EXHIBIT A

CORPORATE INTEGRITY AGREEMENT
BETWEEN THE
OFFICE OF INSPECTOR GENERAL
OF THE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
AND
FORREST GENERAL HOSPITAL

I. PREAMBLE

Forrest General Hospital ("Forrest General") hereby 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 promote compliance by its officers, trustees, employees, all contractors and agents that directly provide patient care services at Forrest General, or that perform billing or coding services on behalf of Forrest General, and all physicians with active staff privileges ("Covered Persons") with the statutes, regulations 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"). Contemporaneously with this CIA, Forrest General is entering into a Settlement Agreement with the United States, and this CIA is incorporated by reference into the Settlement Agreement. Forrest General represents to the OIG that it has adopted a voluntary compliance program ("Compliance Program") prior to executing this CIA. Forrest General agrees that it shall modify its Compliance Program as necessary to meet the requirements of this CIA.

II. TERM OF THE CIA

The period of the compliance obligations assumed by Forrest General under this CIA shall be three (3) years from the execution date of this CIA (unless otherwise specified). The execution date of this CIA shall be the date on which the final signatory of this CIA executes this CIA ("Execution Date").

Sections VII, VIII, IX, X and XI shall expire no later than 120 days from the OIG's receipt of: (i) Forrest General's final annual report; or (ii) any additional materials submitted by Forrest General pursuant to OIG's request, whichever is later.

III. CORPORATE INTEGRITY OBLIGATIONS

Forrest General hereby agrees to maintain and adapt, as necessary, its Compliance Program so that it includes the following elements during the term of this CIA:

A. Compliance Officer and Committee.

1. *Compliance Officer.* Forrest General shall continue to have an individual serving as its Compliance Officer. The Compliance Officer shall continue to be responsible for developing and implementing policies, procedures, and practices designed to ensure compliance with the requirements set forth in this CIA and with Federal health care program requirements. The Compliance Officer shall continue to be a member of senior management of Forrest General, shall continue to make periodic (at least quarterly) reports regarding compliance matters directly to the CEO and/or to the Board of Trustees of Forrest General, and shall continue to be authorized to report on such matters to the Board of Trustees at any time. The Compliance Officer shall continue to be responsible for monitoring the day-to-day compliance activities engaged in by Forrest General as well as for any reporting obligations created under this CIA.

Any substantive changes in the identity or position description of the Compliance Officer, or any actions or changes that would affect the Compliance Officer's ability to perform the duties necessary to meet the obligations in this CIA, must be reported to OIG, in writing, within 15 days of such a change.

2. *Compliance Committee.* Forrest General shall continue to have in place a Compliance Committee. The Compliance Committee shall continue, at a minimum, to include the Compliance Officer and any other members of senior management necessary to meet the requirements of this CIA (e.g., senior executives of each major department, such as billing, clinical, human resources, audit, and operations). The Compliance Officer shall continue to chair the Compliance Committee and the Committee shall continue to support the Compliance Officer in fulfilling his/her responsibilities (e.g., shall continue to assist in the analysis of the organization's risk areas and oversee monitoring of internal and external audits and investigations).

Any substantive changes in the composition of the Compliance Committee or any actions or changes that would affect the Compliance Committee's ability to perform the duties necessary to meet the obligations in this CIA must be reported to OIG, in writing, within 15 days of such a change.

3. *Medical Auditor.* Forrest General currently has a Medical Auditor that is under the supervision of the Compliance Officer and that is responsible for the review of medical record documentation and corresponding coding and charges as part of Forrest General's compliance reviews ("Medical Auditor").

Any substantive changes in the identity or position description of the Medical Auditor, or any actions or changes that would affect the Medical Auditor's ability to perform the duties necessary to meet the obligations in this CIA, must be reported in writing to OIG within 15 days of such a change.

B. Written Standards.

1. *Code of Conduct.* Forrest General shall continue to have in place a Code of Conduct. The Code of Conduct shall be distributed to all Covered Persons who have not already received it within 120 days of the Execution Date of this CIA. Forrest General shall continue to make the promotion of, and adherence to, the Code of Conduct an element in evaluating the performance of all employees. The Code of Conduct shall, continue at a minimum, to set forth:

a. Forrest General'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;

b. Forrest General's requirement that all of its Covered Persons shall be expected to comply with all Federal health care program requirements and with Forrest General's own Policies and Procedures as implemented pursuant to section III.B (including the requirements of this CIA);

c. the requirement that all of Forrest General's Covered Persons shall be expected to report to the Compliance Officer or other individual designated by the Forrest General suspected violations of any Federal health care program requirements or of Forrest General's own Policies and Procedures;

d. the possible consequences to both Forrest General and Covered Persons of failure to comply with all Federal health

care program requirements and with Forrest General's own Policies and Procedures or of failure to report such non-compliance; and

e. the right of all individuals to use the Confidential Disclosure Program described in section III.E, and Forrest General's commitment to maintain confidentiality, as appropriate, and non-retaliation with respect to disclosures.

