

TERM SHEET

Recitals

- A. The standard terms of Healthcare Service Provider Agreements (**HSP Agreement**) to be entered into between managed care organizations (**MCOs**), including any other body or organization as defined herein, and doctors represented by the Joint Integrated Healthcare Committee of the Federation of Private Medical Practitioners Associations, Malaysia, Association of Specialists in Private Medical Practice Malaysia, Pantai Hospital Doctors' Association and Penang Private Medical Practitioners' Society (**JIHC**).
- B. This Term Sheet sets out the basic terms and conditions required by the JIHC which must be included in all HSP Agreements.

1 Definitions

- 1.1 In this term sheet, unless there is something in the subject or context inconsistent with such construction or unless it is otherwise expressly provided –

Doctors means the doctors represented by the JIHC practising in the Hospitals.

Fee Splitting means any form of kickbacks or arrangements made between practitioners, healthcare facilities, organization or individuals as an inducement to refer or to receive a patient to or from another practitioner, healthcare facility, organization or individual, as defined in the PHFS Regulations.

Grievance Committee means the Grievance Committee to be set up by the MDAC of the respective Hospitals.

Hospitals means the following hospitals whose doctors are represented by the JIHC, or any other hospital as may be determined by the JIHC from time-to-time:

- (a) Ampang Puteri Medical Centre.
- (b) Assunta Hospital.
- (c) Damansara Specialist Hospital.
- (d) Gleneagles Intan Medical Centre.
- (e) Pantai Hospital Kuala Lumpur (formerly known as Pantai Medical Centre).
- (f) Pantai Putri Ipoh.
- (g) Prince Court Medical Centre.
- (h) Selangor Medical Centre.
- (i) Sime Darby Medical Centre (formerly known as Subang Jaya Medical Centre).
- (j) Sunway Medical Centre.
- (k) Tawakal Hospital.
- (l) Adventist Hospital, Penang.
- (m) Gleneagles Medical Centre, Penang.
- (n) Island Hospital, Penang.
- (o) Lam Wah Ee Hospital, Penang.
- (p) Loh Guan Lye Specialists Centre, Penang.
- (q) Pantai Mutiara Hospital, Penang.

HSP Agreement means the Healthcare Service Provider Agreement or any other agreement for the provision of healthcare services to be entered into between the Hospitals and MCOs that will require the services of the Doctors.

JHC means the Joint Integrated Healthcare Committee of the Federation of Private Medical Practitioners Association of Malaysia.

MCO means a managed care organisation as defined under Section 82 of the PHFS Act, ie. any organisation or body, with whom a private healthcare facility or service makes a contract or has an arrangement or intends to make a contract or have an arrangement to provide specified types or quality or quantity of healthcare within a specified financing system through one or a combination of the following mechanisms:

- (a) delivering or giving healthcare to consumers through the organisation or body's own healthcare provider or a third party healthcare provider in accordance with the contract or arrangement between all parties concerned;
- (b) administering healthcare services to employees or enrollees on behalf of payors including individuals, employers or financiers in accordance with contractual agreements between all parties concerned.

MDAC means the Medical or Medical & Dental Advisory Committee of the respective Hospitals, set up pursuant to Section 78 of the PHFS Act.

PHFS Act means the Private Healthcare Facilities and Services Act 1998.

PHFS Regulations 1 means the Private Healthcare Facilities and Services (Private Hospitals and Other Private Healthcare Facilities) Regulations 2006.

PHFS Regulations 2 means the Private Healthcare Facilities and Services (Private Medical Clinics or Private Dental Clinics) Regulations 2006.

PHFS Regulations means the PHFS Regulations 1 and PHFS Regulations 2.

2 Pre-conditions to contract

- 2.1 Any HSP Agreement to be executed, or any arrangements or contracts that are related to any aspect of medical practice must be approved by the MDAC of the respective Hospital.
- 2.2 Any MCO who enters into a HSP Agreement must be duly registered with and/or licensed by the Ministry of Health, as required by the PHFS Act.

