

INTEGRITY AGREEMENT
BETWEEN THE
OFFICE OF INSPECTOR GENERAL
OF THE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
AND
A.A.L. PODIATRY ASSOCIATES, P.C.,
RUDOLPH C. ANDERSON, JR., D.P.M.,
GEORGE M. LONG, D.P.M.,
AND
JESSE N. ANDERSON, III, D.P.M.

I. PREAMBLE

A.A.L. Podiatry Associates, P.C., Rudolph C. Anderson, Jr., D.P.M., George M. Long, D.P.M., and Jesse N. Anderson, III, D.P.M. (collectively "AAL") hereby enter into this Integrity Agreement (Agreement) with the Office of Inspector General (OIG) of the United States Department of Health and Human Services (HHS) to promote compliance with the statutes, regulations, program requirements, and written directives of Medicare, Medicaid, and all other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) (Federal health care program requirements). This commitment to promote compliance applies to any entity in which Rudolph C. Anderson, Jr., D.P.M., George M. Long, D.P.M., or Jesse N. Anderson, III, D.P.M. has an "ownership or control interest," as defined in 42 U.S.C. § 1320a-3(a)(3), and any such entity's Covered Persons as defined in Section II.C. Contemporaneously with this Agreement, AAL is entering into a Settlement Agreement with the United States, and this Agreement is incorporated by reference into the Settlement Agreement.

II. TERM OF THE AGREEMENT

A. The date on which the final signatory of this Agreement executes this Agreement shall be known as the Effective Date. The period of compliance obligations assumed by AAL under this Agreement shall be five years from the Effective Date of this Agreement. Each one-year period beginning with the one-year period following the Effective Date, shall be referred to as a "Reporting Period."

B. Sections VII, VIII, IX, X, and XI shall expire no later than 120 days from
OIG's receipt of: (1) AAL's final Annual Report; or (2) any additional materials
submitted by AAL pursuant to OIG's request, whichever is later.

C. The scope of this Agreement shall be governed by the following definitions:

1. "Covered Persons" includes:

- a. all owners, officers, directors, and employees of AAL; and
- b. all contractors, agents, and other persons who provide patient
care items or services or who perform billing or coding functions on
behalf of AAL.

Notwithstanding the above, this term does not include part-time or per
diem employees, contractors, subcontractors, agents, and other persons who
are not reasonably expected to work more than 160 hours per year, except
that any such individuals shall become "Covered Persons" at the point
when they work more than 160 hours during the calendar year.

III. INTEGRITY OBLIGATIONS

AAL shall establish and maintain a Compliance Program that includes the
following elements

A. Compliance Contact

Within 30 days after the Effective Date, AAL shall designate a person to be
responsible for compliance activities (Compliance Contact). AAL shall
maintain a Compliance Contact for the term of this IA. The Compliance
Contact shall be responsible for: (1) developing and implementing policies,
procedures, and practices designed to ensure compliance with the
requirements set forth in this Agreement and with Federal health care
program requirements; (2) monitoring AAL's day-to-day compliance
activities; and (3) meeting all reporting obligations created under this
Agreement.

AAL shall report to OIG, in writing, any changes in the identity or job
responsibilities of the Compliance Contact, or any actions or changes that
would affect the Compliance Contact's ability to perform the duties
necessary to meet the obligations in this Agreement, within 15 days after
such change. The name, address, phone number, and a description of any

other job responsibilities performed by the Compliance Contact shall be included in the Implementation Report.

B. Posting of Notice

Within the 90 days after the Effective Date, AAL shall post in a prominent place accessible to all patients and Covered Persons a notice detailing its commitment to comply with all Federal health care program requirements in the conduct of its business.

This notice shall include the following information: (i) a means (e.g., telephone number or address) by which billing concerns and other issues may be reported anonymously; (ii) AAL's commitment to maintain the confidentiality of the report; and (iii) notification that reporting concerns and issues will not result in retribution or retaliation by AAL.

This notice shall also include the HHS-OIG Fraud Hotline telephone number (1800-HHS-TIPS) as a confidential means by which suspected fraud or abuse in the Federal health care programs may be reported.

A copy of this notice shall be included in the Implementation Report.

