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I. SCOPE:

This policy applies to (1) Tenet Healthcare Corporation and its wholly-owned subsidiaries and affiliates (each, an “Affiliate”); (2) any other entity or organization in which Tenet Healthcare Corporation or an Affiliate owns a direct or indirect equity interest greater than 50%; and (3) any hospital or healthcare facility in which Tenet Healthcare Corporation or an Affiliate either manages or controls the day-to-day operations of the facility (each, “Tenet Provider”) (collectively “Tenet”).

II. PURPOSE:


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

III. DEFINITIONS:

- A. **“Referral Source Arrangement”** means an arrangement with a physician or other person or entity that can influence or recommend the purchasing, leasing, ordering or arranging for any goods, facility, item or service paid for, in whole or in part, by a federal or state healthcare program. It is anyone (including an immediate family member of a physician) who has the capacity to refer or influence the flow of Medicare/Medicaid or other government healthcare programs business to another party including anyone who has referred a patient to the Tenet Provider in the past or who is reasonably anticipated to refer a patient to the Tenet Provider in the future. This definition includes instances when Tenet or one of its Providers is the party in a position to refer or influence the referral of federal healthcare program business to a vendor. Some examples of Referral Sources are listed in the answers to the FAQs for this policy.
- B. **“Non-Referral Source Arrangement”** means an arrangement with any other person or entity not a Referral Source, as defined above.

IV. POLICY:

Except as set forth in this policy and the Frequently Asked Questions (FAQs) to this policy, all Referral Source Arrangements shall be approved in the eCATS system prior to execution and stored in the eCATS system after execution. Notwithstanding the above, there may be some limited instances (*e.g.*, joint venture arrangements) that approvals may be obtained through a paper (non-electronic) process but the Referral Source Arrangement and all supporting documentation under the applicable policy will then be uploaded and archived in the eCATS

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system. This policy does not apply to agreements executed by Broadlane or other Group Purchasing Organizations (GPO) on behalf of a Tenet Provider and these agreements are maintained by the GPO and not stored in eCATS.

The procedure for approval of an eCATS package is set forth in this policy and depends on: (1) the type of vendor/contractor, *i.e.*, whether the proposed agreement is a Referral Source Arrangement or Non-Referral Source Arrangement; (2) the type of the proposed agreement; and (3) the dollar amount of the proposed agreement. Depending on the above factors, the package may need approval by the Law Department, Market (if applicable), Managed Care region (if applicable), Region Operations/Finance and other Tenet corporate personnel. An eCATS package will automatically route to the necessary approvers based on the Agreement Group and Agreement Type chosen by the Tenet Provider when creating the eCATS package. **If you have any questions about which Agreement Group or Type to select before submitting a new eCATS package, please contact your Regional Counsel or Managed Care Counsel, as appropriate.**

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

Tenet Provider Hospital Compliance Officers, Contracts Administrators, and/or other Tenet Provider designated persons, shall be responsible to ensure Referral Source Arrangement eCATS packages contain the following:

- A. Each party involved in the Referral Source Arrangement;
- B. The type of Referral Source Arrangement (*e.g.*, physician employment agreement, medical directorship, lease agreement, etc.);
- C. The term of the Referral Source Arrangement, including the effective and expiration dates and any automatic renewal provisions;
- D. The amount of compensation to be paid pursuant to the Referral Source Arrangement and the means by which compensation is paid;
- E. The methodology for determining the compensation under the Referral Source Arrangements, including the methodology used to determine the fair market value of such compensation;
- F. Whether the amount of compensation to be paid pursuant to the Referral Source Arrangement is determined based on the volume or value of referrals between the parties;
- G. Whether each party has agreed to abide by Tenet's Compliance Program, which shall include:

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1. ensuring that each Referral Source Arrangement is set forth in writing and signed by the Tenet Provider and the other parties to the Referral Source Arrangement;
2. including in each written Referral Source Arrangement a requirement that all parties shall comply with Tenet’s Compliance Program, Standards on Conduct and Tenet’s policies and procedures related to the Anti-Kickback Statute and the Stark Law; and
3. including in each written Referral Source Arrangement a certification by the parties that they shall not violate the Anti-Kickback Statute and the Stark Law and
4. including in each written Referral Source Arrangement a requirement that all parties complete any training required under Tenet’s Compliance Program.


H. Whether the Referral Source Arrangement satisfies the requirements of an Anti-Kickback Statute safe harbor and/or a Stark Law exception or safe harbor, as applicable.

V. PROCEDURE:

A. Submission and Approval of eCATS packages

1. Referral Source Arrangements. Except as otherwise provided herein and except as discussed in the FAQs to this policy, all Referral Source Arrangements shall be submitted and approved through eCATS in accordance with Tenet Law Department policy¹. In order to facilitate timely review and approval of Referral Source Arrangements, each Tenet Provider shall strive to follow the timelines set forth in the protocol entitled “Contracts Administration – Submission Process Time Line for Physician Arrangements” (the “120 Day Protocol”). Except as otherwise provided herein or in the FAQs, no proposed Referral Source Arrangement shall be executed until the eCATS package has obtained all appropriate reviews and approvals in accordance with this policy. This process will ensure compliance with applicable laws and that all relevant information related to the proposed agreement is included in the eCATS package. The Tenet Provider shall attach all supporting documentation as required in the Law Department policies, as well as any other information requested, to the eCATS package prior to submission.

