

**APPENDIX A  
ACCEPTANCE/CONTINUED PARTICIPATION CRITERIA  
PHYSICIANS**

Amendments to this Appendix A shall be effective as of **November 5, 2008]**, 2008 (the “**Policy Effective Date**”).

To be initially admitted into the panel of physicians participating in, or be permitted to continue participating in, the Priority Health network, physicians must satisfy the following listed Acceptance/Continued Participation Criteria:

1. **Definitions:** For purposes of this Appendix A:

- Any physician with whom Priority Health did not have a Physician Participation Agreement in effect as of the Policy Effective Date shall be referred to as a “**New Physician.**”
- Any physician with whom Priority Health had a Physician Participation Agreement in effect as of the Policy Effective Date shall be referred to as a “**Chartered Physician.**”
- Any Chartered Physician who was credentialed *directly* by Priority Health or Care Choices (*i.e.*, rather than obtaining his or her credentialing through some type of delegation mechanism) shall be referred to herein as a “**Directly Credentialed Chartered Physician.**”
- Any Chartered Physician who obtained his or her credentialing in Priority Health or Care Choices through some type of delegation mechanism shall be referred to herein as a “**Non-Directly Credentialed Physician.**”
- Those agencies identified in Paragraph 7 below shall be referred to herein as “**Recognized Board Certification Agencies.**”
- The appropriate specialty or sub-specialty in which the physician will serve Priority Health members shall be referred to herein as the “**Physician’s Specialty.**” For those physicians who practice in a subspecialty, the term “Physician’s Specialty” shall refer to such subspecialty.
- The requirements under this Appendix A, in their entirety, shall be referred to herein as the “**Acceptance/Continued Participation Criteria.**”
- The requirements governing training and board certification under Paragraphs 2 – 8 of this Appendix A shall be referred to herein as the “**Training/Board Certification Requirements.**”

2. **Overview of Requirements Applicable to New Physicians and Non-Directly Credentialed Physicians.** All New Physicians and Non-Directly Credentialed Physicians must satisfy both the Training Requirement AND the Board Certification Requirement. Thus, all New Physicians and Non-Directly Credentialed Physicians (i) must satisfy the Training Requirement under Paragraph 3 (*i.e.*, either completing ACGME or AOA approved training in Physician’s Specialty OR, for physicians who did not complete ACGME or AOA approved training in Physician’s Specialty, satisfying the “**Alternative Training Standard**”), and neither the Comparable Competence Exception nor the Practice Need Exception shall apply to exempt a physician from compliance with the Training Requirement, and (ii) must satisfy the Board Certification Requirement under Paragraph 4, unless either the Comparable Competence Exception or the Practice Need Exception applies, in which case the physician shall be exempted from the Board Certification Requirement.

3. **Training Requirement.** Unless the physician satisfies the Alternative Training Standards (set forth below), any New Physician or Non-Directly Credentialed Physician must have completed an American College of Graduate Medical Education (“**ACGME**”) or American Osteopathic Association (“**AOA**”) approved training program *in Physician’s Specialty*.

Any New Physician or Non-Directly Credentialed Physician who did not complete ACGME or AOA approved training *in Physician’s Specialty* nonetheless may comply with the Training Requirement if he or she satisfies the “**Alternative Training Standards**,” which requires compliance with the standards in a., b., c. and d. (below):

- a. the physician has been practicing for at least five years in Physician’s Specialty at a currently participating hospital and, during such period, the physician has maintained clinical privileges (that include Physician’s Specialty) in good standing at such hospital;
  - b. the physician affiliates with a group practice that participates in the Priority Health network and the terms of the “Group Practice Supervision Standard” (defined in Paragraph 6 below) are met;
  - c. the chairperson of the department comprising Physician’s Specialty provides a letter of recommendation stating, without undue qualification or caveat, that the physician practices Physician’s Specialty at a level reasonably commensurate with that expected of a physician practicing in Physician’s Specialty;
- AND**
- d. the Priority Health medical director charged with oversight of credentialing (“**Medical Director**”) reviews and approves the physician’s application.

The foregoing “Training Requirement” in Paragraph 3 shall not apply to a Directly Credentialed Chartered Physician.

