

CORPORATE POLICY

Manual/Library Name: Law Department	No: L-25
	Page: 1 of 16
Policy Title: Referral Source Fair Market Value	Effective Date: 05-11-2022
	Previous Versions: 10/5/20, 3/29/19, 5/17/18, 2/1/17
	Approved By: Executive Leadership Team
	Approval Date: 04-29-2022

I. Scope:

This policy applies to Tenet Healthcare Corporation and its subsidiaries and affiliates other than Conifer Holdings Inc. and its direct and indirect subsidiaries (each, an “Affiliate”), any other entity or organization in which Tenet or an Affiliate owns a direct or indirect equity interest of greater than 50%, and any entity in which an Affiliate either manages or controls the day-to-day operations of the entity (each, a “Tenet Entity”) (collectively, “Tenet”).

II. Purpose:

To establish processes to ensure that Tenet Entities enter into arrangements with Referral Sources that provide for Remuneration which is consistent with Fair Market Value. Where applicable, the term Tenet Entities encompass ambulatory surgical centers and hospitals operated by a Tenet Entity.

III. Definitions:

Assistant General Counsel: The attorney in the Tenet Law Department who oversees Operations Counsel for the Tenet Entity. Tenet’s General Counsel or Chief Legal Operations Office can act in lieu of the Assistant General Counsel.

CAM Template: A form of contract published by the Law Department and made available on the Law Department intranet page.

Fair Market Value (FMV): The value, or range in value, in arm’s length transactions, consistent with the compensation that is the result of bona fide bargaining between well-informed parties to an agreement who are not otherwise in a position to generate business for the other party at the time of the agreement.

Federal Health Care Program: Any plan or program that provides health benefits, whether directly, through insurance, or otherwise, which is funded directly, in whole or in part, by the United States Government, as defined in 42 U.S.C. § 1320a-7b(f). This includes but is not limited to: Medicare, Medicaid/MediCal, managed Medicare/Medicaid/MediCal, TRICARE/VA/CHAMPUS, SCHIP, Federal Employees Health Benefit Plan, Indian Health Services, Health Services for Peace Corp Volunteers, Railroad Retirement Benefits Black Lung Program, Services Provided to Federal Prisoners, Pre-Existing Condition Insurance Plans (PCIPs), and Section 1011 Requests.

CORPORATE POLICY

Manual/Library Name: Law Department	No: L-25
	Page: 2 of 16
Policy Title: Referral Source Fair Market Value	Effective Date: 05-11-2022
	Previous Versions: 10/5/20, 3/29/19, 5/17/18, 2/1/17
	Approved By: Executive Leadership Team
	Approval Date: 04-29-2022

Immediate Family Member: A husband or wife; birth or adoptive parent, child, or sibling; stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and spouse of a grandparent or grandchild.

Independent Appraiser: An individual or entity that provides valuation services. Unless otherwise approved in writing by Operations Counsel in accordance with this policy, Independent Appraiser means VMG.

Independent FMV Report: A written report prepared by an Independent Appraiser establishing the Fair Market Value of a financial arrangement between a Tenet Provider and a Referral Source.

Non-Referral Source Arrangement: An arrangement with any person or entity that is not a Referral Source.

Operations Counsel: The attorney assigned by the Tenet Law Department to support the Tenet Entity’s legal operations.

Physician: A duly licensed and authorized chiropractor or doctor of medicine, osteopathy, dental surgery, dental medicine, podiatric medicine, optometry, and their Immediate Family Members.

Referral Source: 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 Entity in the past or who is reasonably anticipated to refer a patient to the Tenet Entity in the future. This definition includes instances when a Tenet Entity is the party in a position to refer or influence the referral of Federal Health Care Program business to a vendor. See L-15.DR.01 Examples of Referral Sources.

Remuneration: Anything of value including but not limited to cash, items, or services.

Teaching Services: Clinical and didactic teaching services for undergraduate and graduate medical education programs and associated administrative responsibilities.

