

PARTICIPATING PROVIDER GROUP AGREEMENT

This Participating Provider Group Agreement ("Agreement") is made and entered into as of the 15th day of October, 2003, ("Effective Date") by and among BEECH STREET CORPORATION, a California corporation ("Beech Street"), and Children's Community Physicians Association ("Provider Group") and Provider Group Participating Providers.

RECITALS

WHEREAS, Provider Group is an organization which contracts on behalf of health care providers to provide health care services;

WHEREAS, Beech Street desires (i) to obtain a network of health care providers and facilities for purchasers of such services and (ii) to engage Provider Group to provide health care providers to furnish such services; and

WHEREAS, Provider Group and Provider Group Participating Providers desire to be engaged by Beech Street to furnish such services and shall furnish such services in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I – PREAMBLE AND RECITALS

The preamble and recitals are hereby incorporated into and made a part of this Agreement.

ARTICLE II - DEFINITIONS

2.1 Plans. "Plans" means individual and group health benefit contracts, workers' compensation programs, policies of health insurance, other managed care organization programs, policies of automobile insurance, government programs, other plans of a Payor or programs paid for by Eligible Persons which shall be subject to this Agreement.

2.2 Eligible Persons. "Eligible Persons" means the persons entitled to receive the Covered Services pursuant to a Plan.

2.3 Covered Services. "Covered Services" means the health care services provided pursuant to a Plan.

2.4 Participating Providers, Provider Group, Provider Group Participating Providers, and Provider Group Affiliated Providers.

2.4.1 "Participating Providers" means those health care providers, including, without limitation, physicians, facilities, allied health care providers and ancillary health care facilities, who have directly, or indirectly through Beech Street agreements with other networks or entities ("Leased Networks"), entered into an agreement with Beech Street to provide Covered Services.

2.4.2 "Provider Group" means the health care provider group named in the preamble to this Agreement.

2.4.3 "Provider Group Participating Providers" means, subject to Section 4.4.1, those health care providers who are employed by, affiliated with, or who have entered into an agreement or other formal relationship with Provider Group ("Provider Group Affiliated Providers") to provide health care services and are listed in EXHIBIT IV hereto, as such EXHIBIT IV may be updated from time to time.

2.5 Beech Street Network. "Beech Street Network" means the network of Participating Providers.

2.6 Payors. "Payors" means the parties responsible for the payment for Covered Services rendered to Eligible Persons who have entered into Payor Agreements with Beech Street.

2.7 Payor Agreement. "Payor Agreement" means an agreement between a Payor and either Beech Street or one or more intermediaries that has an agreement with Beech Street to access the Beech Street Network.

2.8 Standard Terms. "Standard Terms" means the terms set forth in EXHIBIT I.

2.9 Fee Schedule. "Fee Schedule" means the schedule of reimbursement amounts pursuant to which a Payor or its paying agent shall pay Provider Group Participating Provider or, if applicable, Provider Group, to provide Covered Services and which is set forth in EXHIBIT V.

2.10 Provider Manual. "Provider Manual" means the manual Beech Street develops of Beech Street procedures and policies in order to assist Participating Providers in the orderly flow of communications, claims reimbursement and other critical elements for a network of Participating Providers. The Provider Manual is available on the Internet for the convenience of Participating Providers. Occasionally, as technology and procedures change, Beech Street will update the Provider Manual.

2.11 Utilization Management Program. "Utilization Management Program" means either the utilization management program established and administered or subcontracted by Beech Street, summarized in EXHIBIT II, or any utilization management program required by a Payor.

2.12 Credentialing Criteria. "Credentialing Criteria" means the criteria established by Beech Street for the

credentialing and recredentialing of Participating Providers. Beech Street may amend the Credentialing Criteria from time to time and shall make the Credentialing Criteria, in effect at the time, available to Provider Group upon request.

2.13 Medically Necessary.

2.13.1 "Medically Necessary" or "Medical Necessity" means services or supplies which, under the provisions of this Agreement, are determined to be: (i) appropriate and necessary for the symptoms, diagnosis or treatment of the injury or disease; (ii) provided for the diagnosis or direct care and treatment of the injury or disease; (iii) preventative services as provided in a Plan; (iv) within standards of good medical practice within the organized medical community; (v) not primarily for the convenience of the Eligible Person or of any provider providing Covered Services to the Eligible Person; (vi) an appropriate supply or level of service needed to provide safe and adequate care; and (vii) provided in a setting consistent with the required level of care.

2.13.2 Medically Necessary services may not be Covered Services under a Plan.

ARTICLE III - STANDARD TERMS AND FEE SCHEDULE

3.1 Standard Terms and Fee Schedule.

3.1.1 Provider Group and each Provider Group Participating Provider, as Participating Providers, accept and are hereby bound by the Standard Terms and the Fee Schedule.

3.1.2 Provider Group Participating Providers shall provide Covered Services to Eligible Persons of each Payor.

3.2 Modification of Standard Terms and Fee Schedule. The Standard Terms and Fee Schedule may be modified pursuant to Section 11.7.

ARTICLE IV - OBLIGATIONS OF BEECH STREET

4.1 Marketing and Promotion.

4.1.1 Beech Street shall use reasonable efforts to market, advertise and actively promote the Beech Street Network.

4.1.2 Beech Street shall solicit Payor Agreements from Payors and shall require Payors to comply with the applicable terms of this Agreement. Payors shall encourage Eligible Persons to use Participating Providers through financial incentives or other direction mechanisms.

4.2 Information. Beech Street shall make available current information regarding Payors via electronic transmission or via the Internet.

4.3 Liability for Claims Decisions.

4.3.1 Payors shall be liable for claims decisions and for the payment of Payors' portions of claims pursuant to the applicable Plan.

4.3.2 Beech Street shall not be responsible or liable for any claims decisions or for the payment of any claims submitted by Provider Group Participating Providers and Provider Group for furnishing Covered Services or non-Covered Services to Eligible Persons. Beech Street shall not be an insurer, guarantor or underwriter of the responsibility or liability of any Payor or any other party to provide benefits pursuant to any Plan.

4.4 Participation in Beech Street Network.

4.4.1 Beech Street shall have the right to approve or reject any Provider Group Affiliated Provider as a Provider Group Participating Provider and to terminate or suspend

any Provider Group Participating Provider as a Participating Provider.

