



April 13, 2006

Subject: Vendor Rebate Payments to Providers

In support of its Hospitals and ancillary sites of service, Methodist Healthcare has an established process of collecting, summarizing, allocating, accounting and reporting rebate and/or incentive payments received in connection with agreements entered into with vendors or suppliers that provide such periodic payments. **On behalf of each of its owned Hospitals and ancillary sites of service, it is the position of Methodist Healthcare that any and all rebate and/or incentive payment be delivered either by mail or in person to the following address:**

Methodist Healthcare
Materials Management
Attn: Vice President of Supply Chain Management
1265 Union Avenue
Crews Wing Suite 701
Memphis, Tennessee 38104

901-516-2495

FogartyL@methodisthealth.org

If you have been presenting rebate and/or incentive payments directly to a Methodist Le Bonheur Healthcare Associate or Department other than that listed above, effective immediately, you must direct, either in person or by mail, those payments to the above address. Your cooperation with this will ensure that such payments are, on a timely basis, properly accounted for.

As you are aware, Methodist Le Bonheur Healthcare is subject to the disclosure requirements of reporting rebate and/or incentive payments as a "discount or other reduction in price" under Section 1128B(b)(3)(A) of the Social Security Act [42 USC 1320a-7b(b)(3)(A)], and we have agreed to disclose any such rebate and/or incentive payment received in accordance with applicable federal and state requirements. Therefore, your cooperation with this request, without exception, is required.

If you have any questions or need additional information, please do not hesitate to contact me.

Best Regards,

A handwritten signature in black ink, appearing to be "R-7" or a stylized "L" followed by a checkmark-like flourish.

Larry M. Fogarty
Vice President
Supply Chain Management