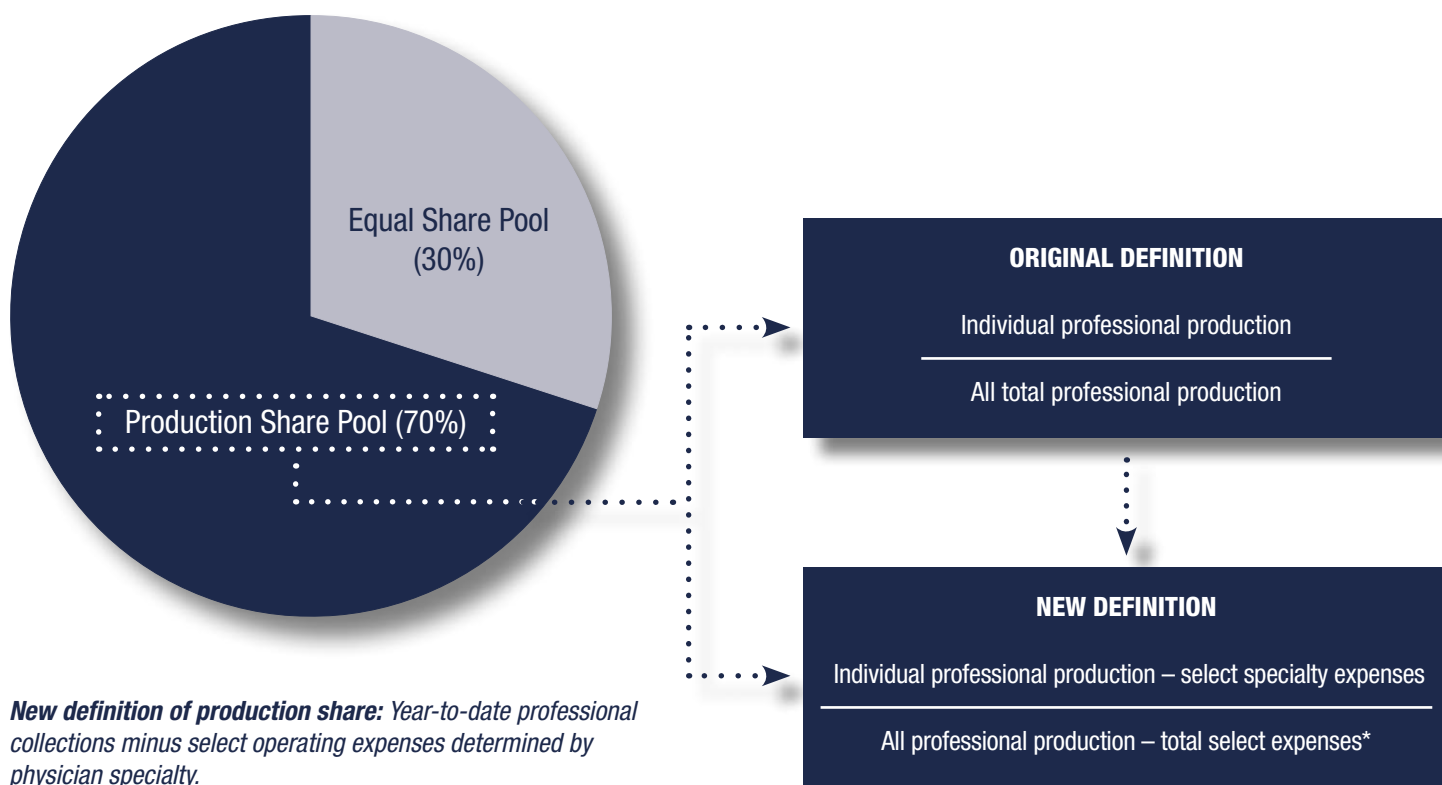


Oncology Compensation Model Production Calculation

To better balance physician production, resource utilization, and compensation fairly for all oncology division shareholders, the Texas Oncology Board of Directors has updated the way the oncology division physician production is defined.

The 30% equal share pool and 70% production share pool are not changing, but now the production share calculation deducts select operating expenses from professional collections to better align the amount physicians are being paid from the physician compensation pool to the amount they are contributing to the compensation pool.



**For oncology division shareholders*

BOARD OBJECTIVES:

- More equitably share select operating expenses by re-balancing the physician production component of compensation calculation, resulting in:
 - Most physicians seeing no change or slightly higher compensation to reflect higher professional collections
 - Some physicians with lower professional collections seeing a reduction in compensation
- More closely align the oncology compensation division distribution with the other division models.
- Support increased personal choice in work-life balance for physicians.

EXAMPLES:

All Shareholder Professional Production.....	\$151,000,000
Total Select Operating Expenses.....	\$25,000,000
Select Specialty Operating Expenses Per Physician	
• Specialty A.....	\$85,000
• Specialty B	\$75,000
• Specialty C	\$65,000

Select operating expenses include costs such as rent and utilities, general and administration expenses, interest and depreciation, and specific IT expenses. This amounts to around 10-15% of all operating expenses, and exact numbers will be available in the Physician Workspace (Dashboard).

Disclaimer: The examples below are for illustration purposes of only the production share pool after equal share deduction and represent potential future allocations. Specialty-specific operating expenses will be determined annually for the three specialties within the oncology model and updated starting in early 2025.

PHYSICIAN 1

- Regularly sees patients with an average number of visits and average collections.
- Allocated a production share amount of \$485,000 with Specialty A expenses of \$85,000.
- Would see almost no change in the production component of their compensation.



PHYSICIAN 2

- Sees more complex patients with a higher-than-average number of visits and collections.
- Allocated a production share amount of \$1,050,000 with Specialty B expenses of \$75,000.
- Would see an increase in the production component of their compensation.



PHYSICIAN 3

- Has a lower number of visits and collections as they prepare for retirement.
- Allocated a production share amount of \$110,000 with Specialty C expenses of \$65,000.
- Would see a decrease in the production component of their compensation.

