



FROST & COMPANY, P.C.

A HEALTHCARE CONSULTING GROUP AND A CERTIFIED PUBLIC ACCOUNTING
FIRM GUIDING THE SUCCESS OF MEDICAL PROFESSIONALS

Carl N. Frost, CPA, CVA

Professional Contact Information

Present Title: President of Frost & Company, P.C.

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Houston, Texas 77027
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Education

College: Trinity University
San Antonio, Texas
Bachelor of Science 1974

Post Graduate:
Certified Public Accountant July 1977
State of Texas - Certificate Number: 14552

Certified Valuation Analyst
December 1995

Employment History / Positions Held

Certified Public Accountant - Tax Department
Arthur Andersen and Company, Houston, Texas
December 1974 - December 1977

Certified Public Accountant - Tax Department
Vokel, Cabaniss and Company, Houston, Texas
December 1977 - February 1978

Consultant/Certified Public Accountant
Practice Management Services & Medical Management Consulting Firm, Houston, Texas
February 1978 - August 1981

Consultant/Certified Public Accountant
Balanow and Associates - Medical Management Consulting Firm, Houston, Texas
August 1981 - July 1984



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Consultant/Certified Public Accountant - President
Frost & Company, P.C., Houston, Texas
July, 1984 - Present

Professional Organizations

The American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Houston Chapter of TSCPA
Medical Group Management Association
Gulf Coast Medical Group Management Association
Houston Healthcare Alliance
Sigma Iota Epsilon
National Association of Certified Valuation Analysts

Client Base Affiliations

Hospitals: Not For Profit Entities
Memorial Hermann Hospital System
Cook-Fort Worth Children's Physician Network
Memorial Health Care System
Miami Children's Hospital
St. Anthony's Health Corporation
The Methodist Hospital
San Jacinto Methodist Hospital
Driscoll Children's Hospital
Texas Children's Hospital, Inc.
Baylor Med Care

For Profit Entities
Epic Healthcare Group
HCA – Healthcare Corporation of America
Health Trust, Inc.
Mid America Healthcare Group
Bay Area Medical Center Hospital
Sharpstown General Hospital, Houston, Texas
Golden Glades Hospital, Miami Florida
South Park Hospital, Lubbock, Texas
Tenet Healthcare Corporation



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Physicians

Numerous physician groups ranging from solo to large multi specialty groups:

- | | |
|-------------------------------|------------------------------------|
| Anesthesiology | Obstetrics/Gynecology |
| Bariatric Surgery | Oncology |
| Cardiology | ▪ Surgical Oncology |
| ▪ Electrophysiology | Ophthalmology/Vitreoretinal |
| ▪ General Cardiology | Orthopedic |
| ▪ Interventional | ▪ Sports Medicine |
| ▪ Invasive – Interventional | ▪ Spine Surgery |
| ▪ Non-Invasive | Otolaryngology |
| Cardiothoracic Surgery | Pain Management |
| Chiropractics | Pediatrics |
| Colon/Rectal Surgery | ▪ Intensivist |
| Dentistry/T.M.J. | ▪ Internal Medicine |
| Dermatology | ▪ Pulmonology |
| Endocrinology | Physiatry/Rehabilitation Medicine |
| Emergency Medicine and Trauma | Physical Therapy |
| Family Practice | Plastic and Reconstructive Surgery |
| Gastroenterology | Podiatry |
| General Practice | Psychiatry |
| General Surgery | Psychology |
| Geriatrics | Pulmonology |
| Hematology | Radiology |
| Internal Medicine | Rheumatology |
| Neonatology | Sclerotherapy |
| Nephrology | Urology |
| Neurology Neurosurgery | Vascular Surgery |
| Nuclear Imaging | Wound Care |

Practice Areas of Expertise and Concentration

Hospital/Physician Affiliations:

- Assist in establishment of management service organizations
- Performance of total management function in operation of Management Service Organization
- Assist in establishment of Not-For-Profit corporations enabling hospital purchase of physician practices
- In depth analysis of physician practices including formal asset valuation



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- Consultation with hospital relative to most advantageous method to facilitate practice purchases
- Privatization of university specialty groups
- Analysis of university billing system
- Analysis and restructure of practice groups
- Establishment of turnkey new physician office

Practice Acquisitions, Mergers or Sales:

- Assessment/Valuation of Practice
- Assist with process of obtaining practice financing
- Structure tax aspects of acquisitions, mergers and sale of practice
- Prepare Buy-Sell Agreements
- Establishment of Group Practice Without Walls (GPWW)

Billing and Collections:

- Evaluate and review office/clinical procedures to determine non-productive aspects
- Ensure coding/billing guidelines are followed to receive maximum reimbursement
- Assure Medicare, Medicaid and Workers' Compensation regulations are obeyed to prevent filing fraudulent claims
- Monitor Accounts Receivable to maximize collections
- Develop and implement stringent practice procedures
- Evaluate and establish practice Fee Schedule
- Consultation and assist with implementation of practice EMR selection
- Compose Practice Procedures Manual