4.4.2 Beech Street reserves the right to credential and recredential any Provider Group Participating Provider,

and Provider Group shall provide Beech Street with the credentialing information required by Beech Street to credential or recredential each Provider Group Participating Provider.

ARTICLE V - OBLIGATIONS OF PROVIDER GROUP AND PROVIDER GROUP PARTICIPATING PROVIDERS

5.1 Additions, Deletions and Information. Provider Group shall:

5.1.1 give written notice to Beech Street at least thirty (30) days prior of any addition, deletion or other change in the composition of Provider Group or the status of any Provider Group Participating Provider; and

5.1.2 provide Beech Street with the information as described in EXHIBIT IV (Demographic and Licensing Information) at the time of execution of this Agreement and in the format described therein.

5.2 Services and Obligations. Each Provider Group Participating Provider and, if applicable, Provider Group, shall:

5.2.1 provide Covered Services to Eligible Persons for which such Provider Group Participating Provider or, if applicable, Provider Group, is qualified and which such Provider Group Participating Provider customarily furnishes to the general public from the office location(s) listed on EXHIBIT IV ("Provider's Offices"). In the event services are rendered by a Provider Group Participating Provider from locations not listed as Provider's Offices, such services shall be considered rendered by Provider Group Participating Provider pursuant to this Agreement;

5.2.2 perform the Covered Services pursuant to the standards of good medical practice within the organized medical community;

5.2.3 (i) obtain from Eligible Persons necessary authorization and confidentiality release forms, including, without limitation, written assignment of benefits and an appropriate release, to bill Payors directly for Covered Services furnished by each Provider Group Participating Provider; (ii) bill Payors directly on properly completed UB 92/HCFR 1500 or successor forms within ninety (90) days of rendering services or as otherwise required by applicable state law; (iii) accept as payment in full for Covered Services rendered the lesser of usual billed charges or the reimbursement amount provided in the Fee Schedule; and (iv) cooperate and comply with the billing and other procedures established by Beech Street and Payors;

5.2.4 subject to Section 7.1 and Section 7.3, provide a Payor or any party operating the Utilization Management Program with access, upon reasonable notice during normal business hours, to the appropriate records and information regarding Covered Services rendered to Eligible Persons for inspection and copying in such a manner as may be reasonably requested. All reasonable costs of inspection and copying shall be borne by Payor or such party, as applicable;

5.2.5 within the dictates of good practice, and in the best interest of Eligible Persons under Provider Group Participating Provider's care, refer such Eligible Persons requiring referral to other Participating Providers;

5.2.6 cooperate with, participate in and observe the protocols of the Utilization Management Program and be bound by the decisions issued pursuant to the Utilization Management Program;

5.2.7 within ten (10) days of occurrence, notify Beech Street and provide Beech Street with all information with respect to any disciplinary or malpractice actions or judgments against or settlements by any Provider Group Participating Provider and Provider Group, as applicable, provided that Provider Group shall give such notice to Beech Street. Each Provider Group Participating Provider and Provider Group hereby authorize any hospital, managed health care organization, any governmental agency or professional licensing, accrediting or certifying agency, or any other person or entity to release to Beech Street any information pertaining to any such matters or pertaining to the Credentialing Criteria;

5.2.8 consent to the inspection upon reasonable notice by and release to Payors, Beech Street, clients of Payors, independent credentialing entities, independent accreditation entities, and their respective officers, directors, employees, agents and representatives (collectively "Inspectors") the contents of the credentialing file of such Provider Group Participating Provider or, if applicable, Provider Group, and all documents that may be material to an evaluation of the qualifications and competence of such Provider Group Participating Provider or, if applicable, Provider Group. Each Provider Group Participating Provider and Provider Group hereby releases from liability Inspectors for their acts performed and statements made, in good faith and without malice, in connection with evaluating the

credentials and qualifications of Provider Group Participating Provider; and

5.2.9 treat Eligible Persons in all respects no less favorably than Provider Group Participating Provider treats all other patients. Provider Group Participating Provider shall not discriminate against Eligible Persons based upon race, religion, national origin, color, sex, marital status, sexual orientation, age health status disability, or source of payment. Nothing in this Agreement is intended to create, nor shall it be construed to create, any right of Beech Street or any Client, or their respective designees, where applicable, to intervene in any manner with, nor shall it render them responsible for, the provision of Provider Services or care to Eligible Person.

5.3 Non-Solicitation of Payors and Paying Agents. During the term of this Agreement and for twelve (12) months thereafter, Provider Group shall not enter into a direct contract to perform services for any Payor, any paying agent of a Payor, or any client of a Payor.

5.4 Retrospective Review. If a Payor authorizes or certifies the performance of Covered Services for an Eligible Person by PROVIDER GROUP Participating Providers, Payor shall not rescind or modify the amount of reimbursement due PROVIDER GROUP Participating Providers pursuant to a retrospective review by Payor which determines that such Covered Services are not Medically Necessary; PROVIDED, HOWEVER, Payor may modify or rescind the amount of reimbursement due PROVIDER GROUP Participating Providers if (i) the clinical presentation communicated to Payor varies substantially from the actual clinical presentation of the Eligible Person; or (ii) the plan of treatment performed by PROVIDER GROUP Participating Providers varies substantially from the plan of treatment communicated to Payor and is not a usual, customary and Medically Necessary addition or modification to the plan of treatment initially communicated to Payor. Prospective modifications by Payor of the prior authorization for Covered Services pursuant to a concurrent review shall not be deemed to be retrospective review pursuant to this Section 5.4.

ARTICLE VI - INSURANCE

6.1 Provider Group and Provider Group Participating Provider Insurance. Provider Group and each Provider Group Participating Provider shall maintain during the term of this Agreement, at their expense, in amounts reasonably satisfactory to Beech Street, policies of comprehensive general and professional liability insurance with companies reasonably acceptable to Beech Street, or coverage provided under a legally established trust. Upon request, Provider Group shall provide Beech Street with satisfactory evidence of such insurance or

coverage for Provider Group and each Provider Group Participating Provider. Provider Group shall provide Beech Street with prior notification of any cancellation, non-renewal or other material change in such insurance or coverage for Provider Group and for each Provider Group Participating Provider.