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

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


- regardless of dollar amount, will be routed from the Tenet Provider to their respective Regional Counsel or Managed Care Counsel, as appropriate.
- with a total package amount of \$10,000 or above, will be routed to Market and/or Region Operations/Finance personnel, and Managed Care region (if applicable).
- with a total package amount of \$2,500,000 or above, will be routed to and be reviewed by Tenet’s Senior Vice-President of Operations Finance² and Tenet’s Chief Operating Officer.
- with a total package amount of \$25,000,000 or above, will be routed to and further reviewed by Tenet’s Chief Executive Officer or designee.

The following exceptions apply and are more fully described in the FAQs:


- a. Physician Employment agreements, if the total package amount is \$2,500,000 or above, will also be reviewed by the Tenet Law Department Operations Assistant General Counsel (AGC)³, for approval prior to execution.
- b. Certain standard letter agreement Referral Source Arrangements will be treated as described in the FAQs. Those letter agreements include, but are not limited to: recruitment dinner letter agreements with physicians; letter agreements with a physician to attend Tenet Clinical Quality department sponsored events; letter agreements with a physician to assess and treat people injured on the Tenet Provider’s premises; CME speaker letter agreements; letter agreements with physicians to replace a patient’s lost item; physician visit reimbursement letter agreements; non-standard letter agreements with Referral Sources negotiated by Managed Care; and other agreements as may be approved from time to time by the Operations AGC and as reflected in the FAQs.

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


³Throughout this policy, the Operations Assistant General Counsel approval can also be accomplished by Tenet’s General Counsel.

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- c. In exigent circumstances for certain Referral Source Arrangements, Tenet Providers may execute an agreement, memorandum of understanding (MOU), or extension of an existing arrangement without prior eCATS approval provided the Tenet Provider has documented the exigent circumstances in writing and obtained prior written approval (approval may be obtained via email) from Regional Counsel or Managed Care Counsel (if applicable). If the amount of the extension, MOU or new agreement is \$10,000 or above, prior written approval should also be obtained from Market and/or Region Operations/Finance personnel, and Managed Care region personnel (if applicable). The Tenet Provider shall immediately submit any such arrangement into eCATS for approval, and unless under \$10,000 or approved by the Market/Region or Managed Care Region (if applicable), the Tenet Provider's CFO shall ensure no remuneration is provided until the package has received all appropriate approvals through the eCATS process. Further, the Tenet Provider should upload the previously obtained written approvals as part of the eCATS package. Please see the FAQs to this policy for more guidance.
 - d. Certain agreements, including but not limited to affiliation, transfer, supplemental staffing, locum tenens, and agreements receiving prior approval through the eCER process, will receive special treatment as dictated in the FAQs.
 - e. Managed Care Referral Source Agreements which are to be reviewed by Managed Care Counsel (identified in detail in the FAQs) are routed to Tenet's Vice President of Managed Care if the total amount of the contract is \$1,000,000 or above.
 - f. Certain Region Pre-Approved Agreements will only route to Regional Counsel for approval. The Tenet Provider shall obtain email approval from the Market and/or Region Operations/Finance personnel and such approval shall be uploaded to the eCATS package. Please see the FAQs for a discussion of the agreement types that must be submitted with Region pre-approval.
2. Non-Referral Source Agreements: All Non-Referral Source Arrangements (except for Managed Care Non-Referral Source Agreements as defined in the FAQs and purchase orders for pharmaceuticals, supplies and equipment) must be submitted into eCATS. The level of review and approval required is based on the dollar amount of the eCATS package as indicated below.

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- a. Under \$500,000: These arrangements require the review and approval of the Tenet Provider CFO and CEO prior to execution. If a Tenet Provider desires a limited review by Regional Counsel or Region personnel, the agreement may be emailed or consulted via eCATS with specific areas of concern noted for review. These arrangements will be automatically archived in the eCATS system without additional approval.
 - b. \$500,000 and under \$2,500,000: These arrangements require the review and approval of the Tenet Provider CFO and CEO and the Region and/or Market personnel prior to execution. Regional Counsel will review arrangements \$1,000,000 and above.
 - c. \$2,500,000 and under \$25,000,000: These arrangements require the review and approval of the Tenet Provider CFO and CEO; Region and/or Market personnel; Regional Counsel; Tenet's Senior Vice-President of Operations Finance and Tenet's Chief Operating Officer prior to execution.
 - d. \$25,000,000 and above: These arrangements require the review and approval of the Tenet Provider CFO and CEO; Region and/or Market personnel; Regional Counsel; Tenet's Senior Vice-President of Operations Finance; Tenet's Chief Operating Officer; and Tenet's Chief Executive Officer or designee prior to execution.
3. Referral and Non-Referral Source space, equipment and other leases: All leases must be submitted into eCATS for review and approval prior to execution. Whether the Tenet Provider is the landlord or tenant and regardless of whether it is a Referral Source Arrangement or a Non-Referral Source Arrangement, all leases will be reviewed and approved by Regional Counsel prior to execution. If the net present value of the future payments to be made or received under the lease arrangement is below \$500,000, the lease will be reviewed and approved by the Tenet Provider CEO prior to execution; if \$500,000 or above, the lease will be additionally reviewed and approved by Market and/or Region Operations/Finance personnel prior to execution; if \$2,500,000 or above, the lease will be additionally reviewed and approved by Tenet's Senior Vice-President of Operations Finance and Tenet's Chief Operating Officer prior to execution; and if \$5,000,000 or above, the package will be additionally reviewed and approved by Tenet's Chief Executive Officer or designee prior to execution.
 4. Additional Review. In some instances, when certain Agreement Groups and Agreement Types are chosen by the Tenet Provider, the eCATS

