product Description which sets forth a summary of the terms proposed by the Payor.

2.1.1 Financial Provisions. Physician authorizes MPP to negotiate on Physician's behalf payment and risk sharing terms with respect to Risk Products only. With respect to Non-

Risk Products, MPP is not authorized to negotiate, and MPP shall not negotiate, payment terms on behalf of Physician. MPP may facilitate communications between Physician and Payors by obtaining, clarifying and conveying to Physician and Payors information regarding the proposed Payor Contract. Physician may individually communicate with Payors regarding all payment terms for Non-Risk Products. In connection with the negotiation of Payor Contracts, the parties agree to adhere to the Antitrust Guidelines of MPP, as the same may exist from time to time. A current copy of the MPP Antitrust Guidelines is set forth as Exhibit A. With respect to terms other than those relating to payment, Physician authorizes MPP to negotiate those terms on Physician's behalf in connection with Risk Products and Non-Risk Products.

2.1.2 Payor Contracts.

(a) Fee Schedules Offered by Payors. MPP shall furnish Physician with reasonable notice of Payor Contracts in which Physician has been selected to participate through the issuance of Product Descriptions. All material terms shall be described fully in the Product Description prepared by MPP for the particular Product. Physician shall be permitted to accept or reject any Product Description which MPP has forwarded to Physician. Rejection shall be valid only if in writing and received by MPP within twenty-one (21) days. Failure on the part of Physician to affirmatively reject the Product Description within the applicable time period shall be deemed acceptance of the participation in the Payor Contract by Physician.

(b) Physician's Standing Fee Schedule. Physician acknowledges that certain prospective Payors in the market may desire to review provider fee schedule proposals as the basis for constructing a fee schedule for a Product or otherwise entering into an arrangement with MPP. If requested by MPP, Physician shall furnish to MPP, in advance, a fee schedule or conversion factor (e.g., a percentage of the Medicare Resource Based Relative Value Scale) that represents the minimum payment that Physician will accept from a Payor offering a Non-Risk or Risk Product arrangement (the "Standing Fee Schedule"). MPP shall not release or otherwise disclose Physician's Standing Fee Schedule to any third party other than a prospective Payor that has entered into negotiations with MPP for a Non-Risk or Risk Product. By furnishing such fee schedule to MPP, Physician hereby authorizes MPP to bind Physician to participate in those arrangements between MPP and a Payor whereby Payor accepts the terms of Physician's fee schedule proposal or offers more favorable terms. A prospective Payor shall be entitled to submit a proposal to Physician which is lower or less favorable than the fee/rates proposed by Physician pursuant to his/her Standing Fee Schedule.

2.2 Non-Exclusivity. This Agreement and the limited agency authority it confers upon MPP is non-exclusive, and Physician may contract with other physician-hospital organizations, preferred provider organizations, health maintenance organizations, and other managed care organizations and arrangements.

2.3 Termination of Existing Contracts. In the event Physician has an existing contract with a Payor (either directly or through another health care delivery network), Physician agrees to cooperate with MPP concerning the continuation or termination of Physician's existing contract if (i) MPP and the Payor have entered into a Payor Contract; and (ii) Physician is to be a Participating Provider under such Payor Contract pursuant to Sections 2.1 above. Nothing herein shall be deemed to require Physician to take any action which is not permitted to be taken under his/her existing contract with the Payor.

2.4 Independent Contractors. Physician and MPP are independent legal entities. Except as otherwise set forth in Section 2.1 of this Agreement, nothing in this Agreement shall be construed or deemed to create between them any relationship of employer and employee, principal and agent, partnership, joint venture, or any relationship other than that of independent parties. No party hereto, nor the respective agents or employees of such party, shall be required to assume or bear any responsibility for the acts or omissions, or any consequences thereof of the other party under this Agreement. No party hereto, nor the respective agents or employees of any party, shall be liable to other persons for any act or omission of the other party in performance of their respective responsibilities under this Agreement.