C. Written Policies and Procedures

Within 90 days after the Effective Date, AAL shall develop, implement, and distribute written Policies and Procedures to all Covered Persons. In addition, AAL shall make the promotion of, and adherence to, the written Policies and Procedures an element in evaluating the performance of all employees. The written Policies and Procedures shall, at a minimum, set forth:

1. AAL's commitment to full compliance with all Federal health care program requirements, including its commitment to prepare and submit accurate claims consistent with such requirements;
2. the expectation that all of AAL's Covered Persons shall be expected to comply with all Federal health care program requirements and with AAL's own written Policies and Procedures as implemented pursuant to this Section III.C (including the requirements of this Agreement);
3. the responsibility and requirement that all Covered Persons report suspected violations of any Federal health care program requirements or of

AAL's own Policies and Procedures to the Compliance Contact and AAL's commitment to maintain confidentiality and anonymity, as appropriate, and not to retaliate with respect to such disclosures;

4. the possible consequences to both AAL and Covered Persons of failure to comply with Federal health care program requirements or with AAL's written Policies and Procedures and the failure to report such noncompliance;

5. AAL's commitment to remain current with all Federal health care program requirements by obtaining and reviewing program memoranda, newsletters, and any other correspondence from the carrier related to Federal health care program requirements;

6. the proper procedures for the accurate preparation and submission of claims in accordance with Federal health care program requirements; and

7. the proper documentation of services and billing information.

Within 90 days after the Effective Date, each Covered Person shall certify in writing that he or she has received, read, understood, and shall abide by AAL's written Policies and Procedures. New Covered Persons shall receive and review the written Policies and Procedures and shall complete the required certification within 30 days after becoming a Covered Person or within 90 days after the Effective Date, whichever is later.

At least annually (and more frequently if appropriate), AAL shall assess and update, as necessary, the Policies and Procedures. Within 30 days after the effective date of any revisions, the relevant portions of any such revised Policies and Procedures shall be distributed to all Covered Persons. Appropriate and knowledgeable staff shall be available to explain the Policies and Procedures.

Copies of the written Policies and Procedures shall be included in the Implementation Report. Copies of any written Policies and Procedures that are subsequently revised shall be included in the next Annual Report along with a summary of any change or amendment to each Policy and Procedure required by this Section and the reason for each change.

D. Training and Certification

Within 90 days after the Effective Date and during each subsequent Reporting Period, AAL and Covered Persons shall receive at least three hours of training from an individual or entity, other than AAL or another Covered Person. Persons providing the training shall be knowledgeable about the subject area and may be received from a variety of sources (e.g., CME classes, hospitals, associations, carriers).

New Covered Persons shall receive the training described above within 30 days after becoming a Covered Person or within 90 days after the Effective Date, whichever is later. The training for new Covered Persons may either be provided internally by a Covered Person who has completed the required annual training or externally by a qualified individual or entity. A new Covered Person shall work under the supervision of a Covered Person who has received such training, to the extent that the work relates to the delivery of patient care items or services and/or the preparation or submission of claims for reimbursement from any Federal health care program, until such time as the new Covered Person completes the training.

At a minimum, the initial, annual, and new employee training sessions shall include the following topics:

1. the requirements of AAL's Integrity Agreement;
2. an overview of the AAL's compliance program;
3. the accurate coding and submission of claims for services rendered and/or items provided to Federal health care program beneficiaries;
4. applicable reimbursement statutes, regulations, and program requirements and directives;
5. the written Policies and Procedures developed pursuant to Section III.C, above;
6. the policies, procedures, and other requirements applicable to the documentation of medical records;
7. the personal obligation of each individual involved in the coding and claims submission process to ensure that such claims are accurate;

8. the legal sanctions for the submission of improper claims or violations of the Federal health care program requirements; and
9. examples of proper and improper coding and claim submission practices.

Each Covered Person shall annually certify, in writing or in electronic format if the training is computerized, that he or she has received the required training. The certification shall specify the date the training was received. The Compliance Contact shall retain the certifications, along with all training materials. AAL shall annually review the training, and, where appropriate, update the training to reflect changes in Federal health care program requirements, any issues discovered during the IRO Claims Review, Unallowable Cost Review, and any other relevant information.

