

## DOCTORS ACO- Georgia

### LETTER OF INTENT TO PARTICIPATE IN ACCOUNTABLE CARE ORGANIZATION

#### Mission Statement

*We are a group of physicians coming together to gain control of our professional and business life and the opportunities created by healthcare reform, particularly within the emerging field of Accountable Care Organizations. The purpose of our enterprise is to form an entity controlled by doctors for the benefit of doctors and in the best interests of doctors, their patients and the country as a whole. We intend to deliver high quality, cost effective care with substantial patient satisfaction and choice, and we believe that physicians should take control of their business circumstance and once again become accountable for the clinical and financial results achieved within their own practice environment and on behalf of their entire patient population. We believe that now is the time - Seize The Opportunity!*

1. Each of the undersigned hereby commits to pay One Thousand Dollars And No Cents (\$1,000.00 – the “Funds”) to the limited liability company (the “Company” or “Doctors ACO”), in order for such funds to be used for the development of the Company, including but not limited to, determining the rights, privileges and preferences of members (the “Members”), and additional use in engaging business experts, lawyers, professional advisors, physician executives, and an ACO Executive Management team in order to establish the Company’s business model and develop its business and clinical integration options.
2. Participation in the development of the Company is by invitation. Those parties who contribute Funds, if such Funds are accepted by the Company, shall constitute the “Organizing Physicians” of the Company, with such individuals having the right thereafter to participate in meetings and efforts to complete the development and organization of the Company and to make related decisions until such time as formal membership offering documents are completed and signed by the potential Members of the Company. Each of the undersigned agrees that the Funds may be used in the discretion of the initial Steering Committee of the Company selected by the Organizing Physicians.
3. By execution of this instrument, the undersigned hereby acknowledges that the Steering Committee shall have full power and authority to engage the ACO Management Group as well as such additional executives, lawyers, consultants, appraisers and business experts as the Steering Committee deems necessary or advisable in its discretion to pursue development of the Company on a prudent business basis.
4. The Company shall receive development assistance from the following individuals and others who they wish to engage through their company – the ACO Management Group - to provide ACO formation, development and operational support:

Rajendra K. Bansal, M.D.  
Louis C. Morgenier, III, M.S.  
David Klebonis  
Derek Pauley  
Other staff of the ACO Management Group

5. Execution of this instrument and contribution of the Funds shall provide the Organizing Physicians with the opportunity, but not the right, to participate in the Company as a Member if, when and as development and due diligence have been completed by the Steering Committee, and then on such terms as may be provided in the discretion of the Board Of Managing Members of the Company.

6. The Steering Committee has initially proposed the following enterprise features:

- A. *Physician Financial Risk.* The Physician Members will contribute \$1,000 per Physician and have no other financial risk.
- B. *ACO Management Group Risk.* The ACO Management Group will contribute the costs required for preparation and submission of the ACO Application.
- C. *Development & Operating Costs.* The ACO Management Group will pay for all of the development and operating expenses of the Company, up to a financial “cap” of \$6.00 PMPM for the first 5,000 assigned Medicare beneficiaries, and then \$4.00 PMPM for all assigned beneficiaries in excess of 5,000 (the “Management Company Cap”).
- D. *Company Contribution.* Any development and operating expenses of the Company above the Management Company Cap shall be borne by the Company and financed by means of bank or institutional financing or any other reasonable method adopted by the Board Of Managing Members of the Company.
- E. *ACO Management Company Rights.* The ACO Management Group shall:

- ✓ Hold 30% of the ownership shares of the Company
- ✓ Be entitled to 30% of the Profits of the Company
- ✓ Have Voting Powers equal to 51% of all voting shares

F. *Physician Member Rights & Privileges.* The Physician Members shall:

- ✓ Hold 70% of the ownership shares of the Company
- ✓ Be entitled to 70% of the Profits
- ✓ Have Voting Powers equal to 49% of all voting shares equally split between the PCP and Specialist Members

G. *Shared Savings Allocations/Distributions.* From the Shared Savings paid to the Company by the Medicare Shared Savings Program, the use of funds shall be in accordance with the following method:

- ✓ First, to repayment of the \$1,000 Funds contributed by the Physician Members
- ✓ Second, to repayment of the development and operating expenses incurred by the ACO Management Company
- ✓ Third, to all other expenses of the Company
- ✓ Then, from the resulting Profit – 30% shall be paid to the ACO Management Group and 70% shall be paid to the Physician Members (“**Physician Profit Pool**”)
- ✓ Physician Profit Pool shall be split according to the following formula:
  - 20% equally split between the PCP and Specialist Members
  - 20% based on the number of assigned Medicare Beneficiaries
  - 60% based on savings performance

H. *Commitment Date.* Each of the undersigned’s commitment of Funds will be non-refundable unless the undersigned’s application to participate as a Physician Member is rejected by the Company. The last date on which to become a Member of the Company

will be set at 12:00 midnight on April 30, 2018 (the "Closing Date"). However, the Closing Date is subject to extension at the discretion of the Steering Committee to a date not more than thirty (30) days after the original Closing Date.