2.5 Physician/Patient Relationship. It shall be the sole right and responsibility of Physician to create and maintain a physician/patient relationship with each Covered Person that Physician treats, and Physician shall be solely responsible for all aspects of medical care and treatment of each Covered Person within the scope of Physician's professional competence and license, including the quality and levels of such care and treatment. Physician acknowledges that he/she has an independent responsibility to provide medical care to Covered Persons and that any action by MPP or a Payor, in no way absolves Physician of the responsibility to provide appropriate medical care to Covered Persons.

2.6 Use of MPP Member Physicians and Hospital. Subject to the requirements under any Payor Contract, Physician agrees to make referrals and admissions of Covered Persons only to Participating Providers, except in cases of an emergency. Physician shall admit Covered Persons to Participating Hospitals or other Participating Providers for treatment only when such admissions are certified in advance by the Payor or its designee (which may be the MPP), except in cases of an emergency or where the Medical Director of Payor or its designee has approved such admission.

3. PHYSICIAN COVENANTS RELATING TO PARTICIPATION IN MPP

3.1 Provision of Services. Physician agrees to provide to Covered Persons those Covered Services that Physician is licensed and credentialed to provide and which Physician normally provides to Covered Persons. Physician further agrees to ensure that continuous health care coverage is available to Covered Persons on a twenty-four (24) hour per day, seven (7) day per week basis; provided, however, Physician shall not be required to open his/her office except during regular business hours and Physician may provide such continuous health care coverage through coverage arrangements consistent with this Agreement. Physician agrees to comply with all referral and admission protocols set forth by MPP or in the applicable Payor Contract.

3.1.1 Primary Care and Specialist Physicians. If Physician is a primary care physician, he or she shall coordinate the provision of Covered Services with other Participating Providers and monitor all Covered Services received by Covered Persons. If Physician is a specialist physician, he or she shall: (a) provide Covered Services to Covered Persons who are referred to Physician pursuant to the policies and procedures of MPP and Payors; (b) when required by Payor Contracts or MPP, consult with a Covered Person's Primary Care Physician prior to implementing any proposed course of treatment and (c) submit to the Covered Person's Primary Care Physician regular written treatment and progress reports based upon his or her consultations and treatment.

3.2 Compliance with Laws and Programs Generally. Physician shall comply with applicable federal, state and local laws, rules and regulations regarding the provision of Covered Services. Physician agrees to comply fully with and to participate in the implementation of policies and programs applicable to any Product, which are established by MPP and/or Payor to promote quality medical care and to control the cost and utilization of medical services. Policies and procedures include without limitation those relating to (i) quality assurance; (ii) credentialing; (iii) utilization review and medical management, (iv) claims payment review including electronic submission of claims; and (v) Covered Person grievances. Physician agrees to abide by the determination of MPP or the applicable Payor, as appropriate, on all such matters arising from his/her performance or non-performance under this Agreement. Physician further agrees to cooperate with MPP and/or Payor, as appropriate, in conducting on-site office reviews of Physician's practice, including medical record inspections.

3.3 Performance Standards. MPP may adopt criteria to measure clinical quality, as well as resource utilization and cost effectiveness. Physician agrees to comply with such performance standards as MPP shall from time to time establish.

3.4 Standard of Practice. Physician agrees to conduct his/her practice in accordance with recognized standards in the health care community, and to ensure that health care services are provided in accordance with MPP's objectives of comprehensive, quality care, cost containment, and effective utilization of inpatient, ambulatory, and emergency services. Physician agrees to provide Covered Services to Covered Persons in a dignified and nondiscriminatory manner consistent with the treatment Physician provides to his/her patients who are not Covered Persons under this Agreement.

3.5 Network Roster and Marketing. Physician authorizes MPP and/or any Payor to include Physician's name, address, telephone number, medical specialty, medical education information, Participating Hospital affiliations, and other similar information in its provider directory or other similar material approved by MPP, which may be included in various marketing materials. Physician agrees to afford MPP and any Payor the same opportunity to display brochures, signs, or advertisements in Physician's office(s) as Physician affords any third party. Physician agrees not to use MPP's name and Physician's status under this Agreement in any form of advertisement or publication without prior written permission of MPP.

