

David Pearson, President/Chief Executive Officer
Texas Organization of Rural & Community Hospitals
11675 Jollyville Rd,
Austin, TX 78759

[Today's Date]

[TORCH Member CEO Name]
[Hospital Name]
[Address]
[City, St Zip]

Dear David:

Our hospital submits this non-binding Letter of Intent to join the TORCH Community Care Organization ("CCO") as a founding member. This commitment is based on our organization's interest to actively participate in a collaborative TORCH-led population health initiative.

The TORCH CCO will function as a statewide clinically integrated network that offers care coordination/management services, evidence-based practice support and data analytics. In addition, the CCO will provide infrastructure and programming for members to participate in alternative payment arrangements such as value-based reimbursement with commercial payers and public/private shared savings programs.

As consideration for this, our hospital will provide a one-time initiation fee of \$1,500 for the following initial set of TORCH CCO services/benefits:

1. Status as a founding member with reserved rights, benefits and privileges as defined in the TORCH CCO by-laws to be developed during calendar year 2015.
2. Market-specific assessment identifying the scale of opportunity for our organization.
3. Optional participation in a statewide chronic care management initiative to receive enhanced reimbursement from CMS starting January 1, 2016.

This letter is not an official commitment; all contractual details will be negotiated in good faith over the following several months and executed through a formal Membership Agreement. It is our expectation that our membership in the TORCH CCO will be official no later than December 31, 2015.

Respectfully Yours,

[TORCH Member CEO Name]