Within 120 days of the Execution Date of the CIA, each Covered Person shall certify, in writing, that he or she has received, read, understood, and will abide by Forrest General's Code of Conduct. Distributions of the Code of Conduct by Forrest General to and written certifications by Covered Persons that they have received, read, understood, and will abide by Forrest General's Code of Conduct made during calendar year 2001 immediately prior to the execution of this CIA may be credited towards the Code of Conduct requirements in this Section III.B.1. New Covered Persons shall receive the Code of Conduct and shall complete the required certification within 30 days after becoming a Covered Person or within 120 days of the Execution Date of the CIA, whichever is later.

Forrest General shall continue annually to review the Code of Conduct to determine if revisions are appropriate and shall make any necessary revisions based on such a review. If the Code of Conduct is substantively revised following the Execution Date of this CIA, any such revised Code of Conduct shall be distributed within 30 days of the effective date of such revision. Covered Persons shall certify that they have received, read, understood and will abide by the revised Code of Conduct within 60 days of the effective date of such revisions.

2. *Policies and Procedures*. Forrest General shall continue to have in place written Policies and Procedures regarding the operation of Forrest General's compliance program and its compliance with Federal health care program requirements. At a minimum, the Policies and Procedures shall address:

a. the subjects relating to the Code of Conduct identified in section III.B.1;

b. the accurate billing and coding of claims for treatment provided at Forrest General's Emergency Department.

The Policies and Procedures shall be available to OIG, upon request.

Within 120 days of the Execution Date of the CIA, the relevant portions of the Policies and Procedures shall be made available to all individuals whose job functions are related to those Policies and Procedures and who have not already received such Policies and Procedures. Appropriate and knowledgeable staff should be available to explain the Policies and Procedures.

At least annually (and more frequently if appropriate), Forrest General shall assess and update as necessary the Policies and Procedures. Within 30 days of the effective date of any substantive revisions, the relevant portions of any such revised Policies and Procedures shall be distributed to all individuals whose job functions are related to those Policies and Procedures.

C. Training and Education.

1. *General Training.* Since the inception of its Compliance Program, Forrest General has trained on compliance with Federal health care program requirements and with the Code of Conduct and Policies and Procedures as they relate to general compliance issues. Within 120 days of the Execution Date of this CIA, Forrest General shall provide reasonable and appropriate general training to each Covered Person. This training shall explain Forrest General's:

a. CIA requirements; and

b. Compliance Program (including the Code of Conduct and the Policies and Procedures as they pertain to general compliance issues).

All training materials shall be made available to OIG, upon request.

New Covered Persons shall receive the general training described above within 30 days of becoming a Covered Person or within 120 days after the Execution Date of this CIA, whichever is later. After receiving the initial training described above, each Covered Person shall receive such reasonable and appropriate general training annually. General compliance training provided by Forrest General to Covered Persons during calendar year 2001 may be credited towards the training time requirements set forth in

this section III.C.1. Forrest General may educate Covered Persons on the CIA via newsletter, personal letter, or other appropriate and effective means.

2. *Specific Training*. Forrest General will continue to train its personnel involved in the claims preparation and submission process. Within 120 days of the Execution Date of this CIA, each Covered Person who is involved directly or in a supervisory role in the preparation or submission of claims for reimbursement from any Federal health care program (hereinafter referred to as "Relevant Covered Persons") shall receive at least six hours of specific training in addition to the general training required above. Specific training provided by Forrest General to Relevant Covered Persons during calendar year 2001 immediately prior to the execution of this CIA may be credited towards the training time requirements set forth in this section. This specific training shall include a discussion of:

a. the submission of accurate bills for services rendered to Federal health care program patients;

b. policies, procedures and other requirements applicable to the documentation of medical records;

c. the personal obligation of each individual involved in the billing process to ensure that such billings are accurate;

d. applicable reimbursement statutes, regulations, and program requirements and directives;

e. the legal sanctions for improper billings; and

f. examples of proper and improper billing practices.

All training materials shall be made available to OIG, upon request. Persons providing the training must be knowledgeable about the subject area.

New Relevant Covered Persons shall receive this training within 30 days of the beginning of their employment or becoming Relevant Covered Persons or within 120 days of the effective date of this CIA, whichever is later. A Forrest General employee who has completed the specific training shall review a new Relevant Covered Person's work, to the extent that the work relates to the preparation or submission of claims for

reimbursement from any Federal health care program, until such time as the new Relevant Covered Person completes applicable training.

After receiving the initial training described in this section, and during the remainder of the CIA term thereafter, every Relevant Covered Person shall receive at least three hours of specific training annually. The specific training may be provided in periodic training sessions over the course of each calendar year during which this CIA is in effect.

3. *Certification.* Each individual who is required to attend training shall certify, in writing, that he or she has received the required training. The certification shall specify the type of training received and the date received. The Compliance Officer (or his or her designee) shall retain the certifications, along with all course materials. These shall be made available to OIG, upon request.

4. *Exception for Contractors.* The term "Contractors" shall refer to Covered Persons who are independent contractors and agents with whom Forrest General has a contract or service arrangement during the term of this CIA. Notwithstanding any other provision of this CIA, the following are Forrest General's only obligations hereunder with respect to training and certifications for Contractors: (i) Forrest General shall attempt to negotiate or renegotiate contracts with Contractors to require such contractors to meet all of the training and certification requirements of this CIA; and (ii) Forrest General shall make the Code of Conduct available to all Contractors and shall make the general training, and specific training, where appropriate, available to all Contractors, and shall use its best efforts to encourage their attendance and participation. The Compliance Officer shall keep a record of all Contractors who attend such training.