3.6 Membership Fee. MPP acknowledges receipt from Physician of a membership fee submitted either with this Agreement or with a prior membership agreement. The membership fee is nonrefundable and, subject to the Bylaws and policies of MPP, entitles Physician to be a member of MPP and to participate in health service arrangements, made available through MPP. Physician agrees to pay any additional membership fees or other fees as may be reasonably determined by MPP as necessary to maintain it as a self-sustaining entity. In the event such a fee is established, MPP shall invoice Physician for the amount of such fee. Failure on the part of Physician to remit payment to MPP within thirty (30) days of receipt of invoice shall constitute a material breach of this Agreement. In the event Physician fails to pay his or her membership fee or any other administrative fee established by MPP, MPP may, in addition to such other rights and remedies that may exist under the law or this Agreement, offset future payments due to Physician under Payor Contracts or otherwise.

3.7 Insurance. Physician shall secure and maintain, at his or her expense, throughout the term of this Agreement, such commercially available policies of general commercial liability insurance and professional liability insurance with limits of occurrence and aggregate amounts as are normal and customary in the Physician's medical practice area and geographical area. Upon request by MPP, Physician shall provide MPP with copies of such policies or other evidence of compliance with the foregoing insurance requirements acceptable to MPP. If any such insurance policies required by this Agreement are terminated, Physician shall immediately notify MPP and, if such insurance provided "claims made" coverage, Physician shall immediately purchase "tail" coverage necessary to continue such insurance coverage, which meets all of the requirements of this Section 3.7.

3.8 Additional Agreements. Physician shall take any additional actions and shall execute any additional agreements reasonably requested by MPP or Payors. Physician acknowledges that some Payors may require Physician to execute separate participation agreements with such Payors. Physician agrees to execute such separate participation agreements so long as the terms of such agreements have been reviewed and approved by MPP and are consistent with the Payor Contract.

4. PHYSICIAN COMPENSATION

4.1 Reimbursement Generally and Release.

4.1.1 Reimbursement. Physician agrees to accept as payment in full for Covered Services the fees or rates set forth in the applicable Payor Contract.

4.1.2 Release. Unless the Payor Contract provides otherwise, Physician understands and agrees that MPP is not responsible for compensation or reimbursement due under any Payor Contract, and Physician will look solely to Payor for payment. In the event the Payor Contract results in payment being made to MPP for the purpose of paying Participating Providers, MPP shall make payment to Participating Providers in accordance with the methodology or distributions approved by the MPP Board of Trustees.

4.1.3 Risk and Incentive Program Sharing. Physician agrees that, with respect to Risk Products and incentive programs associated with Non-Risk Products, MPP may establish risk sharing methodologies and allocations of surpluses and deficits (collectively, the "Incentive Model") aside from, and/or in addition to, whatever risk sharing or incentive arrangement has been agreed upon in the applicable Payor Contract. MPP Board of Trustees shall approve any Incentive Model. Physician agrees to accept his or her distribution under the Incentive Model as payment in full and shall not look to MPP or any other party for payment. Physician further agrees to accept his or her share of financial responsibility under the Incentive Model. In the event Physician fails to pay his or her share of any financial responsibility, MPP may, in addition to such other rights and remedies that may exist under the law or this Agreement, offset future payments to Physician under (a) the Payor Contract to which the Incentive Model relates, (b) any other Payor Contract, (c) any distribution under any other Incentive Model; or (d) otherwise.

4.2 Covered Person Hold Harmless. Unless the requirement is expressly waived in the applicable Payor Contract, Physician hereby agrees that in no event, including but not limited to, nonpayment, the applicable Payor's insolvency, or breach of this Agreement, shall Physician bill,

charge, collect a deposit from, seek compensation, remuneration, or reimbursement for Covered Services from, or have any recourse against, a Covered Person or any person who may be acting on a Covered Person's behalf other than the applicable Payor. This provision shall not prohibit collection of supplemental charges or copayments or deductibles made in accordance with the terms of an applicable Product Description. Physician further agrees that (i) the hold harmless provision in this Section 4.2 shall survive the termination of this Agreement regardless of the cause, if any, giving rise to the termination and shall be construed to be for the benefit of Covered Persons and that (ii) the hold harmless provision in this Section 4.2 supersedes any oral or written contrary agreement now or hereafter entered into between Physician and any Covered Person or Persons acting on his/her behalf