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system will automatically route the package for additional review by Tenet Corporate personnel such as Quality Management (QM). Other types of arrangements may require review and approval by a Corporate Department prior to execution

- a. Automatic QM Review. All psychiatric, rehabilitation, bariatric or wound care directorship agreements and all management services agreements require review and approval by QM prior to execution. Management Services Agreements are arrangements pursuant to which another entity staffs and/or manages a unit or service provided by a Tenet Provider (*e.g.*, Horizon management of a psychiatric unit).
- b. Other Review. If a Tenet Provider would like additional review by another Tenet department or personnel (*e.g.*, Region director of business development), the Tenet Provider can consult or email the package for the other review.


B. Renewals and Change Requests to Approved eCATS

When renewing an agreement, the existing eCATS package should be accessed, the system will generate a new sequence number for the renewal package, and the package will be subject to the same dollar approval limits as a new agreement. Any changes to the compensation methodology or to the required number of hours should be disclosed in the executive summary

For amendments to active agreements previously approved in eCATS, the Tenet Provider shall consult with Regional Counsel or Managed Care Counsel, as applicable, on whether a Change Request to Approved eCATS package is necessary. For more than nominal dollar amount or term length changes to existing Referral Source Agreements and except as discussed in the FAQs, a Change Request to Approved eCATS package will be necessary.

C. Batch Approval of Multiple Similar Agreements

In certain circumstances multiple similar agreements may be processed in a “batch” as opposed to individually. The Tenet Provider will initiate a batch eCATS package, but will insert the names of each physician or other Referral Source who will be providing services under the proposed agreements. Examples of batch approval eCATS packages are contained in the answers to the FAQs to this policy. Please contact your Regional Counsel or Managed Care Counsel, as applicable, before submitting a package for batch approval to confirm the appropriateness of a batch package given the facts of your situation.

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D. Provider Licenses/Accreditations

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

E. Package Finalization

Once an agreement requiring eCATS approval has been approved by all relevant personnel, the eCATS system will automatically route the package back to the Tenet Provider's contract administrator or other package submitter ("administrator") for execution of the agreement.

1. Prepare: The administrator must first read all comments made to the package during the approval process and share those comments with the person who will ultimately be signing the agreement prior to execution. In most instances, this person is the Tenet Provider CEO. The administrator should also ensure the final agreement which was approved is printed out as agreements are modified during the approval process or need further modification before signature. Any modified agreements should be reviewed by the administrator and CEO to ensure the changes are acceptable.
2. Execute: The preferred method of agreement execution is for the Tenet Provider to send at least 2 unsigned originals to the outside contracting entity with a request both be signed, dated, and returned to the Tenet Provider. Upon return, the administrator should then obtain the Tenet Provider CEO's signature on both original agreements. One fully executed and dated original agreement should then be returned to the outside contracting entity.
3. Upload: The fully executed original agreement shall be scanned and uploaded immediately into the eCATS package but in no event more than thirty (30) days from the date of final signature and shall also be retained in the paper file, as well. The Tenet Provider shall then fill in the actual effective date on the eCATS term sheet (so the tickler system will have the accurate date) and complete the package.

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F. Payment

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

G. Document Retention

The eCATS system will serve as the electronic depository and document retention system for Tenet Provider agreements. The original signed agreement shall be maintained in the Tenet Provider's paper file, as well. Tenet Providers should retain all eCATS documents and records in accordance with [Administrative Policy AD 1.11, Records Management](#).

H. Auditing and Monitoring

Tenet Audit Services shall audit compliance with this policy as part of its routine audit processes.

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

Tenet's Chief Compliance Officer (or designees) shall review the eCATS database and internal review and approval process on a quarterly basis and shall provide a report on the results of the review to the Quality, Compliance and Ethics Committee of the Tenet Board of Directors.

I. Enforcement

All employees whose responsibilities are affected by this policy are expected to be familiar with the basic procedures and responsibilities created by this policy. Failure to comply with this policy will be subject to appropriate performance management pursuant to all applicable policies and procedures, up to and including termination. Such performance management may also include modification of compensation, including any merit or discretionary compensation awards, as allowed by applicable law.

VI. REFERENCES:

- [Standards of Conduct](#)

- [Frequently Asked Questions](#)