

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

DOCKET NO. 9312

**IN THE MATTER OF
NORTH TEXAS SPECIALTY PHYSICIANS,
a corporation**

SELECTED EXHIBITS

Susan A. Creighton
Director
Bureau of Competition

Barbara Anthony
Director
Northeast Regional Office

Michael J. Bloom
Director of Litigation

Alan B. Loughnan
Theodore Zang, Jr.
Susan E. Raitt
Mazor Matzkevich
Jonathan W. Platt
Elvia P. Gastelo
John P. Wiegand
Matthew J. Reilly
Asheesh Agarwal

Counsel Supporting
the Complaint

Nancy F. Caban
Investigator

Sarah Croake
Honors Paralegal

March 15, 2005

TABLE OF SELECTED EXHIBITS

1. CX 332 Fax Alert re CIGNA Healthcare of Texas and Healthsource North Texas (August 1998)
2. CX 760 Letters from Physicians to CIGNA
3. CX 1010 Fax Alert re Contracting Update (September 8, 1998)
4. CX 1012 Fax Alert re United Healthcare (December 2, 1998)
5. CX 704 Fax Alert re Blue Cross HMO Blue Commercial HMO Contract (April 5, 2000)
6. CX 350 Letter from NTSP to Membership (October 9, 2000)
7. CX 565 Fax Alert re Aetna (November 29, 2000)
8. CX 500 Fax Alert re Aetna Update (December 11, 2000)
9. CX 0256 Minutes of Consultants in Cardiology Board of Directors (July 10, 2001)
10. CX 1043 Fax Alert re Support Letters to Mayor Barr and City Council (July 13, 2001)
11. CX 1118 Letter from NTSP to Health Texas Provider Network (July 23, 2001)
12. CX 1062 Fax Alert re United Healthcare (August 9, 2001)
13. CX 0380 Letter from NTSP to Members (August 13, 2001)
14. CX 1066 Fax Alert re United Healthcare (August 24, 2001)
15. CX 1067 Letter from United Healthcare to NTSP (August 28, 2001)
16. CX 1122 Letter from NTSP to United Healthcare (September 5, 2001)
17. CX 387 Fax Alert re Annual Poll (September 14, 2001)
18. CX 393 Fax Alert re Annual Reimbursement Poll (October 29, 2001)
19. CX 1097 Fax Alert re United Healthcare PPO & HMO Contract Offerings (November 1, 2001)
20. CX 430 Fax Alert re Annual Poll (November 11, 2002)
21. CX 432 Fax Alert re Annual Reimbursement Poll (January 6, 2003)
22. CX 438 Fax Alert re Federal Trade Commission's Decision (September 17, 2003)

Tab 1

FAX ALERT #85

North Texas Specialty Physicians
1701 River Run, Suite 210
Fort Worth, Texas 76107
817-332-8847
Fax: 817-332-3614

TO: NTSP Members

Office Staff: Please Distribute to All NTSP Physicians

FROM: Karen Van Wagner, Ph. D.
Executive Director

DATE: August 4, 1998

PAGES: 4

Please contact Jo Patton at 332-8847 if you do not receive all pages of this fax

Re: CIGNA HealthCare of Texas and Healthsource North Texas, Inc.

On July 31, 1998, CIGNA HealthCare of Texas sent notices to several NTSP members regarding their Healthsource and CIGNA Provider Agreements.

1. **Healthsource Provider Only:**

If the physician only has a Healthsource provider agreement, CIGNA is asking that effective August 30 the provider agreement be assigned from Healthsource to CIGNA. The Healthsource document requires the consent of both parties to this assignment. Assignment of this document is optional. If you do not wish to assign this document to CIGNA, you may choose to continue as a Healthsource provider as long as Healthsource products are being offered in the market place. If CIGNA, as the owner of Healthsource, chooses to terminate all Healthsource products from the market and replace them with CIGNA products, it is their right to do so. However, Healthsource's provider agreements cannot be assigned to CIGNA without your approval.

NTSP 022399

Office Staff: Please Distribute to All NTSP Physicians

CONFIDENTIAL - FTC Docket No. 9312

CX0332-001

2. **Healthsource and CIGNA Providers:**

Some NTSP members currently provide care under both CIGNA and Healthsource provider agreements. CIGNA is requesting that physicians who fall into this category assign their Healthsource provider agreements to CIGNA. CIGNA will then terminate the Healthsource documents and contract the physician for Healthsource and CIGNA members under the existing CIGNA provider agreement. In fact, CIGNA indicates the July 31 letter should be considered a termination notice for the Healthsource provider agreements.

This termination notice assumes you will have assigned your contract to CIGNA and will continue to be a Healthsource provider under the CIGNA contract. In essence, CIGNA is trying to maintain the Healthsource provider network with a CIGNA price tag.

Although CIGNA can still terminate the Healthsource provider agreement if you do not wish to assign it to them, they would do so at the risk of depleting their Healthsource provider network.

NTSP members should check both their Healthsource and CIGNA contracts carefully to determine which contract has the most preferable payment rates. If the CIGNA contracts have higher reimbursement levels than Healthsource, assignment of the Healthsource documents to CIGNA bears little risk. However, if the Healthsource provider agreements have higher reimbursement levels than the CIGNA provider agreements, extreme caution is urged in assigning the Healthsource document to CIGNA.

The NTSP Board has determined that this is a contracting situation in which NTSP can be helpful in serving as the agent for its members. Attached you will find an agency form regarding the Healthsource/CIGNA provider agreements. If 50% or more of NTSP members concur that agency is appropriate, NTSP will contact CIGNA and Healthsource directly in regards to this matter.

IN THE INTERIM, NTSP ADVISES ITS MEMBERS NOT TO CONSENT TO THE ASSIGNMENT OF YOUR HEALTHSOURCE PROVIDER AGREEMENTS TO CIGNA. YOUR REFUSAL TO CONSENT TO THIS ASSIGNMENT SHOULD BE SENT TO CIGNA NO LATER THAN AUGUST 30, 1998. A SAMPLE RESPONSE LETTER IS ATTACHED FOR YOUR POSSIBLE USE. FINALLY, PLEASE RETURN THE AGENCY REPRESENTATION FORM AT YOUR EARLIEST CONVENIENCE.

NTSP 022400

Office Staff: Please Distribute to All NTSP Physicians

SAMPLE LETTER

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, Texas 75039

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of our Healthsource contracts to CIGNA. To the extent that our provider agreements with Healthsource do require the consent of both parties for assignment, we, the undersigned physicians, **DO NOT** consent to such an assignment. Furthermore, we have requested that North Texas Specialty Physicians represent us in regards to this matter as our agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have. Thank you for your assistance.

Sincerely,

Physician Name

NTSP 022401

Office Staff: Please Distribute to All NTSP Physicians

CONFIDENTIAL - FTC Docket No. 9312

CX0332-003

NORTH TEXAS SPECIALTY PHYSICIANS

AUTHORIZATION FORM

In Regards to Any Current or Proposed Contracts between Healthsource or CIGNA, I the Undersigned Physician, Hereby Authorize North Texas Specialty Physicians to Serve as My Agent in Regards to this Matter as per the Terms of My Participating Physician Agreement.

Please Return ASAP to Fax Number: 332-3614

Physician Signature

Please Print Name

Office Staff: Please Distribute to All NTSP Physicians

NTSP 022402

CONFIDENTIAL - FTC Docket No. 9312

CX0332-004

Tab 2

ROBERT J. BURKETT, M.D., P.A.
MEDICAL PLAZA PROFESSIONAL BLDG, SUITE 618
800 EIGHTH AVENUE
FORT WORTH, TEXAS 76104

TELEPHONE (817) 335-6336

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste: 100
Irving, Texas 75039

Dear Mr. Grizzle,

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of my Healthsource contract to CIGNA. To the extent that my provider agreement with Healthsource does require the consent of both parties for assignment, I, the undersigned physician, DO NOT consent to such an assignment. Furthermore, I have requested that North Texas Speciality Physicians represent me in regards to this matter as my agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have. Thank you for your assistance.

Sincerely,



Robert J. Burkett, M.D.

RJB/tt

PHILIP F. ANTHONY, M.D., P.A.

901 HEMPHILL

FORT WORTH, TEXAS 76104

FILE: NTSP

OTOLOGY & NEUROTOLOGY

(817) 332-4060

Mr Rick J. Grizzle
A.V.P. Network Strategy & Management
Cigna HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, Texas 75039

Dear Mr. Grizzle

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of our Healthsource contracts to Cigna. To the extent that our provider agreements with Healthsource do require the consent of both parties for assignment, the undersigned physician DOES NOT consent to such an assignment. Furthermore, we have requested that North Texas Specialty physicians represent me in regards to this matter as my agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have. thanks you for your assistance.

Sincerely,



Philip Anthony M.D.

Diabetes and Endocrine Associates of Tarrant County, L.L.P.

1325 Pennsylvania Avenue, Suite 280

Fort Worth, Texas 76104-2100

(817) 820-2890

FILE: NTSP

Endocrinologists

R. Lee Forshay, M.D., F.A.C.E.

Kenneth A. Mair, M.D.

David B. Wilson, M.D.

Diabetes Educators

Nancy Bristow, BSN, R.N., CDE

Marsha McCleskey, RD/LD, MS, CDE

August 28, 1998

CONFIDENTIAL

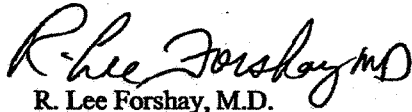
Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Suite 1100
Irving, TX 75039

Dear Mr. Grizzle:

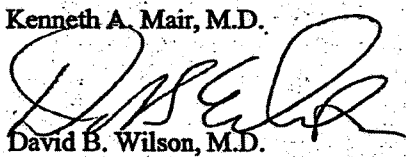
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Thank you for your assistance.

Sincerely,


R. Lee Forshay, M.D.


Kenneth A. Mair, M.D.


David B. Wilson, M.D.

File: NTSP

August 28, 1998

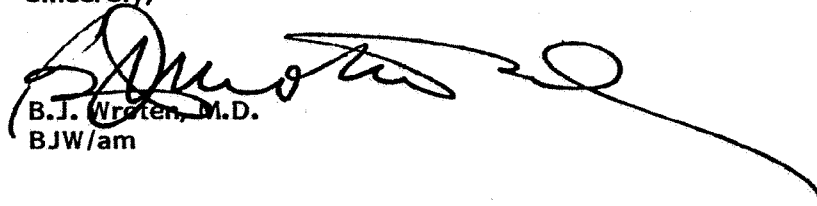
CONFIDENTIAL

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, TX. 75039

Dear Mr. Grizzle:

This letter is in response to your correspondence dated July 31, 1998 requesting assignment of our Healthsource contracts to CIGNA. To the extent that our provider agreements with Healthsource do require the consent of both parties for assignment, we, the undersigned physicians, DO NOT consent to such an assignment. Furthermore, we have requested that North Texas Specialty Physicians represent us in regards to this matter as our agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have. Thank you for your assistance.

Sincerely,



B.J. Wroten, M.D.
BJW/am

1521 COOPER
FORT WORTH, TEXAS 76104-4185
(817) 336-5864

ALL SAINTS PHYSICIANS BLDG.
7100 OAKMONT BLVD.
SUITE 201B
FORT WORTH, TEXAS 76132-3999
(817) 263-5864

911 C MEDICAL CENTRE DRIVE
ARLINGTON, TEXAS 76012-4788
(817) 481-0201 (METRO)

FILE: NTSP
HUGULEY MEDICAL ARTS BLDG.
11797 S. FREEWAY, SUITE 222
BURLESON, TEXAS 76028
(817) 283-1900

PULMONARY CONSULTANTS OF TEXAS, P.A.

JOHN R. BURK, M.D., F.A.C.P.
DAVID M. WEBB, M.D., F.A.C.P., F.C.C.P.
HENRY S. CUNNINGHAM, M.D., F.C.C.P.
STUART D. McDONALD, M.D., F.C.C.P.

MITCHELL C. KUPPINGER, M.D., F.C.C.P.
DAVID H. PLUMP, M.D., F.C.C.P.
LUIS F. GUERRA, M.D., F.C.C.P.
JOSEPH AUSTIN, JR., M.D., F.C.C.P.
TONY H. SU, M.D., F.C.C.P.

August 25, 1998

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, Texas 75039

CONFIDENTIAL

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of our Healthsource contracts to CIGNA. To the extent that our provider agreements with Healthsource do require the consent of both parties for assignment, we, the undersigned physicians, do not consent to such assignment.

It is our understanding that NTSP will be contacting you shortly in our behalf. Should you need to contact them, the telephone number is (817) 332-8847.

Thank you for your assistance.

Sincerely,

John R. Burk MD.

John R. Burk, M.D.

David M. Webb, MD.

David M. Webb, M.D.

Stuart D. McDonald

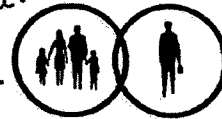
Stuart D. McDonald, M.D.

H. Cunningham, MD.

Henry S. Cunningham, M.D.

FAMILY MEDICINE ASSOCIATES, P.A.

FILE: NTSP



Medical Plaza 1
203 Walls Dr., Suite 101
Cleburne, TX 76031

(817) 556-4800
Fax (817) 556-4825
Metro (817) 558-3049

Steve G. Johnson, M.D. Diplomate American Board of Family Practice
J. Stan Johnson, M.D. Diplomate American Board of Family Practice
Gerald L. Kiel, M.D. Diplomate American Board of Family Practice
H. Bruce Daniels, M.D. Diplomate American Board of Family Practice
John T. Dang, M.D. Diplomate American Board of Family Practice
Ann M. Schmidt, M.D. Obstetrics/Gynecology

3517 S.W. Wilshire Blvd.
Joshua, TX 76058
(817) 447-1151
Fax (817) 447-3236

J. Mike White, M.D.
Diplomate American Board of Family Practice
Robert M. Miller, M.D.
Diplomate American Board of Family Practice

Health & Heart Center
1208 W. Henderson
Cleburne, TX 76031

(817) 556-4800
Fax (817) 556-4843
Metro (817) 558-3049

Eberhard R. Samlowski, M.D.
General and Vascular Surgery

August 13, 1998

CONFIDENTIAL

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, Texas 75039

Dear Mr. Grizzle:

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Sincerely,

Eberhard Samlowski, M.D.

ES/td

FILE: NTSP

Allergy, Asthma and Clinical Immunology
FORT WORTH ALLERGY AND ASTHMA ASSOCIATES

5929 Lovell Avenue Ft. Worth, Texas 76107
(817) 315-2550 FAX (817) 732-4660

Normand F. Tremblay, M.D. P.A.

Robert J. Rogers, M.D. P.A.

Susan Rudd Wynn, M.D. P.A.

August 10, 1998

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, TX 75039

CONFIDENTIAL

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998, requesting assignment of our Healthsource contracts to CIGNA. To the extent that our provider agreements with Healthsource do require the consent of both parties for assignment, we the undersigned physicians, **DO NOT CONSENT** to such an assignment.

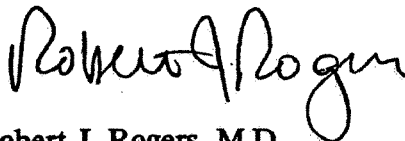
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Thank you for your assistance.

Sincerely,



Normand F. Tremblay, M.D.



Robert J. Rogers, M.D.



Susan Rudd Wynn, M.D.

Diplomates of the American Board of Pediatrics and the American Board of Allergy and Immunology

FTC-NTSP-CIGNA 000240

CX0760-007

Raymond A. Faires, M.D., F.A.C.S.

Plastic and Reconstructive Surgery

CONFIDENTIAL

August 19, 1998

Rick Grizzle, M. D.
A.V.P. Network Strategy & Management
Cigna Healthcare of Texas
600 E. Las Colinas Blvd. Ste. 1100
Irving, Texas 75039

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of our Healthsource contracts to Cigna. To the extent that our provider agreements with Healthsource do require the consent of both parties for assignment, I, the undersigned physician DO NOT consent to such assignment. Furthermore, I have requested that North Texas Specialty Physicians represent me in regards to this matter as my agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have. Thank you for your assistance.

Sincerely,



Raymond A. Faires, M. D.

RAF/mm

FILE: NTSP

THOMAS C. BINZER, MD
750 EUREKA, STE C
WEATHERFORD, TEXAS 76086
817-599-4464 817-599-5316 (Fax)

CONFIDENTIAL

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, Texas 75039

Dear Mr. Grizzle:

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Sincerely,



Physician Name

FTC-NTSP-CIGNA 000242

CX0760-009

New File - NTSP

TARRANT DERMATOLOGY CONSULTANTS, P.A.

1307 EIGHTH AVE., STE 505
FORT WORTH, TEXAS 76104
(817) 927-2332
FAX (817) 927-0361

D. SCOTT MILLER, M.D.
LAURA F. MORRIS, M.D.
MEDICAL AND SURGICAL
DERMATOLOGY

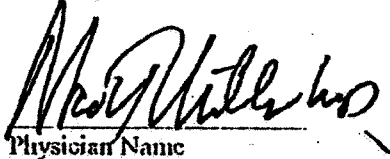
CONFIDENTIAL

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, Texas 75039

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Sincerely,



Physician Name

Office Staff: Please Distribute to All NTSP Physicians

William J. Van Wyk, M.D., P.A.
Hand And Upper Extremity Surgery
American Society of Surgery of the Hand

803 West Terrell
Fort Worth, Texas 76104
817-877-3113

August 6, 1998

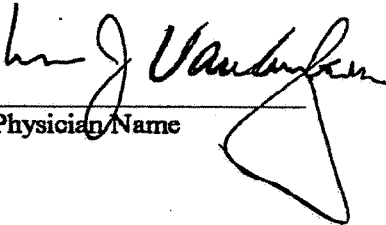
CONFIDENTIAL

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, Texas 75039

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Sincerely,



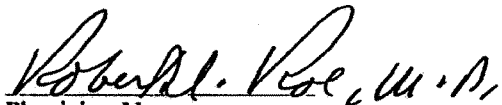
Physician Name

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, Texas 75039

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of our Healthsource contracts to CIGNA. To the extent that our provider agreements with Healthsource do require the consent of both parties for assignment, we, the undersigned physicians, **DO NOT** consent to such an assignment. Furthermore, we have requested that North Texas Specialty Physicians represent us in regards to this matter as our agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have. Thank you for your assistance.