6.2 Beech Street Insurance. Beech Street shall maintain comprehensive general liability coverage.

ARTICLE VII - CONFIDENTIAL INFORMATION

7.1 Legal Restrictions. No party hereto shall be in default for failure to supply information which such party, in good faith, believes cannot be supplied due to prevailing law, or for supplying information which such party, in good faith, believes is required to be supplied due to prevailing law.

7.2 Non-Disclosure of Confidential Information.

7.2.1 Provider Group and each Provider Group Participating Provider (and their respective officers, directors, employees, agents, members, successors and assigns) shall hold any and all Confidential Information in the strictest confidence as a fiduciary, and shall not, voluntarily or involuntarily, use, sell, transfer, publish, disclose, display or otherwise make available to others any portion of the Confidential Information without the express written consent of Beech Street.

7.2.2 "Confidential Information" shall mean information of Beech Street that shall be subject to patent, copyright, trademark, trade name or service mark protection, or described as confidential by Beech Street or a Payor, or not otherwise in the public domain and related to the business and operations of Beech Street or a Payor, including, without limitation, this Agreement and the exhibits hereto, the Fee Schedule, lists of Payors, clients of Payors and information related thereto, eligibility data, manuals, software, and information relating to earnings and/or volume of business.

7.3 Medical Records. The parties hereto shall maintain the confidentiality of any and all medical records which shall be in their possession and control, and such information shall only be released or disseminated pursuant to the valid authorization of the patient whose

medical condition is reflected in such medical records or as shall be otherwise provided under applicable law.

7.4 Trademarks and Copyrights. Each party acknowledges each other party's sole and exclusive ownership of its respective trade names, commercial symbols, trademarks and service marks, whether presently existing or later established (collectively "Marks"). No party shall use another party's Marks in advertising or promotional materials or otherwise without the owner's

prior written consent; PROVIDED, HOWEVER, that Beech Street, Payors, clients of Payors and other entities with agreements with Beech Street may, but shall not be required to, list Provider Group, any Provider Group Participating Provider, and related information in the Beech Street Participating Provider directory or otherwise publicize the status of Provider Group and Provider Group Participating Providers as Participating Providers.

ARTICLE VIII - DISPUTE RESOLUTION

8.1 Arbitration. Any controversy or dispute arising out of, relating to, or connected with this Agreement or the relationship created pursuant to this Agreement, shall be submitted to final and binding arbitration as the sole and exclusive remedy.

8.2 Location of Arbitration. The arbitration shall be governed by the Federal Arbitration Act, as amended, and shall take place in the state in which Provider Group is located or such other location as the parties may agree. The arbitration shall be conducted in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Arbitration, in effect as of the date the demand for arbitration is filed.

8.3 Costs of Arbitration. The parties each shall bear all of their own costs of arbitration; provided however, the fees of the arbitrator shall be divided equally among the parties participating in the arbitration. The award or decision by the arbitrator shall be final and binding.

8.4 Remedies in Arbitration. Each party shall have the right to seek from an appropriate court provisional remedies including, but not limited to, temporary restraining orders or preliminary injunctions before, during or after arbitration. Seeking any such remedies shall not be deemed to be a waiver of any party's right to compel arbitration.

ARTICLE IX - TERM AND TERMINATION

9.1 Term and Voluntary Termination. The term of this Agreement shall commence on the Effective Date set forth on the first page of this Agreement and shall continue indefinitely unless terminated pursuant to the terms of this Agreement. Either Provider Group or Beech Street may terminate this Agreement by giving written notice to the other party at least one hundred twenty (120) days prior to termination.

9.2 Termination for Breach. Except as otherwise specifically provided in Section 9.3, Provider Group may terminate this Agreement for cause upon the breach of this Agreement by Beech Street not remedied within thirty (30) days after receipt by Beech Street of notice thereof from Provider Group, and Beech Street may terminate this Agreement for cause upon the breach of this Agreement by Provider Group or any Provider Group Participating Provider not remedied within thirty (30) days after receipt by Provider Group of notice thereof from Beech Street; provided, however, upon such breach of this Agreement by a Provider Group Participating Provider, Beech Street may, in its sole discretion, terminate this Agreement only as to such Provider Group Participating Provider.

9.3 Termination.

9.3.1 Termination of Provider Group. Anything elsewhere in this Agreement to the contrary notwithstanding, Beech Street shall have the option to terminate this Agreement at any time upon notice to Provider Group if Provider Group: (i) fails to satisfy the Credentialing Criteria, including, without limitation, the loss of any license or certification; (ii) fails to purchase or maintain policies of insurance as required in Section 6.1 of this Agreement; (iii) is disqualified or suspended from practice or is threatened with disqualification or suspension in any state, or has any license, certification or authorization required to perform any duties hereunder restricted, suspended or terminated; (iv) is disciplined or threatened with disciplinary action by any governmental authority or agency, any other managed care organization, or any hospital or other facility; (v) in the sole discretion of Beech Street, commits or participates in any conduct which threatens injury to the reputation or welfare of Beech Street; (vi) in the sole determination of Beech Street, has an excessive number of professional liability claims filed or resolved against Provider Group Participating Provider; (vii) is subject to an indictment for a felony; or (viii) in the sole determination of Beech Street, engages in any action or behavior, including but not limited to billing practices, which disrupts the business operations of Beech Street or a Payor. If Beech Street exercises the foregoing option to terminate, this

Agreement shall terminate on the date designated by Beech Street. Termination under this Section 9.3.1 is subject to the Participating Provider Appeal Procedure set forth in EXHIBIT III.