7. **EACH OF THE UNDERSIGNED ACKNOWLEDGES AND AGREES THAT THE PAYMENT OF FUNDS HEREUNDER DOES NOT GUARANTEE ACCEPTANCE AS AN OWNER OR MEMBER OF THE COMPANY OR ANY AFFILIATE THEREOF; RATHER, EACH PHYSICIAN WILL BE REQUIRED TO SUBMIT A FULL SUBSCRIPTION PACKAGE/APPLICATION TO THE ENTITY AND BE APPROVED BY THE STEERING COMMITTEE. NO RIGHT TO DEVELOPMENT PARTICIPATION OR MEMBERSHIP IS INTENDED OR GRANTED OR IMPLIED BY VIRTUE OF THE COMPANY'S ACCEPTANCE AND DEPOSIT OF CHECKS FOR USE AS DEVELOPMENT FUNDS. PLEASE NOTE THAT PHYSICIANS WHO OWN, DIRECTLY OR INDIRECTLY, SHORT TERM REHABILITATION FACILITIES OR SUB-ACUTE CARE HOSPITALS OR SIMILAR FACILITY ENTITIES WILL NEED TO HAVE A SEPARATE TIN FOR SUCH FACILITIES WHICH WILL NOT BE INCLUDED IN THE ACO NETWORK AS OPPOSED TO THE TIN FOR THE PHYSICIANS' MEDICAL PRACTICE WHICH IS PERMITTED TO BE INCLUDED IN THE ACO DELIVERY NETWORK.**

8. **FINANCIAL ESTIMATES AND PROJECTIONS REGARDING THE COMPANY, IF ANY, PROVIDED TO THE UNDERSIGNED ARE SUBJECT TO CHANGE AND MODIFICATION AS MAY BE REQUIRED BY LAW OR AS MAY BE PRUDENT IN THE EXERCISE OF THE BUSINESS DISCRETION OF THE COMPANY OR AS MAY BE REQUIRED BY CHANGES IN MARKET CIRCUMSTANCES OR OTHERWISE. ACCORDINGLY, NO DEVELOPMENT PARTICIPANT CAN OR SHOULD RELY UPON THESE FIGURES FOR PURPOSES OF DETERMINING WHETHER TO PROCEED WITH A POTENTIAL INVESTMENT INTEREST IN THE COMPANY.**

9. Each of the undersigned parties acknowledge and agree that creation of the Company and implementation of the objectives referenced herein may entail preparation of definitive legal instruments for (i) the events, transactions and documents required to bring the Company effectively into existence, (ii) investment documents, potentially including subscription agreements, a deal memorandum, a membership operating agreement or membership certificates, (iii) business documents, (iv) legal compliance documents, and (v) such incidental documents and filings as may be reasonably necessary to proceed with the business intent of the Company as a going concern and as a Medicare certified Accountable Care Organization participating in the Medicare Shared Savings Program. The final terms of any such documents may vary from certain of the general provisions or concepts referenced herein or as initially discussed or evaluated by the Steering Committee or the Organizing Physicians. In the event of any conflict between this instrument and such final instruments, the terms of the final documents shall be deemed and construed to govern and shall supersede the provisions hereof and all oral discussions or understandings with respect thereto.

10. Each of the undersigned has the right to withdraw the Funds either within three (3) days after the tender of such funds or within three (3) days after the participant has received this notice, whichever is later, and receive a full refund of all monies paid.

11. Each of the undersigned hereby agrees that the information provided herein and the potential plans, documents and operations of the Company, along with this instrument, shall be

kept confidential and shall not be used, replicated, disclosed or distributed to any third party without the prior consent of the Steering Committee of the Company.

12. This instrument represents the entire understanding between the parties signing below and supersedes all prior contracts, agreement and arrangements.

13. This instrument shall be governed by and construed under the laws of the State Of Georgia, and litigation proceedings, if any, arising out of or related to this instrument shall be resolved by means of binding arbitration pursuant to the rules of the American Arbitration Association then in effect.

IN WITNESS WHEREOF, each Member has executed this Letter Of Intent with an effective date as of the date set forth below.

Very truly yours,

**THE STEERING COMMITTEE OF DOCTORS ACO**

**IN ORDER TO BECOME ONE OF THE MEMBERS OF DOCTORS ACO, YOU WILL NEED TO TAKE THE FOLLOWING ACTION:**

**1. SIGN AND DATE BELOW:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_, 2018

**2. MAKE YOUR CHECK OUT TO “DOCTORS ACO” FOR \$1,000 – FOR MEDICAL GROUPS WITH MORE THAN ONE PHYSICIAN, PAYMENT IS \$1,000 FOR EACH PHYSICIAN IN THE GROUP.**

**3. SEND OR DELIVER YOUR CHECK TO:**

Amy Thompson, Director of ACO Operations  
Doctors ACO, LLC  
2005 Prince Ave.  
Athens, GA 30606

Version 1.1 March, 2018