



Dear Perspective Physician Member,

The Physicians Contracting Organization of Texas (PCOT) would like to take this opportunity to acquaint you with our organization. PCOT is a Texas IPA that represents almost 500 primary care and specialty physicians. We offer many cost saving and education opportunities for our members. Please find enclosed a credentialing application for membership in PCOT, for your review. You may also download the application from the Texas Department of Insurance at www.tdi.state.tx.us/company/hmoqual/crform.html.

Along with the application is a list of our value added service that can be accessed upon acceptance of membership with PCOT. These services will help clinics save money on office supplies, medical supplies, medical liability premiums and many other services used in a medical clinic or by staff. A complete listing can be accessed on our website www.pcot.org.

If you decide to join us, please enclose a check for \$350 with your completed application. This is to cover the credentialing and start-up costs. PCOT members are billed quarterly for \$250 or one time each year for \$1000. Primary care physicians, physicians practicing part-time or over the age of 65 are billed quarterly for \$150 or one time each year for \$600. A (5) percent discount may be taken if dues are paid annually.

We look forward to receiving your application and if you need additional assistance, please feel free to contact PCOT at 903-526-3268.

Sincerely yours,

Jennifer Roach
Executive Director

Scott J. Sands, M.D.

John T. Ardill, O.D.

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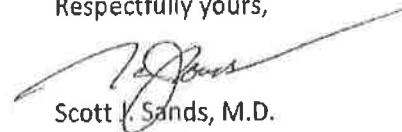
February 15, 2008

Dear Colleague,

I have been a member of the Physicians Contracting Organization of Texas (PCOT) since July of 1998 and I would like to encourage each of you to seriously consider becoming a member of the IPA. This is a physician directed IPA organization that has grown tremendously over the past several years. It provides physicians with a unified voice in contracting with managed care medical plans. Some services provided by the PCOT include: review and advise physicians on individual and group contracts, and group purchasing. I have received a significant savings on malpractice premiums over the last several years due to PCOT membership. My experience to date with PCOT has been very positive.

In the near future you will be contacted by Brenda Shepherd, Executive Director (if not already contracted), to discuss the opportunities that the PCOT offers for physicians and their employees. If you have any questions in regard to our experience, please call myself or my office manager, Linda Sharp.

Respectfully yours,



Scott J. Sands, M.D.

SJS/ah

*******ATTENTION APPLICANT*******

While applying for membership with Physicians Contracting Organization of Texas (PCOT), please be aware that the following contracts do not accept your PCOT effective date:

Aetna
First Health
Health Smart
Health Spring
Superior
United Health Care

These contracts have an additional credentialing process and their timeline is 30 days-180 days from receipt of your profile from PCOT.

Please be patient during this process.

PLEASE NOTE: After you have been credentialed with PCOT, you will receive a letter from us informing you of such.

You are welcome to contact us after 30 days of receiving your letter to find out which contracts have possibly loaded your information into their system.

Thank you.

Physicians Contracting Organization of Texas
903-526-3268

PHYSICIANS CONTRACTING ORGANIZATION OF TEXAS

CONCEPT DOCUMENT

As managed care penetration continues to increase across the state of Texas, and more specifically, the East Texas Region, there is an increase need for physicians to organize themselves. The PCOT was created in 1993 with the belief that physicians possess the ability to control the clinical and financial decision making in Medicine most cost effectively. This can be actualized by the development of physician led groups and networks. The following outlines the intent, key characteristics and success factors for the PCOT.

INTENT

- The primary intent of the PCOT is to develop a locally based physician sponsored organization for managed care contracting.
- The organization will proactively collect and monitor clinical and utilization data of services provided by its members. This information will be utilized to develop treatment guidelines and protocols to optimize the value of medical care provided.
- The organization will develop alliances with other physician organizations, hospitals and managed care organizations as appropriate for quality patient care and access.

- The organization will serve as a contracting vehicle for physicians to negotiate with managed care organizations and other payers for fair and reasonable reimbursement for healthcare services.

KEY CHARACTERISTICS

- PCOT will consist of a broad-based panel of physicians specializing in primary and all types of specialty care.
- PCOT will represent physicians throughout a wide geographic area to include Tyler and East Texas.
- Physician members of PCOT will provide services at multiple inpatient and out patient facilities across the coverage area.
- Physician members of PCOT will be committed to developing high quality of care and utilization standards and value added services by and for the physicians.

SUCCESS FACTORS

- Provide high quality care for patients demonstrated by clinical protocols, outcome studies and patient satisfaction surveys.
- Increase patient base through appropriate referral relationships and payer contracts.
- Ultimately, to become known as the preferred quality network for physician services in East Texas.