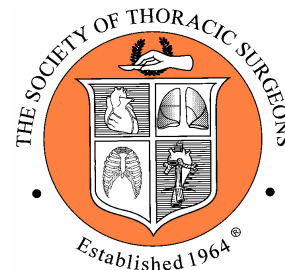


THE SOCIETY OF THORACIC SURGEONS

633 NORTH SAINT CLAIR STREET
SUITE 2320
CHICAGO, ILLINOIS 60611
PHONE: 312-202-5800
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E-MAIL: STS@STS.ORG



SENT VIA E-MAIL

November 25, 2002

Dear STS National Database Participant:

We would like to take this opportunity to update you on both recent and upcoming events related to The Society of Thoracic Surgeons' Adult Cardiac Surgery Database.

First and foremost, we have just completed another successful harvest with the Duke Clinical Research Institute. For those sites that harvested in the fall, you will be receiving your outcome report by the end of the year. In addition, we have been busy working with the DCRI to add some new features to the report, based on input that we have received from you, the Participants. These exciting new features will be demonstrated and discussed at the Data Managers Meeting on February 2, 2003, in San Diego.

The final HIPAA Privacy Rule represents another critical area that the leadership of the STS Workforce on National Databases has been actively addressing. As many of you know, in order for us to assist you in complying with your obligations as "covered entities" under the HIPAA Final Privacy Rule, as they relate to your participation in the STS National Database, it is necessary for us to develop an appropriate Agreement between us. Such an Agreement is in the final stages of development, and will govern the uses and disclosures of protected (patient) health information ("PHI") submitted to the STS National Database by participating hospitals and physicians, so as to amend our existing Participation Agreements. We anticipate disseminating a draft to you for review and comment in the coming weeks.

We also would like to take this opportunity to inform you of the Society's recent decision to raise the Adult Cardiac Surgery Database participation fees by \$150, effective January 1, 2003. Please note that the participation fees for calendar year 2003 will be as follows: \$2100 if the Participant is an STS member or is composed of a majority of STS members; or \$2400 if the Participant is not an STS member or is composed of a majority of surgeons who are not STS members. Invoices reflecting these new fee amounts will be mailed later this month.

We are mindful of Participants' budgetary constraints, but it is noteworthy that the Society has not increased participation fees in two years, while it has both enhanced National Database operations and incurred associated cost increases (including HIPAA Privacy Rule compliance costs).

Database operations and incurred associated cost increases (including HIPAA Privacy Rule compliance costs).

Finally as per our Participation Agreement's notice provision, please note that the Society has a new Executive Director and has moved its office location. In the future, all notices sent to the STS should be addressed to:

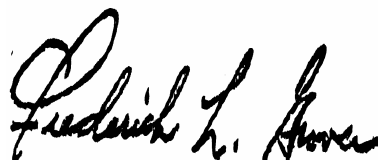
Robert A. Wynbrandt
Executive Director & General Counsel
The Society of Thoracic Surgeons
633 North St. Clair Street, Suite 2320
Chicago, IL 60611

We would like to sincerely thank all of you for your contributions and dedication to collecting surgical outcome data. Through your valuable ongoing effort and cooperation, we will continue to utilize the STS National Database's full potential to perform valuable research, encourage quality improvement and improve overall care for our patients.

Sincerely,



T. Bruce Ferguson, MD
Chair, Council on Quality Assurance
And Patient Advocacy



Fred Grover, MD
Chair, Workforce on National Databases