Sincerely,


Physician Name

ROBERT D. ROE, M.D.

JOHN W. FREESE, M.D.
SURGICAL ONCOLOGY
1000 NINTH AVENUE
FORT WORTH, TEXAS 76104
TELEPHONE (817) 332-7813
FAX (817) 335-9251

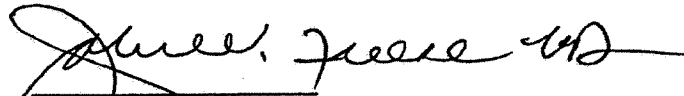
CONFIDENTIAL

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, Texas 75039

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Sincerely,



Physician Name



ROBERT G. ANDERSON, MD, PA
COSMETIC & RECONSTRUCTIVE SURGEON
Trust the hands of experience.

**ROBERT G.
 ANDERSON, MD**

Over 18 years experience

Board Certified: American
 Board of Plastic Surgery,
 American Board of
 Otolaryngology-Head and
 Neck Surgery

Diplomate: National Board
 of Medical Examiners

MD: University of Texas
 Southwestern Medical
 School

Plastic Surgery Residency:
 Parkland Memorial Hospital,
 Dallas
 University of Florida,
 Gainesville

Member: American Society
 of Plastic and Reconstructive
 Surgeons, Lipoplasty Society
 of North America, American
 College of Surgeons,
 American Medical
 Association, Texas Medical
 Association

**COSMETIC
 SURGERY**

- **Breasts:**
 Augmentation, Lifts,
 Reductions, Implant
 Removal & Replacement
- **Facial:**
 Eyelids, Eyebrows, Face
 & Neck Lift, Rhinoplasty,
 Chin & Cheek
 Augmentation
- **Body Contouring:**
 External Ultrasound-
 Assisted Liposuction,
 Tummy Tucks &
 Endermologie
- **Skin Care:**
 EpiLight Hair Removal,
 Micro-Dermabrasion,
 Laser Resurfacing &
 Botox

**RECONSTRUCTIVE
 SURGERY**

- Breast reconstruction
- Melanoma & other skin
 cancers
- Facial paralysis
- Complex facial
 reconstruction

1307 8TH AVENUE
 SUITE 501
 FORT WORTH
 TX 76104

6100 HARRIS PKWY
 SUITE 320
 FORT WORTH
 TX 76132

FAX (817) 923-0680

(817) 923-0544

Mr. Rick J. Grizzle
 A.V.P. Network Strategy & Management
 CIGNA HealthCare of Texas
 600 E. Las Colinas Blvd., 1100
 Irving, Texas 75039

Dear Mr Grizzle,

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Sincerely,

Robert G. Anderson, M.D.

JAMES L. NORMAN, M.D., P.A.

1650 WEST MAGNOLIA, SUITE 111

FORT WORTH, TEXAS 76104

TELEPHONE (817) 924-4464

FAX (817) 924-1357

CONFIDENTIAL

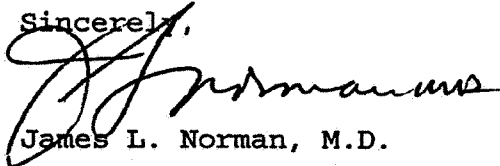
August 7, 1998

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, TX 75039

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of my Healthsource contract to CIGNA. To the extent that my provider agreements with Healthsource do require the consent of both parties for assignment, I, the undersigned physician, DO NOT consent to such an assignment. Furthermore, I have requested that North Texas Specialty Physicians represent me in regards to this matter as my agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have. Thank you for your assistance.

Sincerely,



James L. Norman, M.D.

JLN/vs

cc: NTSP

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, Texas 75039

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of our Healthsource contracts to CIGNA. To the extent that our provider agreements with Healthsource do require the consent of both parties for assignment, we, the undersigned physicians, DO NOT consent to such an assignment. Furthermore, we have requested that North Texas Specialty Physicians represent us in regards to this matter as our agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have. Thank you for your assistance.

Sincerely,



Physician Name

DR. EUGENE P. SHOLDRA
810 SOUTH MAIN STREET
WEATHERFORD, TEXAS 76086

KIRAN J. DAVE, M.D. FAAOS
Diplomate American Board of Orthopedic Surgery

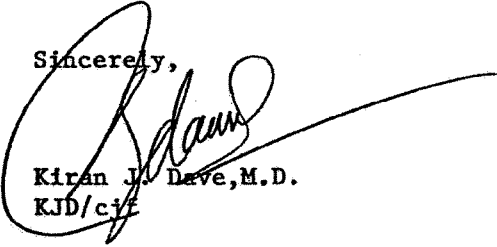
August 7, 1998

Mr. Rick J Grizzle
A V P Network Strategy & Management
CIGNA HealthCare of Texas
600 E Las Colinas Blvd, Ste. 1100
Irving, TX 75039

Dear Mr. Grizzle,

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of our Healthsource contracts to CIGNA. To the extent that our provider agreements with Healthsource do require the consent of both parties for assignment, I, the undersigned physician DO NOT consent to such an assignment. Furthermore, I have requested that North Texas Specialty Physicians represent me in regards to this matter as my agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have. Thank you for your assistance.

Sincerely,



Kiran J. Dave, M.D.
KJD/cjf

Gary W. Chandler, D.P.M.

Medical and Surgical Podiatry

131 Hyde Park, Suite 300
P.O. Box 336
Cleburne, TX 76033

Appointments (817) 556-0049
Fax (817) 556-0111
24 Hour Beeper (817) 669-0682

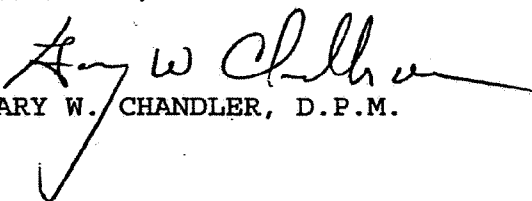
AUGUST 6, 1998

MR. RICK J. GRIZZLE
A.V.P. NETWORK STRATEGY & MANAGEMENT
CIGNA HEALTHCARE OF TEXAS
600 E. LAS COLINAS BLVD. STE. 1100
IRVING, TEXAS 75039

DEAR MR. GRIZZLE:

THE PURPOSE OF THIS LETTER IS TO RESPOND TO YOUR CORRESPONDENCE DATED JULY 31, 1998 REQUESTING ASSIGNMENT OF OUR HEALTHSOURCE CONTRACTS TO CIGNA. TO THE EXTENT THAT OUR PROVIDER AGREEMENTS WITH HEALTHSOURCE DO REQUIRE THE CONSENT OF BOTH PARTIES FOR ASSIGNMENT. I DO NOT CONSENT TO SUCH AN ASSIGNMENT. FURTHERMORE, I HAVE REQUESTED THAT NORTH TEXAS SPECIALTY PHYSICIANS REPRESENT MYSELF IN REGARDS TO THIS MATTER AS MY AGENT. NTSP WILL BE CONTACTING YOU SHORTLY IN REGARDS TO THIS MATTER OR PLEASE FEEL FREE TO CONTACT THEM AT 817-332-8847 WITH ANY QUESTIONS OR CONCERNS YOU MAY HAVE. THANK YOU FOR YOUR ASSISTANCE.

SINCERELY,


GARY W. CHANDLER, D.P.M.



Orthopedic
Specialty
Associates, P.A.

Robert R. Protzman, M.D.
*Reconstructive Surgery
of the Hand and Knee
Sports Medicine*

Keith C. Watson, M.D.
*Reconstructive Surgery
of the Shoulder and Elbow*

John E. Conway, M.D.
*Reconstructive Surgery
of the Shoulder, Elbow
and Knee
Sports Medicine*

Steven B. Singleton, M.D.
*Reconstructive Surgery
of the Shoulder, Elbow,
Knee, and Foot/Ankle
Sports Medicine*

CONFIDENTIAL

August 6, 1998

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd. #1100
Irving, Texas 75039

Dear Mr. Grizzle,

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of my Healthsource contract to CIGNA. To the extent that my provider agreement with Healthsource does require the consent of both parties for assignment, I, the undersigned physician, **DO NOT** consent to such an assignment. Furthermore, I have requested that North Texas Specialty Physicians represent me in regards to this matter as my agent. NTSP will be contacting you shortly regarding this matter, or you may contact them at 817 332-8847 with any questions or concerns you may have.

Thank you for your assistance.

Sincerely,

Steven Singleton, MD
SBS/dd

1325 Pennsylvania Avenue
Suite 890
Fort Worth, Texas 76104
817 878-5300
817 878-5307 Fax

FTC-NTSP-CIGNA 000252

CX0760-019

CHRISTA JOHNSON MARS, M.D., F.A.C.S.
General, Breast, and Laparoscopic Surgery
Diplomate American Board of Surgery
P.O. Box 26737

Fort Worth, Texas 76126

Fort Worth: 817-560-2295 Fax: 817-244-7967 Weatherford: 817-613-1414

E-Mail: 73513.1731@compuserve.com

Messaging Automated Response System: 817-244-2000

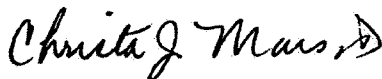
August 5, 1998

Mr. Rick J. Grizzle
A. V. P. Network Strategy and Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd, Ste. 1100
Irving, TX 75039

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of our Healthsource contracts to CIGNA. To the extent that our provider agreements with Healthsource do require the consent of both parties for assignment, we, the undersigned physicians, **DO NOT** consent to such an assignment. Furthermore, we have requested that North Texas Specialty Physicians represent us in regards to this matter as our agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have. Thank you for your assistance.

Sincerely,



Christa J. Mars, M. D.

cc: North Texas Specialty Physicians
1701 River Run, Ste 210
Fort Worth, TX 76107

**SOUTHWEST
NEUROLOGICAL
SURGERY
ASSOCIATES, P.A.**



GENERAL & PEDIATRIC NEUROSURGERY
DIPLOMATES OF THE AMERICAN BOARD OF NEUROLOGICAL SURGERY

JACK E. McCALLUM, M.D.
PHILIP C. BECHTEL, M.D.
WARREN D. WILSON, M.D.
RICHARD O. HUBBARD, M.D.
CHARLES P. SHANK, M.D.
DAVID J. DONAHUE, M.D.
THOMAS S. ELLIS, M.D.
(Board Eligible)

August 10, 1998

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, TX 75039

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of our Healthsource contracts to CIGNA. To the extent that our provider agreements with Healthsource do require the consent of both parties for assignment, we, the undersigned physicians, DO NOT consent to such an assignment. Furthermore, we have requested that North Texas Specialty Physicians represent us in regards to this matter as our agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at (817) 332-8847 with any questions or concerns you may have. Thank you for your assistance.

Sincerely,

Jack E. McCallum, M.D.

Philip C. Bechtel, M.D.

Warren D. Wilson, M.D.

Richard O. Hubbard, M.D.

David J. Donahue, M.D.

Thomas S. Ellis, M.D.

800 8th Avenue, Suite 220
817-336-1300

• Fort Worth, TX 76104-308
• Fax 817-336-6955

1305 Airport Frwy, Suite 221
817-545-8400

• Bedford, TX 76021
• Fax 817-545-9012

Satellite Office: Huguley

FTC-NTSP-CIGNA 000254

CX0760-021

MARK B. PRESLEY, M.D., P.A.

Orthopaedic Surgery

6100 Harris Parkway, Suite 320

Fort Worth, Texas 76132

Telephone: (817) 346-5499

Fax: (817) 346-5441

August 6, 1998

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste 1100
Irving, Texas 75039

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998, requesting assignment of my Healthsource contracts to CIGNA. To the extent that the provider agreement with Healthsource does require the consent of both parties for assignment, I, the undersigned physician, DO NOT consent to such an assignment. Furthermore, I have requested that North Texas Specialty Physicians represent me in regard to this matter as my agent. NTSP will be contacting you shortly in regard to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have.

Thank you for your assistance.

Sincerely,


Mark B. Presley, M.D.

MBP/mas

ROBERT W. HUNNICUTT, M.D., P.A.
ORTHOPEDIC SURGERY
DIPLOMATE AMERICAN BOARD OF ORTHOPEDIC SURGERY

5701 BRYANT IRVIN ROAD, SUITE 101
FORT WORTH, TEXAS 76132
(817) 370-9010
FAX (817) 370-1820

August 10, 1998

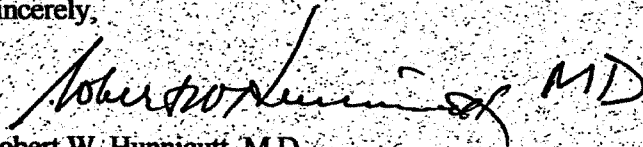
Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA Health Care of Texas
600 E. Los Colinas Blvd., Suite 1100
Irving, TX 75039

Dear Mr. Grizzle:

The purpose of my letter is to respond to your correspondence dated July 31, 1998 requesting assignment of my Health Source contracts to CIGNA. To the extent that my provider agreements with Health Source do require the consent of both parties for assignment, myself, the undersigned physician, DOES NOT consent to such an agreement. Furthermore, I have requested that North Texas Speciality Physicians (NTSP) represent me in regards to the matter as my agent. NTSP will be contacting you shortly in regards to this matter, or please feel free to contact them at (817) 332-8847 with any questions or concerns you may have.

Thank you for your assistance.

Sincerely,



Robert W. Hunnicutt, M.D.
RWH/sn

Capper & Keller, MD, PA
Internal Medicine

David P. Capper, M.D.

Robert T. Keller, M.D.

Errol B. Bryce, M.D.

August 10, 1998

CIGNA HealthCare of Texas
600 E. Las Colinas Blvd. #1100
Irving, Texas 75039

Attn.: Rick J. Grizzle
AVP, Network Strategy and Management

Dear Mr. Grizzle,

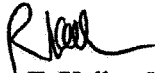
The purpose of this correspondence is to notify you that our group does not authorize the assignment of our contracts with Healthsource to CIGNA. This includes all three (3) physicians identified in the letterhead and whose signatures are represented below.

Should you have questions or require additional information, please contact our Office Manager, D'nette Pease at (817) 335-2161, ext. 122.

Sincerely,



David P. Capper, MD



Robert T. Keller, MD



Errol B. Bryce, MD

1400 S. Main Street, Suite 105 Fort Worth, Texas 76104

(817) 335-2161 fax (817) 877-3907

FTC-NTSP-CIGNA 000257

CX0760-024

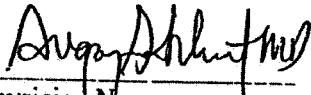
GREGORY G. SCHWARTZ, MD
750 EUREKA, STE C
WEATHERFORD, TEXAS 76086
817-599-4464 817-599-5316 (Fax)

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, Texas 75039

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of our Healthsource contracts to CIGNA. To the extent that our provider agreements with Healthsource do require the consent of both parties for assignment, we, the undersigned physicians, DO NOT consent to such an assignment. Furthermore, we have requested that North Texas Specialty Physicians represent us in regards to this matter as our agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have. Thank you for your assistance.

Sincerely,



Physician Name

RICK J. FORD, MD
750 EUREKA, STE C
WEATHERFORD, TEXAS 76086
817-599-4464 817-599-5316 (Fax)

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, Texas 75039

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of our Healthsource contracts to CIGNA. To the extent that our provider agreements with Healthsource do require the consent of both parties for assignment, we, the undersigned physicians, **DO NOT** consent to such an assignment. Furthermore, we have requested that North Texas Specialty Physicians represent us in regards to this matter as our agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have. Thank you for your assistance.

Sincerely,



Physician Name

H. JANE BUSSEY, M.D., F.A.C.S.

1300 WEST TERRELL, SUITE 404
FORT WORTH, TEXAS 76104

TELEPHONE (817) 820-4730
FAX (817) 820-4733

Practice Limited To
Surgery of the Breast

August 6, 1998

Mr. Rick J. Grizzle
A.B.P. Network Strategy and Management
CIGNA Healthcare of Texas
600 E. Las Calinas Blvd., Suite #1100
Irving, TX 75039

CONFIDENTIAL

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998, requesting assignment of our Health Source contracts to CIGNA to the extent that our provider agreements with Health Source do require the consent of both parties for assignment, we, the undersigned physicians, DO NOT consent to such an agreement. Furthermore, we have requested that North Texas Specialty Physicians represent us in regards to this matter as our agent. NTSP will be contacting you shortly in regards to this matter, or please feel free to contact them at 817-332-8847 with any questions or concerns you may have.

Thank you for your assistance.

Sincerely,



H. Jane Bussey, M.D.

HJB/njb

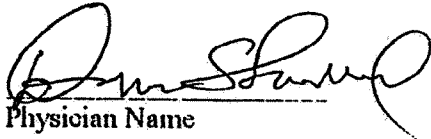
**DAVID M. STARK, MD
750 EUREKA, STE C
WEATHERFORD, TEXAS 76086
817-599-4464 817-599-5316 (Fax)**

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, Texas 75039

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of our Healthsource contracts to CIGNA. To the extent that our provider agreements with Healthsource do require the consent of both parties for assignment, we, the undersigned physicians, **DO NOT** consent to such an assignment. Furthermore, we have requested that North Texas Specialty Physicians represent us in regards to this matter as our agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have. Thank you for your assistance.