5. *Exception for Physicians with Active Staff Privileges.* Notwithstanding any other provisions of this CIA, the following are Forrest General's only obligations hereunder with respect to training and certifications for Covered Persons who are physicians with active staff privileges: Forrest General shall make the Code of Conduct available to all physicians with active staff privileges and shall make the general training and specific training, as appropriate, available to all physicians with active staff privileges and shall use its best efforts to encourage their attendance and participation. The Compliance Officer shall keep a record of all physicians with active staff privileges who attend such training.

D. Review Procedures.

Forrest General represents that prior to the execution of this CIA, Forrest General established the position of Medical Auditor to review medical record documentation and corresponding coding and charges as part of Forrest General's ongoing compliance reviews. To supplement such periodic reviews, Forrest General agrees to the following Review Procedures:

1. *General Description.*

a. Retention of Independent Review Organization. Within 120 days of the Execution Date of this CIA, Forrest General shall retain an entity (or entities), such as an accounting, auditing or consulting firm (hereinafter "Independent Review Organization" or "IRO"), to perform review engagements to assist Forrest General in evaluating its billing and coding practices and its compliance obligations pursuant to this CIA and the Settlement Agreement. Each Independent Review Organization retained by Forrest General shall have expertise in the billing, coding, reporting and other requirements of the particular section of the health care industry pertaining to this CIA and in the general requirements of the Medicare program.

b. Types of Engagements. Forrest General's Medical Auditor and the IRO(s) shall conduct two separate engagements. One engagement shall address Forrest General's billing and coding of claims for items and services provided in Forrest General's Emergency Room or by Forrest General's Emergency Department that are reimbursed by the Federal health care programs ("Billing Engagement"). The second engagement shall address Forrest General's compliance with the obligations assumed under this CIA and the Settlement Agreement ("Compliance Engagement").

c. Frequency of Billing and Compliance Engagements. The Billing Engagement shall be performed annually and shall cover each of the one-year periods beginning with the Execution Date of this CIA, except that the Systems Review component of the Billing Engagement shall cover only the first one year period beginning

with the Execution Date of this CIA. Forrest General's Medical Auditor shall perform the Claims Review and the IRO shall validate such Claims Review. The Compliance Engagement shall be performed by the IRO for the first one-year period beginning with the Execution Date of this CIA.

d. Retention of Records. The IRO and Forrest General shall retain and make available to the OIG upon request all work papers, supporting documentation, correspondence, and draft reports related to the engagements.

2. *Billing Engagement.* The Billing Engagement shall be composed of two separate reviews, a "Claims Review" and a "Systems Review." The Claims Review and corresponding Claims Review Report are discussed in detail in Appendix A to this CIA, which is incorporated by reference.

a. Claims Review. Forrest General shall perform a Claims Review to identify any overpayments through an appraisal of Paid Claims for items and services provided in Forrest General's Emergency Room or by Forrest General's Emergency Department that are reimbursed by the Medicare program, and shall include all claims for such items or services coded by any outside contractor. The Claims Review shall be performed in accordance with the procedures set forth in Appendix A to this CIA.

b. Claims Review Report. Forrest General shall prepare a report based upon each Claims Review performed ("Claims Review Report"). The Claims Review Report shall be created in accordance with the procedures set forth in Appendix A to this CIA.

c. IRO Validation Review and Report. The IRO shall prepare a report documenting the IRO's findings regarding the accuracy of Forrest General's annual Claims Review. The IRO will select a random sample of a minimum of 10% of the Items reviewed by Forrest General and the IRO shall verify the results obtained by Forrest General. The IRO's report shall be based upon its Validation Review and as contemplated by the AICPA's Statement of Position 99-1, *Guidance to Practitioners in Conducting and*

Reporting on an Agreed Upon Procedures Engagement to Assist Management in Evaluating the Effectiveness of its Corporate Compliance Program, or consulting standards, as appropriate (the "Validation Review Report").

d. Systems Review. The IRO shall review Forrest General's billing and coding systems and/or operations (the "Systems Review"). The Systems Review shall consist of a review of the following:

i. Forrest General's billing systems and/or operations relating to claims for items and services provided in Forrest General's Emergency Room or by Forrest General's Emergency Department submitted to the Medicare program (including, but not limited to, the operation of the billing system, controls designed to enable proper claim submission and billing, and procedures to correct inaccurate billing); and

ii. Forrest General's coding systems and/or operations relating to claims for items and services provided in Forrest General's Emergency Room or by Forrest General's Emergency Department submitted to the Medicare program (including, but not limited to, the process by which claims are coded, controls designed to enable proper coding, and procedures to correct inaccurate coding).

d. Systems Review Report. The IRO shall prepare a report based upon the Systems Review performed and as contemplated by the AICPA's Statement of Position 99-1, *Guidance to Practitioners in Conducting and Reporting on an Agreed Upon Procedures Engagement to Assist Management in Evaluating the Effectiveness of its Corporate Compliance Program,* or consulting standards, as appropriate ("Systems Review Report"). The Systems Review Report shall include the IRO's findings and supporting rationale regarding:

i. the strengths and weaknesses in Forrest General's billing systems and/or operations;

ii. the strengths and weaknesses in Forrest General's coding systems and/or operations; and

iii. any recommendations the IRO may have to improve any of these systems, operations, and processes.