3 Professional Fees

Outstanding sums

- 3.1 All outstanding sums as at the date of any new HSP Agreement owing by an MCO to Doctors whose services are required in a HSP Agreement must be paid in full on or before the execution of any HSP Agreement.

Fees chargeable

- 3.2 The procedural and professional fees to be charged by Doctors will be as set out in the Thirteenth Schedule of the PHFS Regulations 1 and the Seventh Schedule of the PHFS Regulations 2, subject to any amendment or revision that may come into force from time-to-time. The current Seventh and Thirteenth Schedules referred to above are attached to this Term Sheet as **Schedule 1**.
- 3.3 The procedural and professional fees for any item not prescribed by the Seventh or Thirteenth Schedules, the PHFS Act or PHFS Regulations or by or under any other relevant authorities or legislation will be charged by Doctors at the then prevailing rate.

No Fee Splitting

- 3.4 There will be no terms and conditions in any HSP Agreement, or any other such arrangement or contract that are related to any aspect of medical practice, that will or can in any way be construed as resulting in a breach of the law in relation to Fee Splitting in the PHFS Act, the PHFS Regulations and any other relevant rules, laws or regulations that may be enforced by the relevant authorities from time-to-time.

Payment due date

- 3.5 All fees must be settled in full within 60 days of the billing date, failing which interest at the rate of 1.0% per mensum is chargeable on all outstanding sums after the expiration of 60 days from the billing date.

Grievance Committee

- 3.6 Any dispute in respect of any individual Doctor arising from any terms and conditions of any HSP Agreement will be referred to the Grievance Committee, whose decision shall be final and conclusive.
- 3.7 The membership of the Grievance Committee will comprise of the following:
- (a) The Chairman of the MDAC, who will act as Chairman of the Committee.
 - (b) One other member of the MDAC.
 - (c) One representative from the management of the relevant Hospital.
 - (d) One representative from the relevant MCO (ex-officio).
- 3.8 The terms of reference of the Grievance Committee will be limited to the following matters:

- (a) Complaints by Doctors against MCOs in respect of any alleged breach of the terms in this Term Sheet or under any HSP Agreement.
- (b) Complaints by Doctors against MCOs in respect of any alleged breach of Section 83 of the PHFS Act.
- (c) Complaints by MCOs against Doctors in respect of any alleged irregularity of procedural or professional fees imposed.

4 Other terms and conditions

Removal following consultation with Grievance Committee

- 4.1 Throughout the duration of the HSP Agreement, no Doctor, Hospital where a Doctor is practising in, or independent clinics operated by any Doctor will be removed or discriminated against, save and except where the removal is consistent with the decision of the Grievance Committee.

Compliance with laws

- 4.2 The HSP Agreement and any arrangement or contract made pursuant thereto must be in strict compliance with the PHFS Act, the PHFS Regulations, the Code of Professional Conduct of the Malaysian Medical Council and any other relevant rules, laws or regulations that may be enforced by the relevant authorities from time-to-time.
- 4.3 If any provision of the HSP Agreement is or may become under any written law, or is found by any court or administrative body or competent jurisdiction to be, illegal, void, invalid, prohibited or unenforceable then –

- (a) such provision shall be ineffective to the extent of such illegality, voidness, invalidity, prohibition or unenforceability;
- (b) the remaining provisions of this agreement shall remain in full force and effect; and

the parties thereto shall use their respective best endeavours to negotiate and agree a substitute provision which is valid and enforceable and achieves to the greatest extent possible the economic, legal and commercial objectives of such illegal, void, invalid, prohibited or unenforceable term, condition, stipulation, provision, covenant or undertaking.

5 Costs and expenses

- 5.1 Each party shall bear its own costs and expenses incurred in the preparation, execution and implementation of the HSP Agreement (including solicitors' costs on a solicitor and client basis).

6 Public statements

- 6.1 The contents of this Term Sheet are strictly confidential and are only to be used for the purposes of negotiating the contents of the HSP Agreement. Parties privy to the contents of this Term Sheet or the HSP Agreement must not make or permit or authorise the

making of any press release or other public statement or disclosure concerning this Term Sheet or its contents without the prior written consent of the JIHC.