

COASTAL PHYSICIANS PURCHASING GROUP

MEMBERSHIP AGREEMENT

In response to the increasing pressures to control overhead costs, Coastal Physicians Purchasing Group ("CPPG"), a California nonprofit mutual benefit corporation was formed. As a member of the medical staff of San Antonio Community Hospital, you are eligible (through membership participation) to receive the wide variety of benefits being offered by CPPG. Among other services offered, CPPG will be acting as a Group Purchasing Organization ("GPO") on behalf of its participants. A list of the products and services that are currently available through CPPG is outlined in Attachment I of this agreement.

Among the services offered is a purchasing program for medical supplies with McKesson Medical-Surgical Corporation ("MMS"). In addition to offering discounted prices to participating physician practices, MMS will also pay CPPG a GPO fee equal to 2.5% of the purchase price of the goods and services ordered and received from MMS and .5% of Pharmaceuticals ordered. McKesson will also pay New Source Ambulatory a .5% fee on all products (excluding McKesson Brand Products, Direct Vendor Products and vaccination products) purchased by eligible NSA-CPPG participants. This GPO fee has been negotiated to help offset the operating costs of CPPG. In this regard, CPPG will provide you with an annual statement of the total GPO fee received by CPPG from MMS for purchases made by physicians participating in the CPPG program. If you elect to participate in the group-purchasing program through CPPG, you are authorizing MMS to pay this administrative fee to CPPG and you may not participate in any other group-purchasing program through MMS. Also, in order to qualify for the guaranteed savings program, you must purchase a minimum of 80% of your medical supplies from MMS.

In response to physicians' needs, services offered through CPPG may be added or deleted from time to time. All programs offered through CPPG are approved by its Board of Directors.

You may receive the CPPG benefit package by signing this agreement and paying the annual fee, which is a tiered rate that currently ranges from \$175 to \$325. This fee is due upon enrollment and is based upon a calendar year. Discounts are available for groups of three or more. The annual fee structure and group discounts are detailed on Attachment II of this agreement. If a physician joins CPPG with less than six months remaining in a calendar year, the membership fee for the first year will be 50% of the annual fee. If you have any questions, please call the CPPG offices at (949) 574-4644.

I hereby accept the offer of benefits described in this agreement.

Signature: _____ Date: _____

Print Name: _____ Specialty: _____

Address: _____ Phone: (____) _____

_____ Fax: (____) _____

Office Manager: _____ Email: _____

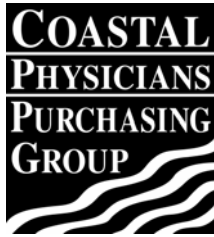
Are you insured by CAP/MPT for malpractice insurance? YES NO

Will you be accessing CPPG's McKesson Medical-Surgical purchasing program for your medical supplies? YES NO



Current Listing of Available Products and Service

- McKesson Medical Surgical supplies purchasing program
- Besse Medical/Novation Pharmaceutical contract
- Office Depot office supplies purchasing program
- CAP/MPT Malpractice coverage discounts
- Verizon & Spring cellular phone service discounts
- Merchant card processing discount
- Answering service discounts
- USA Mobility/Metrocall Wireless pager discounts
- Sparkletts bottled water discounts
- File folders/forms discounts
- Printing discounts
- Staff recruitment services
- Temporary staff discounts
- J.J. MacIntyre collection agency discounts
- Medical waste disposal discounts
- Medical instrument maintenance/repair services
- Auto/Home insurance discounts
- Workers' Compensation, Disability & Liability insurance discounts
- Payroll processing discounts
- OSHA Compliance consultant discount
- Coding Publications
- Postage machine discounts
- Entertainment discounts
- Vaccine discounts
- PPO contract review guidelines
- Copier/facsimile machine discounts
- Transcription discounts
- Linen cleaning and supplies discount
- Florist discounts
- Bank services discounts
- Employee leasing discounts
- Practice consultant discounts
- Magazine subscription discounts
- Record storage discounts
- Instrument Repair discounts
- Patient Notification system discounts
- Promotional Items discounts
- Claim Processing discounts



Attachment II

Annual Membership Fees

The annual fee is variable based on CAP/MPT participation and group size.

Basic Annual Fees

Hospital Based Physicians	\$ 45.00
All Specialties (Non-hospital based)	\$175.00

CAP/MPT Malpractice Insurance Participation

<u>Premium Amount</u>	<u>Additional Annual Fee</u>
Premium under \$10,000	\$ 50.00
\$10,000 - \$20,000	\$100.00
Over \$20,000	\$150.00

Group Discount

<u>Number of Physicians</u>	<u>Discount</u>
1-2	0%
3-5	15%
6-10	25%
11+	35%

**Discount off of basic fees only*