3. *Compliance Engagement.*

a. Compliance Review. The IRO shall conduct a review of Forrest General's compliance activities ("Compliance Review"). The Compliance Review shall consist of a review of Forrest General's adherence with the obligations set forth in section I through VIII of this CIA, and with certain provisions of the Settlement Agreement and shall be based upon the AICPA's Statement of Position 99-1, *Guidance to Practitioners in Conducting and Reporting on an Agreed Upon Procedures Engagement to Assist Management in Evaluating the Effectiveness of its Corporate Compliance Program.*

i. CIA Obligations Review. The IRO shall evaluate Forrest General's compliance with the obligations set forth in sections I through VIII of this CIA.

ii. Unallowable Costs Review. The IRO shall determine whether Forrest General 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 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 Forrest General or any of its subsidiaries, and to request, and agree, that such cost reports, cost statements, information reports or payment

requests, even if already settled, be adjusted to account for the effect of the inclusion of the unallowable costs. In making this determination, the IRO may need to review cost reports and/or financial statements from the year of the Settlement Agreement, as well as from previous years.

b. Compliance Review Report. The IRO shall prepare a report based upon the Compliance Review performed (the "Compliance Review Report"). The Compliance Review Report shall include:

i. the IRO's findings, supporting rationale, and a summary of such findings and rationale regarding Forrest General's compliance with the terms of each section of the CIA, as applicable; and

ii. the IRO's findings and supporting rationale regarding whether Forrest General 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

4. *Validation Review.* In the event the OIG has reason to believe that: (a) Forrest General's Billing or Compliance Engagement fails to conform to the requirements of this CIA or (b) the findings or Claims Review results are inaccurate, the OIG may, at its sole discretion, conduct its own review to determine whether the Billing Engagement and Compliance Engagement comply with the requirements of the CIA and/or the findings or Claims Review results are inaccurate. Forrest General agrees to pay for the reasonable cost of any such review performed by the OIG or any of its designated agents so long as it is initiated before one year after the final submission (as described in section II) is received by the OIG.

Prior to initiating a Validation Review, the OIG shall notify Forrest General of its intent to do so and provide a written explanation of why the OIG believes such a review is necessary. To resolve any concerns raised by the OIG, Forrest General may request a meeting with the OIG to discuss the results of any Engagement

submissions or any Claims Review findings; present any additional or relevant information to clarify the results of the Engagements or to correct the inaccuracy of the Claims Review; and/or propose alternatives to the proposed Validation Review. Forrest General agrees to provide any additional information as may be requested by the OIG under this section in an expedited manner. The OIG will attempt in good faith to resolve any Billing or Compliance Engagement and/or Claims Review issues with Forrest General prior to conducting a Validation Review. However, the final determination as to whether or not to proceed with a Validation Review shall be made at the sole discretion of the OIG.

5. *Independence Certification.* Within 120 days from the Execution Date of this CIA, the IRO shall provide to Forrest General a certification or sworn affidavit that it has evaluated its professional independence with regard to the Billing and Compliance Engagements and that it has concluded that it is, in fact, independent. Such certification shall be included in Forrest General's Implementation Report submission.

E. Confidential Disclosure Program.

Forrest General, pursuant to its ongoing compliance activities, has established a confidential disclosure program which includes a compliance telephone line, as a means to enable individuals to report instances of non-compliance and/or make inquiries on compliance issues. Forrest General shall continue to maintain the Confidential Disclosure Program, which must include a mechanism (e.g., a toll-free compliance telephone line) to enable individuals to disclose, to the Compliance Officer or some other person who is not in the disclosing individual's chain of command, any identified issues or questions associated with Forrest General's policies, practices or procedures with respect to a Federal health care program, believed by the individual to be a potential violation of criminal, civil or administrative law. Forrest General shall publicize the existence of the confidential disclosure mechanism (e.g., via periodic e-mails to employees or by posting the information in prominent common areas).

The Confidential Disclosure Program shall continue to emphasize a non-retribution, non-retaliation policy, and shall continue to include a reporting mechanism for anonymous, confidential communications. Upon receipt of a disclosure, the Compliance Officer (or designee) shall gather all relevant information from the disclosing individual. The Compliance Officer (or designee) shall make a preliminary, good faith inquiry into the allegations set forth in every disclosure to ensure that he or she has obtained all of the information necessary to determine whether a further review

should be conducted. For any disclosure that is sufficiently specific so that it reasonably: (1) permits a determination of whether the alleged improper practice is actually inappropriate; and (2) provides an opportunity for taking corrective action, Forrest General shall conduct an internal review of the allegations set forth in such a disclosure and ensure that proper follow-up is conducted.

The Compliance Officer (or his or her designee) shall continue to maintain a confidential disclosure log, which shall include a record and summary of each disclosure received, the status of the respective internal reviews, and any corrective action taken in response to the internal reviews. The confidential disclosure log shall be available to OIG, upon request.