9.3.2 Termination of Provider Group Participating Provider. Anything elsewhere in this Agreement to the contrary notwithstanding, Beech Street shall have the option to terminate this Agreement entirely or as to any Provider Group Participating Provider at any time upon notice to Provider Group if such Provider Group Participating Provider: (i) fails to satisfy the Credentialing Criteria, including, without limitation, the loss of any license or certification; (ii) fails to purchase or maintain policies of insurance as required in Section 6.1 of this Agreement; (iii) is disqualified or suspended from practice or is threatened with disqualification or suspension in any state, or has any license, certification or authorization required to perform any duties hereunder restricted, suspended or terminated; (iv) is disciplined or threatened with disciplinary action by any governmental authority or agency, any other managed care organization, or any hospital or other facility; (v) in the sole discretion of Beech Street, commits or participates in any conduct which threatens injury to the reputation or welfare of Beech Street; (vi) is no longer a member in good standing of the medical or professional staff of any hospital of which such Provider Group Participating Provider was a member as of the Effective Date, or if any such hospital restricts in any way or terminates any privileges granted to such Provider Group Participating Provider; (vii) commits professional misconduct or violates the principles of professional ethics; (viii) in the sole determination of Beech Street, has an excessive number of professional liability claims filed or resolved against such Provider Group Participating Provider; (ix) is subject to an indictment for a felony; or (x) in the sole determination of Beech Street, engages in any action or behavior, including but not limited to billing practices, which disrupts the business operations of Beech Street or a Payor. If Beech Street exercises the foregoing option to terminate, this Agreement or such Provider Group Participating Provider's status as a Participating Provider shall terminate on the date designated by Beech Street. Either Provider Group, when this Agreement in its entirety is terminated under this Section 9.3.2, or the individual Provider Group Participating Provider, when such individual's status as a Participating Provider has been terminated under this Section 9.3.2, may appeal the

termination pursuant to the Participating Provider Appeal Procedure set forth in EXHIBIT III.

9.4 Procedure Upon Termination. Upon termination of this Agreement as to a particular Provider Group Participating Provider by Beech Street or in its entirety by either Beech Street or Provider Group for any reason, whether for cause or not for cause, whether voluntary or involuntary, all rights and obligations hereunder shall cease, except (i) those rights and obligations provided in Section 5.3, Article 7, Article 8, and this Section 9.4; and (ii) those rights and obligations which shall have accrued as a result of the operation of this Agreement. Furthermore, Provider Group Participating Provider and, if applicable, Provider Group, shall:

9.4.1 continue to provide Covered Services pursuant to this Agreement to Eligible Persons who shall be receiving care from Provider Group Participating Provider and, if applicable, Provider Group, until the earlier of the conclusion of any treatment for a specific condition existing as of such termination or the transfer of such Eligible Person to another health care provider. During such termination period, the Fee Schedule shall continue to apply to Provider Group and Provider Group Participating Providers;

9.4.2 immediately discontinue use of any and all signs, plaques, letterheads, forms or other materials identifying Provider Group Participating Provider and, if applicable, Provider Group, as Participating Providers of Beech Street, Payors, and clients of Payors, and as a participant in the Plans of each Payor; and

9.4.3 immediately disclose to each Eligible Person in Provider Group Participating Provider's and, if applicable, Provider Group's, care the possible adverse economic consequences to such Eligible Person of the termination of this Agreement.

9.5 Termination and Eligible Persons. In the event of notice of termination of this Agreement or any Provider Group Participating Provider, Beech Street, Payors and their clients may (i) inform Eligible Persons of such termination; (ii) inform Eligible Persons of the economic effect of using the terminated Provider Group and Provider Group Participating Providers as non-Participating Providers; and (iii) recommend that Eligible Persons engage other Participating Providers.

ARTICLE X - REPRESENTATIONS AND WARRANTIES OF PROVIDER GROUP AND PROVIDER GROUP PARTICIPATING PROVIDERS

10.1 Representations and Warranties of Provider Group. Provider Group represents and warrants to Beech Street that the following are true and correct and shall remain true and correct during the term of this Agreement:

10.1.1 Provider Group is licensed pursuant to the applicable statutes and regulations of each state in which Provider Group is doing business or in which it is otherwise required to be licensed;

10.1.2 to the best knowledge of Provider Group, the information contained in EXHIBIT IV is true and correct in all respects and does not fail to state a material fact without which the information would be misleading; and

10.1.3 Provider Group is duly authorized and has been granted signatory authority by each Provider Group Participating Provider to bind each such Provider Group Participating Provider to the terms of this Agreement, as if each Provider Group Participating Provider had individually executed this Agreement.

10.2 Representations and Warranties of Provider Group Participating Providers. Each Provider Group Participating Provider represents and warrants to Beech Street that the following are true and correct and shall remain true and correct during the term of this Agreement:

10.2.1 Provider Group Participating Provider is licensed pursuant to the applicable statutes and regulations of each state in which such Provider Group Participating Provider is doing business or is otherwise required to be licensed;

10.2.2 to the best knowledge of such Provider Group Participating Provider, the information contained in EXHIBIT IV pertaining to such Provider Group Participating Provider is true and correct in all respects and does not fail to state a material fact without which the information would be misleading; and

10.2.3 Provider Group Participating Provider has duly authorized and granted signatory authority to Provider Group to bind such Provider Group Participating Provider to the terms of this Agreement, as if such Provider Group Participating Provider had individually executed this Agreement.

ARTICLE XI - MISCELLANEOUS PROVISIONS

11.1 Provider-Patient Relationship. Nothing contained in this Agreement shall (i) interfere with or in any way alter any provider-patient relationship; (ii) grant Beech Street or any party performing utilization management the right to govern the level of care of a patient; or (iii) be interpreted to discourage or prevent any Provider Group Participating Provider or, if applicable, Provider Group, from communicating all appropriate diagnostic testing and treatment options. Provider Group Participating Providers and, if applicable, Provider Group, shall have the sole responsibility for the care and treatment of Eligible Persons under their care. Utilization management decisions shall only affect reimbursement of Provider Group or Provider Group Participating Providers for services rendered and shall not limit the performance of the services of Provider Group or Provider Group Participating Providers or affect professional judgment.

11.2 Non-Exclusivity. Nothing in this Agreement shall be intended or construed to prevent any party from entering into substantially similar agreements with other entities similar to other parties.

11.3 Independent Contractors. Beech Street, its officers, agents and employees are at all times independent contractors to Provider Group and Provider Group Participating Provider. Provider Group and each Provider Group Participating Provider and their respective officers, agents and employees are at all times independent contractors to Beech Street. Nothing in this Agreement shall be construed to make or render either (i) Beech Street or (ii) Provider Group and Provider Group Participating Provider or their respective officers, agents, or employees an agent, servant, or employee of, or joint venturer of or with, the other.