Tenet Entity Leader: CEO, CFO, ASC Administrator, other senior-most entity leader, or other relevant Tenet Entity Leadership.

CORPORATE POLICY

Manual/Library Name: Law Department	No: L-25
	Page: 3 of 16
Policy Title: Referral Source Fair Market Value	Effective Date: 05-11-2022
	Previous Versions: 10/5/20, 3/29/19, 5/17/18, 2/1/17
	Approved By: Executive Leadership Team
	Approval Date: 04-29-2022

VMG Tool: (1) The VMG-Tenet Production Compensation Supporting Schedules; (2) Tenet Clinical Metrics; (3) Tenet Medical Director Hourly Rates; and (4) any other VMG general depictions of Fair Market Value published as part of the CAM, each in the form most recently published as part of the Law Department CAM under FMV Resources.

IV. Policy:

Except as provided in this policy, a Tenet Entity shall only enter into an arrangement with a Referral Source if it is able to objectively demonstrate the arrangement terms are consistent with Fair Market Value (FMV) and all other terms of applicable Tenet policies are met. A Tenet Entity may enter into an arrangement with a Referral Source below FMV if Operations Counsel determines that the arrangement is not intended to induce the referral of patients or to generate other business between the parties as set forth in this Policy. Applicable Law Department policies as outlined in References Section below provide guidance regarding the calculation of FMV for specific arrangements. The guidance provided in this policy shall be supplemental to and shall not replace the specific terms of these policies.

V. Procedure:

A. General Considerations

1. Remuneration paid to or received from any potential Referral Source shall not take into account (or be adjusted or renegotiated based on) the volume or value of any actual or anticipated referrals, or other business generated, between or among the parties.
2. Remuneration paid to or received from any potential Referral Source for personal services shall not exceed Fair Market Value (FMV).
3. If a Tenet Entity provides services to a Referral Source, the Tenet Entity shall take into account both the direct and indirect costs of providing the services, including administering the service arrangement, and a reasonable profit.
4. The Law Department shall maintain a list of approved Independent Appraisers. A Tenet Entity shall use VMG Health (VMG) as the Independent Appraiser unless the Operations Counsel and the Assistant General Counsel otherwise approve in advance based upon their determination that another approved Independent Appraiser is more appropriate to prepare the Independent FMV Report due to:
 - a. A conflict of interest;

CORPORATE POLICY

Manual/Library Name: Law Department	No: L-25
	Page: 4 of 16
Policy Title: Referral Source Fair Market Value	Effective Date: 05-11-2022
	Previous Versions: 10/5/20, 3/29/19, 5/17/18, 2/1/17
	Approved By: Executive Leadership Team
	Approval Date: 04-29-2022

- b. Another Independent Appraiser’s unique knowledge in the subject matter which is the subject of the FMV review or historical relationships of the parties;
- c. VMG’s inability to complete the Independent FMV Report in a reasonable time period;
- d. Joint engagement with the Referral Source which is not willing to hire VMG; or
- e. VMG’s rejection of the proposed engagement.

Operations Counsel shall document approval to engage another Independent Appraiser in writing, including the basis for the determination.

- 5. For purposes of ensuring Remuneration is consistent with FMV, Tenet Entity shall not enter into the following arrangements:
 - a. Payment structures that address “lost opportunity” or similarly designed payments that do not reflect bona fide lost income;
 - b. Payment structures that compensate Referral Sources when no identifiable services are described in the relevant agreement;
 - c. Payment structures that result in aggregate Physician on-call payments that are disproportionately high compared to a Physician’s regular professional practice income practicing full-time in the specialty; or
 - d. Payment structures that compensate an on-call Physician for professional services for which they receive separate reimbursement from insurers or patients, resulting in the Physician essentially being paid twice for the same service.
- 6. For arrangements between Tenet Entities, the responsibility for demonstration of FMV shall rest with the Tenet Entity who proposes to purchase goods or services or, in the case of real property, to serve as landlord or seller of the property.