Sincerely,



Physician Name

Joe M. Todd, M.D., P.A.

*Suite 207
1650 West Magnolia Street
Fort Worth, Texas 76104*

Orthopedic Surgery

08-12-98

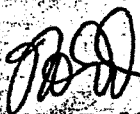
*Telephone (817) 921-3461
Fax (817) 921-5602*

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
Cigna Healthcare of Texas
600 E. Las Colinas Blvd. Ste. 1100
Irving, Texas 75039

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of our Healthsource contracts to CIGNA. To the extent that our provider agreements with Healthsource do require the consent of both parties for assignment, we, the undersigned physicians, DO NOT consent to such an assignment. Furthermore, we have requested that North Texas Specialty Physicians represent us in regards to this matter as our agent. NTSP will be contacting you shortly in regards to this matter of please feel free to contact them at 817-332-8847 with any questions or concerns you may have. Thank you for your assistance.

Sincerely,



Joe M. Todd M.D., P.A.

PAUL R. SENTER, M.D., F.A.C.S.

Diplomate
American Board of Surgery
American Board of Colon and Rectal Surgery

Medical Arts Building
1307 8th Avenue • Suite 602
Fort Worth, Texas 76104 • 817/926-5576

Practice Limited To
Colon and Rectal Surgery
Colonoscopy

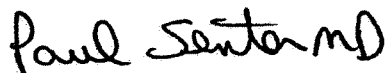
August 7, 1998

CIGNA Healthcare of Texas
600 E. Las Colinas Blvd., Suite 1100
Irving, Texas 75039
ATTN: Rick J. Grizzle

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of my Healthsource contract to CIGNA. To the extent that my provider agreement with Healthsource does require the consent of both parties for assignment, I, the undersigned physician, DO NOT consent to such an assignment. Furthermore, I have requested that North Texas Specialty Physicians represent me in regards to this matter as my agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have. Thank you for your assistance.

Sincerely,



Paul R. Senter, M.D.

PULMONARY ASSOCIATES OF FORT WORTH, L.L.P.

Diseases of the Chest
1201 Fairmount
Fort Worth, Texas 76104
335-5288

JOHN T. PENDER, JR., M.D., P.A.
BILLY M. EDEN, M.D., P.A.

RALEIGH R. GLEASON, III, M.D., P.A.
SCOTT R. DRYZER, M.D., P.A.

August 7, 1998

Mr. Rick Grizzle
A.V.P. Network Strategy and Management
CIGNA Healthcare of Texas
600 E. Las Colinas Blvd., Suite 1100
Irving, TX 75039

Dear Mr. Grizzle:

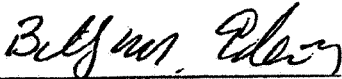
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Thank you for your assistance.

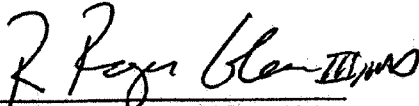
Sincerely,



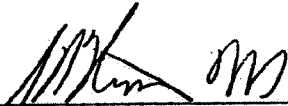
John T. Pender, Jr., M.D.



Billy M. Eden, M.D.



R. Roger Gleason, III., M.D.



Scott R. Dryzer, M.D.

ts



Orthopedic
Specialty
Associates, P.A.

Robert R. Protzman, M.D.
*Reconstructive Surgery
of the Hand and Knee
Sports Medicine*

Keith C. Watson, M.D.
*Reconstructive Surgery
of the Shoulder and Elbow*

John E. Conway, M.D.
*Reconstructive Surgery
of the Shoulder, Elbow
and Knee
Sports Medicine*

Steven B. Singleton, M.D.
*Reconstructive Surgery
of the Shoulder, Elbow,
Knee, and Foot/Ankle
Sports Medicine*

August 6, 1998

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd. #1100
Irving, Texas 75039

Dear Mr. Grizzle,

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of my Healthsource contract to CIGNA. To the extent that my provider agreement with Healthsource does require the consent of both parties for assignment, I, the undersigned physician, **DO NOT** consent to such an assignment. Furthermore, I have requested that North Texas Specialty Physicians represent me in regards to this matter as my agent. NTSP will be contacting you shortly regarding this matter, or you may contact them at 817 332-8847 with any questions or concerns you may have.

Thank you for your assistance.

Sincerely,

Robert R. Protzman, MD
RRP/dd

1325 Pennsylvania Avenue
Suite 890
Fort Worth, Texas 76104
817 878-5300
817 878-5307 Fax

JOHN L. CRAWFORD, M.D., F.A.C.S.

1325 PENNSYLVANIA AVE., SUITE 610

FORT WORTH, TEXAS 76104

(817) 332-2998

GENERAL AND VASCULAR SURGERY

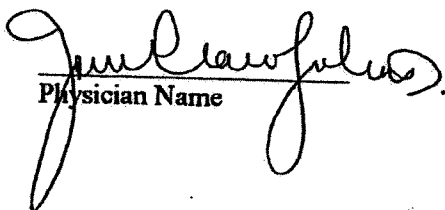
DIPLOMATE, AMERICAN BOARD OF SURGERY

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, Texas 75039

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of our Healthsource contracts to CIGNA. To the extent that our provider agreements with Healthsource do require the consent of both parties for assignment, we, the undersigned physicians, DO NOT consent to such an assignment. Furthermore, we have requested that North Texas Specialty Physicians represent us in regards to this matter as our agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have. Thank you for your assistance.

Sincerely,


Physician Name

LEIGHTON B. PARKER, M.D., P.A.

NEUROLOGICAL SURGERY

800 EIGHTH AVENUE, SUITE 118

FORT WORTH, TEXAS 76104

(817) 332-1993

August 8, 1998

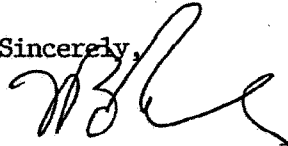
Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, Texas 75039

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of Healthsource contracts to CIGNA. To the extent that my provider agreement with Healthsource requires the consent of both parties for assignment, I DO NOT consent to such an assignment. Furthermore, I have requested that North Texas Specialty Physicians, represent me in regards to this matter as my agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have.

Thank you for your assistance.

Sincerely,



Leighton B. Parker, M.D.

LBP:hk

DIPLOMATE OF THE AMERICAN BOARD OF
NEUROLOGICAL SURGERY
FELLOW AMERICAN COLLEGE OF SURGEONS

FTC-NTSP-CIGNA 000267

CX0760-034

MICHAEL D. KORENMAN, M.D., P.A., F.A.C.S.

Diplomate American Board of Surgery
General Surgery

CONFIDENTIAL

August 6, 1998

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd, Ste. 100
Irving, Texas 75039

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of my Healthsource contract to CIGNA. To the extent that provider agreements with Healthsource do require the consent of both parties for assignment, I, the undersigned physician, DO NOT consent to such an assignment. Furthermore, I have requested that North Texas Specialty Physicians represent me in regards to this matter as my agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have. Thank you for your assistance.

Sincerely,



Michael D. Korenman, M.D., P.A.

Bill Coleman, MD, PA

*Diplomate
American Board of Orthopaedic Surgery*

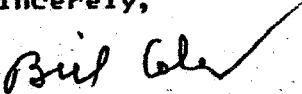
August 10, 1998

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA Helathcare of Texas
600 E. Las Colina Blvd., Ste. 1100
Irving, TX 75039

Dear Mr. Grizzle:

The purpose of this letter is to respond to your correspondence dated July 31, 1998 requesting assignment of our Healthsource contracts to CIGNA. To the extent that our provider agreements with Healthsource do require the consent of both parties for assignment, we, the undersigned physician, DO NOT consent to such an assignment. Futhermore, we have requested that North Texas Specialty Physicians represent us in regards to this matter as our agent. NTSP will be contacting you shortly in regards to this matter or please feel free to contact them at 817-332-8847 with any questions or concerns you may have. Thank you for your assistance.

Sincerely,



William G. Coleman, MD, PA, FRAOS

WBC/gjt

1650 West Magnolia
Professional Arts Building, Suite 109
Fort Worth, Texas 76104
(817) 920-9834
FAX (817) 920-9832

JOHN A. RICHARDS M.D., P.A.

556 EIGHTH AVENUE, FORT WORTH, TEXAS 76104-2080
817/336-6222 FAX (817) 336-6416

August 12, 1998

Mr. Rick J. Grizzle
A.V.P. Network Strategy and Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Suite 1100
Irving, Texas 75039

Dear Mr. Grizzle:

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Sincerely,


John A. Richards, M.D.

FELLOW AMERICAN ACADEMY OF ORTHOPAEDIC SURGERY
MEMBER ARTHROSCOPY ASSOCIATION OF NORTH AMERICA
MEMBER AMERICAN ORTHOPAEDIC SOCIETY FOR SPORTS MEDICINE

FTC-NTSP-CIGNA 000270

CX0760-037



RUSSELL A. WAGNER, M.D.

ADULT RECONSTRUCTION AND
GENERAL ORTHOPAEDIC SURGERY

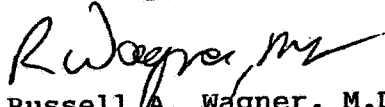
August 12, 1998

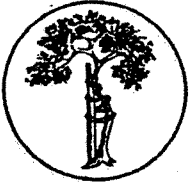
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A.V.P. Network Strategy and Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Suite 1100
Irving, Texas 75039

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Sincerely,


Russell A. Wagner, M.D.



GEORGE N. ARMSTRONG, JR., M.D., P.A.
FELLOW AMERICAN ACADEMY
OF ORTHOPAEDIC SURGEONS

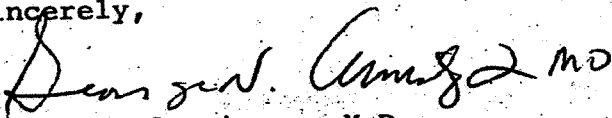
August 12, 1998.

Mr. Rick J. Grizzle
A.V.P. Network Strategy and Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Suite 1100
Irving, Texas 75039

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Sincerely,


George N. Armstrong, M.D.

FILE: NTSP


~~SAMPLE LETTER~~

Mr. Rick J. Grizzle
A.V.P. Network Strategy & Management
CIGNA HealthCare of Texas
600 E. Las Colinas Blvd., Ste. 1100
Irving, Texas 75039

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Sincerely,



Physician Name

Douglas D. Jones MD

Office Staff: Please Distribute to All NTSP Physicians

Tab 3

FAX ALERT #94

North Texas Specialty Physicians
1701 River Run Road, Suite 210
Fort Worth, Texas 76107
817-332-8847
Fax: 817-332-3614

TO: NTSP Members

FROM: Karen Van Wagner, Ph. D.
Executive Director

DATE: September 8, 1998

PAGES: 2

Office Staff: Please Distribute to All NTSP Physicians

Please contact Jo Patton or Becky Atkins at 332-8847 if you do not receive all pages of this fax

RE: Contracting Update

CIGNA Healthcare of Texas/Healthsource North Texas Inc.

NTSP has been in contact with CIGNA Healthcare of Texas as the surviving parent company of Healthsource. CIGNA has informed NTSP that Healthsource as a licensed HMO will no longer exist within the state of Texas. During the purchase of Healthsource by CIGNA, the HMO license associated with Healthsource was not transferred. Therefore, the assignment of Healthsource contracts to CIGNA becomes a technically mute point.

However, NTSP has utilized the assignment opportunity to begin discussions with CIGNA on the adequacy of their overall fee schedules. Initial review indicates a relatively low fee schedule that applies to both HMO and PPO products. NTSP has requested a copy of CIGNA's full and entire fee schedule. We will keep you informed as these discussions progress.

United

NTSP and United representatives have met to discuss contracting issues. Further discussions are scheduled for this week. NTSP's proposal to United is that Dallas rates for both its HMO and PPO products be applied to NTSP physicians.

Health Texas

NTSP and Health Texas, a Dallas based 501(a) are presently in discussion regarding development of a contracting affiliation. The advantages of this affiliation to NTSP members would be access to PPO contracts at Dallas rates. For many specialties, Dallas rates are

Office Staff: Please Distribute to All NTSP Physicians

NTSP 022383

approximately three to five percent higher than PPO rates applied to Tarrant County.

We will keep you informed as these discussions progress.

NO ACTION IS NECESSARY AT THIS TIME BY ANY INDIVIDUAL NTSP MEMBER IN REGARDS TO THE CIGNA, UNITED OR HEALTH TEXAS DISCUSSIONS.

Trans Healthcare

Certain NTSP members have received a Professional Provider Agreement offered by a company called Trans Healthcare. It is our understanding that Trans Healthcare is a Fort Worth based company run by Dr. Mum Farash. In letters received by NTSP members, Trans Healthcare indicates a major client will be Sierra HMO which is acquiring Kaiser Permanente. However, no firm arrangements with Sierra has been confirmed.

After reviewing the Professional Provider Agreement provided by Trans Healthcare, NTSP does not recommend signature by its members at this point in time. This Professional Provider Agreement is a master document authorizing Trans Healthcare as a third party administrator to enter into agreements with Healthcare plans on the members' behalf. The solvency of this organization is not known and a payor list is not provided. Fee schedules are also not attached to the document. NTSP will be contacting Trans Healthcare to request a copy of their most current contract and fee schedule and will work directly with them as your agent. We will keep you informed on how these discussions progress.

AT THIS TIME, HOWEVER, IT IS RECOMMENDED THAT, DUE TO SIGNIFICANT DEFICIENCIES IN THE PROFESSIONAL PROVIDER AGREEMENT, EXTREME CAUTION BE URGED IN EXECUTING THIS DOCUMENT. MEMBERS WHO ARE APPROACHED BY TRANS HEALTHCARE MAY REFER THEM TO THE NTSP OFFICES.

If you should have any questions please feel free to contact the NTSP offices directly.

Office Staff: Please Distribute to All NTSP Physicians

NTSP 022384

Tab 4

FAX ALERT #112

North Texas Specialty Physicians
1701 River Run Road, Suite 210
Fort Worth, Texas 76107
817-332-8847
Fax: 817-332-3614

TO: NTSP Members

Office Staff: Please Distribute to All NTSP Physicians

FROM: Karen Van Wagner, Ph.D.
Executive Director

DATE: December 2, 1998

PAGES: 1

Please contact Jo Patton or Becky Atkins at 332-8847 if you do not receive all pages of this fax.

RE: United Health Care

NTSP and United Healthcare have been in negotiations for their PPO and HMO business for the last 90 days. These negotiations started when United notified NTSP members that they were attempting to standardize their contracts and fee schedules into a basic United Healthcare Physician Agreement. NTSP at that time contacted United to negotiate on behalf of its members. These negotiations resulted in United extending the deadline for NTSP members to standardize all of their United contracts to November 30. United has further extended this deadline until our discussions are completed.

United has offered NTSP an independent HMO and PPO fee schedule. We have made a counter proposal which United will respond to in January. Given what opportunities we have reviewed at this time, NTSP's recent affiliation with Health Texas may be the most desirable contracting alternative. Health Texas currently has a contract with United that approximates 135% of 1997 Medicare for the HMO fee schedule and 147% of the 1997 Medicare for the PPO fee schedule.

NTSP will continue its discussions with United and also pursue the Health Texas option on behalf of its members. No action on NTSP members' current contractual arrangements with United is required at this time.

This information is confidential and is not intended for public perusal. This document should be forwarded immediately to the person to whom it is addressed.

NTSP 022331

Tab 5

FAX ALERT#24

North Texas Specialty Physicians
1701 River Run Road, Suite 210
Fort Worth, Texas 76107
817-332-8847
Fax: 817-332-3614

TO: **NTSP Members
& All Office Managers**

Office Staff: Please Distribute to All NTSP Physicians

FROM: **Dave Palmisano**

DATE: **April 5, 2000**

PAGES: **1**

RE: **Blue Cross HMO Blue Commercial HMO Contract**

Please contact Jo Patton or Becky Atkins at 332-8847 if you do not receive all pages of this fax.

Many of our members participate with the HMO Blue Commercial HMO product through our affiliation with Health Texas. HMO Blue attempted to amend the current Health Texas agreement reimbursement schedule to rates below market. Health Texas did not agree to the rate change and terminated participation. The effective date of the termination is April 8, 2000.

As a result, HMO Blue is currently attempting to directly contract with those NTSP providers who participated via the Health Texas agreement. Many of our members who received this direct contract, have asked for NTSP to contact HMO Blue and attempt to negotiate a group contract. NTSP has evaluated the HMO Blue Group contract rate proposal (which is the same rate proposal as the direct provider and HealthTexas proposal) and has determined that the terms of the rate proposal are below market. Because HMO Blue **is not willing** negotiate the rate proposal, NTSP has declined a group contract. The rate proposal that HMO Blue offered and other factors are as follows:

- A flat 120% of current Dallas RBRVS for all codes other than Lab & X-Ray
- 100% of current Dallas RBRVS for Lab and X-Ray codes
- \$38.00 per unit for Anesthesia Services
- HMO Blue only has 21,645 members in Tarrant County.