11.4 Notices. Notices shall be written and shall be effective as follows: (i) upon delivery if personally delivered; (ii) upon receipt if sent via facsimile or e-mail; (iii) on the third (3rd) day following the date deposited in the mail if sent by United States mail, postage prepaid, addressed as set forth below or to any other address specified in writing by a party.

11.5 Gender and Number. The use of the masculine, feminine or neuter gender and the use of the singular and plural shall not be given the effect of any exclusion or limitation herein, and the word "person" or "party" shall mean and include any individual, trust, corporation, partnership, limited liability company or other entity.

11.6 Entire Agreement. This Agreement represents the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and except as otherwise provided in Section 11.12, all prior and concurrent agreements, understandings, representations and warranties with respect to such subject matter between Provider Group and Beech Street, whether written or oral, are and have been merged herein and superseded hereby.

11.7 Amendments and Modifications.

11.7.1 Beech Street may amend this Agreement, including, without limitation, the Standard Terms and the Fee Schedule, by giving written notice of the proposed changes ("Amendment") to Provider Group. Provider Group may reject the Amendment by giving written notice of such rejection to Beech Street ("Rejection") within thirty (30) days of the notice from Beech Street. Provider Group's failure to give notice of Rejection within such thirty (30) day period shall constitute

acceptance of the Amendment, which shall be effective as provided therein. If Provider Group rejects the Amendment, Beech Street shall have the option for one hundred eighty (180) days from the date of the Rejection to terminate this Agreement effective immediately upon notice to Provider Group given pursuant to Section 11.4.

11.7.2 Amendments to the Standard Terms or Fee Schedule may be limited to specific Beech Street products or Payors ("Modifications"). If Provider Group rejects a Modification, neither Provider Group nor any Provider Group Participating Providers shall be Participating Providers for such Beech Street products or for such Payors, as applicable.

11.7.3 Any Amendment, including, without limitation, any Modification, shall be binding on Beech Street, Provider Group and each Provider Group Participating Provider.

11.8 Compliance with Terms. Failure to insist upon strict compliance with any of the terms herein, by way of waiver or breach, by any party hereto shall not be deemed to be a continuous waiver in the event of any future breach or waiver hereunder.

11.9 Rights of Parties. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to this Agreement and their successors and assigns.

11.10 Assignment. This Agreement is intended to secure the services of Provider Group and Provider Group Participating Providers and shall not in any manner be assigned, delegated, or transferred by Provider Group or any Provider Group Participating Providers without the prior written consent of Beech Street. Any such transfer or assignment shall be void. Beech Street may assign, delegate, or transfer this Agreement to any entity that controls, is controlled by, or that is under common control with Beech Street now or in the future, or which succeeds to its business through a sale, merger, or other corporate transaction. However, all rights and obligations shall be assumed by the assignee, transferee, or successor without modification.

11.11 Benefits. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, personal representatives, executors, administrators, successors and assigns.

11.12 Multiple Contracts. If Provider Group is a Participating Provider through agreements effective prior to the Effective Date of this Agreement ("Prior Agreements") between Beech Street and one or more other parties, such Prior Agreements shall not be superseded by this Agreement. In the event of any conflict between this Agreement and any other agreement

pursuant to which Provider Group or Provider Group Participating Provider is a Participating Provider, Beech Street, in its sole discretion, shall determine the governing contract.

11.13 Severability. If any portion of this Agreement shall, for any reason, be invalid or unenforceable, such portion shall be ineffective only to the extent of such invalidity or unenforceability and the remaining portion or portions shall nevertheless be valid, enforceable and of full force and effect.

11.14 Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute a single instrument.

11.15 Limitation of Damages. Unless prohibited by applicable law, no party shall be liable for any consequential or punitive damages whatsoever (including, without limitation, special, incidental, or indirect damages, whether for personal injury, loss of profits or compensation, business interruption or otherwise), in arbitration or in a court, whether or not foreseeable. Any claims between or among the parties which are not the subject of legal proceedings brought within one (1) year following the conduct, act or event giving rise to such claim shall be deemed waived.

11.16 Conflict of Laws. This Agreement shall be interpreted and enforced in accordance with the laws of the state in which Provider Group is located, without regard to conflict of law provisions.

11.17 Amendments Required by Law.

11.17.1 If changes to this Agreement are required by any legislation, rules or regulations (collectively the "Laws") applicable to any party to this Agreement which are duly passed, adopted or promulgated by any federal, state or local government or legislative body after the Effective Date of this Agreement, then this Agreement shall be amended in accordance with and subject to the following. This Agreement shall be amended only if the Law requires, unconditionally or as a condition for any Payor, Participating Provider or Beech Street to receive the benefits contemplated by this Agreement, that (i) one or more additional provision(s) be added to this Agreement or one or more of the provision(s) of this Agreement be changed and (ii) such addition or change to this Agreement be made by a specific date indicated in such Law in the absence of any amendment of this Agreement which the parties should enter into for any other reason.

11.17.2 In the event a Law of the type described in Section 11.17.1 comes into effect, the provision required by such Law to be added shall be deemed added to this Agreement or the provision of this Agreement required by such Law to be changed shall be deemed so changed,

effective on the last date permitted by such Law for such addition or change to be made; provided that either Provider Group or Beech Street may cause such addition or change to this Agreement not to become effective by giving written notice to that effect to the other party not less than ten (10) days prior to the date on which such addition or change would become effective as provided above.

11.18 Healthcare Insurance Portability & Accountability Act. To the extent applicable to this Agreement, the parties to this Agreement agree to comply with the Healthcare Insurance Portability and Accountability Act of 1996 (HIPAA) and the regulations and rules promulgated thereunder (“the Rules and Regulations”), including but not limited to the Standards for Privacy of Individually Identifiable Health Information (45 CFR Parts 160 and 164). The parties

further agree to be in compliance with the applicable Rules and Regulations by the effective date set forth in each of such Rules and Regulations.

11.19 Electronic Disposition of Document (Scanning and Photocopies)

The parties hereto agree and stipulate that the original of this document, including the signature page, may be scanned and stored in a computer database or similar device, and that any printout or other output readable by sight, the reproduction of which is shown to accurately reproduce the original of this document, may be used for any purpose just as if it were the original, including proof of the content of the original writing.

