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Supplement to
AOR 2004-23

Michael,

In response to your questions, I submit the following:

1. The practice administrator is an employee of the Business Manager (in other words, an employee of the USON subsidiary). So the term "Business Manager" refers to the corporate entity, while the term "practice administrator" refers to the individual in charge of the Business Manager's affairs at the local level.

2. The "clinical manager" refers to an individual who would be an employee of the practice (although his or her compensation would be paid by USON through its management arrangement). Generally it would refer to the nurse who manages other nurses or an equivalent position. The physicians are employees of the practice, but their compensation is not paid by USON through its arrangement. In addition, management of physicians tends to be through peer review and a sort of "self-management" among the doctors. So, in general that paragraph was referring to non-physician clinical personnel with respect to day-to-day management and evaluation of personnel.

However, USON does provide the same types of analysis, advisory, and recruiting services (though not as much support in day-to-day management or promotion and evaluation) with respect to hiring of the physicians as it does for other clinical personnel.

3. In many cases the physicians do reconstitute their professional organization (with USON help) in connection with entering into an affiliation, but this is not always the case. As outlined in the letter, sometimes changes in the organizational structure may also occur (again with USON assistance) as a result of development activities in the market.

I hope this answers your questions. If you need more information, please let me know.

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To:
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Tom

just some small clarification issues both of which are from page 4, 1st paragraph, of the June 8th letter,

1. On line 4 of the paragraph you state that "the Practice Administrator is the senior on-site decision-maker for all non-clinical administrative activities of USON under the MSA" is this the same individual as the Business manager described in the MSA. Or does one term represent the USON subsidiary while the other term represents the individual who acts on behalf of the subsidiary?

2. in the same paragraph you mention the term clinical manager- clinical managers- (I realize that this is not an individual under the control of USON) but as a general rule do clinical managers also supervise doctors or do they just supervise the nurses and other medical personnel who assist the doctor. This is just I understand the full picture of the personnel arrangement of the practice. Or to put this another way when you use the term clinical staff- does that term also include the doctors of the practice.

Also I was reviewing some past AOR materials. In the previous abortive AOR request we did for American Oncology Resources, in their materials they stated that the professional medical organization they entered into a relationship with actually reorganizes itself into a new professional corporation in order to enter into the relationship with AOR. Does a similar process occur when USON enters into a relationship with a medical practice. Is it required to, in some instances reform itself in order to enter into the MSA or subsequent to the MSA?

thanks