B. Corporate Implementation

- 1. The Assistant General Counsel may provide Tenet Entities with a range of Remuneration that may be used to compensate Referral Sources for certain services (e.g., Governing Board appointments or Medical Staff Officers).

CORPORATE POLICY

Manual/Library Name: Law Department	No: L-25
	Page: 5 of 16
Policy Title: Referral Source Fair Market Value	Effective Date: 05-11-2022
	Previous Versions: 10/5/20, 3/29/19, 5/17/18, 2/1/17
	Approved By: Executive Leadership Team
	Approval Date: 04-29-2022

2. The Tenet Entity shall include any communication from the Assistant General Counsel, as applicable, in the eCATS package as support for FMV.
 3. The Assistant General Counsel may determine, on a case-by-case basis, that the Remuneration in a proposed Referral Source arrangement that exceeds the guidelines for Remuneration in this or any other Law Department Policy is acceptable.
- C. The Tenet Entity Leaders are responsible for ensuring that all personnel adhere to this policy’s requirements, implement, and follow these procedures, and report instances of noncompliance with this policy to the Tenet Entity’s Compliance Officer.
- D. See Exhibits for procedures specific to different types of arrangements and transactions.

VI. 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.

VII. References:

- L-2 Physician Relocation
- L-3 Medical Directorships
- L-4 Office Space and Equipment Leases with Physicians and Other Potential Referral Sources
- L-5 Personal Service Arrangements with Physicians
- L-8 Ambulatory Surgery Center Joint Ventures
- L-9 Purchases of Items or Services by Physicians and Other Potential Referral Sources from Tenet Entities
- L-10 Physician Employment Arrangements
- L-15.DR.01 Examples of Referral Sources
- L-22 Hospital Assistance for Relocation of Non-Physician Practitioners to Physician Practice



CORPORATE POLICY

Manual/Library Name: Law Department	No: L-25
	Page: 6 of 16
Policy Title: Referral Source Fair Market Value	Effective Date: 05-11-2022
	Previous Versions: 10/5/20, 3/29/19, 5/17/18, 2/1/17
	Approved By: Executive Leadership Team
	Approval Date: 04-29-2022

L-23 Personal Services Arrangements with Non-Physician Referral Sources

L-26 Co-Management Programs

L-29 Equity Transactions

VIII. Exhibits:

Exhibit A – Service Arrangements

Exhibit B – Transactions

CORPORATE POLICY

Manual/Library Name: Law Department	No: L-25
	Page: 7 of 16
Policy Title: Referral Source Fair Market Value	Effective Date: 05-11-2022
	Previous Versions: 10/5/20, 3/29/19, 5/17/18, 2/1/17
	Approved By: Executive Leadership Team
	Approval Date: 04-29-2022

Exhibit A – Service Arrangements

- A. Referral Sources that contract with Tenet Entities are responsible for billing for their clinical services unless otherwise approved by the Operations Counsel upon a demonstration that it is impractical or disadvantageous to the Tenet Entity for the Referral Source to bill for its services, such as circumstances in which both the technical and professional fees are billed collectively to third party payors.
- B. In evaluating the FMV in an arrangement for personal services with a Referral Source, the Tenet Entity shall rely upon the following resources, as applicable to the particular arrangement:
 - 1. Medical Group Management Association (“MGMA”) Physician Compensation Survey by Years in Practice for recruitment arrangements and Academic Compensation Survey for academic medical education positions other than graduate medical education teaching services;
 - 2. The VMG Tool for on-call, medical director, physician employment, and graduate medical education teaching services as indicated in the relevant VMG Reference Report;
 - 3. An Independent FMV Report for any compensation methodology that substantively varies from methodology set forth in the relevant the CAM Template or as otherwise approved for use by the Assistant General Counsel;
 - 4. Medicare or Medicaid Fee Schedule where Tenet Entity is purchasing or providing clinical services identified in the applicable fee schedule;
 - 5. Workers’ Compensation Fee Schedule for occupational health services;
 - 6. Comparable salary information obtained from Tenet Human Resources; or
 - 7. Competitive bids resulting from a formal RFP process by the same facility for services arrangements with non-physician referral sources.
- C. Considerations for Utilization of FMV Resources
 - 1. A Tenet Facility must obtain approval of the Operations Counsel to compensate a Referral Source at a rate higher than (i) the median or 50th percentile rate or (ii) the rate set forth in the VMG Tool that applies to the specialty and relevant call burden for on-call services.