F. Ineligible Persons.

1. *Definition.* For purposes of this CIA, an "Ineligible Person" shall be any individual or entity who: (a) is currently excluded, debarred or otherwise ineligible to participate in the Federal health care programs or in Federal procurement or non-procurement programs; or (b) has been convicted of a criminal offense related to the provision of health care items or services, but has not yet been excluded, debarred or otherwise declared ineligible.

2. *Screening Requirements.* Forrest General shall continue not to hire or engage as contractors or grant staff privileges to any Ineligible Person. To prevent hiring or contracting with any Ineligible Person, Forrest General shall continue to screen all prospective employees and prospective contractors prior to engaging their services and continue to screen physicians prior to granting staff privileges by: (a) requiring applicants to disclose whether they are Ineligible Persons; and (b) reviewing the General Services Administration's List of Parties Excluded from Federal Programs (available through the Internet at http://epls.arnet.gov) and the HHS/OIG List of Excluded Individuals/Entities (available through the Internet at http://www.hhs.gov/oig) (these lists will hereinafter be referred to as the "Exclusion Lists").

3. *Review and Removal Requirement.* Within 120 days of the Execution Date of this CIA, Forrest General shall review its list of current employees and contractors and physicians with staff privileges to assure all names have been screened against the Exclusion Lists. Thereafter, Forrest General shall review the list annually. In addition, Forrest General shall require employees and contractors to disclose immediately any debarment, exclusion or other event that makes the employee an Ineligible Person.

If Forrest General has actual notice that an employee or contractor or physician with staff privileges has become an Ineligible Person, Forrest General shall remove such person from responsibility for, or involvement with, Forrest General's business operations related to the Federal health care programs and shall remove such person from any position for which the person's salary or the items or services rendered, ordered, or prescribed by the person are paid in whole or part, directly or indirectly, by Federal health care programs or otherwise with Federal funds at least until such time as the person is reinstated into participation in the Federal health care programs.

4. *Pending Charges and Proposed Exclusions*. If Forrest General has actual notice that an employee or contractor is charged with a criminal offense related to any Federal health care program, or is proposed for exclusion during his or her employment or contract, Forrest General shall take all appropriate actions to ensure that the responsibilities of that employee or contractor have not and shall not adversely affect the quality of care rendered to any beneficiary, patient or resident, or the accuracy of any claims submitted to any Federal health care program.

G. Notification of Government Investigation or Legal Proceedings.

Within 30 days of discovery, Forrest General shall notify OIG, in writing, of any ongoing investigation or legal proceeding, known to Forrest General, conducted or brought by a governmental entity or its agents involving an allegation that Forrest General has committed a crime or has engaged in fraudulent activities. This notification shall include a description of the allegation, the identity of the investigating or prosecuting agency, and the status of such investigation or legal proceeding. Forrest General shall also provide written notice to OIG within 30 days of the resolution of the matter, and shall provide OIG with a description of the findings and/or results of the proceedings, if any.

H. Reporting.

1. *Overpayments*

a. *Definition of Overpayments.* For purposes of this CIA, an "overpayment" shall mean the amount of money Forrest General has received in excess of the amount due and payable under any Federal health care program requirements. Forrest

General may not subtract any underpayments for purposes of determining the amount of relevant "overpayments."

b. *Reporting of Overpayments.* If, at any time, Forrest General identifies or learns of any overpayments, Forrest General shall notify the payor (e.g., Medicare fiscal intermediary or carrier) within 30 days of identification of the overpayment and take remedial steps within 60 days of identification (or such additional time as may be agreed to by the payor) to correct the problem, including preventing the underlying problem and the overpayments from recurring. Also, within 30 days of identification of the overpayment, Forrest General shall repay the overpayment to the appropriate payor to the extent such overpayment has been quantified. If not yet quantified, within 30 days of identification, Forrest General shall notify the payor of its efforts to quantify the overpayment amount along with a schedule of when such work is expected to be completed. Notification and repayment to the payor should be done in accordance with the payor's policies, and for Medicare contractors, to the extent applicable, must include the information contained on the Overpayment Refund Form, provided as Appendix B to this CIA. Notwithstanding the above, notification and repayment of any overpayment amount that routinely is reconciled or adjusted pursuant to policies and procedures established by the payor should be handled in accordance with such policies and procedures.

2. *Material Deficiencies.*

a. *Definition of Material Deficiency.* For purposes of this CIA, a "Material Deficiency" means anything that involves:

(i) a substantial overpayment; or

(ii) a matter that a reasonable person would consider a probable violation of criminal, civil, or administrative laws

applicable to any Federal health care program for which penalties or exclusion may be authorized.

