SCOPE: All Company facilities including, but not limited to, hospitals, ambulatory surgery centers, physician practices, outpatient imaging centers, service centers, and all Corporate Departments, Groups, Divisions and Markets.

PURPOSE: To establish limits on any Company-affiliated entity from entering into any expense sharing arrangement or space distribution arrangement with or on behalf of a physician or physician practice. While applicable federal laws permit such arrangements between Company entities and physicians, the business and regulatory environment leads the Company to decide to restrict the execution of expense sharing arrangements or space distribution arrangements to a greater extent than currently permitted by law.

POLICY: As of the effective date of this Policy, expense sharing arrangements or space distribution arrangements may not be entered into by an HCA entity with any physician group or any one or more individual physicians (or immediate family member of a physician) except when an exception is approved in writing first by the Approving Authority.

This policy explicitly limits the use of expense sharing arrangements and space distribution arrangements and is not intended to restrict the execution of other arrangements including but not limited to time sharing arrangements with any physician group or any one or more individual physicians.

Nothing in this policy prohibits HCA facilities from making payments pursuant to recruiting agreements to physicians who are in expense sharing arrangements or space distribution arrangements with other non-HCA entities.

DEFINITIONS:
Approving Authority. for purposes of this policy, is the Group President; provided, however, in the case of HCAPS in the role as a tenant the Approving Authority is the HCAPS Group Operations VP and in the case of HCAPS in the role as a landlord the Approving Authority is the HCAPS President.

Expense Sharing Arrangements are arrangements under which two parties share office space and/or related resources during the same time period or during overlapping time periods. Each party generally has access to the office staff, equipment and space at the same time as the other party. Each party has access to certain office space and exam room space on an exclusive basis, as required by the Stark law. For example, if two physicians were sharing space with four exam rooms, each physician would be designated two exam rooms each for his/her own exclusive use. Certain of the non-real estate resources may be provided by both parties. The parties usually share the costs of the resources with no mark-up for profit by either party. This type of arrangement is typically documented pursuant to an expense sharing agreement. The expense sharing agreement and the real estate lease generally have the same terms and termination provisions.
**Space Distribution Arrangements** are arrangements under which two parties share office space and/or related resources during the same time period or during overlapping time periods. A space distribution agreement can be for either full time or part time use with use periods set in advance. Each party has access to certain defined office space and exam room space on an exclusive basis, as required by the Stark law. For example, if two physicians were sharing space with four exam rooms, each physician would be designated two exam rooms each for his/her own exclusive use during their allotted use periods. All of the furniture, fixtures, equipment, office supplies, medical supplies, copier, telephone, computers, computer access, cable TV, if any, janitorial, and medical waste used by both practices, as well as the defined exclusive areas and common areas, and use periods are included in the real estate agreement.

**Time Sharing Arrangements** are arrangements through which the licensee has exclusive use of an entire suite and related resources for a defined period of time set in writing in advance (for example 8am - noon on Mondays). The licensees may not store any personal property within the time share office suite unless separate storage arrangements, such as storage lockers or cabinets are available for such use. The lease rate is calculated to include access to office staff (if any), furniture, fixtures and equipment and common area space, and would provide for exclusive use of certain space and resources, such as office space, exam room space, or clinical staff, during the defined time period. All resources are typically provided by the lessor. This type of arrangement is documented under a License Agreement by Corporate Real Estate.

**PROCEDURE:**
In the rare event that an exception is sought, it must be approved in writing first by the Approving Authority. Such approval should be granted only after the appropriate justification for an exception has been properly documented.