IN WITNESS WHEREOF, the parties hereto have set their hands on the dates set forth below, as of the Effective Date set forth above.

PROVIDER

CHILDREN'S COMMUNITY PHYSICIANS
Name of Provider ASSOCIATION

2300 CHILDREN'S PLAZA, Box 113
Address

CHICAGO, IL 60614-3394
City, State, Zip Code

NOT-FOR-PROFIT CORPORATION
Indicate Corporation and Type of Corporation (for profit or not for profit), or Other Type of Entity (if applicable)

ILLINOIS
State of Incorporation (if applicable)

Provider Signature:

Teresa Chan

Printed Name: TERESA CHAN

Date Signed by Provider: August 12, 2003

Title: EXECUTIVE DIRECTOR

Federal Tax I.D. Number: 36-4071049

Medicare Provider Number: N/A

For Beech Street Purposes Only:

BEECH STREET CORPORATION
25500 Commercentre Drive
Lake Forest, CA 92630-8855
800-877-1666

By: [Signature]

Printed Name: Richard L Markus

Title: Senior Vice-President

Date: 8/22/03

EXHIBIT I

STANDARD TERMS

The following shall constitute the Standard Terms as defined in this Agreement. Beech Street represents that Payors have authorized Beech Street to bind such Payors to the following Standard Terms:

1. Provision of Covered Services. Participating Providers shall furnish to Eligible Persons those Covered Services customarily furnished by such Participating Providers in the same physical setting and in the same manner as such services are customarily provided to other similarly situated patients of Participating Providers.

2. Payment to Participating Providers. Pursuant to the terms of the applicable Plan, Payor or its agent and the Eligible Person shall pay to Participating Providers the lesser of Participating Provider's charges customarily billed to other patients or the amounts set forth in the applicable Fee Schedule as full payment of any claim submitted by Participating Providers for Covered Services furnished to Eligible Persons pursuant to such Plan.

3. Payment by and Verification of Eligible Persons.

3.1 Payment by Eligible Persons. Participating Providers shall charge or bill Eligible Persons directly for: (i) and use best efforts to collect any deductible, co-payment or coinsurance for Covered Services specified in the applicable Plan, unless otherwise prohibited in such Plan, in amounts which, when added to Payor's payments, shall not exceed the lesser of charges customarily charged to other patients or the consideration provided in the applicable Fee Schedule; (ii) any services that are not Covered Services, except (as provided below) for services deemed not Medically Necessary by the Utilization Management Program; (iii) any services provided to Eligible Persons which are deemed not Medically Necessary by the Utilization Management Program, but only if Eligible Persons have agreed, in writing, to such charges prior to rendering such services; and (iv) directly for any Covered Services provided to Eligible Persons after the benefits set forth in a Plan to which the Eligible Person is entitled have been exhausted.

3.2 Verification of Eligible Persons. Eligible Persons shall receive Covered Services from Participating Providers upon verification by Payors that the patient is an Eligible Person. Verification shall be in accordance with Payor's customary verification procedures.

3.3 Payment by Non-Eligible Persons. Each Participating Provider may charge and collect full charges from patients who were not Eligible Persons at the time of service even if verified as such by Payor at the time of service.

4. Claims Submission. Each Participating Provider shall, as provided in the applicable Plan, submit claims to the address on the back of the Eligible Person's identification card or as otherwise instructed. Participating Providers shall use best efforts to submit claims electronically and within ninety (90) days after providing Covered Services. Any claims which have not been submitted by a Participating Provider within twelve (12) months after providing Covered Services may be denied pursuant to the applicable Plan. Beech Street, Payor or Payor's agent shall apply the applicable Fee Schedule, as of the date of the Covered Services, to each Participating Provider's claim to determine the amount due such Participating Provider.

5. Time for Payment.

5.1 Except where coordination of benefits applies, Payor or its paying agent shall use all reasonable efforts to make all payments due to Participating Providers within thirty (30) days or as otherwise required by law following receipt by Payor, or its paying agent, of a clean claim. "Clean claim" shall mean a complete and proper claim form and other information required to determine that the claim is payable under the Plan.

5.2 Payment by Payor of any claim shall be final twelve (12) months after payment and neither Payor nor Participating Provider shall have further recourse.

6. Service. Participating Providers shall establish procedures, including an appropriate call system, to provide that Covered Services are available to Eligible Persons twenty-four (24) hours per day, seven (7) days per week.

7. Silent PPO. Payors shall be entitled to the benefit of the Fee Schedules only with respect to Eligible Persons who are entitled to access the Beech Street Network pursuant to Payor Agreements. Participating Providers under the group benefit program shall be provided with a copy of an identification card or other forms of identification with a Beech Street name or logo, to demonstrate that the Eligible Person is entitled to access the Beech Street Network at the time of service or within a reasonable time thereafter. For other programs, information identifying the Eligible Person as a participant in the Beech Street network may include an identification card with the Beech Street name or logo or another method of verification of network participation. If such information is not provided with respect to any Eligible Person, the Fee Schedule will not apply to Covered Services provided to such Eligible Persons.

EXHIBIT II

SUMMARY OF UTILIZATION MANAGEMENT PROGRAM

Beech Street shall perform utilization management ("UM") services and shall have overall responsibility for reviewing (1) utilization activities to determine the appropriateness of care of Eligible Persons and (2) physician claims to assess compliance with Beech Street billing guidelines, if Beech Street administers the utilization management program.

This Exhibit summarizes generally the standards and procedures that Beech Street will use in performing UM and the interrelationship between Beech Street, the attending health care provider and the facility utilization review program. All capitalized terms used in this EXHIBIT II which are not otherwise defined shall have the meanings set forth in the Agreement to which this EXHIBIT II is attached.

NOTE: Nothing in the UM Program is intended or shall be construed to override or affect in any manner the authority and responsibility of each Participating Provider for the care and treatment of each Eligible Person under such Participating Provider's care, including, without limitation, all decisions with respect to the admission, treatment or discharge of such Eligible Person.