A Material Deficiency may be the result of an isolated event or a series of occurrences.

b. Reporting of Material Deficiencies. If Forrest General determines that there is a Material Deficiency, Forrest General shall notify OIG, in writing, within 30 days of making the determination that the Material Deficiency exists. The report to the OIG shall include the following information:

(i) If the Material Deficiency results in an overpayment, the report to the OIG shall be made at the same time as the notification to the payor required in section III.H.1, and shall include all of the information on the Overpayment Refund Form, as well as:

(A) the payor's name, address, and contact person to whom the overpayment was sent; and

(B) the date of the check and identification number (or electronic transaction number) on which the overpayment was repaid/refunded;

(ii) a complete description of the Material Deficiency, including the relevant facts, persons involved, and legal and Federal health care program authorities implicated;

(iii) a description of Forrest General's actions taken to correct the Material Deficiency; and

(iv) any further steps Forrest General plans to take to address the Material Deficiency and prevent it from recurring.

IV. NEW BUSINESS UNITS OR LOCATIONS

In the event that, after the Execution Date of this CIA, Forrest General changes locations or purchases or establishes new business units related to the furnishing of items or services that may be reimbursed by Federal health care programs, Forrest General shall notify OIG of this fact as soon as possible, but no later than within 30 days of the date of change of location, purchase or establishment. This notification shall include the location of the new operation(s), phone number, fax number, Medicare provider number(s) (if any), and the corresponding contractor's name and address that has issued each Medicare provider number. All Covered Persons at such locations purchased by Forrest General or at such locations which are Forrest General new business units shall be subject to the applicable requirements in this CIA (e.g., completing certifications and undergoing training).

V. IMPLEMENTATION AND ANNUAL REPORTS

A. Compliance Officer's Implementation Certification. Within 150 days after the Execution Date of this CIA, Forrest General's Compliance Officer shall be available to OIG, at a mutually agreeable time, to summarize the status of Forrest General's implementation of the requirements of this CIA. The Compliance Officer shall also certify in writing by that date, to the extent not already submitted to the OIG:

1. the name, address, phone number and position description of the Compliance Officer required by section III.A;

2. the names and positions of the members of the Compliance Committee required by section III.A;

3. a copy of Forrest General's Code of Conduct required by section III.B.1;

4. the summary of the Policies and Procedures required by section III.B.2;

5. a description of the training required by section III.C, including a description of the targeted audiences, length of sessions, which sessions were mandatory and for whom, percentage of attendance, and a schedule of when the training sessions were held;

6. a certification by the Compliance Officer that:

   a. the Policies and Procedures required by section III.B continue to be developed, are being implemented, and have been made available to all appropriate Covered Persons;

   b. all Covered Persons have completed the Code of Conduct certification required by section III.B.1; and

   c. all Covered Persons have completed the applicable training and executed the certification(s) required by section III.C.;

The documentation supporting this certification shall be available to OIG, upon request.

7. a description of the Confidential Disclosure Program required by section III.E;

8. the identity of the IRO(s), a summary/description of all engagements between Forrest General and the IRO, including, but not limited to, any outside financial audits, compliance program engagements, or reimbursement consulting, and the proposed start and completion dates of the first annual review;

9. a summary of personnel actions taken pursuant to section III.F.;

10. a certification from the IRO regarding its professional independence from Forrest General;

11. a list of all of Forrest General's locations (including locations and mailing addresses), the corresponding name under which each location is doing business, the corresponding phone numbers and fax numbers, each location's Medicare provider identification number(s) and the contractor's name and address that issued each provider identification number;

12. to the extent not already furnished to OIG, or if modified, a description of Forrest General's corporate structure, including identification of any parent and sister companies, subsidiaries and their respective lines of business; and

13. the certification required by section V.C.

B. Annual Reports. Forrest General shall submit to OIG Annual Reports with respect to the status of and findings regarding Forrest General's compliance activities for each of the three one-year periods beginning on the Execution Date of the CIA. (The one-year period covered by each Annual Report shall be referred to as "the Reporting Period").

Each Annual Report shall include:

1. any change in the identity or position description of the Compliance Officer and/or members of the Compliance Committee described in section III.A;

2. a certification by the Compliance Officer that:

   a. all Covered Persons have completed any Code of Conduct certifications required by sections III.B.1 and III.C.4 and 5;

   b. all Covered Persons have completed the applicable training and executed the certification(s) required by section III.C;

   c. Forrest General has complied with its obligations under the Settlement Agreement: (i) not to resubmit to any Federal health care program payors any previously denied claims related to the Covered Conduct addressed in the Settlement Agreement, and not to appeal any such denials of claims; and (ii) not to charge to or otherwise seek payment from Federal or state payors for unallowable costs (as defined in the Settlement Agreement); and (iii) to identify and adjust any past charges or claims for unallowable costs;

The documentation supporting this certification shall be available to OIG, upon request.

