1. The American Hospital Association (AHA), our biggest opponent, currently has the 5th largest PAC in the country. AHA PAC has already raised over $450,000 since the start of 2011 alone. [Source: Federal Election Commission]. If PHA’s members do not get active in the PAC, then we cede the debate to groups like AHA who stand in opposition to our interests. PHA members need to ensure the unique voice of physician-owners is heard in Washington!

2. Representative Pete Stark (D-CA), Senator Max Baucus (D-MT) and Senator Charles Grassley (R-IA)...just three powerful and outspoken opponents of our interests. By contributing to PHA PAC, you can ensure that your contribution goes towards electing candidates who, unlike the politicians above, are supportive of physician-owned hospitals.

3. There are many new Members of Congress who do not know PHA or our issues. PHA PAC helps us create relationships with these new lawmakers and allows us to educate them about who we are, the valuable services we provide to our communities, why we exist, and how we benefit our patients, physicians, and the healthcare delivery system as a whole.

4. PHA PAC gets results! PHA members contributed over $390,000 to PHA PAC in the last election cycle. As a result, PHA PAC provided over $515,000 to 100 candidates for federal office. Eighty-two (82) of those candidates won their races! PHA members learned the hard way in the last few years that elections have consequences. Despite numerous and continued efforts to limit and even destroy physician ownership, physician hospitals continue to thrive. We cannot count on past success to guarantee the future of our industry...nor can we declare defeat when our opponents prevail over us. We need to continue to protect these hard-earned wins by being supportive of candidates who support us...and we need to get back up and fight back when we lose!

5. PHA PAC fund allows individuals supportive of the industry to join forces with peers and back candidates who champion the issues critical to physician hospitals. There is unity and strength in numbers!

Political Participation Fundraising and Grassroots Activism Leads to Results

PHA PAC
Needs Your Support Now!
Get Started Today!

- Send in your own PHA PAC contribution today! Contribution forms are enclosed for your use.
- Begin your fundraising drive for PHA PAC as soon as you receive your fundraising tool kit. Enclosed are all of the materials you need to get started now!
- Ask your physician partners and related care community to join you in supporting the PHA PAC. Solicit other contributions from:
  - Your executive, managerial, and administrative employees;
  - Other physician-owners and business partners; and
  - The families of all.
- Peer-to-peer fundraising is the most effective method of raising funds. Set a personal goal for yourself for raising PAC funds by a date certain. Complete your PHA PAC fundraising drive and exceed your goal.
- Contributions to PHA PAC may be made in three easy ways:
  - By personal check or personal credit card to the PHA PAC;
  - By partnership check or partnership credit card to PHA PAC (LP, LLP, etc.). Be sure to include a list of your partner-owners and their share of ownership with your partnership check. PHA PAC is not permitted to keep your partnership check if we cannot verify your partnership data. Note:
    - In some cases, limited liability companies (LLCs) are treated as partnerships and may contribute to a PAC. For the purposes of contribution limitations and prohibitions, an LLC is treated as a partnership if:
      - It does not have publicly traded shares; and
      - It has chosen to file, under IRS rules, as a partnership; or
      - It has made no choice, under IRS rules, as to whether it is a corporation or a partnership.
    - The only exception to look for is where a hospital may be under development or renegotiating Medicare/Medicaid contracts. If an entity is undergoing active contract negotiation with the federal government, it cannot contribute to a PAC.
Sample PAC Solicitation Letter to Physician Owners

Dear Dr. __________:

I am writing today to ask you to contribute to the Physician Hospitals of America Political Action Committee (PHA PAC). As you are aware, PHA is the national trade association that supports and advocates for the interests of the physician hospital industry in Washington DC. The importance of our participation in the political process becomes very evident each time we consider the negative coverage our industry receives not only through the media, but also on Capitol Hill itself.

In the past, PHA, our member hospitals, Congressional allies and circumstances have all worked together to ensure that we are alive to fight another day. And, that’s just what we’ll do... 2010 brought substantial challenges to the industry. Politicians in Washington have made it clear that health care remains at the top of their agenda. As always, PHA continues to work adamantly to educate, garner new support, and maintain existing support for the industry on Capitol Hill. Their efforts will directly affect our hospital’s growth and sustainability.

Contributing to the PHA PAC is vital if we are to protect against harmful legislation limiting the ability of our industry and our hospital itself to grow, and even exist.