1. GENERAL.

a. Different Plans have different review requirements. When UM review is required by a Plan, it shall be the responsibility of the attending health care provider and the Eligible Person to provide Beech Street with information in advance to determine the appropriateness of all inpatient admissions and elective procedures (whether or not inpatient admission is required) for which such review is required. The information may be provided by mail (time permitting), by telephone (800-227-7464) or by facsimile (949-251-2250) during normal business hours.

b. Beech Street UM Program activities are primarily performed in consultation with the attending health care provider. Without violating applicable statutes, Beech Street shall contact the facility or attending health care provider to obtain information necessary to perform UM Program services.

c. Each inpatient admission and each elective procedure shall be deemed Medically Necessary upon demonstration to Beech Street's satisfaction that such admission or procedure is appropriate under the circumstances.

d. Upon determining that the proposed inpatient admission or elective procedure is appropriate, Beech Street shall notify the attending health care provider, Eligible Person and facility outlining pertinent data.

2. **INPATIENT ADMISSION REVIEW.** Eligible Persons requiring medical care on an emergency basis shall not require pre-admission review. The attending health care provider shall notify Beech Street of the emergency admission by the close of the next business day so that a length of stay ("LOS") can be calculated.

3. **SECOND OPINION PROGRAM.** The second opinion of another Participating Provider is required by certain Plans and Payors in connection with certain procedures and diagnoses. At the time the attending health care provider or Eligible Person contacts Beech Street for a determination with respect to any Covered Services, Beech Street shall notify them whether a second opinion is required and shall furnish or cause to be furnished a list of second opinion Participating Providers where available.

4. **LENGTH OF STAY.** Beech Street shall calculate an appropriate LOS for all admissions based generally on the median LOS for each diagnosis as derived from empirical data from recognized industry databases.

5. CASE MANAGEMENT AND CONCURRENT REVIEW.

a. Case management is a program designed to identify specific cases which involve catastrophic injury or chronic illness to Eligible Persons or which otherwise require long-term care for such Eligible Persons and to evaluate, coordinate and monitor appropriate individualized and cost-effective medical treatment for such Eligible Persons. The Case Manager will contact the Participating Provider caring for an Eligible Person requiring Case Management when necessary to obtain information or coordinate care. In the best interests of the Eligible Person, the Participating Provider shall work cooperatively with the Case Manager.

b. Concurrent review is periodic review during the Eligible Person's inpatient stay to determine whether continued confinement is Medically Necessary. The Beech Street UM Program identifies those cases which warrant concurrent review, and with respect to those cases, Beech Street performs concurrent review to determine whether the Eligible Person is still confined and when discharge is anticipated. It is the responsibility of the attending health care provider and the Eligible Person to provide Beech Street with information to determine whether it is appropriate to continue confinement beyond the LOS previously determined by Beech Street to be Medically Necessary. Beech Street does not perform concurrent review in instances where inpatient facility charges are not determined with reference to length of stay.

6. RETROSPECTIVE REVIEW. Beech Street may perform retrospective review to verify that physician claims submitted are in accordance with the UM Program's billing guidelines as outlined in the Beech Street Participating Provider manual, and Beech Street may, from time to time, otherwise assess whether the care rendered to the Eligible Person was appropriate for the patient's condition and provided in a cost effective manner.

7. DISCHARGE PLANNING. The facility shall perform discharge planning as a means of coordinating and monitoring the Eligible Person's post-hospitalization health care needs. Discharge planning shall be performed during the Eligible Person's inpatient stay in coordination with the attending health care provider, Beech Street and the designated provider of home health care services.

EXHIBIT III

PARTICIPATING PROVIDER APPEAL PROCEDURE

Any Participating Provider terminated by Beech Street pursuant to a provision of the Agreement to which this EXHIBIT III is attached that specifically provides for the termination to be appealed hereunder may file a written request for reconsideration of the termination with Beech Street explaining in detail the reasons why such Participating Provider ("Terminated Party") believes Beech Street should reconsider its decision. Beech Street will determine the issues presented by the request (the

"Issues") within thirty (30) days after receipt of Terminated Party's request and such additional information as Beech Street may request in order to enable it to evaluate the Issues or will provide such Terminated Party with oral or written progress reports every thirty (30) days until the Issues are resolved. Beech Street will notify the Terminated Party in writing of its determination with respect to the Issues.

EXHIBIT IV

DEMOGRAPHIC AND LICENSING INFORMATION

The below information may be submitted to Beech Street electronically, on disk or hard copy.

Provider First Name
Provider Last Name
Provider Middle Initial
Medical Degree
Physician Group Name
Full Practice Address
Telephone Number
Social Security Number
Hospital Affiliation Status
Primary TIN
Additional TIN
Medical State License Number
Medical State License Expiration Date
Specialty
Board Certification
DEA Number
DEA Expiration Date
FAX Number with Area Code
Billing Address
Date of Birth
Medical School and State
Graduation Date
Internship Facility and State
Residency Facility and State
Fellowship Facility and State
Medicare Identification Number
Medicare UPIN
Malpractice Carrier
Malpractice Limits
Malpractice Policy Number
Gender

EXHIBIT V/ SCHEDULE 1

Provider Maximum Fee Schedule:

This Beech Street fee schedule represents the payment due to Provider for providing Covered Services to Eligible Persons. This reimbursement represents the lesser of discount from Provider's usual and customary billed charges in effect as of the date of service or the reimbursement schedule below.

Health Benefits/Consumer Products – Provider Reimbursement Fee Schedule for:

State: IL Fee Zone: 22

RBRVS MULTIPLE: 160% of 2001 (year)

Anesthesia reimbursement is based on ASA and computed at 6 units per hour, \$55 per unit.

Drugs and biologicals (J Codes) are reimbursed at the lesser of billed charges or 100% of AWP (Average Wholesale Price); which is updated annually by Beech Street.

For codes that do not have a unit value assigned by RBRVS reimbursement will be at 20% off billed charges.

All billings are subject to Beech Street Billing Guidelines. See Provider Manual for more information. (Provider Manual can be accessed on www.beechstreet.com.)

Consumer Products

Children's Community Physicians Association is **non-participating**.

Worker's Compensation:

Children's Community Physicians Association is **non-participating**.

Auto Medical:

Children's Community Physicians Association is **non-participating**.