Based on the factors above, **NTSP does not recommend participation.** NTSP encourages you to evaluate your membership and determine the impact the Health Texas termination of HMO Blue has on your practice. You may discover that HMO Blue is a contract option via another IPA relationship you may have and that contract may have rates and terms acceptable to you. Pending the applicable situation, you should do one of the following:

- 1) If you choose not to participate, do nothing as HMO Blue will terminate participation effective April 8, 2000.
- 2) If you choose to participate via direct contract, you will need to notify Lisa Marshall at HMO Blue immediately. HMO Blue notified NTSP yesterday that it has established a deadline for notification of participation by close of business Friday April 7, 2000. Lisa Marshall can be reached at 972-766-5129.
- 3) If you decide you will participate through another IPA agreement in which you have access and have deemed acceptable, contact Lisa Marshall and let her know your intentions.

If you have any questions, please call me at 332-8847.

This information is confidential and is not intended for public perusal. This document should be forwarded immediately to the person to whom it is addressed.

**CONFIDENTIAL
NTSP 005225**

Tab 6



1701 River Run, Suite 210
Fort Worth, Texas 76107
817-332-8847 PHONE 817-332-3614 FACSIMILE

October 9, 2000

An Open Letter To The Membership

Five years ago, NTSP was started in an attempt to provide a seat at the table of medical business for the individual specialty physicians in Fort Worth. As individuals and practice groups, we were and are unable to impact most payers to any effect. NTSP through, PPO and risk contracts, has provided a consistent premium fee-for-service reimbursement to the members when compared with any other contracting source. Even more significantly, NTSP has represented the members and provided the administrative expertise to review contracts, confront timely payment issues, and lobby government agencies for physician issues. Over the last year, the majority of calls to the NTSP office are from physicians and offices requesting information and assistance with issues that are not direct NTSP responsibilities. In addition to its contracting functions, NTSP has evolved a forum for its members to cooperate and discuss the general and specific business of medicine, while receiving reliable advice and information. To some extent, NTSP has become a hybrid organization that is somewhere between an IPA and a Physician Practice Management Company.

The strength of this hybrid organization is the degree to which the 253 individual NTSP members cooperate to a common goal. IPA's are by their very nature fragile, but over the last year the NTSP physician network has matured into a much more knowledgeable and integrated entity. Discussions at the general and divisional meetings are well informed and useful. Medical executive committee meetings are well attended and functional. Our disagreements with Medical Select and selected payors have been for the most part supported by the membership. That cooperation is always at risk due to the lack of strong economic links and differences in practice. Short-term advantage and perceived best interest are always controversial and potentially divisive, weakening the strength that our numbers provide.

As you are now aware, the entire Division of Cardiology has elected to sign the MSM Pacific Care contract. There are two important points that I wish to highlight. First, I do not support this action. I believe that this contract is ultimately bad business and will in due course prove to be harmful to those that sign. Secondly, although Cardiology has signed this document, the basic business issues remain unchanged for the balance of the network members -- is this contract and business relationship helpful to you over the next several years? The Board and the vast majority of the network have answered no. Although I am personally affected by this decision by my group and colleagues, a division does not make a network. As we have repeatedly seen, the actions of one physician, one group or even one division do not have the force of an organized network.

Despite this internal disagreement, the need and functional usefulness of NTSP as an organization remains unaffected. The progress of the last year should not be forgotten. We must continue to move forward as a group or we will surely falter as individuals.

A handwritten signature in black ink, appearing to read "W. S. Vance, Jr.", written in a cursive style.

William S. Vance, Jr., M. D.
President

Tab 7

FAX ALERT# 81

North Texas Specialty Physicians
1701 River Run Road, Suite 210
Fort Worth, Texas 76107
817-332-8847
Fax: 817-332-3614

TO: NTSP Members

Office Staff: Please Distribute to All NTSP Physicians

FROM: NTSP Board

DATE: November 29, 2000

PAGES: 3

Please contact Jo Patton or Becky Atkins at 332-8847 if you do not receive all pages of this fax.

RE: Aetna

Attached is a term sheet outlining Aetna's present proposal to NTSP. Aetna's current offer is an across the board fee schedule of 140% of current Medicare for its PPO product and an across the board 116% of current Medicare for the HMO product.

In keeping with the minimum compensation standards as conveyed from the membership earlier this year, the PPO offer of 140% of current Medicare approximates an acceptable minimum standard. The minimum standard previously shared by the membership on an HMO product is 125% of current Medicare or approximately 9% less than Aetna's present offer.

Anesthesia rates for both the HMO and PPO are priced at \$40.00 per unit. HCPCS and J Codes have been priced at 100% of current Medicare.

Because this is a fee-for-service offering falling below the minimum as previously shared via the messenger model to the NTSP Board, we are re-polling the membership on the acceptability of the present Aetna offering. Please check in the space below what your minimum acceptable range of compensation for the Aetna HMO product is.

Please indicate your response and fax this form back to the NTSP offices as soon as possible. A response is requested all NTSP members.

The NTSP Board appreciates your support regarding this matter. If you should have any questions, please contact the NTSP offices directly.

This information is confidential and is not intended for public perusal. This document should be forwarded immediately to the person to whom it is addressed.

**CONFIDENTIAL
NTSP 005086**

Please check in the space below what your minimum acceptable range of compensation for the Aetna HMO product is. Please fax back as soon as possible. Thank you.

- _____ 116% of Current Medicare
- _____ 117% - 120% of Current Medicare
- _____ 121% - 125% of Current Medicare
- _____ 126% - 130% of Current Medicare
- _____ 131% - 135% of Current Medicare
- _____ 136% and above

ANESTHESIA:

- _____ \$40 - 42 Per Unit
- _____ \$43 - \$45 Per Unit
- _____ \$46 - \$48 Per Unit
- _____ \$49 - \$50 Per Unit
- _____ Above \$51 Per Unit

By _____
Signature

Please Print Name

Office Telephone Number

***** Fax Back to NTSP at 817-332-3614 *****

**CONFIDENTIAL
NTSP 005087**

Aetna Term Sheet

Members	15,000
Type of Contract	FFS, Direct
Term:	One year with evergreen clause
Product Scope:	HMO/PPO
Rates	
HMO	Across the board 116% of current Medicare Transition date: 4/1
PPO	140% of current Medicare Transition date: 4/1/00
Anesthesia	
HMO	\$40.00
PPO	\$40.00
HCPCS/J codes	100% of current Medicare
Non-Medicare/ Unlisted codes	
HMO	Unknown
PPO	Unknown
Bundling logic	Unknown

NOTE: Please note this contract offer is a direct contract with Aetna covering 15,000 members. It does not enable or allow NTSP members direct access to any MSM covered lives. These 85,000 lives will be available on a reciprocity basis only, identical to our present PacifiCare arrangement. It is Aetna's position that the direct contract rate will apply in all reciprocity situations.

**CONFIDENTIAL
NTSP 005088**

Tab 8

FAX ALERT# 84

North Texas Specialty Physicians
1701 River Run Road, Suite 210
Fort Worth, Texas 76107
817-332-8847
Fax: 817-332-3614

TO: NTSP Members
FROM: Board of Directors
DATE: December 11, 2000
PAGES: 1

Office Staff: Please Distribute to All NTSP Physicians

Please contact Jo Patton or Becky Atkins at 332-8847 if you do not receive all pages of this fax.

RE: Aetna Update

On December 8, 2000, NTSP transmitted its members' messenger model results regarding the Aetna HMO product to Aetna. These results approximated 125% of current Medicare.

NTSP has reached verbal closure on a contract document for a direct contract on both Aetna's PPO and HMO product. In addition, verbal closure has been reached on all elements of the financial component with the exception of the HMO fee schedule. The membership's message that a 125% of current Medicare HMO fee schedule is required has been transmitted to Aetna and a response on this final contractual item is expected within the next 24 to 36 hours.

NTSP Continues To Act As Your Agent Both With Aetna Direct And With MSM. At This Point, No Further Action Is Required On Your Part.

Please refer all contacts and materials received from either Aetna or MSM to NTSP directly.

As always, we appreciate our members' support in effecting these difficult contractual transitions. If you should have any questions regarding these matters, please feel free to contact the NTSP offices directly.

This information is confidential and is not intended for public perusal. This document should be forwarded immediately to the person to whom it is addressed.

NTSP 014553

Tab 9

Aetna is now offering a 95% of Medicare contracts for all commercial business. This contract was not presented to a solo practitioner, but to Texas Oncology, a very large corporate entity. This aggressive contracting by Aetna bodes ill for any small entities attempting to contract with Aetna this year. NTSP has been successful in negotiating decent rates from Aetna but only after threatening to term the entire NTSP network last year.

As I have argued for a number of years, physicians divided will be cannon fodder in this business. The hope that the Cardiology IPA will protect us from these gorillas is unrealistic. Even a 700 doctor organization such as NTSP may make only a ripple in the water in the coming days but is much more effective than any other organization at this time. Without NTSP's influence this last two years, our market level of reimbursement would be significantly below its present level.

3. What are the plans for NTSP?

For a number of months NTSP has been attempting to morph into a non-risk contracting entity. Because the PSN contract that supports the organization is at risk of collapsing, efforts are now underway to develop a multispecialty PA. Many solo and small group physicians are extremely interested in continuing NTSP under this model. If a core PA can be formed, then a contracting IPA can be wrapped around the PA allowing us to fund an effective administrative unit at a reasonable cost. Unfortunately, it may not be able economically feasible to continue the administrative functions of NTSP without either a risk contract or this PA structure. I believe the time course for the organization to survive or die is six months and would urge that we support this effort.

**RESTRICTED CONFIDENTIAL,
ATTORNEY EYES ONLY -
FTC Docket No. 9312.**

1. What has happened?

The PSN PacifiCare contract became under funded by ~35% starting abruptly within the last few months, most likely due to adverse selection, changing referral rates, technology, and non-NTSP specialty risk (Radiology, ER, Path). Extensive reserves were available to deal with the overage until now. Although NTSP is in no danger of bankruptcy, we will not continue the present contract with an effective network wide reimbursement rate of ~75% of Medicare.

NTSP has been negotiating with PacifiCare a work out of this problem for the last three months. The workout negotiated is a combination of J Code risk taken back by PacifiCare, increased effective cap, changing benefit sets (to change the population), and the increase in premium due in January all combined with a 90 day termination clause without cause. The present FFS for non-PSN patients is 135% of Current Medicare ending January 2003. However, if NTSP terms the contract without cause, the FFS for the HMO will fall to 125% of 2001 Medicare and the Medicare to 100% of 2001 Medicare. This FFS would also end January 2003.

Unfortunately with the workout, our PSN reimbursement will continue at ~75% to 85% of Medicare through Dec 2001, with the non-PSN business (~60% of our PacifiCare business) remaining at 135% of Current. How much better the reimbursement will be after the first of the year is problematic. My own feeling is that if the changes effected to do not produce a more appropriate rate, the contract will be termed effective the end of the first quarter. 2002.

2. Why continue?

The simple answer is that NTSP needs to survive beyond the PSN contract. For approximately six years we have seen the payers coalesce and contract to into the small group that hold all our business. This has followed a pattern that all of us have talked about and predicted for years.

United Health Care came to town six months ago and offered a straight 110% of Medicare contract. The City of FW took a lowball contract based on those rates. Through the efforts of NTSP lobbying the city and terming a group contract with Health Texas, United blinked. United was so eager to dilute our effectiveness that they refused to negotiate with NTSP but offered an improved contract thru ASIA. The fees in the Asia contract are very close to the numbers that NTSP presented as market rates for FW and were rejected out of hand by United officials. United has now returned to the table with NTSP at the direct request of the commissioner of the Dept of Insurance. This United negotiation is a template for other efforts that will need to occur in the near future and would best be coordinated by NTSP.

In addition to the United contract strategy, we have convinced Cigna to utilize the NTSP network in a non-risk contract utilizing our divisional structure and U/M functions as developed for the PSN. In essence, we will be paid a non-risk FFS fee schedule and expected to perform the management functions usually reserved for risk contracts. The payer has recognized that an increased fee schedule paid to a high quality, managed network may result in overall reduced costs. For cardiology, urology, podiatry and ortho, it is the first time we have been able to break down the carved out specialty business that Cigna has used over the last several years.

Tab 10

FAX ALERT#44

North Texas Specialty Physicians
1701 River Run Road, Suite 210
Fort Worth, Texas 76107
817-332-8847
Fax: 817-332-3614

TO: **NTSP Members**
Affiliated Specialists
Sub-contracted Primary Care Physicians

Office Staff: Please Distribute to All NTSP Physicians

FROM: NTSP-Board of Directors

DATE: July 13, 2001

PAGES: 4

Please contact Jo Patton or Becky Atkins at 332-8847 if you do not receive all pages of this fax.

RE: Support Letters to Mayor Barr and City Council

As discussed in both the latest General Membership and Primary Care Council Meetings, NTSP is currently in negotiation with United Health Care in obtaining a market contract for both HMO and PPO business. As of October 1, 2001, the City of Fort Worth will transition from PacificCare to United Health Care products. NTSP providers currently care for the majority of the City employees and their dependants. Additionally, TCU and American Airlines all now offer United as either an exclusive offering or choice to their employees and their dependants

To date, NTSP and United have agreed to basic fundamental language terms contained in the contract. However, both sides are far apart in agreeing to a market reimbursement fee schedule. Currently, many NTSP providers participate with United through the Health Texas offering. Our current reimbursement based on that offering in aggregate, indexes to **114% of current Tarrant Medicare** for the HMO and **127% for the PPO**. Many of our NTSP specialties are currently being paid below current Tarrant Medicare or a little above. A summary by specialty division is attached for your reference. Each year, NTSP polls our membership to establish minimums (determined by the Board based on the result of the polling) for HMO and PPO offerings. These NTSP minimums and the current United offer to NTSP are as follows:

<u>Product</u>	<u>NTSP Minimum</u>	<u>United Health Care Offer</u>
HMO	125% of current Tarrant Medicare	110% of current Dallas Medicare
PPO	140% of current Tarrant Medicare	110% of current Dallas Medicare

As you will notice, United has now taken the policy that they will reimburse physicians the same for both the HMO and PPO even though the premiums are much different. NTSP is not seeking any reimbursement beyond what our current contracts and the market has dictated. Therefore, the NTSP Board has authorized termination the United Health Care contract. However, notice has not yet been sent to United as NTSP must attempt one last strategy.

This information is confidential and is not intended for public perusal. This document should be forwarded immediately to the person to whom it is addressed.

CONFIDENTIAL
NTSP 004898

The NTSP Board members recently met with Mayor Barr of the City of Ft. Worth to share our concerns with him and his employees regarding a possible inadequacy of the United network in which they will transition to on October 1. NTSP also shared the most recent NTSP Network roster containing 600 physicians representing 24 different specialties who contract through NTSP. Although this got the attention of the Mayor, our work is not done.

Attached is a sample letter along with the private fax number for Mayor Barr as well as the names, address, Fax number and e-mail addresses for the Fort Worth City Council Members. The Board believes it is **imperative** for our membership and affiliates to voice your concerns by letter (in your own words on your letter head) to these elected officials about the future network disruption they may be faced with if we cannot resolve this dispute with United. Additionally, we recommend that you request of the Mayor and City Council members that they immediately assist in resolving our negotiations with United Health Care.

Also attached is a talking point reference sheet for your use when communicating to the officials or your patients. NTSP will update you as soon as new information is available regarding this matter.

If you have any questions, please contact NTSP at 817-332-8847.

Current HealthTexas United Healthcare Fee Schedule Comparison by Division

	HMO – Our existing United agreement of 130% of Dallas 1997 Medicare Equals the following % of Current 2001 Tarrant Medicare	PPO -- Our existing United agreement of 145% of Dallas 1997 Medicare Equals the following % of Current 2001 Tarrant Medicare
Allergy	108.0%	120.5%
Anesthesiology	96.1%	107.1%
Cardiology	118.7%	132.4%
Dermatology	107.1%	119.4%
Emergency Medicine	111.9%	124.8%
Endocrinology	99.0%	110.4%
ENT	119.6%	133.3%
Gastroenterology	108.7%	121.3%
Hematology/Oncology	104.8%	116.9%
Infectious Disease	108.3%	120.8%
Nephrology	108.8%	121.3%
Neurology	104.1%	116.1%
Ophthalmology	90.1%	100.5%
PCP	108.8%	121.4%
Physical Medicine	110.9%	123.8%
Physical Therapy	110.0%	122.7%
Pulmonology	111.1%	123.9%
Rheumatology	96.1%	107.2%
Surgery General	119.6%	133.4%
Surgery Neurological	142.0%	158.3%
Surgery Orthopedic	120.0%	133.8%
Surgery Plastic	118.2%	131.8%
Surgery Thoracic	149.6%	166.9%
Urology	109.2%	121.8%
Grand total	113.9%	127.%

*This analysis is based on PSN utilization over a 12 month period.

**CONFIDENTIAL
NTSP 004899**

**UNITED
ENVIRONMENTAL ASSESSMENT**

- NTSP BOARD MINIMUMS HAVE REMAINED CONSTANT FOR FOUR YEARS DESPITE INCREASES IN OTHER AREAS OF HEALTH CARE COSTS
 - 125% HMO
 - 140% PPO
- MAJOR PAYORS IN MARKET – AETNA, PACIFICARE, CIGNA HAVE ALL ESTABLISHED PAYMENT SCHEDULES IN THIS RANGE.
- NTSP HAS AN ESTABLISHED TRACK RECORD OF PROVIDING HIGH QUALITY, OPEN ACCESS CARE.
- NTSP IS THE ONLY STABLE PHYSICIAN ORGANIZATION LEFT IN THE TARRANT COUNTY MARKET
- UNITED PROPOSAL OF 110% OF DALLAS HMO/PPO IS
 - SIGNIFICANTLY BELOW MARKET
 - WILL NOT BE ACCEPTED
 - IS THE ONLY PRODUCT PAYING THE SAME FOR HMO/PPO
- UNITED CANNOT MEET EMPLOYER/EMPLOYEE MATCH OR NETWORK ACCESS STANDARDS WITHOUT NTSP PHYSICIANS PARTICIPATING IN THE NETWORK.
- 3000 EMPLOYEES AND DEPENDENTS WILL LOSE ALL THEIR PHYSICIANS.
- 11,000 WILL LOSE ACCESS TO MAJORITY OF THEIR SPECIALTY PHYSICIANS.
- NTSP IS NOT ASKING FOR UNITED TO PAY MORE THAN THEIR COMPETITORS.
- NTSP IS ASKING THEY MATCH MARKET PRICING TO OBTAIN A STABLE, HIGH QUALITY EASILY ACCESSIBLE NETWORK OF PHYSICIANS.

