CORPORATE INTEGRITY AGREEMENT

I. PREAMBLE

Crozer-Chester Medical Center ("Hospital") enters into this Corporate Integrity Agreement ("CIA") with the Office of Inspector General ("OIG") of the United States Department of Health and Human Services ("HHS") to implement a program designed to assure full compliance with the requirements of Medicare, Medicaid and all other federal health care programs by the Hospital, its subsidiaries, employees, physicians, and other health care professionals and staff, as well as all third parties with whom the Hospital contracts to provide health care or management services. The Hospital agrees to pursue the courses of action set forth below to implement a program designed to ensure that the Hospital and each of its directors, officers, employees, physicians, other health care professionals, staff, and contractors maintain the business integrity required of a participant in federal health care programs, and that the Hospital's billings for health care services comply with all statutes, regulations, and guidelines applicable to such programs and with the terms of this CIA as set forth below.

II. EFFECTIVE DATE AND DURATION OF AGREEMENT

This CIA and the obligations assumed by the Hospital pursuant to it will take effect on the last date listed among the signature lines at the end of the CIA. It will remain in effect for three (3) years thereafter.

III. CORPORATE INTEGRITY PROGRAM

A. On October 30, 1997, the Hospital entered into a Settlement Agreement and Release with the United States of America which included provisions requiring the Hospital to establish a Corporate Integrity Program. Those provisions, which are contained in paragraph 3 of the Settlement Agreement and Release, are incorporated by reference into this CIA and shall remain in effect throughout the duration of this CIA.

B. Within thirty (30) days of the date of execution of this CIA, the Hospital shall amend the Policies and Procedures required by paragraph 3b of the October 30, 1997 Settlement Agreement and Release to ensure that the Hospital abides by and properly implements the Medicare rules governing coverage of lung volume reduction surgery ("LVRS").

C. The Hospital shall ensure that the remaining

training and education required by paragraph 3c of the October 30, 1997 Settlement Agreement and Release includes training on the Medicare rules governing coverage of LVRS.

D. The Audits and Reviews required by paragraph 3d of the October 30, 1997 Settlement Agreement and Release shall also address whether the Hospital engaged in any LVRS Medicare billing.

IV. NOTIFICATIONS AND SUBMISSION OF REPORTS

Unless otherwise stated subsequent to the execution of this CIA, all notifications and reports required under the terms of this CIA shall be submitted to the entities listed below:

Civil Recoveries Branch - Compliance Unit
Office of Counsel to the Inspector General
Office of Inspector General
U.S. Department of Health and Human Services
330 Independence Avenue, SW
Cohen Building, Room 5527
Washington, DC 20201
Ph. 202.619.2078
Fax 202.205.0604

Joan K. Richards
President
Crozer-Chester Medical Center
One Medical Center Blvd.
Upland, PA 19013
Ph. (610)447-2785
Fax. (610)447-2234

Rebecca Davis Prince
Vice President, Legal Services
Crozer-Keystone Health Systems
100 W. Sproul Road
Springfield, PA 19064
Ph. (610)338-8216
Fax. (610)338-8230

V. OIG INSPECTION. AUDIT AND REVIEW RIGHTS

A. In addition to any other right that OIG may have by statute, regulation, contract or pursuant to this CIA, OIG or its duly authorized representative(s) may examine the Hospital's books, records, and other company documents and supporting materials for the purpose of verifying and evaluating: (1) the Hospital's compliance with the terms of this CIA; (2) the Hospital's *business* conduct in its dealings with the United States Government, or any agencies or agents thereof; and (3) the Hospital's compliance with the billing and reimbursement requirements of the Medicare and Medicaid programs and other federal health care programs. The Hospital shall make the documentation described above available to OIG at all reasonable times for inspection, audit or reproduction.

B. Furthermore, for purposes of this provision, OIG or its authorized representative(s) may, upon reasonable notice to Hospital, interview any of the Hospital's personnel who

consent to be interviewed at the person's place of business during normal business hours or at such other place and time as may be mutually agreed upon between the employee and OIG.

C. If OIG reasonably determines that it is necessary to conduct an independent audit or review to determine whether or the extent to which the Hospital is complying with its obligations under this CIA, the Hospital agrees to pay for the reasonable cost of any such audit or review.

VI. DOCUMENT AND RECORD RETENTION

The Hospital shall maintain for inspection all documents and records relating to its Medicare and Medicaid billing and reimbursements for a period of four (4) years following the execution of this CIA, or as otherwise required by law.

VII. EFFECTIVE AND BINDING AGREEMENT

A. This CIA shall be binding on the successors, assigns and transferees of the Hospital.

B. This CIA shall become final and binding only upon signing by each respective party hereto.

C. Any modifications to this CIA shall be made with the prior written consent of the parties to this CIA.

D. This CIA and the Settlement Agreement entered into by the Parties embody the entire agreement and understanding

of the Parties with respect to the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings other than those expressly set forth or referred to in this CIA and the Settlement Agreement.

E. The undersigned Hospital signatories represent and warrant that they are authorized to execute this CIA. The undersigned United States signatory represents that he is signing this CIA in his official capacity and that he is authorized to execute this CIA.

FOR THE HHS-OIG:

LEWIS MORRIS
Assistant Inspector General
for Legal Affairs
Office of Counsel to the
Inspector General
Office of Inspector General
Department of Health and
Human Services

Dated: 12/4/98

FOR CROZER-CHESTER:

JOAN K. RICHARDS
President, Crozer-
Chester

REBECCA D. PRINCE, Esq.
Vice President,
Legal Services

Dated: November 17, 1998