CORPORATE POLICY

Manual/Library Name: Law Department	No: L-25
	Page: 8 of 16
Policy Title: Referral Source Fair Market Value	Effective Date: 05-11-2022
	Previous Versions: 10/5/20, 3/29/19, 5/17/18, 2/1/17
	Approved By: Executive Leadership Team
	Approval Date: 04-29-2022

2. If the resources identified in Section B above do not accurately reflect the circumstances of the proposed arrangement or if the proposed compensation rate exceeds the 75th percentile set forth in the VMG Tool, the Tenet Entity must explain the need for Remuneration exceeding median compensation and secure an Independent FMV Report after obtaining the approval of the Operations Counsel.
3. In all instances where an Independent FMV is needed, the Tenet Entity shall consult with the Operations Counsel to confirm that the proposed arrangement is consistent with Tenet policy and appropriate for review by an Independent Appraiser before engaging the Independent Appraiser.

D. Considerations for Specific Services Arrangements

1. Medical Administrative Services

- a. Except as provided in this policy, a Tenet Entity shall compensate a Physician to provide medical administrative services at the median rate reflected for the Physician’s specialty in the VMG Tool. Generally, the employed rate shall be used unless approved by Operations Counsel based on the substantial commitment of time to the Tenet Entity and resources required to be provided by the Physician to fulfill the medical administrative duties.
- b. For a Physician providing medical-administrative services which are not dependent upon the specialty of the Physician, such as Physician Advisor or Governing Board member, a Tenet Entity shall compensate the Physician at the rate set forth in the most recent VMG Fair Market Value Analysis of the Administrative Hourly Compensation which is posted on the CAM.
- c. Notwithstanding the foregoing, if approved by the Operations Counsel, a Tenet Entity may compensate for medical administrative services below the rate specified in the FMV Tool or VMG Fair Market Value Analysis of the Administrative Hourly Compensation Report, including no Remuneration, if
 - i. The proposed Remuneration is not less than the historical Remuneration level paid for the services,
 - ii. The proposed Remuneration is not less than the amount offered to all other Referral Sources providing the same or similar services, or

CORPORATE POLICY

Manual/Library Name: Law Department	No: L-25
	Page: 9 of 16
Policy Title: Referral Source Fair Market Value	Effective Date: 05-11-2022
	Previous Versions: 10/5/20, 3/29/19, 5/17/18, 2/1/17
	Approved By: Executive Leadership Team
	Approval Date: 04-29-2022

iii. The medical administrative services are an integral part of a hospital-based coverage arrangement, and there is no other evidence that the services are being offered at less than FMV by the Referral Source to secure or maintain the opportunity to generate a clinical services opportunity.

2. On-Call Arrangements

a. Unrestricted Call

Unrestricted call occurs when a Physician is not required to remain on the Tenet Entity’s premises but is required to respond within a specified period for time. A Tenet Entity may, but is not required to, compensate a Physician for on-call services to fulfill its EMTALA obligations or otherwise provide quality services to its patients.

The Tenet Entity may compensate on (1) a Per Diem or hourly basis; (2) a fee for services basis for professional services rendered to indigent patients seen as a result of a consultation during a contracted on-call period; (3) an activation fee; or (4) a combination of approved options which, in the aggregate, is consistent with FMV and the guidance in subsections (i) and (ii) of this subsection.

i. Per Diem arrangements

The Tenet Entity shall utilize the VMG Tool to establish FMV for Low, Medium, or High call burden (“Call Burden”). In determining Call Burden, Tenet Entity shall consider the criteria set forth in the VMG Tool and shall include the factors relied upon by the Tenet Entity in the Request for On-Call Services Agreement. If the Call Burden falls between the defined levels based on the VMG criteria, the Tenet Entity shall propose the level of Call Burden applicable to the service and which most closely reflects the Call Burden. If the Tenet Entity believes that the rate determined by the VMG Tool is not appropriate for the services it seeks to obtain, the Tenet Entity should obtain an Independent FMV Report. Additionally, the Tenet Entity must obtain an Independent FMV Report for any compensation arrangement that materially varies from the compensation methodology reflected in the relevant CAM Template.