**CONFIDENTIAL
NTSP 004900**

SAMPLE LETTER

Please phrase in your own words as this is an example

*SEND TO MAYOR KEN BARR
FAX # 817-871-6187
Blind carbon copy: NTSP Office*

July , 2001

The Honorable Kenneth Barr
Mayor, City of Fort Worth
1000 Throckmorton
Fort Worth, Texas 76102

And/Or City Council Member

Dear Mayor Barr:

It is my understanding that the city is in the process of transitioning to United Health Care effective October 1, 2001. Many of my patients are city employees or dependants and I/we have enjoyed caring for and managing their health for years. On behalf of my practice/group I would like to share my concern about your transition to United Health Care.

United's employer premiums are comparable to market expectations however, their reimbursement to physicians is well below market benchmarks. In fact, their physician reimbursement borders on the lowest in the region. They insist on paying the same reimbursement for HMO and PPO products although the premium you and your employees pay are much different. This practice of all products pricing and below market rates cannot be tolerated as practice overhead, healthcare staff salaries and basic services/supplies continue to rise.

I/We take a lot of pride in serving our patients and we want to continue serving them all. I look for your assistance in communicating to United that they offer a reasonable solution to this situation so I/we can continue to see City Employees and their dependants without disruption.

In the best interest of my/our current City of Ft. Worth patients, I/we ask for your assistance in resolving this dispute before the City transitions to United Health Care.

Sincerely,

CITY OF FORT WORTH CITY COUNCIL MEMBERS

1000 Throckmorton St.
City Hall
Fort Worth, Texas 76102
Phone 817-871-8802
Fax 817-871-6187

- | | | |
|------------|----------------|--|
| District 2 | Jim Lane | District2@CI.fort-worth.Tx.US |
| District 3 | Chuck Silcox | CRSILCOX@AOL.com |
| District 4 | Becky Haskin | District4@CI.fort-worth.Tx.US |
| District 5 | Frank Moss | District5@CI.fort-worth.Tx.US |
| District 6 | Clyde Picht | Cpicht@landslideclyde.com |
| District 7 | Jeff Wentworth | District7@CI.fort-worth.Tx.US |
| District 8 | Ralph McCloud | District8@CI.fort-worth.Tx.US |
| District 9 | Wendy Davis | District9@CI.fort-worth.Tx.US |

**CONFIDENTIAL
NTSP 004901**

Tab 11

1701 River Run, Suite 210
Fort Worth, Texas 76107
PHONE 817-332-0614 FAX 817-332-0614

July 23, 2001

Diane Youngblood
AVP, Managed Care & Network Management
HealthTexas Provider Network
2001 Bryan Street, Ste. 2700
Dallas, TX 75201

*Certified Mail
Return Receipt Requested*

RE: Termination – United Health Care Products

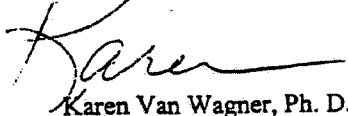
Dear Diane:

As per the terms outlined in the Termination Provision described in Section 5.4 of the contract between Health Texas and United Health Care, NTSP hereby submits, via this letter, the required ninety (90) calendar day advance written notice to Health Texas and United of its termination of participation in all United products offered through Health Texas. Attached you will find a list of NTSP providers for which this termination will be effective. Therefore, as of October 20, 2001, the attached NTSP providers will no longer be contracted to participate with any United Health Care products through Health Texas.

NTSP will continue to work with United over the next ninety days in the hopes of resolving our issues. Any assistance Health Texas can provide to this process would be greatly appreciated.

Thank you for your prompt processing of this matter.

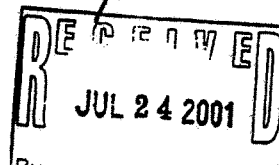
Sincerely,



Karen Van Wagner, Ph. D.
Executive Director
Enclosure

Cc: ✓ Tom Quirk, United Health Care
Doug Arrington, United Health Care
Honorable Kenneth Barr

H. Worth Mayor



SAKaren Van WagnerUnited Term Letter 7-23-01.doc

FTC-NTSP-UNITED 000006



1701 River Run, Suite 210
Fort Worth, Texas 76107
817-332-8847 phone 817-332-3614 facsimile

*fax to Elizabeth Avery
(214) 310-8345
(212) 310-8345*

July 23, 2001

Diane Youngblood
AVP, Managed Care & Network Management
HealthTexas Provider Network
2001 Bryan Street, Ste. 2700
Dallas, TX 75201

*Certified Mail
Return Receipt Requested*

RE: Termination - United Health Care Products

Dear Diane:

As per the terms outlined in the Termination Provision described in Section 5.4 of the contract between Health Texas and United Health Care, NTSP hereby submits, via this letter, the required ninety (90) calendar day advance written notice to Health Texas and United of its termination of participation in all United products offered through Health Texas. Attached you will find a list of NTSP providers for which this termination will be effective. Therefore, as of October 20, 2001, the attached NTSP providers will no longer be contracted to participate with any United Health Care products through Health Texas.

NTSP will continue to work with United over the next ninety days in the hopes of resolving our issues. Any assistance Health Texas can provide to this process would be greatly appreciated.

Thank you for your prompt processing of this matter.

Sincerely,

Karen Van Wagner, Ph. D.
Executive Director
Enclosure

Cc: Tom Quirk, United Health Care
Doug Arrington, United Health Care
Honorable Kenneth Barr - *Mayor - City of Ft. Worth*

S:\Karen Van Wagner\United Term Letter 7-23-01.doc

Payor HealthTexas or NTSP by Payor

Payor	Ins Long Name	Physician Number and Name	Contract Eff Date
HealthTexas	United HealthCare HMO/P		
		0062859 Danochowski, Roger R.	8/1/00
		0008914 Dowling, Robert A.	8/1/00
		0060754 D'Amico, Daniel G.	5/15/00
		0049218 Ellis, Thomas S.	3/1/00
		0025875 Fitzgerald, Stephen D.	5/15/00
		0063222 Flower, Brian E.	2/1/00
		0007426 Ford, Rick J.	12/1/99
		0001777 Forshey, R. Lee	12/1/99
		0008729 France, John W.	4/28/00
		0009625 Gaines, Joseph H.	8/23/00
		0000963 Gibler, Sheridan T.	5/15/00
		0000630 Gilin, Philip W.	1/1/00
		0029370 Grays, Peter E.	8/1/97
		0001726 Guinan, Robert B.	8/1/97
		0002598 Hendricks, G. David	12/1/99
		0000001 Hooker, Glen D.	2/1/01
		0008928 Hubbard, Richard O. 752558505	12/1/99
		0012103 Hugueny, H. Kenneth	4/28/00
		0002407 Innes, Emily M.	3/1/00
		0003237 Jackson, John S.	8/1/97
		0010718 Jarypa, Gregory A.	2/1/97
		0007100 Johnson, John W.	2/1/00
		0006747 Khan, Khajant A.	3/1/00
		0010657 Lindsay, Robert	3/1/00
		0008381 Lovat, Robert J.	4/28/00
		0017233 Lowry, Wade L.	8/1/00
		0039295 Maic, Kenneth A.	12/1/99
		0003251 Malachuk, Harold	12/1/99
		0024215 Marge, Theodora E.	12/1/99
		0061429 McDonald, Cheryl K.	4/28/00
		0013086 McNamee, Brian T.	5/15/00
		0007421 Miller, D. Scott	7/1/00
		0031543 Morris, Laura F.	12/1/99
		0000909 Morton, Don A.	8/1/97
		0032278 Mottar, James G.	8/23/00
		0000004 Mott, Loren C.	2/1/01
		0079338 Parham, John A.	7/1/00
		0048902 Pisto, Kirk J.	8/1/00
		0002408 Price, V. Gary	8/1/00
		0013033 Prottzman, Robert R.	8/1/00
		0063051 Rajan, Bony	4/8/00
		0028324 Rodriguez, Jr., Francisco	12/1/99
		0006718 Romanthal, Jr., Harry	12/1/99
		0034384 Rody, Delfert C.	8/1/00
		0009791 Rutledge, Peter L.	4/28/00
		0011408 Szabowski, Eberhard R.	3/1/00

Payor HealthTexas or NTSP by Payor

Payor	Ins Long Name	Physician Number and Name	Contract Eff Date
HealthTexas	United Health Care HMO/P		
	344569833	Armstrong, John E.	4/1/01
	0007272	Artin, Richard A.	1/1/01
	0009627	Broderick, Stephen L.	8/15/00
	0001022	Cappert, Robert B.	8/15/00
	8017211	Cady, David D.	8/15/00
	0002361	Crawford, John L.	8/15/00
	8002300	Darand, John L.	8/15/00
	0028463	DeGroot, Steven	8/15/00
	0009866	Hollender, Ira N.	8/15/00
	0000229	Johnson, J. David	8/15/00
	0000863	Lammend, Hugh	8/15/00
	0001421	Lebeck, Phil	8/15/00
	0008953	McBride, K. Wade	8/15/00
	0020264	Miles, Joseph C.	8/15/00
	0039219	Moser, III, Frank H.	8/15/00
	0077460	Ortberg, Joseph M.	8/15/00
	0012555	Parker, Leighton B.	8/15/00
	0060444	Parish, David L.	8/15/00
	0001026	Pugh, Bill E.	8/15/00
	0007283	Sutton, Paul R.	7/1/00
	0000123	Therman, Addison E.	8/15/00
	0009901	Todd, Joe M.	7/1/00
	0007834	Tucker, Robert J.	8/15/00
	0001034	Vance, William J.	8/15/00
	0006733	Watt, Brian R.	8/15/00
	0023862	WELARD, John E.	8/15/00
	0009622	Winkley, Steven J.	8/15/00
	8010347	Wynn, John M.	8/1/00
	0001046	Wright, Carl E.	8/1/00
	0001654	Sowell, Robert W.	8/1/00
	0008929	Buckel, Philip C.	12/1/99
	0039390	Adams, Larry E.	4/28/00
	0005083	Anderson, Lee E.	12/1/99
	0000907	Bernswald, Harold	8/1/97
	0023442	Blaugher, Lee G.	4/20/00
	0073864	Bradley, William T.	1/1/00
	0016789	Brooks, Michael E.	4/28/00
	0008583	Buzay, Helen J.	12/1/99
	0010814	Chandler, Gary W.	4/1/00
	0002974	Chandler, Kathleen	4/28/00
	0013222	Conroy, John E.	8/1/00
	0001823	Corbin, Donald B.	8/1/97
	0038320	Crisol, Louis E.	8/15/00
	0001583	Dolan, Mark D.	8/1/97
	0010830	Dunn, Thomas M.	8/1/97
	0011773	Dunn, Thomas N.	8/1/97

Payor HealthTexas or NTSP by Payor

<u>Payor</u>	<u>Ins Long Name</u>	<u>Physician Number and Name</u>	<u>Contract Eff Date</u>
HealthTexas	United HealthCare HMO/P		
		0008517 Schmidt, Robert R.	12/1/99
		0004004 Shaffer, Howard	4/28/00
		0040191 Siegler, Steven B.	8/1/00
		0003110 Spradley, Larry W.	1/1/01
		0000906 Tebey, Martin A.	8/15/00
		0001155 Tolson, Lois C.	12/1/99
		0004995 Trueman, Thomas C.	8/1/00
		0002330 Van Wyt, William J.	12/1/99
		0000621 Vigoren, Richard M.	8/1/00
		0001497 Walter, Michael C.	3/1/00
		0015821 Watson, Keith C.	12/1/99
		0008931 Wilson, Warren D.	12/1/99
		0003231 Braki, Dan E.	12/1/99
		0003178 Johnston, Don F.	8/1/00
		154700314 Ramot, Karim F.	8/1/01

Tab 12

FAX ALERT# 52

North Texas Specialty Physicians
1701 River Run Road, Suite 210
Fort Worth, Texas 76107
817-332-8847
Fax: 817-332-3614

TO: NTSP Members and Affiliates

FROM: Board of Directors

DATE: August 9, 2001

PAGES: 3

Please contact Jo Patton or Becky Atkins at 332-8847 if you do not receive all pages of this fax.

RE: United Healthcare

On July 23, 2001, NTSP's Board sent a Termination Notice to HealthTexas and United regarding the United HMO and PPO products. This Termination Notice was sent on behalf of all 104 physicians currently contracted through NTSP for United's HMO and PPO products via the NTSP/HealthTexas contract. The effective date of this term notice is October 20, 2001.

NTSP's Board terminated this contract for two reasons.

1. The proposed reimbursement rates for the HMO and PPO product had fallen significantly below Board approved minimums.
2. United was proposing a single fee schedule for both the HMO and PPO product.

As with previous contracts, several members have requested that NTSP act on their behalf in regards to all contracting activity between themselves and United Health Care. These requests have come from members who were presently contracted through NTSP as well as members who have other contracting affiliations. In order to represent NTSP members in contracting activities with United Health Care, a Power of Attorney must be executed between yourself and NTSP. Attached you will find a Power of Attorney form which, when executed, will allow NTSP to represent you in all contracting activities regarding United Health Care.

This information is confidential and is not intended for public perusal. This document should be forwarded immediately to the person to whom it is addressed.

NTSP 014941

August 9, 2001

If you wish NTSP to be your contracting representative, please execute the attached Power of Attorney and return to the NTSP offices as soon as possible. NTSP will then notify United directly of your actions.

If you should have any questions regarding this matter, please feel free to contact the NTSP offices. We appreciate our members' support regarding this matter.

Attachments

NTSP 014942

August 9, 2001

POWER OF ATTORNEY

The undersigned, whose social security number and address are set forth opposite the undersigned's name below, appoints, with full power of substitution, North Texas Specialty Physicians, a Texas non-profit corporation, whose address is 1701 River Run, Suite 210, Fort Worth, Texas 76107, as attorney-in-fact to act for me in any lawful way with respect to all contracts and agreements (including without limitation all prospective contracts or agreements) with and/or involving the undersigned and United Health Care and all affiliates, including without limitation all Participating Provider Services Agreements, Notice of Payor Contract Offers and/or any acceptances thereof. This power of attorney grants to the agent the authority to act on the undersigned's behalf regarding the foregoing described agreements in all respects, including the authority to negotiate the terms of, enter into, execute, amend, modify, extend or terminate any such agreements.

UNLESS YOU DIRECT OTHERWISE ABOVE, THIS POWER OF ATTORNEY IS EFFECTIVE IMMEDIATELY AND WILL CONTINUE UNTIL IT IS REVOKED

I agree that any third party who receives a copy of this document may act under it. Revocation of this durable power of attorney is not effective as to a third party until the third party receives actual notice of the revocation. I agree to indemnify the third party for any claims that arise against the third party because of reliance of this power of attorney.

Signed this _____ day of _____, 2001

Signature

Social Security No: _____

Print Name: _____

Address: _____

Fax back to NTSP at 817-332-3614

NTSP 014943

Tab 13



1701 River Run, Suite 210
Fort Worth, Texas 76107
817-332-8847 PHONE 817-332-3614 FACSIMILE

August 13, 2001

Dear NTSP Member:

In accordance with the current NTSP bylaws, the Board of Directors last week seated three elected board members and elected its officers for the 2001-2002 fiscal year. For the first time, we have seated three board members elected by their respective sections; Tom Deas for GI, Pulmonary and Dermatology; Robert Ruxer for Hem/Onc, Nephrology and PM&R; and Harry Rosenthal for Ophthalmology, Neurosurgery, and Plastic Surgery.

After these new members were installed, the new Board then elected officers for the next year: Tom Deas, President and Paul Grant, Treasurer were selected from the current Board, while two supplemental Board members were then added through election as officers, Jack McCallum, Vice-President and Doug Myers, Secretary.

Tom Deas, Robert Ruxer and Harry Rosenthal will serve three-year terms while the Board has elected Jack McCallum and Doug Myers for one-year terms.

The Board now consists of Tom Deas (President), Jack McCallum (Vice-President), Paul Grant (Treasurer), Doug Myers (Secretary), Bill Vance, Ira Hollander, Harry Rosenthal, Britt West, Robert Ruxer, Susan Blue, and Mark Presley. Frank Lonergan attends all Board functions as representative of the PCP Council.

The recent change in the Bylaws of NTSP was undertaken to broaden participation in the organization, and provide a more democratically elected Board. As all other "physician" groups fall to the side, it is even more critical that NTSP broaden its base and maintain a focus for physician issues. Although I have stepped down from a more visible leadership role in NTSP, I remain absolutely convinced that a broad based multispecialty/primary care based physician organization is the only effective device for confronting the challenges of the massive corporate entities that are now contracting for health care.