4. **Board Certification Requirement.** Unless either the Comparable Competence Exception or the Practice Need Exception applies, all New Physicians and Non-Directly Credentialed Physicians must maintain in effect board certification from one of the Recognized Board Certification Agencies. The foregoing shall be referred to herein as the “**Board Certification Requirement**.” Only those physicians who are board certified by one of the Recognized Board Certification Agencies will be listed in the Priority Health directory as “Board Certified.”

Every New Physician and Non-Directly Credentialed Physician shall have five years from the date of completion of his/her ACGME or AOA approved training to attain board certification from one of the Recognized Board Certification Agencies *in Physician’s Specialty*. If, however, by the five year anniversary of completing an ACGME or AOA approved training program, the physician has not attained board certification from one of the Recognized Board Certification Agencies *in Physician’s Specialty*, then, at such point, unless the Comparable Competence Exception or the Practice Need Exception applies, such physician shall be deemed to be noncompliant with the Board Certification Requirement. Accordingly, such physician shall be subject to termination from Priority Health based upon non-satisfaction of the Acceptance/Continued Participation Criteria under this Appendix A.

In the case of a physician, other than a Board-Eligible Recent Graduate, who does not maintain board certification from one of the Recognized Board Certification Agencies, such a physician nonetheless shall be deemed to meet the Board Certification Requirement of this Paragraph 4 if he or she satisfies either the Comparable Competence Exception or the Practice Need Exception.

The foregoing “Board Certification Requirement” shall not apply to a Directly Credentialed Chartered Physician.

5. **Comparable Competence Exception to Board Certification Requirement.** If a New Physician or Non-Directly Credentialed Physician does not, at a minimum, satisfy the Board Certification Requirement, and the Practice Need Exemption is not met (in accordance with Paragraph 6 below), then the Credentialing Committee may, in the exercise of its reasonable judgment, grant an exception to this requirement if each of the following is met:
  - a. the physician has maintained clinical privileges (that include Physician’s Specialty) in good standing at a currently participating hospital for at least 5 years;  
**AND**
  - b. the Medical Executive Committee of the currently participating hospital at which the physician customarily practices Physician’s Specialty, or the chairperson of the department comprising Physician’s Specialty, provides a letter of recommendation stating, without undue qualification or caveat, that the physician practices Physician’s Specialty at a level of experience and expertise reasonably commensurate with that expected of a physician with board certification from one of the Recognized Board Certification Agencies who has been practicing in Physician’s Specialty for a period of at least ten years.
  
6. **Practice Need Requirement Exception to Board Certification Requirement.** If a New Physician or Non-Directly Credentialed Physician does not satisfy the Board Certification Requirement and the Comparable Competence Exception is not met (in accordance with Paragraph 5 above), then the Credentialing Committee may, in the exercise of its reasonable judgment, grant an exception to this requirement, provided that the standards in (a) and (b) are met:
  - (a) a Practice Need Requirement is determined to exist, in accordance with the following:
    - Practice in a rural area (defined as a non-urbanized area by the U.S. Bureau of the Census); or
    - Practice in an area designated by the Department of Health and Human Services as a Medically Underserved Area (MUA) or a Health Professional Shortage Area (HPSA); or
    - Practice in a Group Practice with current Priority Health participating practitioners, provided that (i) seventy-five percent (75%) of the full-time physician members of such Group Practice satisfy the Board Certification Requirement, and (ii) a board certified partner or shareholder of the Group Practice who practices at the same clinical site as the non-board certified physician covenants to provide oversight of the such physician in accordance with Priority Health’s policies governing such oversight (as the same may be amended from time to time), and to furnish such documentation as Priority Health might request to demonstrate compliance with such policies (the “**Group Practice Supervision Standard**”); or
    - Practice in a geographic location designated by Priority Health as an area with insufficient provider coverage in Physician’s Specialty;

AND

- (b) if Practice Need Requirement is determined to exist (*i.e.*, one of the above exception criteria applies), the physician must provide satisfactory letters of recommendation (attesting to the applicant's clinical proficiency and stating, with particularity, the basis for such conclusion) from three (3) physicians who have significant and direct knowledge within the past twenty-four months about the applicant's clinical skills in Physician's Specialty, which recommending physicians must be unrelated to the applicant and not employed by or otherwise affiliated with the medical practice group or entity with which the applicant practices or intends to join.