3. a summary of any significant changes or amendments to the Policies and Procedures required by section III.B and the reasons for such changes (e.g., change in contractor policy);

4. a description of the training required by section III.C conducted during the Reporting Period, including a description of the targeted audiences, length of sessions, which sessions were mandatory and for whom, percentage of attendance, and a schedule of when the training sessions were held;

5. a complete copy of all reports prepared pursuant to the Review Procedures referenced in III.D, including a copy of the methodology used, along with a copy of the IRO's engagement letter;

6. Forrest General's response and corrective action plan(s) related to any issues raised by the IRO(s) or Forrest General's Medical Auditor;

7. a summary of Material Deficiencies (as defined in III.H) identified during the Reporting Period and the status of any corrective and preventative action relating to all such Material Deficiencies;

8. a report of the aggregate overpayments that have been returned to the Federal health care programs. Overpayment amounts should be broken down into the following categories: inpatient Medicare, outpatient Medicare, Medicaid (report each applicable state separately) and other Federal health care programs. Overpayment amounts that are routinely reconciled or adjusted pursuant to policies and procedures established by the payor do not need to be included in this aggregate overpayment report;

9. a summary of the disclosures in the confidential disclosure log required by section III.E that: (a) relate to Federal health care programs; or (b) allege abuse or neglect of patients;

10. a description of any personnel actions (other than hiring) taken by Forrest General as a result of the obligations in section III.F, and the name, title, and responsibilities of any person that falls within the ambit of section III.F.4, and the actions taken in response to the obligations set forth in that section;

11. a summary describing any ongoing investigation or legal proceeding required to have been reported pursuant to section III.G. The summary shall include a description of the allegation, the identity of the investigating or prosecuting agency, and the status of such investigation or legal proceeding;

12. a description of all changes to the most recently provided list (as updated) of Forrest General's locations (including locations and mailing addresses) as required by section V.A.10, the corresponding name under which each location is doing business, the corresponding phone numbers and fax numbers, each location's Federal health care program provider identification number(s), and the contractor name and address that issued each provider identification number; and

13. the certification required by section V.C.

The first Annual Report shall be received by the OIG no later than one year and 60 days after the end of the first Reporting Period. Subsequent Annual Reports shall be received by OIG no later than the anniversary date of the due date of the first Annual Report.

C. Certifications. The Implementation Certification and Annual Reports shall include a certification by the Compliance Officer that: (1) except as otherwise described in the applicable report, Forrest General is in compliance with all of the requirements of this CIA, to the best of his or her knowledge; and (2) the Compliance Officer has reviewed the Report and has made reasonable inquiry regarding its content and believes that the information is accurate and truthful.

D. Designation of Information: Forrest General shall clearly identify any portions of its submissions that it believes are trade secrets, or information that is commercial or financial and privileged or confidential, and therefore exempt from disclosure under the

Freedom of Information Act ("FOIA"), 5 U.S.C. § 552. Forrest General shall refrain from identifying any information as exempt from disclosure if that information does not meet the criteria for exemption from disclosure under FOIA.

VI. NOTIFICATIONS AND SUBMISSION OF REPORTS

Unless otherwise stated in writing after the Execution Date of this CIA, all notifications and reports required under this CIA shall be submitted to the following entities:

OIG:

Civil Recoveries Branch - Compliance Unit
Office of Counsel to the Inspector General
Office of Inspector General
U.S. Department of Health and Human Services
Cohen Building, Room 5527
330 Independence Avenue, SW
Washington, DC 20201
Telephone (202) 619-2078
Facsimile (202) 205-0604

Forrest General Hospital:

Donald W. Bullock, Jr.
Corporate Compliance Office
Forrest General Hospital
6051 U.S. Highway 49
Hattiesburg, MS 39402
Telephone (601) 288-4461
Facsimile (601) 288-4469

Unless otherwise specified, all notifications and reports required by this CIA may be made by certified mail, overnight mail, hand delivery or other means, provided that there is proof that such notification was received. For purposes of this requirement, internal facsimile confirmation sheets do not constitute proof of receipt.

VII. OIG INSPECTION, AUDIT AND REVIEW RIGHTS

In addition to any other rights OIG may have by statute, regulation, or contract, OIG or its duly authorized representative(s) may examine or request copies of Forrest General's books, records, and other documents and supporting materials and/or conduct on-site reviews of any of Forrest General's locations for the purpose of verifying and evaluating: (a) Forrest General's compliance with the terms of this CIA; and (b) Forrest General's compliance with the requirements of the Federal health care programs in which it participates. The documentation described above shall be made available by Forrest General to OIG or its duly authorized representative(s) at all reasonable times for inspection, audit or reproduction. Furthermore, for purposes of this provision, OIG or its duly authorized representative(s) may interview any of Forrest General's employees, contractors, or agents who consent to be interviewed at the individual's place of business during normal business hours or at such other place and time as may be mutually agreed upon between the individual and OIG. Forrest General agrees to assist OIG or its duly authorized representative(s) in contacting and arranging interviews with such individuals upon OIG's request. Forrest General's employees may elect to be interviewed with or without a representative of Forrest General present following being informed that they have such a right.

VIII. DOCUMENT AND RECORD RETENTION

Forrest General shall maintain for inspection all documents and records relating to reimbursement from the Federal health care programs, or to compliance with this CIA, for four years (or longer if otherwise required by law).