When NTSP was organized six years ago, risk contracting was a mechanism whereby physicians could assume a portion of the economic control of medicine and thereby maintain control of medical care. As you recall, we were faced with intense contracting pressures to manage care or lose access to patients. NTSP and many other physician groups were born out of the attempt to meet that challenge. Although we are

ADAMS 000411

CX0380-001

increasingly challenged by our present PacificCare contract, the vast majority of NTSP members have on balance benefited economically from our risk contracts. Lest you forget, we were paid a 15% bonus on all our Harris HMO commercial business from January 1996 through January 1998. During that time, all withholds were returned and a moderate channeling of business to NTSP members occurred. With the advent of the PSN, commercial reimbursement continued above market and Medicare averaged 105%. Although reimbursement has recently fallen, most members have still derived a net benefit from the PacificCare contracts that followed the old Harris Health Plan contract given that all fee-for-service direct reimbursement remains above market at 135% of current Medicare.

This accounting does not include the many non-risk contracting and MSO functions that are provided by NTSP. The most dramatic of these MSO like functions concern NTSP's representation of the membership and negotiations on their behalf with MSM. For the last year, the NTSP administration had been extremely concerned that MSM was not a viable entity. In an effort to secure the member's interests, NTSP was able to obtain direct contracts with Aetna and reciprocity agreements with PacificCare to protect NTSP members in the event that MSM might economically fail. In the present MSM bankruptcy chaos, NTSP members who contracted for all their Aetna and PacificCare business through NTSP will likely receive full reimbursement from Aetna and PacificCare for all their outstanding MSM accounts receivable.

In contrast, it appears that there will be almost no reserve money to cover MSM's physician accounts not covered by these NTSP negotiated contracts. For many members who have not been paid for 3 or more months, this NTSP provided safety net may be worth more than all the previous contracts negotiated.

In addition to the more dramatic MSM related contracts, a number of PPO and fee for service HMO contracts have been negotiated directly by NTSP or through Health Texas. Many of these non-risk premium contracts provided by NTSP provide fee schedules 5 to 15% over Tarrant County rates.

NTSP has also provided the membership a forum for their conflicts with the payers. Through lobbying in Austin and direct negotiations, member concerns over late payments, bundling logic, below market fee schedules, and restrictive administrative rules have been brought to the payers and often resolved.

Earlier this year, NTSP members noted an unusual increase in severe Baycol side effects. Through NTSP efforts six months ago, the PacificCare formulary was altered to allow alternatives to Baycol. As of last week Baycol was recalled due to these drug related problems, and it is likely that many patients were protected by this NTSP initiated early formulary change. In these and other instances, we have repeatedly seen that no single physician group is able to bring to bear the influence contained in our present countywide network of almost 600 specialty and primary care physicians.

ADAMS 000412

August 13, 2001

What is the future of medical contracting and NTSP? Despite our past success with risk contracting, this contracting model is unlikely to be a viable mechanism for the foreseeable future. Physician groups are unable to provide reserves needed to manage the risk for the large populations required, and most physician groups (except for NTSP) have fared poorly in these endeavors. Payers are likewise very reluctant to pass down risk when the result is the type of meltdown seen at Medical Select Management. In addition to this loss of risk contracting, the payers and physicians are increasingly confronted by legal attacks on "limitation of care" under classic managed care. In recent conversations, a major payer has stated that they will not attempt to "manage" care through the rigorous precerts and utilization management seen in the past.

Although most physicians are more than happy to see this aspect of managed care disappear there are consequences. If the payers do not manage utilization of services, they can manage their costs only by reducing the unit costs, eg. lower fee schedules, so that the increase in utilization is offset by drastically lower fee schedules. Into the void left by MSM, the major insurers will offer fee for service contracts at 20 to 30% below the present market. Medicare HMO contracts at 90% or less of Medicare are already appearing in Tarrant County. Unless NTSP or someone can provide a unifying voice for physicians, we will see a free fall in fees similar to the experience seen in Florida, which for several years has seen commercial and managed Medicare rates uniformly below current Medicare levels.

The challenge for NTSP is to evolve into an organization that allows physicians to cooperate outside the limited boundaries of risk contracting. We have a reputation in the community and with the payers as a network of premier physicians. But unlike any other group, we not only have a reputation we have five years of data to back up our claim as cost effective.

The past six years have seen huge shifts in the business of medicine but the driving concept for NTSP remains viable—develop a large, physician run organization that allows physicians to manage medical care and promotes physician interests. Although NTSP has at times stumbled and some have not been perfectly served, the organization has accomplished much and deserves your continued support. Unless physicians can cooperate in the structure of some larger entity, the massive corporate forces of medical business will overwhelm us.

Sincerely,



William S. Vance, Jr., M. D.

ADAMS 000413

Tab 14

FAX ALERT# 56

North Texas Specialty Physicians
1701 River Run Road, Suite 210
Fort Worth, Texas 76107
817-332-8847
Fax: 817-332-3614

TO: NTSP Members, Affiliates and PCPs

FROM: Cherise Webster
Provider Relations/Development

DATE: August 24, 2001

Office Staff: Please Distribute to All NTSP Physicians

PAGES: 3

Please contact Jo Patton or Becky Atkins at 332-8847 if you do not receive all pages of this fax.

RE: United Healthcare

NTSP is receiving calls from NTSP members regarding a direct contract offer from United Healthcare. These members have requested an update on NTSP's current negotiations with United in order to make the best decision for their individual practices.

NTSP terminated the United Healthcare contract through HealthTexas Provider Network on July 23, 2001. The effective date of this termination is October 20, 2001. Please refer to Fax Alert #52 for details concerning the termination of the HealthTexas United Healthcare contract.

Thus far, NTSP has received 107 signed documents from NTSP members assigning NTSP power of attorney to act on their behalf in regard to all contracting activity between themselves and United Healthcare.

If you signed a NTSP Power of Attorney for contracting with United, you should inform all United representatives who contact you that NTSP is your contracting agent for United Healthcare and instruct them to contact NTSP directly.

If you did not sign the NTSP Power of Attorney and you wish to do so, please sign and return page 3 of this Fax Alert to the NTSP office. (Fax # 817-332-3614)

If you wish to contract or negotiate directly with United rather than through NTSP, no action is required.

On page 2 of this Fax Alert you will find a breakdown of the terminated Health Texas United Healthcare fee schedule, (130% of 1997 Dallas Medicare for HMO and 145% of 1997 Dallas Medicare for PPO), as it compares to 2001 Tarrant County Medicare. This breakdown was calculated based upon PSN utilization over an 11-month period for each NTSP division.

Most NTSP divisions fell below the NTSP acceptable minimums of 125% of current Medicare for HMO and 140% of current Medicare for PPO contracts. This was the basis for NTSP's termination of the HealthTexas United Healthcare contract.

This information is confidential and is not intended for public perusal. This document should be forwarded immediately to the person to whom it is addressed.

NTSP 014926

NTSP will continue to pursue a direct contract with United Healthcare that meets or exceeds the fee schedule minimums set by the NTSP membership. We will continue to update our members regarding the results of these contracting efforts.

As always, we thank the NTSP members for their continued input and support.

If you have questions please call the NTSP office. (817-332-8847)

HealthTexas United Healthcare Fee Schedule Comparison by Division

	HMO United agreement of 130% of Dallas 1997 Medicare Equals the following % of Current 2001 Tarrant Medicare	PPO United agreement of 145% of Dallas 1997 Medicare Equals the following % of Current 2001 Tarrant Medicare
Allergy	108.7%	120.54%
Anesthesiology	91.62%	102.20%
Cardiology	120.39%	134.28%
Dermatology	100.66%	112.28%
Endocrinology	98.08%	109.40%
ENT	120.64%	134.56%
Gastroenterology	106.97%	119.31%
Hematology/Oncology	102.89%	114.76%
Infectious Disease	107.37%	119.76%
Nephrology	109.18%	121.78%
Neurology	101.95%	113.71%
Ophthalmology	87.71%	97.84%
PCP	97.18%	108.39%
Physical Medicine	107.44%	119.84%
Pulmonology	110.56%	123.31%
Rheumatology	96.06%	107.15%
Surgery General	118.24%	131.88%
Surgery Neurological	139.93%	156.07%
Surgery Orthopedic	116.84%	130.33%
Surgery Plastic	121.67%	135.71%
Surgery Thoracic	149.29%	166.52%
Urology	108.35%	120.86%
GRAND TOTAL	106.87%	119.20%

NTSP 014927

August 24, 2001

POWER OF ATTORNEY

The undersigned, whose social security number and address are set forth opposite the undersigned's name below, appoints, with full power of substitution, North Texas Specialty Physicians, a Texas non-profit corporation, whose address is 1701 River Run, Suite 210, Fort Worth, Texas 76107, as attorney-in-fact to act for me in any lawful way with respect to all contracts and agreements (including without limitation all prospective contracts or agreements) with and/or involving the undersigned and United Health Care and all affiliates, including without limitation all Participating Provider Services Agreements, Notice of Payor Contract Offers and/or any acceptances thereof. This power of attorney grants to the agent the authority to act on the undersigned's behalf regarding the foregoing described agreements in all respects, including the authority to negotiate the terms of, enter into, execute, amend, modify, extend or terminate any such agreements.

UNLESS YOU DIRECT OTHERWISE ABOVE, THIS POWER OF ATTORNEY IS EFFECTIVE IMMEDIATELY AND WILL CONTINUE UNTIL IT IS REVOKED.

I agree that any third party who receives a copy of this document may act under it. Revocation of this durable power of attorney is not effective as to a third party until the third party receives actual notice of the revocation. I agree to indemnify the third party for any claims that arise against the third party because of reliance of this power of attorney.

Signed this _____ day of _____, 2001

Signature

Social Security No: _____

Print Name: _____

Address: _____

Fax back to NTSP at 817-332-3614

NTSP 014928

Tab 15



UnitedHealthcare of Texas Inc.
5800 Granite Parkway Suite 900 Plano TX 75024
Tel 469 633 8500 Fax 469 633 8634 Toll Free 800 458 5653

August 28, 2001

The Board of Directors
North Texas Specialty Physicians
1701 River Run, Suite 210
Fort Worth, TX 76107

To the Board of Directors:

I have been advised by UnitedHealthcare's antitrust counsel that there may be serious antitrust issues raised by the manner in which North Texas Specialty Physicians ("NTSP") is representing its physician members in their contractual arrangements with UnitedHealthcare. I am writing this letter for the benefit of our Dallas-Fort Worth members, and am hopeful that we are able to resolve this matter without the need to approach state or federal antitrust agencies. We believe that a constructive conversation with your antitrust counsel can effectively clarify the facts and resolve any issues.

We believe our Dallas-Fort Worth members deserve access to the best possible healthcare at a reasonable cost. Efforts made to restrict competition by engaging in price fixing and organizing boycotts is against the law and artificially inflates prices; it also hurts the people of Texas by obstructing UnitedHealthcare's ability to create a Metroplex-wide network. We hope that is not your intent.

In order to resolve this matter, our antitrust counsel attempted last week to arrange to discuss the issues with Mr. Bill Van Wagner from Thompson & Knight, who we have been told represents NTSP. Unfortunately, Mr. Van Wagner refused to discuss the matter. This remains a critical and urgent situation for our members, and we must speak with you about it.

We are concerned that NTSP, through powers of attorney obtained from certain physician members, has withdrawn all of those members from participating in the UnitedHealthcare - Health Texas contract. We have been forwarded a copy of "Fax Alert #52" from you to NTSP members, dated August 9, 2001. The fax indicates that the grounds for NTSP terminating its members' participation in this contract were that UnitedHealthcare's proposed rates were below "Board approved minimums," and because UnitedHealthcare proposed one fee schedule for all products. We are alarmed by the request in that fax for powers of attorney to allow NTSP to negotiate on behalf of its members with respect to "all contracting activity" with UnitedHealthcare.

NTSP's actions suggest that it is setting minimum rates for its members, below which it has effectively refused to negotiate with UnitedHealthcare. It also suggests that NTSP is attempting to aggregate bargaining power vis-à-vis UnitedHealthcare for the purpose of negotiating rates and rate-related terms. It appears to us that the collective withdrawal of NTSP physicians from the Health Texas - UnitedHealthcare contract, the request for powers of attorney to allow NTSP to negotiate in relation to all UnitedHealthcare activities and the refusal to negotiate, are connected.

CONFIDENTIAL
NTSP 004424

On the basis of our counsel's advice, I believe this conduct raises serious antitrust concerns. As you may know, it is permissible for a group of physicians to associate together to facilitate cost effective contracting with health insurers in the form of a "messenger model" IPA. The purpose of the "messenger," or IPA, is to act as a conduit of information and offers made to the physician members. However, absent financial risk sharing or substantial clinical integration on the part of the IPA (neither of which I understand apply to NTSP in this situation), the IPA is not permitted to set rates on behalf of its members or facilitate collective fee negotiations or a collective refusal to deal. Such conduct is considered per se illegal under the antitrust laws and is subject to civil and criminal penalties. I understand that the antitrust agencies have closely scrutinized IPA activities under the "messenger model." For example, the Texas Surgeons' attempts to collectively negotiate with the Blues and UnitedHealthcare were the subject of a Federal Trade Commission ("FTC") investigation and lawsuit filed in May 2000.

While there may be pro-competitive benefits in negotiating with a group, UnitedHealthcare must ensure that its negotiations comply with antitrust laws. As you know, antitrust laws play a crucial role in bolstering competition by prohibiting price fixing and boycotts. The collective action on the part of NTSP interferes with legitimate market practices, posing a serious threat to consumers by potentially raising health care costs and restricting our members access to physicians and other specialists in the Dallas-Fort Worth area.

UnitedHealthcare would like to work constructively with NTSP to resolve these important concerns. However, unless we are able to have a meaningful discussion, we will have no choice but to take this matter further with the appropriate agencies. UnitedHealthcare simply cannot stand by and accept rates resulting from an apparently illegal collective bargaining process, knowing that, in turn, its members bear the burden.

If my understanding of NTSP's conduct is incorrect, I invite you to submit information to refute my findings or otherwise persuade me that this conduct should not be addressed as illegal collective bargaining. Kindly submit your comments in writing within seven (7) days so that we can take the appropriate steps to resolve this matter.

Sincerely,



Thomas J. Quirk
Chief Executive Officer

cc: Elizabeth Avery, Weil, Gotshal and Manges, LLP
Susan Casey, UnitedHealthcare
C. Richard Cook, UnitedHealthcare
Janice Zigler, UnitedHealthcare
Scott Albosta, UnitedHealthcare
Douglas Arrington, UnitedHealthcare
Sheila Letscher, UnitedHealthcare

CONFIDENTIAL
NTSP 004425

Tab 16



1701 River Run, Suite 210
Fort Worth, Texas 76107
817-332-8847 PHONE 817-332-3614 FACSIMILE

September 5, 2001

Mr. Thomas Quirk
Chief Executive Officer
UnitedHealthcare
5800 Granite Parkway, Ste. 900
Plano, TX 75024

Re: United Letter Dated August 28, 2001

Dear Mr. Quirk:

Thank you for your letter of August 28, 2001 identifying concerns regarding NTSP's representation of its physicians in contractual discussions with UnitedHealthcare. The Board wishes to answer any questions you have regarding this matter directly and invites you to attend its next meeting on Monday, September 10th at 7:30 a.m. in the NTSP offices.

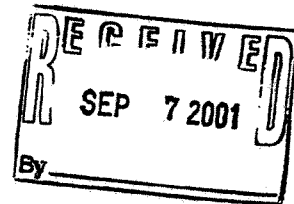
NTSP is fully aware of the antitrust issues surrounding an IPA's use of the messenger model and at all times complies with antitrust regulations and practices.

Your letter of August 28th, incorrectly states several aspects of how NTSP conducts its business. The Board does not set minimum rates for our members visa vie a messenger model. In addition, the Board does not negotiate financial terms on our fee-for-service contracts.

We look forward to having a face-to-face discussion with you and answer any questions you may have. We believe as a result of that discussion, the facts will show that beyond a shadow of a doubt all of NTSP's activities are compliant with antitrust laws.

Sincerely,

Tom Deas, M. D.
President



FTC-NTSP-UNITED 000020

Tab 17

FAX ALERT#62

North Texas Specialty Physicians
1701 River Run Road, Suite 210
Fort Worth, Texas 76107
817-332-8847
Fax: 817-332-3614

TO: NTSP Primary Care Affiliates
NTSP Physicians,
Specialty Net, Radiology Associates
Unity, NETIMA, ASMA, FHCA

Office Staff: Please Distribute to All NTSP Physicians

FROM: NTSP Board

DATE: September 14, 2001

PAGES: 2

Please contact Jo Patton or Becky Atkins at 332-8847 if you do not receive all pages of this fax.

RE: Annual Poll

Each year and as a function of the messenger model IPA structure, NTSP polls its affiliates and membership to establish Contracted Minimums. NTSP then utilizes these minimums when negotiating managed care contracts on behalf of its participants. Please fax back to NTSP at 817-332-3614 by close of business September 20, 2001.

Please check in the space (ONE SPACE ONLY) below as to what your minimum acceptable range of compensation is for Commercial HMO products :

- _____ 100% or Under of Current Medicare
- _____ 101% - 109% of Current Medicare
- _____ 110% - 114% of Current Medicare
- _____ 115% - 119% of Current Medicare
- _____ 120% - 124% of Current Medicare
- _____ 125% - 129% of Current Medicare
- _____ 130% of Current Medicare and above

Comments or exceptions: _____

Please Print Physician Name Clearly

(SEE NEXT PAGE FOR PPO)

CONFIDENTIAL
NTSP 004948

September 14, 2001

Please check in the space below as to what your minimum acceptable range of compensation is for PPO products.

- _____ 100% or Under of Current Medicare
- _____ 101% - 109% of Current Medicare
- _____ 110% - 119% of Current Medicare
- _____ 120% - 129% of Current Medicare
- _____ 130% - 139% of Current Medicare
- _____ 140% - 149% of Current Medicare
- _____ 150% of Current Medicare and above

Comments or exceptions: _____

Please fax back as soon as possible. Once the polling is complete, NTSP will communicate to you the results of the poll and the newly established Board Minimums. Thank you.

