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REVISED OFFER

August 1, 2012

TO ALL PCOT PRACTICES

Gentlemen and Ladies:


HealthSmart has requested that PCOT messenger out to the membership, the new terms of their contract for their PPO product. As a messenger model IPA, each physician has the right to accept or reject all contract offers. The HealthSmart PPO contract amendment terms are as follows:

- Reimbursement will be **150%** of RBRVS for all E&M and Medicine codes and **180%** of RBRVS for all Surgery and Radiology codes.
- For unlisted codes it will be reimbursed at 80% of the billed charges

This is replacing the current PCOT HealthSmart contract as of 9/1/2012. If you do not respond to this offer, and you are already in HealthSmart through PCOT, you will automatically remain in the HealthSmart contract. If you do not agree to the new rates, please respond to this immediately.

Please indicate your practice's plan to participate in the HealthSmart PPO plan by checking one of the boxes below. This response should be mailed to PCOT, 1318 Doctors Drive, Tyler, TX 75701 or faxed to 903-526-2320.

Sincerely,


Brenda Shepherd, MBA, CPC, CPCS
Executive Director

_____ Yes, our practice will accept these fees and all physicians in the practice will participate in the HealthSmart PPO contract amendment.

_____ No, our practice does not wish to participate in the HealthSmart PPO contract amendment.

Date: _____ Practice Name: _____

Authorized Signature: _____

Tax I.D. No. _____

Print Physician Name(s): _____

1318 Doctors Drive Tyler, Texas 75701
903-526-3268 or 1-888-248-1907 Fax: 903-526-2320
jroach@pcot.org

EXHIBIT B
REIMBURSEMENT SCHEDULE
Physicians Contracting Organization of Tyler (PCOT)

HealthSmart Resource Based Relative Value Scale or HealthSmart RBRVS means the methodology designated by HealthSmart to produce the allowable fee for certain Covered Services rendered to Eligible Persons that uses the components of relative value units (RVU's), geographic practice cost indices (GPCI's), conversion factor and base relativity factors, as defined by HealthSmart.

Except as otherwise provided below, Covered Services will be reimbursed at the lesser of usual billed charges or the HealthSmart RBRVS allowable fee (including "gap fill") less applicable Copayments, Deductibles and Coinsurance. If relative values have not been assigned to a CPT code, then allowable shall be 80% of provider's billed charges, subject to audit and review.

The HealthSmart RBRVS allowable fees are updated by HealthSmart annually to reflect new information regarding RVU's, GPCI's, conversion factor, and the addition of new codes and services. The GPCI locality used for this Agreement is TX-11.

<u>CATEGORY</u>	<u>PPO</u>	<u>ACCEL</u>
Surgery (10000-69999)	180% RBRVS	170% RBRVS
Radiology (70000-79999)	180% RBRVS	140% RBRVS
Lab (80000-89999)	110% RBRVS	100% RBRVS
Medicine (90000-99199) & HCPCS	150% RBRVS	120% RBRVS
E&M (99200-99999)	150% RBRVS	120% RBRVS
90281-90788 and J codes	80% of provider's billed charges	80% of provider's billed charges
ANESTHESIA		
Provided by MD/DO	\$60.00 per unit	\$55.00 per unit
Provided by CRNA	\$55.00 per unit	\$50.00 per unit
All Anesthesia services will be reimbursed using the ASA Guidelines.		

Cost Reduction Mechanism(s): The Lesser of:

- Discount: (a) 80% of provider's billed charges; or
 (b) Fee Schedule as stated above.

WORKERS' COMPENSATION PLANS

For workers' compensation Plans, Covered Services will be reimbursed at the lesser of the physician's billed charges or 95% of the fee under the state workers' compensation fee schedule.