If a New Physician or Non-Directly Credentialed Physician is deemed to meet the Board Certification Requirement by meeting a Practice Need Exception, he or she shall be subject to termination from the Priority Health network if he/she no longer satisfies the requirements of the particular Practice Need Exception on which admission was based, unless the physician is able to demonstrate that another exception applies.

7. **Recognized Board Certification Agencies.** Priority Health will recognize board certification from the following agencies (*i.e.*, the Recognized Board Certification Agencies):
- The American Board of Medical Specialties (ABMS) (which includes the 24 member boards that comprise ABMS)
  - The AOA
  - The American Board of Podiatric Surgery; or The American Board of Podiatric Orthopedics and Primary Podiatric Medicine
  - The American Board of Oral & Maxillofacial Surgery
  - The American Board of Sleep Medicine
8. **Expiration of Board Certification.** If a New Physician's or Non-Directly Credentialed Physician's board certification from one of the Recognized Board Certification Agencies has expired (the "**Certification Expiration**") and he or she does not otherwise satisfy the Board Certification Requirement (*i.e.*, he or she does not qualify for either the Comparable Competence Exception or the Practice Need Exception), the physician can request, in writing, a 12-month exception to the Board Certification Requirement. During the 12-month period from the date of the Certification Expiration until the *earlier* to occur of the date upon which such physician reinstates board certification or the 12-month anniversary of the Certification Expiration date, (a) the physician shall be afforded the opportunity to reinstate his or her board certification, (b) the Credentialing Committee shall have the authority to impose such conditions on such physician's privileges as the Committee deems reasonable. If, however, by the 12-month of the Certification Expiration date, the physician has not reinstated his or her board certification, then, unless either the Comparable Competence Exception or the Practice Need Exception applies, such physician shall be deemed to be noncompliant with the Board Certification Requirement and, accordingly, such physician shall be subject to termination from Priority Health based upon non-satisfaction of the Acceptance/Continued Participation Criteria Under this Appendix A.
9. **Directly Credentialed Chartered Physician.** A Directly Credentialed Chartered Physician shall be eligible for continued participation in Priority Health without having to satisfy the Training/Board

Certification Requirements (on the condition that he or she, like all other physicians, meets the remainder of the Acceptance/Continued Participation Criteria under this Appendix A).

Notwithstanding the foregoing, a Directly Credentialed Chartered Physician shall be exempted from the Training/Board Certification Requirements only with respect to the Physician's Specialty in which he or she was directly credentialed by Priority Health or Care Choices. By way of illustration and not limitation, if a non-board certified Directly Credentialed Chartered Physician graduated from ACGME training in family medicine, and thus was originally credentialed as a family medicine physician by Priority Health, then such physician shall be permitted to participate in the Priority Health network, even though he/she does not meet the Board Certification Requirement, but only to the extent his/her Physician's Specialty remains family medicine. If, following his/her initial credentialing, such physician (without approved training or board certification) provides dermatology services to patients in the Priority Health network, then such dermatology practice does not qualify for the exemption from the Training/Board Certification Requirements. In such case, the physician shall be permitted to continue to participate in the network as a family medicine physician, even though he/she is not board certified; such physician's service as a dermatologist, however, must be discontinued immediately because the physician's exemption from the Training/Board Certification Requirements applies solely to family medicine and he/she does not meet the Training/Board Certification Requirements as a dermatologist.

10. Notwithstanding any terms herein to the contrary, under exceptional circumstances, the Medical Director may exempt a New Physician or Non-Directly Credentialed Physician from the Training/Board Certification Requirements hereunder, provided that (a) the Medical Director determines that, while the physician is not able to technically meet the foregoing requirements, the physician nonetheless has demonstrated to the Medical Director's reasonable satisfaction that he/she is capable of furnishing medical care to patients in the Priority Health network at a level of quality at least equal to the prevailing level for participating physicians, and (b) the Credentialing Committee approves the Medical Director's exemption determination.