By _____
Signature

Please Print Name and Group (if applicable)

Office Telephone Number

**Fax Back to NTSP at 817-332-3614 by
September 20, 2001**

**CONFIDENTIAL
NTSP 004949**

Tab 18

FAX ALERT#83

North Texas Specialty Physicians
1701 River Run Road, Suite 210
Fort Worth, Texas 76107
817-332-8847
Fax: 817-332-3614

TO: **NTSP Members**
FROM: NTSP Board of Directors
DATE: October 29, 2001
PAGES: 1

Office Staff: Please Distribute to All NTSP Physicians

Please contact Jo Patton or Becky Atkins at 332-8847 if you do not receive all pages of this fax.

RE: Annual Reimbursement Poll

Recently, NTSP completed its annual reimbursement poll. This poll's objective is to identify what reimbursement levels NTSP members deem acceptable. In keeping with the messenger model approach, only the aggregate results of each annual poll are tabulated and shared with NTSP members.

Table One represents the results of this years poll.

	HMO	PPO
Mean	128.46%	142.07%
Median	127%	144.50%
Mode	127%	144.50%

All percentages index to current Medicare rates and represents the percentage of Medicare that the "average NTSP physician" would find acceptable for the next twelve months on HMO and PPO products.

The NTSP Board appreciates its members time in conveying this message to us. Please note the Anesthesia division will receive a separate poll within the next week to receive their input.

If you should have any questions regarding these results, please feel free to contact the NTSP offices directly.

This information is confidential and is not intended for public perusal. This document should be forwarded immediately to the person to whom it is addressed.

NTSP 014432

United Contract

Term

- 12 Month Term/No Change in Fee Schedule

Reimbursement

- 125% Current HMO
- 130% Current PPO
- 100% Current HCPCS
- 65% of Charges Unlisted
- \$45 Anesthesia

Bundling

- No Blanket Agreement

All Products

- No

Scope

- All NTSP Members

Open Issues

- PPO Rate
- No Timely Payment Provision

NTSP 014433

Tab 19

UNITED

**CONFIDENTIAL
NTSP 004227**

FAX ALERT# 84

North Texas Specialty Physicians
1701 River Run Road, Suite 210
Fort Worth, Texas 76107
817-332-8847
817-332-3614

TO: NTSP Members and Affiliates

FROM: Dave Palmisano
Director, NTSP

DATE: November 1, 2001

Office Staff: Please Distribute to All NTSP Physicians

PAGES: 6

RE: United HealthCare PPO & HMO Contract Offerings

Time Sensitive Material

NTSP and United HealthCare have completed our contractual negotiations. The attached contract offering is a result of those negotiations. The offering provides Network participation with the United HealthCare HMO and PPO via a direct contract through NTSP. A contract summary accompanies this fax alert/offering. If you wish to review the contract in its entirety, please contact the NTSP office at 817-332-8847. We will be happy to forward a copy of the agreement.

As you evaluate this offering, it is important to note the following sections:

1. ALL PRODUCTS

This is not an "all products" contract. You may elect to participate with one or both products offered by United.

2. BUNDLING

NTSP has not agreed to or endorsed any specific bundling methodologies in either the contract or the provider manual. United may apply the bundling logic of their choice. However, NTSP members who sign this contract do not blanketly agree to accept the results of that application. Disputes regarding bundling logic can and should be appealed to United via the grievance process explained in the provider manual.

3. REIMBURSEMENT

On October 29, 2001, Fax Alert 83, distributed the results of NTSP's annual reimbursement poll as messengered by NTSP members on both HMO and PPO reimbursement levels. Please refer to this fax when evaluating this offer. HMO reimbursement levels contained in this contract offering approximate the average level of acceptable reimbursement as messengered by NTSP members. PPO reimbursements are below acceptable average reimbursement levels as messengered by NTSP members. The reimbursement levels for United's PPO product contained in this offering are 130% of current Tarrant Medicare. NTSP members' messengered averages approximate 144% of current Tarrant Medicare.

**CONFIDENTIAL
NTSP 004228**

4. TIMELY CLAIMS PAYMENT

State Law currently states that a clean claim must be paid within 45 days of receipt. The United contract contains several sections which outline United's responsibilities to pay according to state laws and regulations. However, because the majority of United HealthCare's clients are self-funded, the state laws and regulations regarding claim payment provisions and penalties are not applicable or enforceable. United clients who are exempt from state law claim payment provisions and penalties include the City of Fort Worth, TCU, Delta and American Airlines.

United has not agreed to waive this exemption from state law claim payment provisions and penalties for their self-funded or ERISA clients. Nor have they agreed to guarantee payment if one of their self-funded clients fails to pay their provider bills. This adds an element of additional risk to providers choosing to participate in this United offering even though United's track record for timely payment has been good when compared to other providers.

Please review the attached documents and indicate your acceptance/rejection on the enclosed form.

Please note: As per NTSP Board direction, you must positively accept or reject the offering on or before close of business November 15, 2001. If you do not respond by November 15, 2001, you will have been deemed to reject the offering and your current status with United will remain.

To expedite this transition process, the following guidelines will be utilized in moving NTSP members into this payer contract:

1. If you mark X in the **ACCEPT** line on the accept/reject form, your name/group will be forwarded to United as a participating provider. By exercising this option, you authorize United to terminate any previous contract in which you currently participate and United will transition you to the NTSP contract.
2. If you mark X in the **REJECT** line on the accept/reject form, your name will **NOT** be forwarded to United and your current status with United will remain.
3. **DEADLINE FOR ACCEPT/REJECT:** You must notify NTSP of your acceptance or rejection of this offering no later than **November 15, 2001**. Failure to respond by the deadline will result in **automatic rejection** of the NTSP United HMO and/or PPO offerings.
4. **Provider Participation Addendum (Exhibit 3).** Attached is a Provider Participation Addendum. United is requiring each participating provider to sign this addendum if you intend to participate in the United products through this offering. Please read and execute this agreement and return it with your accept /reject form.
THIS SIGNED ADDENDUM FORM MUST BE RECEIVED OR UNITED WILL CONSIDER THE OFFERING REJECTED!

NTSP member and affiliate names will be forwarded to United by NTSP as NTSP members complete the United Health Care credentialing process. If you are already credentialed with United, no action will be required. The effective date of the transition for each payor offer will vary depending on your credentialing status with United and the date you opt into the agreement. NTSP will forward effective dates to you as they are received from United.

**CONFIDENTIAL
NTSP 004229**

**NTSP Provider Network
Contract Summary
ACCEPT/REJECT FORM**

Payor	Product	Members	Payment Methodology	All New or Unlisted Procedures	Rates	Rate Detail Based on:
UNITED HEALTH CARE All Specialties eligible to participate	HMO, HMO Plus, Choice, Select, EPO and POS	85,500 in Tarrant County	FFS for all Specialists	65% of Participating Providers Customary Charge	125% (straight) Anesthesia \$45.00 per unit 100% of AWP for Immunizations plus a \$5.00 administration reimbursement 100% of AWP for drugs/supplies HCPCS reimbursed at 100% of Medicare	Current Tarrant RBRVS converting to current July 1 of each year.

Payor	Product	Members	Payment Methodology	All New or Unlisted Procedures	Rates	Rate Detail Based on:
UNITED HEALTH CARE All Specialties eligible to participate.	PPO	75,000 in Tarrant County	FFS for Specialists and PCPs	65% of Participating Providers Customary Charge	130% (straight) Anesthesia \$45.00 per unit 100% of AWP for Immunizations plus a \$5.00 administration reimbursement 100% of AWP for drugs/supplies HCPCS reimbursed at 100% of Medicare	Current Tarrant RBRVS converting to current July 1 of each year.

FAX THIS FORM ALONG WITH THE PROVIDER PARTICIPATION ADDENDUM TO NTSP AT 817-332-3614 by November 15, 2001

United HMO: Accept _____ Reject _____

United PPO: Accept _____ Reject _____

If applicable and if I indicate I have accepted this offering, I authorize United to terminate any previous contract in which I or my group currently participates and I understand United will transition me to the NTSP contract without any lapse in participation.

Physician Signature: _____ Date: _____

Physician Name (Print): _____ Phone # _____

Group Name if applicable _____

**CONFIDENTIAL
NTSP 004230**

**North Texas Specialty Physicians
CONTRACT SUMMARY
FOR UNITED HEALTH CARE HMO and PPO**

<u>CONTRACT PROVISIONS</u>	<u>CONTRACT DETAILS</u>
Products Included	HMO, HMO Plus, Choice, Select, EPO, POS and PPO
Contract Effective Date	November 1, 2001
Contract Term	Initial term is one year and shall automatically renew for successive 1-year terms unless terminated.
Risk or No Risk	Non-risk agreement. FEE FOR SERVICE
Termination Provisions	<p>By either party after the initial term, on 90-days prior written notice to the other party.</p> <p>By either party, in the event of a material breach. Requires 30 days prior written notice to the other party termination for cause only.</p> <p>Immediately by either party due to loss of licensure, certification, suspension and/or petition of bankruptcy</p>
Physician Eligibility	<p>Physician must be:</p> <ul style="list-style-type: none"> • fully credentialed through NTSP and United • on staff at a UNITED participating hospital.
Carved out Specialties	NONE
Prompt Payment Penalties	UNITED HAS NOT AGREED TO PROMPT PAYMENT PENALTIES FOR SELF-FUNDED EMPLOYERS. IF FULLY INSURED, UNITED MUST ADHERE TO STATE LAW.
Credentialing Process	United to complete.
Referral Network	NTSP participating physicians and United HMO Network of participating physicians..
Medical Management	Will be performed by United.
Claims Payer	United Health Care or the Payor at the applicable claims pro address indicated on the members identification card
Bundling	NTSP has not agreed to any specific bundling provisions in ei contract or the provider manual.

**CONFIDENTIAL
NTSP 004231**

<p>Physician Reimbursement</p>	<p>HMO:</p> <p>Specialists and Primary Care – Straight 125% of current Tarrant RBRVS.</p> <p>Anesthesia - \$45.00/unit</p> <p>PPO:</p> <p>Specialists and Primary Care: Straight 130% of current Tarrant RBRVS</p> <p>Anesthesia - \$45.00/unit</p> <p>The 2001 maximum allowables shall remain in effect until June 30, 2002. Beginning July 1, 2002 and each July 1 thereafter, the maximum allowables will automatically be updated to the current year Tarrant county relative values.</p> <p>Immunizations reimbursed at 100% of AWP for plus a \$5.00 administration</p> <p>100% of AWP for drugs/supplies</p> <p>HCPCS reimbursed at 100% of Medicare</p> <p>All clinical lab CPT codes shall be reimbursed at the national contracted lab rates</p>
<p>Administrative Withhold</p>	<p>None</p>
<p>United Tarrant County Membership</p>	<p>HMO: Approximately 85,418 PPO: Approximately 75,000</p>
<p>Participation Process</p>	<p>Mark “Accept” or “Reject” on the attached form, sign and return to NTSP.</p> <p>NO RESPONSE WILL BE CONSIDERED A REJECTION!!!</p>
<p>Modifier Logic</p>	<p>United annually reviews the current HCFA RVU rules and adapts a modified professional/technical split.</p>
<p>Site of Service Logic</p>	<p>Will be provided to you upon request.</p>
<p>Unlisted Codes</p>	<p>65% of Participating Providers Customary Charge</p>
<p>Questions?</p>	<p>Please call Dave or Cherise at NTSP 817-332-8847.</p>

**CONFIDENTIAL
NTSP 004232**

EXHIBIT 3
Provider Participation Addendum

THIS ADDENDUM, effective (_____), is made between United HealthCare of Texas, Inc. ("Plan"), North Texas Specialty Physicians ("ANHC") and _____ ("Provider") for the purpose of setting forth the terms and conditions under which Provider shall render Health Services to Members.

1. Credentialing and other Information. Provider authorizes ANHC to supply all information requested by Plan for the purpose of credentialing and re-credentialing Provider. Provider must be approved for participation by Plan in writing before rendering Health Services to Members. Provider authorizes plan and ANHC to share utilization management, quality improvement and other relevant information about provider, provided such information is kept confidential between the parties, and is provided in good faith, without malice, and for the purpose of achieving and maintaining quality, cost effective care for Members.

2. Rights and Obligations. Provider shall have the rights and obligations provided in the Agreement, which are applicable to Provider, and that Plan may require performance of all such provisions by Provider. Provider also understands that Plan and ANHC may amend the Agreement, without right of review by or approval of Provider.

United HealthCare of Texas, Inc.

North Texas Physician or Group

Signature _____
Thomas J. Quirk

Signature of Physician _____

Title CEO

Print Name _____

Date _____

Date _____

Tax ID # _____

North Texas Specialty Physicians

Signature Tom Deas Jr

Name Tom Deas, Jr., M. D.

Title President, NTSP

Date 10-25-01

CONFIDENTIAL
NTSP 004233

Tab 20

FAX ALERT# 70

North Texas Specialty Physicians
1701 River Run Road, Suite 210
Fort Worth, Texas 76107
817-332-8847
Fax: 817-332-3614

TO: NTSP Primary Care Affiliates
NTPS Physicians,
Specialty Net, Radiology Associates Unity, NETIMA, ASMA, FHCA

FROM: NTSP Board

Office Staff: Please Distribute to All NTSP Physicians

DATE: November 11, 2002

PAGES: 6

Please contact Jo Patton or Becky Atkins at 332-8847 if you do not receive all pages of this fax.

RE: Annual Poll

Each year, as a function of the messenger model IPA structure, NTSP polls its affiliates and membership to ascertain their preferences for minimum compensation levels. This information is statistically compiled and utilized in aggregate to determine the level of network participation a payor offer may elicit.

Payor offers can also be statistically compared to each other based upon the averages obtained from the analysis of this information.

Table One presents the results of last year's poll for 2002.

Table 1

	HMO	PPO
Mean	128.46%	142.07%
Median	127%	144.50%
Mode	127%	144.50%
Anesthesia	\$50.00	\$50.00

All percentages index to current Tarrant County Medicare rates and represent the percentage of Medicare that the "average NTSP physician" found acceptable for 2002 on HMO and PPO products.

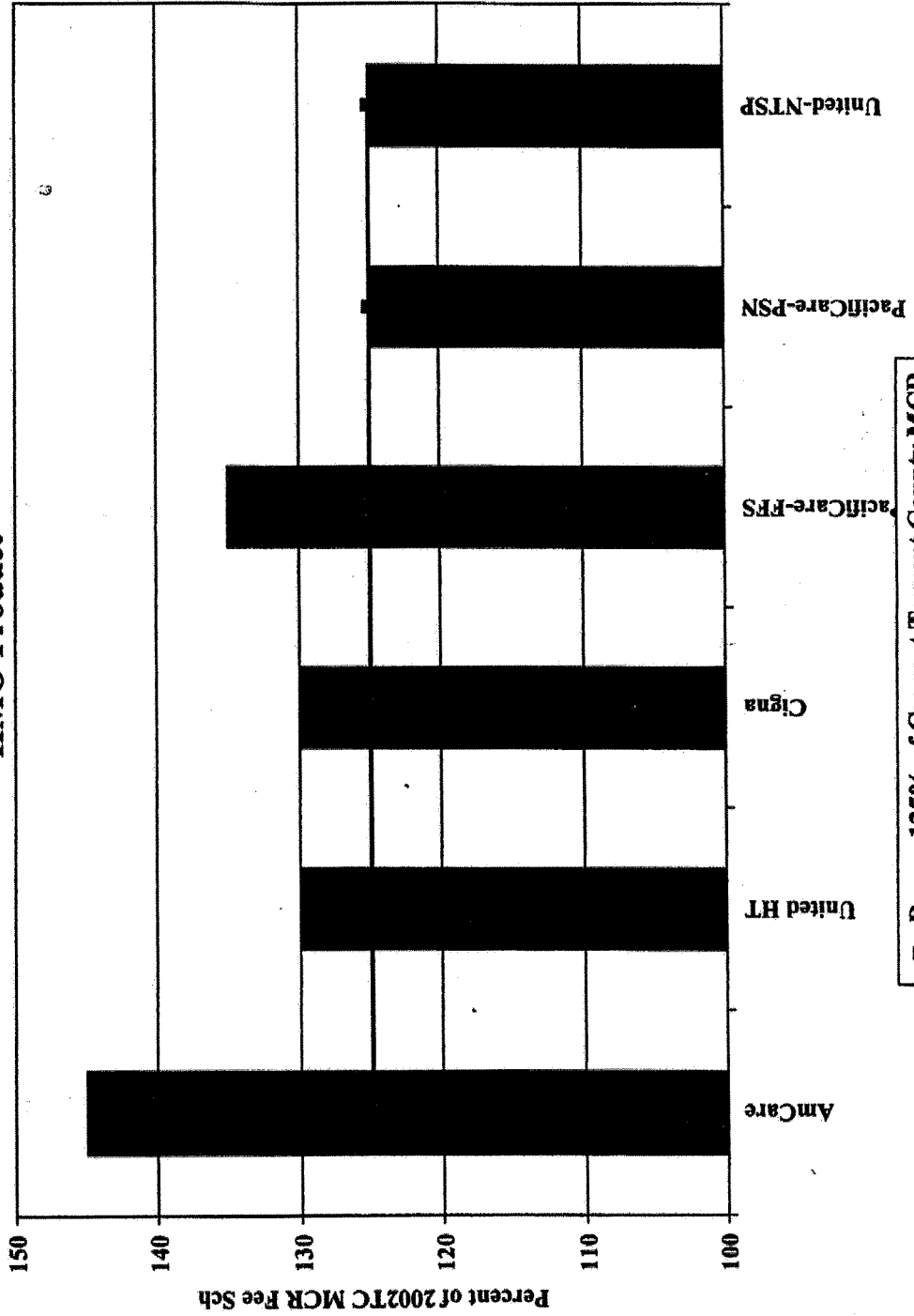
Exhibit 1 and Exhibit 2 compare NTSP's current contract offerings with the results of last year's poll. A base of 125% of current Tarrant County Medicare was utilized for the HMO product. A base of 140% of current Tarrant County Medicare was utilized as a base for the PPO product.