5. RECORDS AND CONFIDENTIAL INFORMATION

5.1 Inspection of Records. Physician agrees that MPP and Payors shall have the right, upon request and, with respect to medical records, upon presentation of a patient release (the release on the Payor's Enrollment form to be sufficient), to inspect at all reasonable times and have copied, any accounting, administrative, and medical records maintained by Physician pertaining to the Covered Person's enrollment or to Physician's participation under this Agreement. Physician further agrees to cooperate with MPP and any state agency or federal agency making available, and in arranging or allowing inspection of, such records as may be required under state or federal law. Subject to applicable confidentiality requirements, Physician will make Covered Persons' medical records available to Payors for the purpose of assessing quality of care and medical necessity and for purposes of risk adjustment. Notwithstanding termination of this Agreement, the access to records granted hereunder shall survive the termination of this Agreement.

5.2 Confidential Information. Physician agrees that all Confidential Information, except medical records of Covered Persons, is the exclusive property of MPP and that Physician has no right, title, or interest in the same. Physician further agrees to protect against the unauthorized disclosure of Confidential Information. As used in this Section 5.2, the term Confidential Information refers to proprietary business information of MPP or any member of MPP, including without limitation, trade secrets, information pertaining to costs or charges with respect to any MPP member and such other information relating to MPP or any member that is not of public record or within the public domain. Nothing in this provision should be construed as prohibiting Physician from sharing information with a patient regarding his/her medical care or treatment, including the provision of health care services which may or may not be a covered benefit.

5.3 Protected Health information/Business Associate Relationship. It is in the intention of the parties that the use and disclosure of protected health information by and among Physician, MPP and Payors be consistent with the Health Insurance Portability and Accountability Act of 1996, as amended, and its implementing regulations (collectively, "HIPAA"). In furtherance of the foregoing and not by limitation, Physician and MPP shall adhere to the terms applicable to business associates, a summary of which is set forth in Exhibit B. Exhibit B may be amended from time to time by Physician or MPP as necessary to ensure compliance with HIPAA.

6. TERM AND TERMINATION

6.1 Term and Renewal. This Agreement will be effective as of the date first written above and shall continue in effect for an initial term of one (1) year. Thereafter, this Agreement,

shall be renewed automatically on the terms contained herein for successive one-year terms unless sooner terminated pursuant to this Section 6.

6.2 Termination of this Agreement.

6.2.1 Termination for Cause. Either party may terminate this Agreement for cause upon at least thirty (30) days prior written notice, which notice shall set forth grounds for termination; provided, however, that if such cause is cured within such thirty (30) day period, then such notice of termination shall be of no force or effect. For all purposes herein, "cause" shall consist of a material breach of this Agreement.

6.2.2 Termination Without Cause. This Agreement may be terminated by either party at any time without cause upon at least ninety (90) days prior written notice to the other party. MPP agrees that Physician shall not be subject to the terms and conditions of any Payor Contract entered into by MPP following the provision of notice of termination by either party under this Section 6.2.2.

6.2.3 Immediate Termination. Notwithstanding any other provision of this Agreement, MPP may terminate this Agreement with respect to Physician immediately upon the suspension, revocation or cancellation of Physician's license or right to participate in the Medicare or Medicaid programs or Physician's failure to maintain liability insurance in accordance with Section 3.7. Additionally, MPP may terminate this Agreement with respect to Physician immediately upon Physician's conviction of a felony or death or disability that impairs the ability to practice safely, or if Physician's actions or omissions in the reasonable judgment of MPP represent a threat to the health, welfare or safety of Covered Persons.

6.2.4 Payor Contract. The termination of a Payor Contract shall not affect the term of this Agreement.

6.3 Obligations upon Termination. In the event of termination of this Agreement, the rights and obligations of each party hereunder shall cease unless otherwise provided by this Agreement; provided, however, that Physician shall continue to provide and be compensated for Covered Services to Covered Persons until provision has been made by MPP or Payors for the reassignment of such Covered Persons to other providers or until Physician's participation under the Payor Contract may be properly terminated as described in Section 6.3.1 below. In the event of termination of this Agreement for any reason, Physician will use its best efforts to cooperate with the transition of Covered Persons to ensure continuity of care.