AAL may provide the training required under this Agreement through appropriate computer-based training approaches. If AAL chooses to provide computer-based training, it shall make available appropriately qualified and knowledgeable staff or trainers to answer questions or provide additional information to the individuals receiving such training.

The training materials shall be provided in the Implementation Report, and to the extent the training is revised, shall also be included in the Annual Reports. The certifications shall be made available to OIG, upon request.

E. Review Procedures

1. General Description.

a. *Engagement of Independent Review Organization.* Within 90 days after the Effective Date, AAL shall engage an entity (or entities), such as an accounting, auditing, or consulting firm (hereinafter "Independent Review Organization" or "IRO"), to perform reviews to assist AAL in assessing and evaluating its billing and coding practices and certain other obligations pursuant to this Agreement and the Settlement Agreement.

Each IRO engaged by AAL shall have expertise in the billing, coding, reporting, and other requirements of the Federal health care programs for podiatric health care, and in the general requirements of the Federal health care program(s) from which AAL seeks

reimbursement. Each IRO shall assess, along with AAL, whether it can perform the IRO review in a professionally independent and/or objective fashion, as appropriate to the nature of the engagement; taking into account any other business relationships or other engagements that may exist.

The IRO(s) review shall evaluate and analyze AAL's coding, billing, and claims submission to the Federal health care programs and the reimbursement received as provided herein ("Claims Review"). If AAL or an entity in which AAL has an ownership or control interest in (as defined in 42 U.S.C. § 1320a-3(a)(3)) submits cost reports, AAL shall engage an IRO to analyze whether AAL sought payment for certain unallowable costs ("Unallowable Cost Review"). The applicable requirements relating to the IRO are outlined in Appendix A to this Agreement, which is incorporated by reference.

b. *Frequency of Claims Review.* The Claims Review shall be performed annually and shall cover each of the Reporting Periods. The IRO(s) shall perform all components of each annual Claims Review.

c. *Frequency of Unallowable Cost Review.* If applicable, the IRO shall perform the Unallowable Cost Review for the first Reporting Period. If not applicable, AAL shall sign a certification, as required by Section III.E.4 below, stating that it does not currently and has not submitted a cost report since this Agreement was executed.

d. *Retention of Records.* The IRO and AAL shall retain and make available to OIG, upon request, all work papers, supporting documentation, correspondence, and draft reports (those exchanged between the IRO and AAL) related to the reviews.

2. Claims Review. The Claims Review shall include a Discovery Sample and, if necessary, a Full Sample. The applicable definitions, procedures, and reporting requirements are outlined in Appendix B to this Agreement, which is incorporated by reference.

a. *Discovery Sample.* The IRO shall randomly select and review a sample of 50 Medicare Paid Claims submitted by or on behalf of AAL (Discovery Sample).

The Paid Claims shall be reviewed based on the supporting documentation available at AAL's office or under AAL's control and applicable billing and coding regulations and guidance to determine whether the claim submitted was correctly coded, submitted, and reimbursed.

i. If the Error Rate (as defined in Appendix B) for the Discovery Sample is less than 5%, no additional sampling is required, nor is the Systems Review required. (Note: The guidelines listed above do not imply that this is an acceptable error rate. Accordingly, AAL should, as appropriate, further analyze any errors identified in the Discovery Sample. AAL recognizes that OIG or other HHS component, in its discretion and as authorized by statute, regulation, or other appropriate authority may also analyze or review Paid Claims included, or errors identified, in the Discovery Sample or any other segment of the universe.)

ii. If the Discovery Sample indicates that the Error Rate is 5% or greater, the IRO shall perform a Full Sample and a Systems Review, as described below.

b. *Full Sample.* If necessary, as determined by procedures set forth in Section III.E.2.a, the IRO shall perform an additional sample of Paid Claims using commonly accepted sampling methods and in accordance with Appendix B. The Full Sample shall be designed to: (i) estimate the actual Overpayment in the population with a 90% confidence level and with a maximum relative precision of 25% of the point estimate; and (ii) conform with the Centers for Medicare and Medicaid Services' statistical sampling for overpayment estimation guidelines. The Paid Claims shall be reviewed based on supporting documentation available at AAL's office or under AAL's control and applicable billing and coding regulations and guidance to determine whether the claim submitted was correctly coded, submitted, and reimbursed. For purposes of calculating the size of the Full Sample, the Discovery Sample may serve as the probe sample, if statistically appropriate. Additionally, AAL may use the Items sampled as part of the Discovery Sample, and the corresponding findings for those 50 Items, as part of its Full Sample, if: (i) statistically appropriate and (ii) AAL selects the Full Sample