***IN ADDITION TO COMPLIANCE WITH (OR EXEMPTION FROM) THE FOREGOING TRAINING/BOARD CERTIFICATION REQUIREMENTS, ALL PHYSICIANS SHALL BE REQUIRED TO COMPLY WITH THE REMAINDER OF THE ACCEPTANCE/CONTINUED PARTICIPATION CRITERIA UNDER THIS EXHIBIT A. THE CREDENTIALING COMMITTEE SHALL EVALUATE A PHYSICIAN'S RESPONSE TO EACH OF THE FOLLOWING CRITERIA. IN THE EVENT OF A NEGATIVE RESPONSE TO A PARTICULAR ISSUE, THE PHYSICIAN SHALL HAVE THE OPPORTUNITY TO PROVIDE DOCUMENTATION EXPLAINING THE CIRCUMSTANCES OF SUCH OCCURRENCE. THE CREDENTIALING COMMITTEE SHALL DETERMINE WHETHER, IN LIGHT OF THE NEGATIVE RESPONSE, TOGETHER WITH THE PHYSICIAN'S EXPLANATORY DOCUMENTATION, THE PHYSICIAN IS QUALIFIED TO PARTICIPATE IN THE PRIORITY HEALTH NETWORK.***

11. Physicians must hold valid, current, and unrestricted medical licenses/required certifications issued by the State(s) in which they conduct their medical practice. Physicians must provide information regarding any prior loss, suspension, voluntary relinquishment, restriction or other adverse action with respect to licensure or certification. A physician without a valid medical license (whether due to suspension or revocation by the State of Michigan Licensing Board or failure to renew such license

within the applicable period) shall be subject to automatic and immediate termination from the Priority Health network (without the opportunity to exercise any due process rights under the Disciplinary Action and Practitioner Appeal Policy).

12. Physicians must hold a valid, current Drug Enforcement Agency registration or provide evidence (to Priority Health's satisfaction) that they do not require such registration to deliver appropriate care to patients in the Priority Health network.
13. Physicians must hold current clinical privileges in good standing (including all membership and privilege status categories, *e.g.*, Active, Courtesy, Provisional, Temporary, etc.) at a licensed participating hospital, or provide evidence (to Priority Health's satisfaction) that they do not require hospital clinical privileges to deliver appropriate care to patients in the Priority Health network. (Such clinical privileges shall be consistent with the services for which the physician is credentialed through Priority Health.) A physician without clinical privileges shall have the right to provide evidence that the arrangements into which the physician has entered for in-house coverage of his or her Priority Health patients (with one or more participating physicians who have privileges at a licensed participating hospital) should suffice to fulfill the requirement in this paragraph. The Credentialing Committee, in the exercise of its discretion, shall make the determination of such sufficiency based on the particular facts and circumstances of the physician's practice and the proposed coverage arrangement.
14. Physicians must provide information regarding any prior loss, suspension, voluntary relinquishment, restriction or other adverse action with respect to clinical privileges at a licensed hospital. Physicians shall not be admitted to the Priority Health network to the extent any such adverse action, together with other factors in this Appendix A, is determined to bear negatively upon their professional competence or conduct, or ability to successfully participate in the network.
15. Physicians must be in good standing under, and never have been excluded from, the Medicare and Medicaid programs.
16. Physicians must maintain current professional liability insurance coverage with annual minimum limits of \$100,000 per occurrence and \$300,000 aggregate.
17. Physicians shall provide complete documentation relative to any involvement in a malpractice suit, arbitration, or settlement arising out of their professional services, together with evidence of the circumstances of any such occurrence. Physicians shall not be admitted to the Priority Health network to the extent any such malpractice-related occurrences, together with other factors in this Appendix A, are determined to bear negatively upon their professional competence or conduct, or ability to successfully participate in the network.
18. Physicians shall provide complete documentation relative to any denial or cancellation of professional liability insurance. Physicians shall not be admitted to the Priority Health network to the extent any such denial or cancellation of professional liability insurance, together with other factors in this Appendix A, is determined to bear negatively upon their professional competence or conduct, or ability to successfully participate in the network.