6.3.1 Payor Contract. Termination of this Agreement shall have no effect upon the continuation of Physician's obligations under the Payor Contracts which may have been executed prior to termination of this Agreement. Physician acknowledges that a Payor Contract may have a longer term than this Agreement. Physician's obligations under this Agreement with respect to Payor Contracts shall continue until such time as Physician's participation under the Payor Contracts may be properly terminated pursuant to terms of the Payor Contracts.

6.4 Termination With Regard to a Product. Subject to the requirements of the applicable Payor Contract including, without limitation, any requirements with regards to termination of participation and continuity of care, either party, at any time, without cause and upon

at least ninety (90) days prior written notice to the other party, may terminate Physician's participation with respect to any particular Product. Termination of Physician's participation with respect to a particular Product shall not affect the rights and obligations of the parties with respect to any other Product or Payor Contract, or otherwise under this Agreement. Upon termination of Physician's participation with regard to any Product, Physician shall use his/her best efforts to cooperate with the transition of affected Covered Persons to ensure continuity of care.

7. AMENDMENTS

7.1 Amendments. This Agreement may be amended at any time during the term of this Agreement by MPP upon sixty (60) days prior written notice of such amendment provided that such amendment is applied generally with respect to Participating Physicians.

8. GENERAL PROVISIONS

8.1 Assignment. This Agreement, being intended to secure the services of Physician, shall not be, in any manner, assigned, delegated, or transferred by Physician.

8.2 Waiver of Breach. The waiver by either party of a breach or violation of any provision of this Agreement shall not be deemed a waiver of any other breach of the same or a different provision. No waiver of any obligation under this Agreement shall be valid unless in writing and signed by the party against whom such waiver is charged.

8.3 Notices. Any notice required to be given pursuant to the terms and provisions hereof shall be in writing and shall be sent by certified mail, return receipt requested or by hand delivery with acknowledgement of receipt, to the parties at the addresses set forth on the execution page of this Agreement or such other address as communicated in writing by either party. Such notice shall be effective upon mailing if sent certified mail and upon receipt if dispatched by hand delivery. This Section 8.3 shall not apply to routine communications among the parties and communications of Product Descriptions or fee schedule proposals by MPP or MPP's designated agent.

McLaren Physician Partners
2701 Cambridge Court Suite 200
Auburn Hills MI 48326
Attn: President and Chief Executive Officer

Physician

_____, MI 48_____

8.4 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Michigan.

8.5 Construction. Each Payor Agreement is enforceable under the terms and conditions therein and in the event of a conflict between the language of this Agreement and any Payor Agreement, the language of the Payor Agreement shall prevail with respect to the terms applicable to that Product.

8.6 Entire Agreement. This Agreement and amendments thereto constitutes the entire understanding and agreement of the parties hereto and supersedes any prior written or oral agreement pertaining to the subject matter hereof.

8.7 Limited Enforcement. This Agreement will be enforceable only by the parties to this Agreement, and their successors in interest by virtue of an assignment which is not prohibited under the terms of this Agreement. No other person will have the right to enforce any of the provisions contained herein, including without limitation, any patient of Physician or a Payor; and this Agreement shall not be used by any such person or entity to impose any obligation, duty or standard of care or practice different from or in addition to whatever obligations, duties and standards may exist separate and apart from this Agreement.

8.8 Membership Meetings. Physician will use his or her best efforts to attend all properly noticed meetings of the members of MPP and to participate in MPP affairs as a member. MPP will provide notice of such meetings as required by its Bylaws.

IN WITNESS WHEREOF, Physician and MPP have entered into this Agreement to be effective as of the date first written above.