Items using the seed number generated by the Discovery Sample. . . .
OIG, in its sole discretion, may refer the findings of the Full Sample
(and any related workpapers) received from AAL to the appropriate
Federal health care program payor, including the Medicare
contractor (e.g., carrier, fiscal intermediary, or DMERC), for
appropriate follow-up by that payor.

c. *Systems Review.* If AAL's Discovery Sample identifies an Error
Rate of 5% or greater, AAL's IRO shall also conduct a Systems
Review. Specifically, for each claim in the Discovery Sample and
Full Sample that resulted in an Overpayment, the IRO shall perform
a "walk through" of the system(s) and process(es) that generated the
claim to identify any problems or weaknesses that may have resulted
in the identified Overpayments. The IRO shall provide its
observations and recommendations on suggested improvements to
the system(s) and the process(es) that generated the claim.

d. *Repayment of Identified Overpayments.* In accordance with
Section III.H.1, AAL shall repay within 30 days any
Overpayment(s) identified in the Discovery Sample or the Full
Sample (if applicable), regardless of the Error Rate, to the
appropriate payor and in accordance with payor refund policies.
AAL shall make available to OIG any and all documentation and the
associated documentation that reflects the refund of the
Overpayment(s) to the payor.

3. Claims Review Report. The IRO shall prepare a report based upon the
Claims Review performed (Claims Review Report). Information to be
included in the Claims Review Report is described in Attachment 1 to
Appendix B.

4. Unallowable Cost Review. Unless Section III.E.4.a, below, applies, the
IRO shall conduct a review of AAL's compliance with the unallowable cost
provisions of the Settlement Agreement. The IRO shall determine whether
AAL has complied with its obligations not to charge to, or otherwise seek
payment from, federal or state payors for unallowable costs (as defined in
the Settlement Agreement) and its obligation to identify to applicable
federal or state payors any unallowable costs included in payments
previously sought from the United States, or any State Medicaid program.
This unallowable cost analysis shall include, but not be limited to,
payments sought in any cost reports, cost statements, information reports,

or payment requests already submitted by AAL or any affiliates. To the extent that such cost reports, cost statements, information reports, or payment requests, even if already settled, have been adjusted to account for the effect of the inclusion of the unallowable costs, the IRO shall determine if such adjustments were proper. In making this determination, the IRO may need to review cost reports and/or financial statements from the year in which the Settlement Agreement was executed, as well as from previous years.

a. If AAL executes and submits to the OIG in the first Annual Report a certification that neither AAL nor any entity in which AAL has any ownership or control interest has ever submitted any cost report or other submission to a Federal health care program seeking reimbursement based on costs, then no Unallowable Cost Review will be required under this Agreement.

5. Unallowable Cost Review Report. If applicable, the IRO shall prepare a report based upon the Unallowable Cost Review performed. The Unallowable Cost Review Report shall include the IRO's findings and supporting rationale regarding the Unallowable Costs Review and whether AAL has complied with its obligation not to charge to, or otherwise seek payment from, Federal or State payors for unallowable costs (as defined in the Settlement Agreement) and its obligation to identify to applicable Federal or State payors any unallowable costs included in payments previously sought from such payor.

6. Validation Review. In the event OIG has reason to believe that: (a) AAL's Claims Review or Unallowable Cost Review fails to conform to the requirements of this Agreement; or (b) the IRO's findings, Claims Review results, or Unallowable Cost Review results are inaccurate, OIG may, at its sole discretion, conduct its own review to determine whether the Claims Review or Unallowable Cost Review complied with the requirements of the Agreement and/or the findings or Claims Review results or Unallowable Cost Review results are inaccurate ("Validation Review"). AAL shall pay for the reasonable cost of any such review performed by OIG or any of its designated agents so long as it is initiated within one year after AAL's final submission (as described in Section II) is received by OIG.