CORPORATE POLICY

Manual/Library Name: Law Department	No: L-25
	Page: 10 of 16
Policy Title: Referral Source Fair Market Value	Effective Date: 05-11-2022
	Previous Versions: 10/5/20, 3/29/19, 5/17/18, 2/1/17
	Approved By: Executive Leadership Team
	Approval Date: 04-29-2022

Criteria to consider in determining the Call Burden include:

- (a) Severity of illness typically encountered by the Specialty in treating a patient presenting to the Emergency Department (“ED”);
- (b) Likelihood of having to respond when on-call for the ED;
- (c) Likelihood of having to respond to a request for inpatient consultative services when on-call; and
- (d) Degree of inpatient care typically required of the specialty for patients that initially present to the ED.

ii. Unassigned Indigent Patients

The compensation rate for services rendered to unassigned indigent patients shall be consistent with the applicable Medicare or Medicaid rates and may include services required to address the patient’s condition upon presentation to the Tenet Entity, including post-discharge follow-up care for a period not to exceed 30 days. If the Remuneration for indigent payments is combined with any other compensation for the same services, the Tenet Entity shall obtain an Independent FMV Report.

b. Restricted Call Coverage

- i. Restricted call occurs when a Tenet Entity requires the Physician to remain immediately available and on the Tenet Entity’s premises.
- ii. The necessity of restricted call coverage shall be evaluated on factors which include:
 - (a) The frequency of Physician contact during call schedule;
 - (b) Specialty;
 - (c) Acuity of patients presenting in the specialty;
 - (d) Trauma designation; and
 - (e) Teaching program requirements.

CORPORATE POLICY

Manual/Library Name: Law Department	No: L-25
	Page: 11 of 16
Policy Title: Referral Source Fair Market Value	Effective Date: 05-11-2022
	Previous Versions: 10/5/20, 3/29/19, 5/17/18, 2/1/17
	Approved By: Executive Leadership Team
	Approval Date: 04-29-2022

- iii. Remuneration for restricted call coverage may need to take into account any collections received for professional services rendered during the restricted period. Generally, restricted call hourly rates will be less than the hourly amount in the applicable VMG Tool for clinical services but more than the lowest rate for unrestricted call in the VMG Tool for on-call coverage.
- iv. The Tenet entity should consult the Operations Counsel for assistance in determining FMV for restricted call coverage arrangements.

c. Concurrent Call Coverage

A Physician may receive Remuneration for being scheduled on-call at the same time at (1) more than one Tenet Entity or Tenet Entity campus or (2) more than one specialty at one Tenet Entity (“Concurrent Call”). The Tenet Entity shall determine the burden for Concurrent Call by aggregating the call factors for either facilities or specialties to utilize the VMG Tools or shall obtain an independent Fair Market Value Report for Concurrent Call arrangements.

- d. Notwithstanding the foregoing, if approved by the Operations Counsel, a Tenet Entity may provide Remuneration for on-call services below the rate specified in the FMV Tool, including no Remuneration, if it offers the same Remuneration to all Physicians in the specialty for the service.

3. Guarantee or Subsidy Arrangements

A Tenet Entity shall determine FMV for guarantee or subsidy Remuneration payable for services arrangements with a Referral Source, other than a Tenet Physician practice, by an Independent FMV Report unless otherwise approved by the Operations Counsel based upon a finding that the guarantee amount does not exceed median compensation for Physician and non-Physician provider services for the number of FTE providers performing the services plus reasonable costs for malpractice insurance coverage and billing services and, in the case of a guarantee arrangement between Tenet Entities, a reasonable corporate overhead allocation.