[name of PHYSICIAN]

McLaren Physician Partners

By: _____

By: Gary T. Wentzloff

Its: _____

Its: President and Chief Executive Officer

2701 Cambridge Court Suite 200

_____, MI 48_____

Auburn Hills MI 48326

Dated: _____

Dated: _____

EXHIBIT A

ANTITRUST GUIDELINES

1. Physician shall not share information about proposed fees or fee-related terms offered to Payors (including, without limitation, information relating to Standing Fee Schedules) with any other Participating Provider.
2. Physician shall make independent, unilateral decisions with respect to setting fees or fee related terms offered to payors, with respect to, setting any Standing Fee Schedule submitted to MPP, and with respect to whether or not to participate in any plan with any Payor through MPP.
3. Physician shall not attempt to collectively negotiate (along with any other Participating Provider) fees or fee-related terms with Payors with respect to Non-Risk Products.
4. Physician shall not share with MPP or any Participating Provider any fee or fee related terms such Provider proposes to offer to any Payor outside of MPP.
5. Physician shall not share with any other Participating Provider its views or intentions with respect to any proposed Payor Contract.
6. Physician shall not agree with or attempt to agree with any other Participating Provider not to deal with any Payor.
7. Physician shall not request MPP to negotiate fee or fee-related terms with Payors with respect to Non-Risk Products.
8. Physician shall not agree or attempt to agree with any other Participating provider to restrict in any way the services provided, geographic areas covered, persons treated, or participation with any Payor.

These Guidelines are only a summary of the most common issues under federal or state antitrust laws and do not encompass all of Physician's obligations under federal or state antitrust laws.

EXHIBIT B
BUSINESS ASSOCIATE AGREEMENT

Obligations of MPP

Pursuant to the Standards for Privacy of Individually Identifiable Health Information (the “Privacy Rule”), and the Security Standards for the Protection of Electronic Protected Health Information (the “Security Rule”) issued under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), as amended by the Health Information Technology for Economic and Clinical Health Act, which is part of the American Recovery and Reinvestment Act of 2009, MPP shall:

1. Not use or further disclose protected health information, as defined by the Privacy Rule, and specifically including protected health information that is transmitted by an electronic medium such as Internet (wide-open), Extranet (using Internet technology to link a business with information only accessible to collaborating parties), leased lines, dial-up lines, private networks, and those transmissions that are physically removed from one location to another using magnetic tape, disk or compact disk media (“Electronic Protected Health Information”, collectively “PHI”), other than
 - a. For the proper management and administration of MPP;
 - b. To carry out the legal responsibilities of MPP, including its responsibilities under the Agreement and the contracts with health plans and vendors that are entered into pursuant to the transactions contemplated by the Agreement;
 - c. To provide data aggregation services relating to the health care operations of the health care provider(s) identified in the Participation Agreement (hereinafter “Provider”); and
 - d. As required by applicable law.

If MPP discloses PHI to a third party for a permitted reason under Section 1(a) or 1(b) above, MPP shall ensure that reasonable assurances are obtained from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to such person and that the person notifies MPP of any instances of which it is aware in which the confidentiality of the information has been breached;

MPP shall not use or disclose PHI in a way that would violate the Privacy Rule or Security Rule.

To the extent practicable, MPP shall use a Limited Data Set (as defined in the Privacy Rule) with respect to PHI of Provider. If not practicable, MPP shall use the least amount of PHI necessary to achieve the intended purpose, and shall document why such amount of PHI is necessary. MPP shall comply with any

guidance issued by the Secretary of the United States Department of Health and Human Service (the "Secretary") regarding the minimum necessary use and disclosure of PHI.

MPP shall not sell, nor directly or indirectly receive remuneration for the use and disclosure of, PHI, except as otherwise authorized by the applicable individual(s) or otherwise permitted by HIPAA.

2. Use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement. MPP shall undertake and implement all appropriate and/or necessary administrative, physical, technical and all other required safeguards as set forth in the Security Rule which are necessary to protect all PHI, including Electronic Protected Health Information, whether received from, created, maintained, transmitted or otherwise used by or on behalf of the Provider.
3. Report to the Provider who provided such PHI any use or disclosure of PHI not provided for by this Agreement of which MPP becomes aware, including any security incident as described in the Security Rule.