19. Physicians shall provide complete documentation relative to any involuntary termination or resignation of employment or other contractual arrangement pursuant to which they were engaged to furnish professional services. Physicians shall not be admitted to the Priority Health network to the extent any such involuntary termination or resignation, together with other factors in this Appendix A, is determined to bear negatively upon their professional competence or conduct, or ability to successfully participate in the network.
20. Physicians must demonstrate a stable, verifiable work history of a minimum of three (3) consecutive years (including residency/fellowship training) with one employer/group/program. Physicians shall not be admitted to the Priority Health network to the extent an unstable work history, together with other factors in this Appendix A, is determined to bear negatively upon their professional competence or conduct, or ability to successfully participate in the network.
21. Physicians must provide evidence of their ability to meet the Administrative Standard for After-Hours Coverage. Evidence may be supplied via the initial application or through separate written documentation.
22. Physicians shall provide complete documentation relative to any professional disciplinary action to which they were subject. Physicians shall not be admitted to the Priority Health network to the extent such professional disciplinary action, together with other factors in this Appendix A, is determined to bear negatively upon their professional competence or conduct, or ability to successfully participate in the network.
23. Physicians shall provide complete documentation relative to any occurrences involving their failure to conduct themselves with a professional demeanor or of engaging in abusive or inappropriate behavior in professional matters. The foregoing includes any formal or informal reprimands, letters in their employment file or other materials memorializing such conduct. Physicians shall not be admitted to the Priority Health network to the extent any such conduct, together with other factors in this Appendix A, is determined to bear negatively upon their professional competence or conduct, or ability to successfully participate in the network.
24. Physicians shall provide complete documentation relative to the appropriateness of their utilization management of medical resources. Physicians shall not be admitted to the Priority Health network to the extent any inappropriate utilization management, together with other factors in this Appendix A, is determined to bear negatively upon their professional competence or conduct, or ability to successfully participate in the network.
25. Physicians shall provide complete documentation relative to any criminal conviction (which, for purposes of this Policy, shall include a plea or verdict of guilty or a conviction following a plea of no contest) or indictment. Physicians shall not be admitted to the Priority Health network to the extent any criminal conviction or indictment, together with other factors in this Appendix A, is determined to bear negatively upon their professional competence or conduct, or ability to successfully participate in the network.
26. Physicians shall provide complete documentation relative to any physical, mental health, or substance abuse problems which may interfere with their ability to practice their profession or facilitate cooperative working relationships, or which may pose a threat to their patients. In conjunction with

this requirement, physicians must cooperate openly and fully with any required health assessment and must provide any reasonably requested evidence of health status. Physicians shall not be admitted to the Priority Health network to the extent any such problem (in the absence of evidence that such problem is being reasonably controlled), together with other factors in this Appendix A, is determined to bear negatively upon their professional competence or conduct, or ability to successfully participate in the network.

27. Physicians must comply with all Priority Health rules, regulations, bylaws, and the terms of their Physician Participation Agreements.
28. Physicians must demonstrate their willingness to provide appropriate and necessary emergency or non-emergency medical treatment within the scope of their expertise to any Priority Health member seeking treatment.
29. Physicians shall not be found to have made any misrepresentations to Priority Health's Board of Directors, employees, agents, or enrollees, including without limitation, any representations relative to the provision of services to enrollees.
30. Physicians shall provide accurate and complete information on their applications, timely respond to requests for additional information and promptly notify the Credentialing Committee regarding any changes in their status, including without limitation, any changes to the responses furnished in connection with their applications. Any physicians who do not comply with the foregoing shall have their applications considered incomplete, and shall not be processed.
31. Physicians participating in the Priority Health network under a group contract are no longer considered contracted with Priority Health and are subject to immediate and automatic termination from the Priority Health network (without the opportunity to exercise any due process rights under the Disciplinary Action and Practitioner Appeal Policy) immediately upon the termination of their contractual affiliation with that group. Physicians may contact Priority Health to determine eligibility to contract with Priority Health on an individual basis.
32. Physicians shall provide documentation relative to any fact or circumstance, whether or not relating to the Acceptance/Continued Participation Criteria, which potentially may affect his or her ability to deliver appropriate care to patients in the Priority Health network. Physicians shall not be admitted to the Priority Health network to the extent any such facts or circumstances, together with other factors in this Appendix A, are determined to bear negatively upon their professional competence or conduct, or ability to successfully participate in the network.