Embezzlement:

- Analysis of risk
- Examination of past and current financial activities

Personnel Services:

- Review, hire and train personnel
- Maximize staff efficiency and utilization
- Keep the practitioner abreast of Labor Laws
- Prepare Personnel Policies

Business Management:

- Review and revise Profit-Splitting Agreement and Associate Contracts
- Analyze or prepare Partnership, Group and/or Hospital Contracts, and Associate Employment Contract, as well as recommendations concerning physician retention or termination
- Evaluate purchasing practice, or joining two or more separate practices
- Mediate between partners when structuring compensation agreements



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- Assess the economic viability of establishing expanded office space
- Consult with banks and hospitals on behalf of the client
- Examine payables, and assist in scheduling and developing Pay-Out Plan
- Develop Retirement Plans
- Perform Monthly Practice Analysis

Other:

- Expert witness regarding fraud and abuse/Safe Harbor Regulations
- Expert witness regarding physician contract covenants not to compete
- Consultation with physician and Hospital entities relative to Stark I & II Legislation

Management Consulting:

- Personal financial management
- Tax planning and financial consulting
- Financial management of new or on-going practice
- Establishing, structuring and coordinating banking relationships
- Retirement planning

Financial Statements:

- Compiled monthly or quarterly financial statements
- Comparative financial statements
- Budgeted financial statements
- Graphic Illustrations of:
 - ✓ Year-to-Date Charges, Receipts and Adjustments Reports
 - ✓ Year-to-Date Income and Expense Reports
 - ✓ Overall financial review of Medical Practice

Federal Tax Reporting:

- Individual Income Tax Return
- Partnership Return of Income
- Trust Tax Return
- Corporation Income Tax Return
- Return of Organization Exempt from Income Tax

Payroll Reporting:

- Quarterly preparations (federal/state)
 - ✓ Federal Employment Return
 - ✓ State Employment Tax Return
- Annual preparations (federal/state):
 - ✓ Federal Unemployment Tax Return
 - ✓ Wage and Tax Statement



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Specialized Study

Professional Mediation Training. Accredited by the State Bar of Texas.
August 29, 1998.

Seminars and Presentations

So You Want to Start a Practice. Memorial Healthcare Systems Family Practice
Resident Seminar. May 1989.

So You Want to Start a Practice. Memorial Healthcare Systems Family Practice Resident
Seminar. May 1990.

Establishing Your New Practice. Texas Association of Pediatric Residents. September
1991.

How to Review a Contract Offer. Career Management Week, University of Texas,
Pediatric Residents. September 1991.

Bringing in an Associate. Seminar on Physician Staff Development. September 1991.

Management Service Organizations - Alternative Methods to Hospital Physician Staff:
Success or Madness. Houston Healthcare Alliance. March 1993.

Life After Residency - Contract Negotiations. October 1993.

Healthcare Reform: Planning for New Managed Competition and New Forms of Medical
Practice. October 1993.

Winds of Change: Alternatives for Physician/Hospital Arrangements. Healthtrust, Inc. -
Houston, CEO Presentation. December 1993.

Make Your Practice Irresistible to Health Plans. Baylor College of Medicine Urology
Group. May 1994.

Alphabet Soup - What's Going On? Hermann Hospital Ambulatory Services,
Physician/Office Manager Luncheon. May 1994.

Managed Care Contracts: To Sign or Not to Sign - Solving the Puzzle. Hermann
Hospital Ambulatory Services, Physician/ Office Manager Luncheon. August 1994.

The Medical Highway: In What Direction Are We Headed Now? Nations Bank
Conference Call Seminar. January 1995.



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So You Want to Practice Medicine. Bay Area Medical Center Resident Program, Corpus Christi, Texas. March 1996.

Evaluating Medical Practices in 1997. Houston Chapter – Texas Certified Public Accountants. May 9, 1997.

Employee Embezzlement in the Medical Practice. Houston Chapter – Texas Certified Public Accountants. April 23, 2003.

Budgets, Banking and Internal Controls for the Medical Practice. Baylor College of Medicine Pediatric Residency Program. May 9, 2003.

Physician Compensation: Current Trends and Legal Issues. 2003 Healthcare Symposium. Houston Chapter – Texas Certified Public Accountants. December 12, 2003.

Family Practice Residents: Starting Your Own Medical Practice. February 28, 2005. Memorial Hermann Healthcare System. Memorial Family Practice Residency Program.

Family Practice Residents: Starting Your Own Medical Practice. March 28, 2006. Memorial Hermann Healthcare System. Memorial Family Practice Residency Program.

Publications

Embezzlement in the Medical Practice. Are you at Risk? The Employee Profile, Methodology and Processes. March 2003. Southern Medical Association.