MPP agrees to cooperate with the Provider as it determines whether any such impermissible use or disclosure of PHI constitutes a breach of unsecured PHI for purposes of 45 CFR §164.400 *et seq.* and whether such breach requires notification by the Provider to individuals, the media, and/or the Secretary.

In furtherance of the foregoing, in the event MPP discovers a breach of PHI, MPP agrees:

- i. To provide the Provider with relevant information, including without limitation, a brief description of the incident, the date of the incident, the individuals potentially affected, the date of discovery, the type of PHI involved, any recommendations that should be made to individuals for their protection, a description of how MPP is and proposes to mitigate any harm to individuals, a description of how MPP is and will prevent future incidents, and any other information reasonably requested by the Provider so that it may comply with its obligations under HIPAA.
 - ii. To cooperate and coordinate with the Provider to further investigate any breach incident, to assist in making notifications to individuals as necessary, to mitigate, to the extent practicable, any harm resulting or that may result from a breach incident, and to take any other actions that the Provider deems necessary to comply with HIPAA.
4. Ensure that any of its agents or subcontractors to which MPP provides PHI received from or created or received on behalf of the Provider agrees to the same restrictions and conditions that apply through this Agreement to MPP with respect to PHI. In furtherance of the foregoing, MPP shall ensure that any of its agents or subcontractors that create, receive, maintain or transmit Electronic Protected

Health Information on behalf of MPP agree to comply with the applicable requirements of the Security Rule by entering into a contract or other arrangement that complies with 45 CFR §164.314.

5. To the extent MPP maintains PHI in a designated record set or in an electronic health record (each term as defined by HIPAA and implementing regulations) and at the request of the Provider, make such PHI or electronic health record available for access to the Provider except for:
 - a. PHI or an electronic health record maintained by MPP which is a copy of PHI or an electronic health record held by the Provider; or
 - b. Information that is protected by the Privacy Rule or other applicable law from disclosure.
6. To the extent MPP maintains PHI in a designated record set (as defined by the Privacy Rule) and at the request of the Provider, make available to the Provider such PHI for amendment and incorporate any amendments to PHI provided by the Provider.
7. At the request of the Provider, provide documentation of disclosures of PHI or electronic health records made by MPP and provide the following information related to each such disclosure for purposes of enabling the Provider to provide an accounting of disclosures of PHI or electronic health records as required under the Privacy Rule:
 - a. The date of the disclosure;
 - b. The name of the entity or person who received PHI or electronic health record and, if known, the address of such entity or person;
 - c. A brief description of PHI or electronic health record disclosed; and
 - d. A brief statement of the purpose of the disclosure that reasonably informs the Provider of the basis for the disclosure.

The foregoing is subject to all of the exceptions to an accounting of disclosures of PHI provided in the Privacy Rule (*e.g.*, no accounting is required for disclosures of PHI made in connection with health care operations as defined by the Privacy Rule); provided however, that all disclosures of electronic health records for purposes of treatment, payment activities, and health care operations shall be documented for purposes of providing individuals with an accounting of such disclosures.

8. Make its internal practices, books, and records relating to the use and disclosure of PHI received from or by MPP on behalf of the Provider available to the Secretary for purposes of determining the Provider's compliance with the Privacy Rule and the Security Rule.
9. Comply with the Security Rule, including without limitation, 45 CFR 164.306

(general obligations), 164.308 (Administrative Safeguards), 164.310 (Physical Safeguards), 164.312 (Technical Safeguards), 164.314 (contracts with subcontractors) and 164.316 (implementing policies and procedures to comply with the Security Standards). To the extent MPP is to carry out Provider's obligations under the Privacy Rule, MPP shall comply with the requirements of the Privacy Rule that apply to Provider in the performance of such obligations. Each party hereto is responsible for determining its own compliance with HIPAA and its implementing regulations.

10. MPP shall comply with any restrictions on the disclosure of PHI requested by an individual and agreed to by Provider and of which MPP has notice.