Please utilize the attached information in determining your responses for 2003.

**Your response is very important ! Please fax your responses
to NTSP no later than November 29, 2002**

NTSP 022082

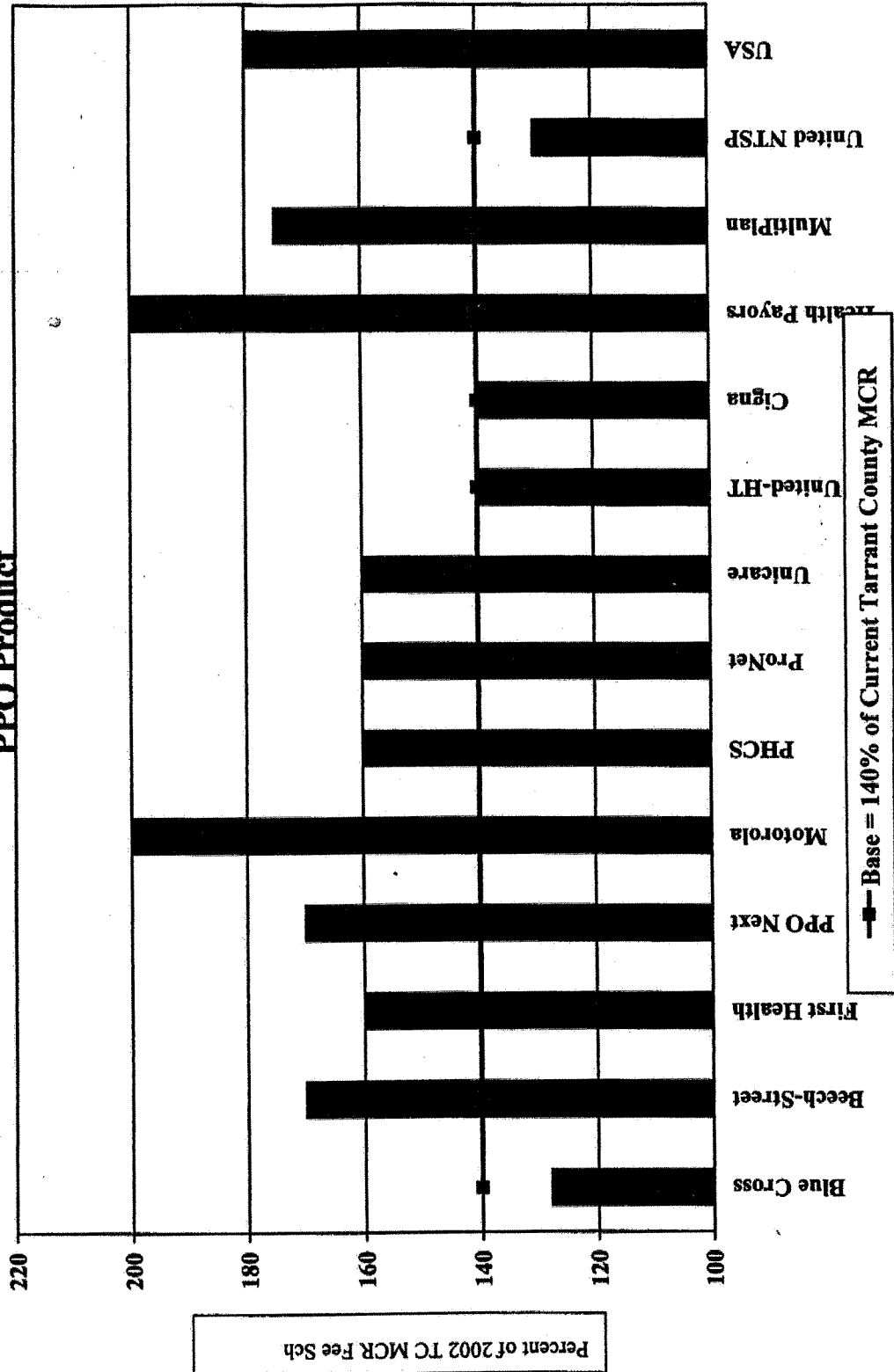
Exhibit One - Contract Summary HMO Product



■ Base = 125% of Current Tarrant County MCR

NTSP 022083

Exhibit Two - Contract Summary PPO Product



NTSP 022084

2003 Survey – COMMERCIAL HMO PRODUCTS

Please check in the space (ONE SPACE ONLY) below what range of compensation you would find minimally acceptable for calendar year 2003 in regards to Commercial HMO products:

- _____ 100% or Under of Current Medicare
- _____ 101% - 109% of Current Medicare
- _____ 110% - 114% of Current Medicare
- _____ 115% - 119% of Current Medicare
- _____ 120% - 124% of Current Medicare
- _____ 125% - 129% of Current Medicare
- _____ 130% of Current Medicare and above

Comments or exceptions: _____

Please Print Name and Group (if applicable)

Office Telephone Number

(SEE NEXT PAGE FOR PPO)

**Fax Back to NTSP at 817-332-3614 by
November 29, 2002**

NTSP 022085

2003 Survey –PPO PRODUCTS

Please check in the space below what range of compensation you find minimally acceptable for **PPO products.**

- _____ 100% or Under of Current Medicare
- _____ 101% - 109% of Current Medicare
- _____ 110% - 119% of Current Medicare
- _____ 120% - 129% of Current Medicare
- _____ 130% - 139% of Current Medicare
- _____ 140% - 149% of Current Medicare
- _____ 150% of Current Medicare and above

Comments or exceptions: _____

Please Print Name and Group (if applicable)

Office Telephone Number

**Fax Back to NTSP at 817-332-3614 by
November 29, 2002**

NTSP 022086

Tab 21

FAX ALERT# 1

North Texas Specialty Physicians
1701 River Run Road, Suite 210
Fort Worth, Texas 76107
817-332-8847
Fax: 817-332-3614

TO: NTSP Physicians
FROM: NTSP Board of Directors
DATE: January 6, 2003
PAGES: 3

Office Staff: Please Distribute to All NTSP Physicians

Please contact Jo Patton or Becky Atkins at 332-8847 if you do not receive all pages of this fax.

RE: Annual Reimbursement Poll

Recently, NTSP completed its annual reimbursement poll. This poll's objective is to identify what reimbursement levels NTSP members deem acceptable. In keeping with the messenger model approach, only the aggregate results of each annual poll are tabulated and shared with NTSP physicians.

Table One represents the results of this year's poll.

NTSP 022056

Table 1

	HMO	PPO	Anesthesia
Mean	131%	146%	HMO: \$53.00
Median	135%	145%	PPO: \$58.00
Mode	135%	145%	

All percentages index to current Medicare rates and represents the percentage of Medicare that the "average NTSP physician" would find acceptable for the next twelve months on HMO and PPO products.

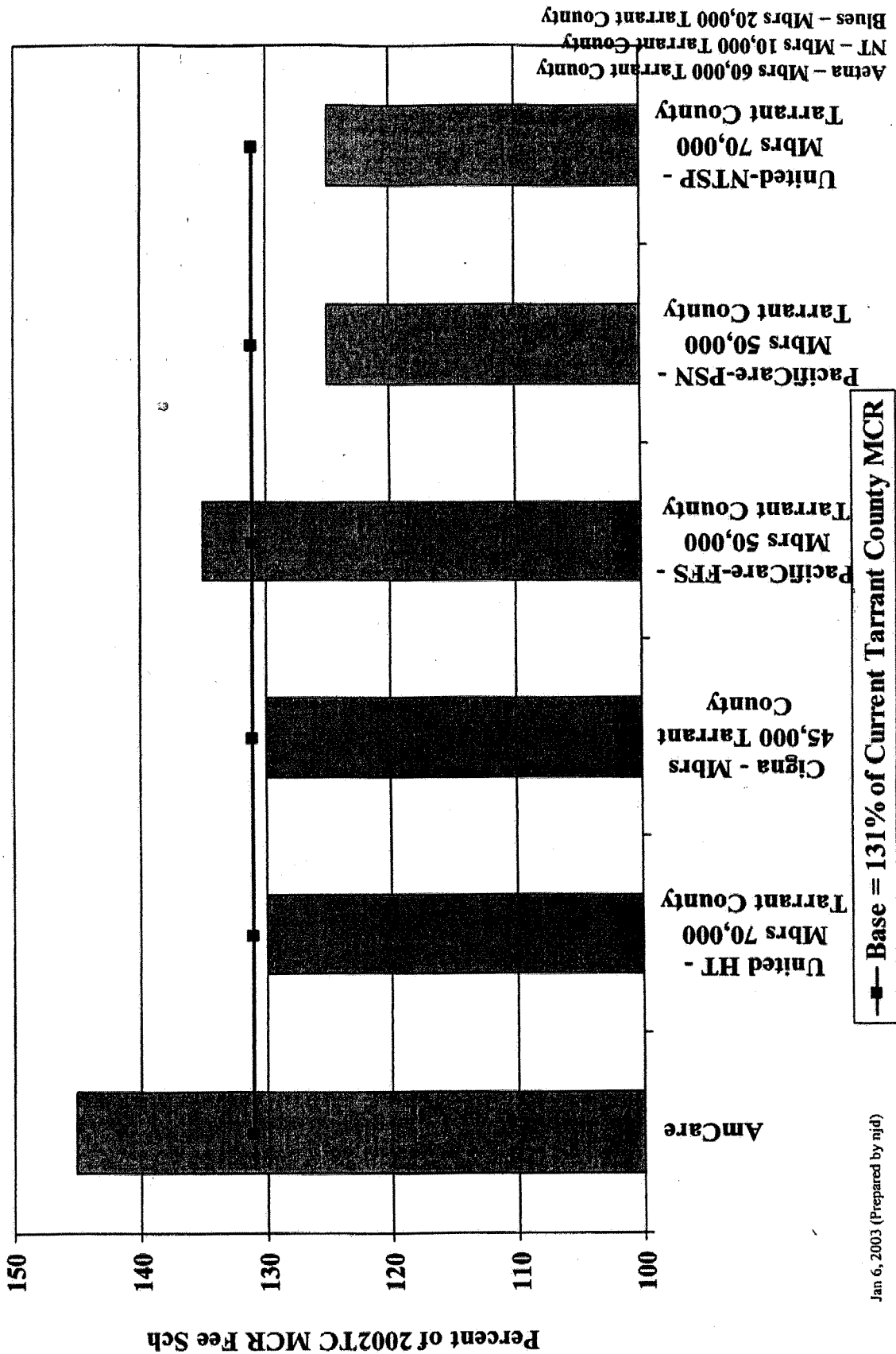
The NTSP Board appreciates its members' time in conveying this message to us. Exhibits 1 and 2 compare NTSP's current contracts with the results of the year's polls.

If you should have any questions regarding these results, please feel free to contact the NTSP offices directly.

This information is confidential and is not intended for public perusal. This document should be forwarded immediately to the person to whom it is addressed.

Exhibit One - Contract Summary HMO Product

Alert 1, page. 2

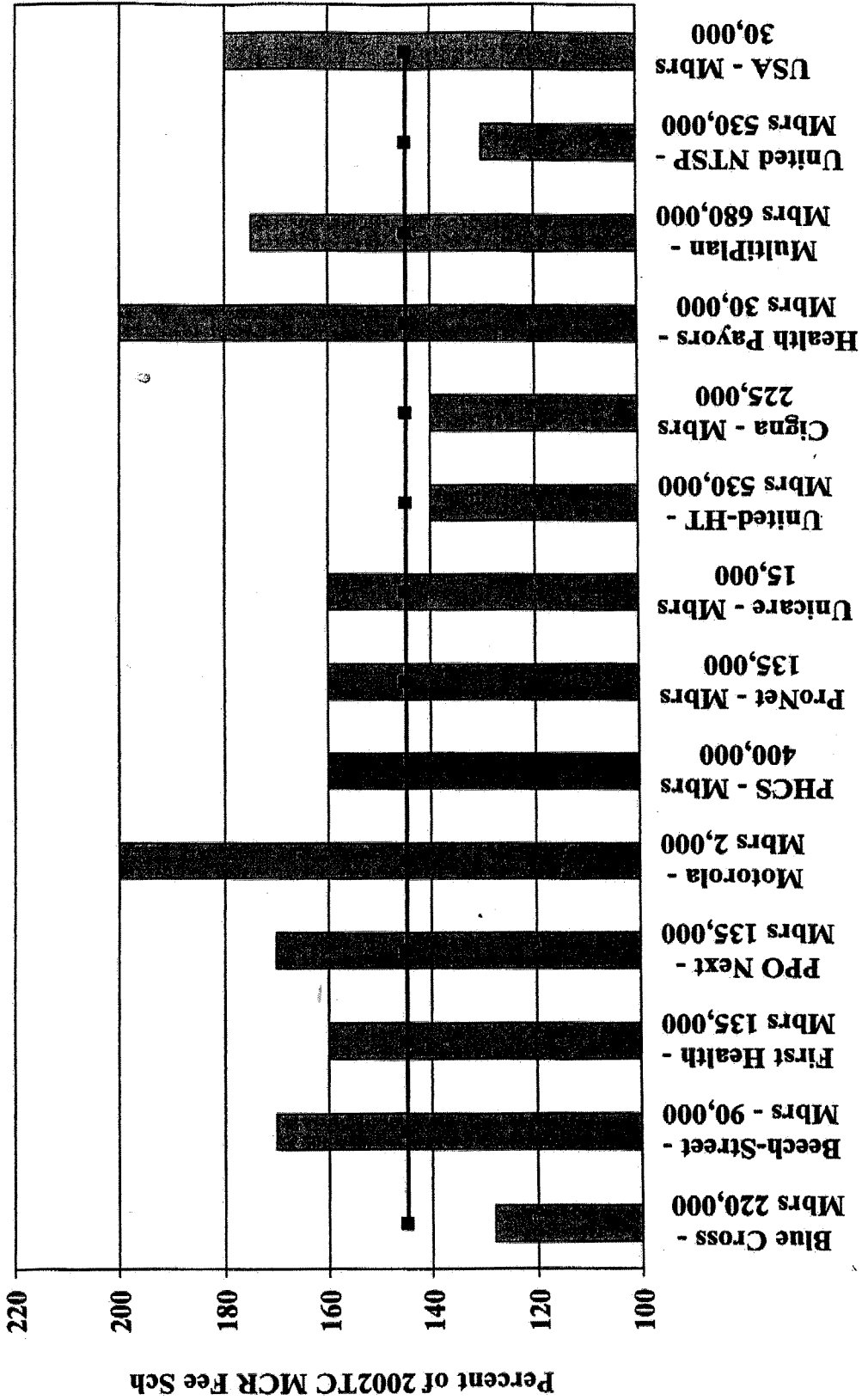


Jan 6, 2003 (Prepared by njd)

75020 PSTLN

Exhibit Two - Contract Summary
PPO Product
DFW Area Members

Alert 1; page. 3



■ Base = 145% of Current Tarrant County MCR

Jan 6, 2003 (Prepared by njd)

850220 PSTLN

Tab 22

FAX ALERT # 61

North Texas Specialty Physicians
1701 River Run Road, Suite 210
Fort Worth, Texas 76107
817-332-8847
Fax: 817-332-3614

TO: NTSP Participating Physicians
FROM: NTSP Board
DATE: September 17, 2003
PAGES: 2

Office Staff: Please Distribute to All NTSP Physicians

Please contact Jo Patton or Jennifer Gauger at 332-8847 if you do not receive all pages of this fax.

RE: Federal Trade Commission's Decision

On September 16, 2003, the Federal Trade Commission decided to sue NTSP. NTSP's Board regrets this decision and firmly believes that NTSP has not violated the Federal Trade Commission Act or any other law.

Over the past year, NTSP's Board has had extensive settlement discussions with the Federal Trade Commission. The FTC's decision to sue NTSP is a direct result of NTSP's Board refusing to sign a Settlement Agreement that would have:

- Forced NTSP's Board to admit to wrongdoings that were not true
- Forced NTSP to pass through any payor offer, no matter how inappropriate, to its Participating Physicians

The FTC's action against NTSP is a result of a yearlong investigation of the DFW market. To date, the end results of the investigation include:

- Two IPAs agreeing to sign the Settlement Offer that NTSP refused to sign
- At least three DFW IPAs deciding to end their fee-for-service contracting services rather than sign a proposed Settlement Offer
- Continued investigations of other IPAs in the DFW market

NTSP 021859

This information is confidential and is not intended for public perusal. This document should be forwarded immediately to the person to whom it is addressed.

It will be at least another twelve to twenty-four months before this action involving NTSP will be resolved. Important points to remember are:

- ***NTSP's risk contracts are not affected in any way by the FTC's actions. Their concern solely concentrates on our fee-for-service contracting.***
- ***NTSP's fee-for-service contracts are not currently affected by this action. Any affect on these contracts will be determined by a court of law in the next 12-24 months.***

If you have any questions regarding this matter, please feel free to contact the NTSP offices or any NTSP Board Member. We will keep you informed as this matter progresses.

NTSP 021860