- a. In appropriate circumstances, a Tenet Entity may need to provide a collections or net income guarantee to a contracting party to obtain the type and quality of

CORPORATE POLICY

Manual/Library Name: Law Department	No: L-25
	Page: 12 of 16
Policy Title: Referral Source Fair Market Value	Effective Date: 05-11-2022
	Previous Versions: 10/5/20, 3/29/19, 5/17/18, 2/1/17
	Approved By: Executive Leadership Team
	Approval Date: 04-29-2022

services needed to fulfill the legitimate needs of the Tenet Entity. The Tenet Entity may only offer a collections or net income guarantee if the contracting party’s projected actual reasonable costs of performing the services are expected to exceed the collections to be received.

- b. A Tenet Entity may consider a guarantee of collections or net income for hospital Departments/Services requiring 24/7/365 coverage, including but not limited to the following: Anesthesiology, Pathology, Radiology, Emergency Department, and inpatient hospitalist programs, including specialty hospitalist coverage such as critical care intensivist or neonatology. Prior to proposing a guarantee for any other Department/Service, the Tenet Entity shall consult with the Operations Counsel.
 - i. A Tenet Entity may consider reasonable and ordinary business expenses in a guarantee, including but not limited to:
 - (a) Physician total Remuneration at FMV;
 - (b) Non-Physician provider total Remuneration at FMV;
 - (c) Support staff salary at FMV;
 - (d) Employment benefits (generally should not exceed 25%);
 - (e) Insurance coverage, including but not limited to malpractice premiums;
 - (f) Recruitment costs; and
 - (g) Billing and collection expenses (generally should not exceed 8%).
 - ii. The Tenet Entity shall include a detailed financial statement demonstrating how the guarantee amount was calculated, including how the number of FTEs was determined.
- c. A Tenet Entity may enter into a subsidy agreement for Physician coverage for Hospital-based services which involves payment of a monthly stipend rather than a guarantee payment if:

CORPORATE POLICY

Manual/Library Name: Law Department	No: L-25
	Page: 13 of 16
Policy Title: Referral Source Fair Market Value	Effective Date: 05-11-2022
	Previous Versions: 10/5/20, 3/29/19, 5/17/18, 2/1/17
	Approved By: Executive Leadership Team
	Approval Date: 04-29-2022

- i. The Referral Source declines to accept Remuneration in the form of a collections or net income guarantee, and
- ii. The Referral Source’s aggregate Remuneration, including the stipend and the Referral Source’s projected collections for its services, does not exceed FMV.

The Referral Source shall report its actual collections to the Tenet Provider no less frequently than quarterly.

A Tenet Entity may enter into a subsidy agreement for non-Hospital-based services with the approval of the Assistant General Counsel.

- d. When participating in an arrangement in which the Tenet Entity pays a net income or collections guarantee or a subsidy for clinical services, the Tenet Entity shall comply with the reconciliation requirements set forth in the agreement, including, without limitation, the annual reconciliation requirement (“Annual Reconciliation”), to assure that the actual Remuneration received by the provider remains consistent with FMV. The Tenet Entity shall recoup any excess Remuneration identified in the Annual Reconciliation as provided in the relevant agreement.
- e. Notwithstanding the foregoing, if approved by the Operations Counsel, a Tenet Entity may provide Remuneration for clinical coverage services below the rate specified in the FMV Tool or the range set forth in an Independent FMV Report, if it demonstrates that the Remuneration for the services from all sources, including patient collections and the Tenet Entity’s Remuneration, is reasonably expected to exceed the provider’s cost of delivering the services.

4. Employment Arrangements

- a. A Tenet Entity shall establish FMV for Physician Employment Arrangements in accordance with L-10 Physician Employment Arrangements.