In no event would the fee schedule exceed the billed charges.

**FIRST AMENDMENT TO
PARTICIPATING PROVIDER GROUP AGREEMENT
BY AND BETWEEN BEECH STREET CORPORATION
AND
CHILDREN'S COMMUNITY PHYSICIANS ASSOCIATION**

THIS AMENDMENT is made to amend the Participating Provider Group Agreement by and between Beech Street Corporation ("Beech Street") and Children's Community Physicians Association ("Provider Group") and shall become effective on OCTOBER 15, 2003. The parties agree to the following provisions:

Article V – Obligations of Provider Group and Provider Group Participating Providers

Delete Section 5.3 in its entirety.

Article IX – Term and Termination

Replace Section 9.1 with the following:

9.1 Term and Voluntary Termination. The term of this Agreement shall commence on the Effective Date set forth on the first page of this Agreement and shall continue indefinitely unless terminated pursuant to the terms of this Agreement. Either Provider Group or Beech Street may terminate this Agreement by giving written notice to the other party at least **ninety (90)** days prior to termination.

Add Section 9.3.3 as follows:

Provider Group shall have the right to terminate a Payor pursuant to Section 9.3.4 as a Payor under this Agreement if such Payor shall: (i) apply the Fee Schedule to claims submitted by Participating Provider for services rendered prior to the effective date of the Payor Agreement with Beech Street; (ii) consistently fail to provide payment to Participating Providers pursuant to the Standard Terms or Fee Schedule; (iii) apply the Fee Schedule to claims which causes a breach of this Agreement; or (iv) fail to reimburse Participating Providers for the inappropriate application of the Fee Schedule to claims of Eligible Persons of such Payor (collectively "Prohibited Practices"). **Provider Group understands and acknowledges that Beech Street is unable to administer the termination of individual Payors for participating physicians. Provider Group shall assume sole responsibility for communicating individual Payor terminations to its Participating Providers and educating them on the need to self administer said termination at the point of service. Beech Street and Payors shall work in good faith with Provider Group and its Participating Providers to address any claim issues that present for individual Payors whose access to Participating Providers has been terminated through the provisions of this Article.**

Add Section 9.3.4 as follows:

If a Payor shall engage in Prohibited Practices, Provider Group shall provide Beech Street with notice, including reasonable evidence. If such Payor shall fail to cure the Prohibited Practices within sixty (60) days from the date of the notice, Provider Group may terminate such Payor as a Payor under this Agreement by providing notice of Payor termination to Beech Street within thirty (30) days after the expiration of the sixty (60) day period. The remaining Payors of Beech Street shall not be affected by such action and this Agreement shall remain in full force and effect with respect to any remaining Payors of Beech Street.

Replace Section 9.4.1 with the following:

continue to provide Covered Services pursuant to this Agreement to Eligible Persons who shall be receiving care from Provider Group Participating Provider and, if applicable, Provider Group, until the earlier of the conclusion of any treatment for a specific condition existing as of such termination or the transfer of such Eligible Person to another health care provider or **for a period not to exceed thirty (30) calendar days from the date of termination.** During such termination period, the Fee Schedule shall continue to apply to Provider Group and Provider Group Participating Providers;

Article XI – Miscellaneous Provisions

Replace Section 11.4 with the following:

Notices. Notices shall be written and shall be effective as follows: (i) upon delivery if personally delivered; (ii) upon receipt if sent via facsimile or e-mail; (iii) on the third (3rd) day following the date deposited in the mail if sent by United States mail, postage prepaid, addressed as set forth below or to any other address specified in writing by a party.

Notices to Children's Community Physicians Association shall be sent to:
Executive Director to Children's Community Physicians Association
2300 Children's Plaza
Box 113
Chicago, IL 60614-3394

Notices to Beech Street Corporation shall be sent to:
Senior Vice President of Network Management
25500 Commercentre Drive
Lake Forest, CA 92630

Replace Section 11.7.1 with the following:

11.7.1 Beech Street may amend this Agreement by giving written notice of the proposed changes ("Amendment") to Provider Group. Provider Group may reject the Amendment by giving written notice of such rejection to Beech Street ("Rejection") within thirty (30) days of the notice from Beech Street. Provider Group's failure to give notice of Rejection within such thirty (30) day period shall constitute acceptance of the Amendment, which shall be effective as provided therein. If Provider Group rejects the Amendment, Beech Street shall have the option for one hundred eighty (180) days from the date of the Rejection to terminate this Agreement effective immediately upon notice to Provider Group given pursuant to Section 11.4. The Fee Schedule, attached hereto as Exhibit V Schedule I, shall not be revised without Provider Groups expressed prior written consent.

Exhibit I – Standard Terms

Replace Section 4 with the following:

Claims Submission. Each Participating Provider shall, as provided in the applicable Plan, submit claims to the address on the back of the Eligible Person's identification card or as otherwise instructed. Participating Providers shall use best efforts to submit claims electronically and within **one hundred twenty (120) days** after providing Covered Services. Any claims which have not been submitted by a Participating Provider within twelve (12) months after providing Covered Services may be denied pursuant to the applicable Plan. Beech Street, Payor or Payor's agent shall apply the applicable Fee Schedule, as of the date of the Covered Services, to each Participating Provider's claim to determine the amount due such Participating Provider.

Replace Section 5.1 with the following:

5.1 Except where coordination of benefits applies, Payor or its paying agent shall use all reasonable efforts to make all payments due to Participating Providers within thirty (30) days or as otherwise required by law following receipt by Payor, or its paying agent, of a clean claim. "Clean claim" shall mean a complete and proper claim form and other information required to determine that the claim is payable under the Plan. **The Participating Provider is not obligated to honor the negotiated PPO discount for Clean Claims not paid within thirty (30) days of the Payor of paying agents receipt. For these claims, the Participating Provider shall be entitled to collect full billed charges.**

EXECUTION

IN WITNESS WHEREOF, the parties hereto have set their hands as of the Effective Date as set forth above.

Beech Street Corporation

By

Richard L. Markus
Printed Name

Senior Vice President
Title

Date

8/22/03

Children's Community Physicians Association

By

TERESA CHAN
Printed Name

Title

Date

Executive Director

August 12, 2003