There is strength in numbers and the PAC allows us to pool our resources and influence public policy. Our elected representatives place a high value on physician participation in advocacy. I ask you to consider contributing to the PHA PAC as part of your service to our hospital. By participating in the PHA PAC, you will join hundreds of concerned members of the physician hospital industry nationwide in influencing the future of our healthcare system. Additional information about PHA PAC is enclosed. I thank you in advance for your generosity and support.

If you need additional information, please contact me or PHA PAC at 202-367-1115.

Sincerely,
Your Name
Your Title

Enclosures: PHA PAC FAQs
PHA PAC Benefits of Participation
PHA PAC Personal/Partnership Contribution Forms

Legal Disclaimer (include in all solicitations):
Contributions to PHA PAC are used for political purposes. Contributions to PHA PAC are not tax deductible for federal income tax purposes. All contributions to PHA PAC are voluntary and must be made with personal funds. You may refuse to contribute without reprisal. Any proposed contribution amounts are merely suggestions; you may choose to contribute more or less or not at all. PHA PAC will not favor or disadvantage anyone by reason of the amount contributed or the decision not to contribute. Federal law prohibits contributions from corporations. PHA PAC participants must be US citizens or permanent resident aliens.
Frequently Asked Questions About PHA PAC

What is PHA PAC?
PHA PAC is the political action committee ("PAC") of Physician Hospitals of America (PHA). PHA PAC was created with the mission of helping to elect candidates to Congress who understand and can positively address the issues that impact the physician-owned hospital industry.

Under federal law, PHA is prohibited from using its general treasury funds to make contributions in connection with federal elections. However, PHA is permitted to form a political action committee (PAC) to provide PHA members with the opportunity to legally and ethically participate in federal election activities. Federal PACs like PHA PAC are registered with the Federal Election Commission (FEC) and must adhere to FEC regulations.

Who can contribute to PHA PAC?
Participation in PHA PAC is open to the physician-owners, employees, partners/shareholders, and families of all PHA member hospitals. All PAC contributions must be voluntary and made using personal funds. Corporations and foreign nationals may not contribute to PHA PAC.

PHA member hospitals that are organized as partnerships may provide a contribution to PHA PAC in the form of a partnership check. However, a list of all partners and their share of ownership must be provided to PHA PAC to determine that no portion of the contribution is from a prohibited source. Note that share of ownership information is used internally to allocate funds to each of the partners and is not made public.

Who decides which candidates receive contributions?
Candidates are recommended for PHA PAC support by PHA’s Government Relations team, who develop criteria for candidate contributions (e.g. voting record, committee assignments, leadership, presence of physician-owned hospital in district, etc.) and make funding recommendations based on that criteria and available resources. This list is shared with the PHA PAC committee for approval and then sent to the full PHA board for approval. PHA PAC is bipartisan and determines candidates’ eligibility for PAC funds based on their past support for policies that directly impact the physician-owned hospital industry. PHA PAC contributors are welcomed to suggest candidates for support.

Why should I support PHA PAC?
Our opponents have a powerful lobby and contribute significant dollars to elected officials who are in opposition to physician owned hospitals. PHA PAC is supported entirely by its members and physician contributions, and every dollar counts. No matter how large or small the contribution, our success is measured by the percentage of our members and physician participation.

PHA PAC contributions increase the industry’s visibility and access to candidates who need to understand and care about our views on legislative and regulatory policies. PHA PAC also increases the industry’s political credibility as a way to hold lawmakers accountable for their actions.
The Benefits of Participation in PHA PAC

PHA PAC contributors get the piece of mind of knowing that they helped PHA PAC meet the political challenges affecting the physician-owned hospital community; i.e., your business, your employees, and your patients. You may also enjoy other specific benefits based upon your specific level of participation.

PHA PAC Recognition Levels
These are for contributions for each calendar year.

President’s Circle $2,500 - $5,000
- Receives unique PAC ribbon at PHA conventions/meetings
- Receives invitations to PAC VIP fundraising and educational events
- Receives PHA PAC lapel pin
- Receives all PAC communications (newsletter, annual report, listing in PAC publications)
- Receives year-end gift of appreciation (umbrella, hat, etc.)
- Recognition at onsite PHA events
- Receives year-end recognition certificate

Senator’s Club $1,000 - $2,499
- Receives PAC ribbon at annual conference
- Receives invitations to PAC fundraising and educational events
- Receives PHA PAC lapel pin
- Receives all PAC communications (newsletter, annual report, listing in PAC publications)
- Recognition at onsite PHA events
- Receives year-end recognition certificate