5. Teaching Services

- a. Historically, many Physicians have participated in medical student, residency, and fellowship programs performing clinical, didactic teaching, and associated



CORPORATE POLICY

Manual/Library Name: Law Department	No: L-25
	Page: 14 of 16
Policy Title: Referral Source Fair Market Value	Effective Date: 05-11-2022
	Previous Versions: 10/5/20, 3/29/19, 5/17/18, 2/1/17
	Approved By: Executive Leadership Team
	Approval Date: 04-29-2022

administrative responsibilities (“Teaching Services”) on a voluntary basis. Physicians may provide Teaching Services without Remuneration.

- b. In determining the FMV of any arrangement for contracted Physician Teaching Services, the Tenet Entity shall take into account whether the teaching will be conducted, in part or whole, in a clinical setting where a claim for a professional service by the teaching Physician may be generated.
- c. For Teaching Services, a Tenet Entity may compensate a Physician up to the 25th percentile clinical compensation rate for the respective specialty.
- d. Notwithstanding the foregoing, if approved by the Operations Counsel, a Tenet Entity may provide Remuneration for Teaching Services below the rate specified in the FMV Tool, including no Remuneration, if it offers the same Remuneration to all Physicians in the specialty who perform Teaching Services.

CORPORATE POLICY

Manual/Library Name: Law Department	No: L-25
	Page: 15 of 16
Policy Title: Referral Source Fair Market Value	Effective Date: 05-11-2022
	Previous Versions: 10/5/20, 3/29/19, 5/17/18, 2/1/17
	Approved By: Executive Leadership Team
	Approval Date: 04-29-2022

Exhibit B – Transactions

- A. Sale or Purchase of Items between a Tenet Entity and a non-Tenet Referral Source
 - 1. If the aggregate value of items is expected to be less than \$10,000, the Tenet Entity can demonstrate FMV by providing the average pricing for three comparable items identified from public sources or by obtaining the opinion of an Independent Appraiser.
 - 2. If the aggregate value of items is expected to be greater than \$10,000, the Tenet Entity shall obtain the opinion of an Independent Appraiser.
 - 3. The Tenet Entity shall not solely use an item’s book value or depreciation value as the FMV for purposes of entering into a financial arrangement with a Referral Source.
- B. Joint Venture Arrangements
 - 1. A Tenet Entity must obtain the opinion of an Independent Appraiser if it proposes to contribute any of its assets or businesses to a joint venture involving a Referral Source except if the Referral Source has no other operations or ability to refer or influence the flow of business outside of the joint venture.
 - 2. Notwithstanding the foregoing, any corporate-wide transaction, including those involving Tenet Healthcare Corporation’s or another of the Tenet Entities’ stock or securities, macro-level mergers, recapitalizations, or reorganizations shall not be subject to such requirement.
- C. Equity Transactions

A Tenet Entity shall establish FMV for equity transactions in a Tenet Entity, including transfer of ownership between Referral Sources, in accordance with L-29 Equity Transactions.
- D. Agreements by a Tenet Group Purchasing Organization

If a Tenet Group Purchasing Organization has negotiated an agreement in which a Tenet Entity desires to participate, the Tenet Entity:

 - 1. May rely upon the representation of the Group Purchasing Organization that the arrangement is FMV and was not entered into to influence the referral of patients, and
 - 2. Shall not be required to demonstrate FMV.



CORPORATE POLICY

Manual/Library Name: Law Department	No: L-25
	Page: 16 of 16
Policy Title: Referral Source Fair Market Value	Effective Date: 05-11-2022
	Previous Versions: 10/5/20, 3/29/19, 5/17/18, 2/1/17
	Approved By: Executive Leadership Team
	Approval Date: 04-29-2022

E. Lease Arrangement

1. A Tenet Entity shall comply with the provisions set forth in L-4 Office Space and Equipment Leases with Physicians and Other Potential Referral Sources, including utilization of the annual Independent FMV Report obtained by the Real Estate Department.
2. If the property is not valued as a part of the annual Real Estate Department valuation program, the Tenet Entity shall obtain an Independent FMV Report from a resource approved in advance by the Operations Counsel in accordance with this policy.