Obligations of Provider

The Provider shall:

1. Not request MPP to use or disclose PHI in any manner that would not be permissible under the Privacy Rule or the Security Rule if done by the Provider.
2. Notify MPP of any changes in, or revocation of, permission by an individual to use or disclose PHI, to the extent that such changes may affect MPP's use or disclosure of PHI.
3. Notify MPP of any limitations in or changes to its Notice of Privacy Practices to the extent that such limitation or change may affect MPP's use or disclosure of PHI.
4. Notify MPP of any restriction on the use or disclosure of PHI that it has agreed to in accordance with the Privacy Rule to the extent that such restriction may affect MPP's use or disclosure of PHI.
5. Provider will at all times comply with the Privacy Rule's standards relating to minimum necessary use and disclosure of PHI. Provider will avoid transmitting or otherwise communicating PHI to MPP except in accordance with the Privacy Rule's standards relating to minimum necessary use and disclosure of PHI.

Material Breach Involving PHI

Upon the Provider's knowledge of a material breach by MPP of the provisions of this Agreement involving the use or disclosure of PHI, the Provider shall provide MPP with written notice of such breach, including a description of the manner in which the circumstances leading to such breach can be cured. The Provider shall provide MPP with an opportunity to cure by taking steps to change such circumstances within the sixty-day period following the notice. If the breach is not cured within such sixty-day period, the Provider may terminate this Agreement, if feasible. MPP acknowledges that if termination under those circumstances is not feasible, the Provider is obligated to report the violation to the Secretary of the United States Department of Health and Human Services.

In the event MPP learns of a pattern of activity or practice by the Provider of material breach or violations of the terms and conditions set forth herein, if the Provider fails to cure or end such breach or violations, MPP shall have the right to terminate this Agreement, or if termination is not feasible, report the material breach or violations to the Secretary.

Effect of Termination or Cancellation

MPP and the Provider acknowledge that PHI will be needed by MPP following the termination or cancellation of the Agreement for purposes described herein, and that it therefore is not feasible for MPP to return or destroy all PHI received from or on behalf of the Provider. Therefore, MPP shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return infeasible for so long as MPP maintains such PHI. These provisions shall survive termination of this Agreement.

Amendment

The parties agree to take such action as is necessary to amend this Exhibit B from time to time as necessary to comply with HIPAA and implementing regulations and guidance.

**ADDENDUM TO MASTER MEMBERSHIP AGREEMENT
BCBSM PHYSICIAN GROUP INCENTIVE PROGRAM**

Physician and MPP acknowledge that Blue Cross and Blue Shield of Michigan (BCBSM) has established a Physician Group Incentive Program (“PGIP”). Under the PGIP Program, participating physicians are entitled to additional payment for meeting certain performance measures. The PGIP program also offers additional payment to primary care physicians whose practices are certified as patient centered medical homes (“PCMH”). BCBSM requires physicians participating in PGIP to be part of a physician organization. Physician and MPP agree as follows:

1. **Designation.** Physician designates MPP as his or her physician organization for participation in PGIP.

2. **Participation Commitment.** Physician agrees to actively participate in PGIP quality and performance improvement initiatives, including but not limited to evidence based care scores and improved generic dispensing rates. If Physician is a primary care provider, Physician may elect to begin the process of becoming a PCMH and being actively engaged during this transformation. Physician understands that the following have been identified as important to achieving PCMH designation, but are not limited to:

- Patient-Provider partnership
- Patient registry and patient web portals
- Performance reporting
- Individual care management, self-management and care coordination
- Extended access
- Test results tracking and follow-up
- Preventative services
- E-prescribing
- Linkages to community services
- Specialist referral processes

3. **Payment Authorization.** Physician authorizes MPP to represent Physician in connection with the PGIP program. In furtherance of the foregoing and not by limitation, Physician authorizes MPP to accept PGIP payments from BCBSM. MPP shall distribute PGIP payments in accordance with MPP methodologies and distribution formulas.

[signature page follows]

[name of PHYSICIAN]

By: _____

Its: _____

_____, MI 48 _____

Dated: _____

McLaren Physician Partners

By: Gary T. Wentzloff

Its: President and Chief Executive Officer

2701 Cambridge Court Suite 200

Auburn Hills MI 48326

Dated: _____

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