Capital Club $250 - $999
- Receives PAC ribbon at annual conference
- Receives invitation to PAC fundraising and educational events
- Receives PHA PAC lapel pin
- Receives all PAC communications (newsletter, annual report)

PAC Supporter $1 - $240
- Receives PAC ribbon at annual conference
# Contribution Form

Yes, PHA PAC may count on my support at the following level:

- [ ] $5,000 President’s Club
- [ ] $1,500 Senator’s Club
- [ ] $1,000 Congressional Club
- [ ] $500 Capitol Club
- [ ] $____ other amount

**Contributor Information (please print or type clearly):**

<table>
<thead>
<tr>
<th>Field</th>
<th>Information</th>
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<tbody>
<tr>
<td>Full Name</td>
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<tr>
<td>Title/Occupation</td>
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<td>Employer Name</td>
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<td>Employer Address</td>
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<td>Employer City, State, ZIP</td>
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<td>Home Address</td>
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<tr>
<td>Home City, State, ZIP</td>
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**Payment Method:**

- [ ] Personal check made payable to “PHA PAC” enclosed.
- [ ] Please charge my personal credit card (circle one):
  - [ ] Visa
  - [ ] Mastercard

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<tr>
<td>Credit card number</td>
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<td>Expiration date</td>
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<td>Authorized signature</td>
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**Legal Compliance:**

- [ ] Check here to certify that the following statements are true and accurate:
  - I am a United States citizen or permanent resident alien.
  - I am making this contribution with my own personal funds and I am not using funds provided by any other person or from any corporation, labor union or national bank to make this contribution.
  - I am not a federal contractor.
  - I am at least 18 years of age.

Return your completed form and payment to: PHA PAC - 2025 M Street NW Suite 800 - Washington DC 20036-3309 or fax to 202-367-2288.

Contributions to PHA PAC are used for political purposes. Contributions to PHA PAC are not tax deductible for federal income tax purposes. All contributions to PHA PAC are voluntary and must be made with personal funds. You may refuse to contribute without reprisal. Any proposed contribution amounts are merely suggestions; you may choose to contribute more or less or not at all. PHA PAC will not favor or disadvantage anyone by reason of the amount contributed or the decision not to contribute. Federal law requires political committees to report the names, addresses, occupations, and names of employers of each individual whose contributions aggregate in excess of $200 in a calendar year. Federal law prohibits corporate contributions. PHA PAC participants must be US citizens or permanent resident aliens.
Partnership Contribution Form

Federal campaign finance rules prohibit contributions from corporations, but allow contributions from partnerships and sole proprietorships. PHA PAC is required to collect the following information for any partnership contribution received. Please assist us in our compliance efforts by providing this information with your partnership check.

**Partnership Contribution Information (please print or type clearly):**

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<tr>
<th>Contact Name</th>
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<tr>
<td>Title/Occupation</td>
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<td>Partnership Name</td>
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<td>City, State, ZIP</td>
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<td>Phone</td>
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<td>E-Mail</td>
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**Please indicate how your organization files with the IRS:**

- [ ] LLC that files as a corporation
- [ ] Sole Proprietorship
- [ ] LLC that files as a partnership
- [ ] Other (please explain)
- [ ] Partnership

*If your organization is a partnership, an LLC that files as a partnership, or a sole proprietorship, please attach a list of all partner-owners and their percentage of ownership at the time the above contribution was made. Federal campaign finance laws strictly prohibit contributions by corporations and/or foreign nationals; hence no portion of your contribution may be attributed to either a corporate partner or a partner who is not a U.S. citizen/permanent legal resident of the U.S. PHA PAC appreciates that many organizations consider their partnership lists to be proprietary data. Specific information relating to the percentage of ownership is not reported; hence the proprietary nature of this information is respected. Additional FEC guidance about partnerships is available here: [http://www.fec.gov/pages/brochures/partner.shtml#6](http://www.fec.gov/pages/brochures/partner.shtml#6).

Return your completed form and payment to: PHA PAC - 2025 M Street NW Suite 800 - Washington DC 20036-3399 or fax to 202-367-2288.

Contributions to PHA PAC are used for political purposes. Contributions to PHA PAC are not tax deductible for federal income tax purposes. All contributions to PHA PAC are voluntary and must be made with personal funds. You may refuse to contribute without reprisal. Any proposed contribution amounts are merely suggestions; you may choose to contribute more or less or not at all. PHA PAC will not favor or disadvantage anyone by reason of the amount contributed or the decision not to contribute. Federal law prohibits corporate contributions. PHA PAC participants must be US citizens or permanent resident aliens.