

CRESCENT PREFERRED PROVIDER ORGANIZATION, INC

ANTITRUST POLICY

SUBJECT: ANTITRUST

STANDARD: Crescent Preferred Provider Organization, Inc (Crescent) recognizes that antitrust violations can have extremely serious consequences. It is the intention of Crescent to comply with all laws applicable to its operations, including the antitrust laws, and accordingly, an appropriate antitrust policy is consistent with this philosophy.

PURPOSE: To establish guidelines for antitrust compliance.

POLICY

1. All Crescent members, officers, directors, managers, employees, affiliates (hereafter, "affiliates" are defined as hospitals, physician organizations, or physician hospital organizations that are not full members of Crescent) and providers must comply with antitrust laws. Crescent will not condone any conduct which violates the antitrust laws. Violation of the Crescent Antitrust Policy by any Crescent member, officer, director, manager, employee, affiliate or provider may result in immediate termination from Crescent or loss of employment with Crescent.
2. Any Crescent member, officer, director, manager, employee, affiliate or provider who has questions about the application of antitrust laws to past, present or future conduct of Crescent should contact the Crescent Chief Operating Officer, who will, in turn, consult with Crescent's antitrust counsel.
3. Local and regional employers in Western North Carolina have expressed their desire for a region-wide physician and hospital network that would help employers stay competitive in their respective industries and maintain their employees' health. Crescent believes that it can respond to this demand by improving access to a broad range of services across the region, by increasing efficiency and cost-effectiveness, and by enhancing the already high quality of health care delivered in Western North Carolina.
4. At the present time, it is anticipated that most contracting opportunities presented to Crescent will be in the nature of non-risk agreements. Should any agreements which contemplate the sharing of substantial financial risk by

presented to Crescent, Crescent will adopt appropriate antitrust protocols for handling those contracts. Thus, this Policy and Crescent's Antitrust Compliance Guidelines for Contracting with Third-Party Payors ("Guidelines") which are attached hereto and incorporated by reference, may be expanded, as circumstances warrant.

5. For payor agreements that do not involve the sharing of substantial financial risk, Crescent will adhere to the protocols of the messenger model or other appropriate procedures which avoid antitrust concerns. Specific protocols are set forth in Section II A of the Guidelines, which are attached hereto and incorporated by reference. Under no circumstances will Crescent or its messenger negotiate or suggest fees or other competitively-sensitive terms in proposed non-risk agreements. Crescent and the messenger will maintain the confidentiality of all fee and other competitively-sensitive information received from providers and payors. Likewise, "firewall" protocols, as described in Section II B.1 of the Guidelines will also be adopted, as circumstances warrant.
6. Hospitals, physicians and other duly-licensed individuals or providers participate in Crescent on a non-exclusive basis. Hospitals, physicians and other duly-licensed individuals or providers that participate in Crescent are free at all times to contract directly with payors or participate in other networks or joint ventures.
7. Crescent shall distribute copies of this policy and attached Guidelines to each of its members, officers, directors, managers, employees, affiliates and providers who will sign in the space provided on the last page of this policy, confirming that they have read this policy and the attached Guidelines, and agree to be bound by them. When this policy or the Guidelines are updated, Crescent shall circulate a revised version to each of its members, officers, directors, managers, employees, affiliates and providers reminding them of the existence and substance of this policy and the Guidelines.
8. This policy and the attached Guidelines will be reviewed annually by Crescent with input from Crescent's antitrust counsel. Any proposed deviations from this policy or the attached Guidelines will be reported to Crescent's Chief Operating Officer, who will, in turn, consult with Crescent's antitrust counsel, before any deviation is implemented.

I have read the foregoing statement of policy and attached Guidelines and agree to be bound by them. If so indicated below, my signature constitutes the agreement of the institution or group I represent to be bound by this policy and the attached Guidelines.

Name (please print)

Provider's Signature

Title

Date