IX. DISCLOSURES

Consistent with HHS's FOIA procedures, set forth in 45 C.F.R. Part 5, the OIG shall make a reasonable effort to notify Forrest General's Compliance Officer at the address listed in section VI prior to any release by OIG of information submitted by Forrest General pursuant to its obligations under this CIA and identified upon submission by Forrest General as trade secrets, or information that is commercial or financial and privileged or confidential, under the FOIA rules. With respect to such releases, Forrest General shall have the rights set forth at 45 C.F.R. § 5.65(d). Forrest General shall refrain from identifying any information as exempt from release if that information does not meet the criteria for exemption from disclosure under FOIA. Nothing in this CIA, or any communication or report made pursuant to this CIA, shall

constitute a waiver of, or be construed to require Forrest General to waive, Forrest General's attorney-client, work product, or other applicable privileges. Notwithstanding that fact, the existence of any such privilege does not affect Forrest General's obligation to comply with the provisions of this CIA, e.g., by providing all documents necessary to determine whether Forrest General is in compliance with the terms of the CIA

X. BREACH AND DEFAULT PROVISIONS

Forrest General is expected to fully and timely comply with all of its CIA obligations.

A. Stipulated Penalties for Failure to Comply with Certain Obligations. As a contractual remedy, Forrest General and OIG hereby agree that failure to comply with certain obligations set forth in this CIA may lead to the imposition of the following monetary penalties (hereinafter referred to as "Stipulated Penalties") in accordance with the following provisions.

1. A Stipulated Penalty of $2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day Forrest General fails to have in place any of the following:

1. a Compliance Officer as described by section III.A.1;
2. a Compliance Committee as described by section III.A.2;
3. a written Code of Conduct as described by section III.B.1;
4. written Policies and Procedures as described by section III.B.2;
5. a requirement that Covered Persons be trained as described in section III.C; and
6. a Confidential Disclosure Program as described in section III.E.

2. A Stipulated Penalty of $2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day Forrest General fails to retain an IRO, as required in section III.D.

3. A Stipulated Penalty of $2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day Forrest General fails to meet any of the deadlines for the submission of the Implementation Certification or the Annual Reports to OIG.

4. A Stipulated Penalty of $2,000 (which shall begin to accrue on the date the failure to comply began) for each day Forrest General employs or contracts with or grants staff privileges to an Ineligible Person and that person: (i) has responsibility for, or involvement with, Forrest General's business operations related to the Federal health care programs; or (ii) is in a position for which the person's salary or the items or services rendered, ordered, or prescribed by the person are paid in whole or part, directly or indirectly, by Federal health care programs or otherwise with Federal funds (if the Ineligible Person is a physician with staff privileges at Forrest General, then the Stipulated Penalty shall accrue for each day that the Ineligible Person provided, ordered, or prescribed any items or services at Forrest General which were payable in whole or in part by any Federal health care program) (the Stipulated Penalty described in this paragraph shall not be demanded for any time period during which Forrest General can demonstrate that it did not discover the person's exclusion or other ineligibility after making a reasonable inquiry (as described in section III.F) as to the status of the person).

5. A Stipulated Penalty of $1,500 for each day Forrest General fails to grant access to the information or documentation as required in section VII of this CIA. (This Stipulated Penalty shall begin to accrue on the date Forrest General fails to grant access.)

6. A Stipulated Penalty of $1,000 for each day Forrest General fails to comply fully and adequately with any obligation of this CIA not already covered in paragraphs 1-5. In its notice to Forrest General, OIG shall state the specific grounds for its determination that Forrest General has failed to comply fully and adequately with the CIA obligation(s) at issue and steps the Forrest General must take to comply with the CIA. (This Stipulated Penalty shall begin to accrue 10 days after the date that OIG provides notice to Forrest General of the failure to comply.)

B. Timely Written Requests for Extensions. Forrest General may, in advance of the due date, submit a timely written request for an extension of time to perform any act or file any notification or report required by this CIA. Notwithstanding any other provision in this section, if OIG grants the timely written request with respect to an act, notification, or report, Stipulated Penalties for failure to perform the act or file the notification or report shall not begin to accrue until one day after Forrest General fails to meet the revised deadline set by OIG. Notwithstanding any other provision in this section, if OIG denies such a timely written request, Stipulated Penalties for failure to perform the act or file the notification or report shall not begin to accrue until two business days after Forrest General receives OIG's written denial of such request or the original due date, whichever is later. A "timely written request" is defined as a request in writing received by OIG at least five business days prior to the date by which any act is due to be performed or any notification or report is due to be filed.

C. Payment of Stipulated Penalties.

1. *Demand Letter.* Upon a finding that Forrest General has failed to comply with any of the obligations described in section X.A and after determining that Stipulated Penalties are appropriate, OIG shall notify Forrest General of: (a) Forrest General's failure to comply; and (b) the OIG's exercise of its contractual right to demand payment of the Stipulated Penalties (this notification is hereinafter referred to as the "Demand Letter").

2. *Response to Demand Letter.* Within 10 days of the receipt of the Demand Letter, Forrest General shall either: (a) cure the breach to OIG's satisfaction and pay the applicable Stipulated Penalties; or (b) request a hearing before an HHS administrative law judge ("ALJ") to dispute OIG's determination of noncompliance, pursuant to the agreed upon provisions set forth below in section X.E. In the event Forrest General elects to request an ALJ hearing, the Stipulated Penalties shall continue to accrue until Forrest General cures, to OIG's satisfaction, the alleged breach in dispute. Failure to respond to the Demand Letter in one of these two manners within the allowed time period shall be considered a material breach of this CIA and shall be grounds for exclusion under section X.D.

3. *Form of Payment.* Payment of the Stipulated Penalties shall be made by certified or cashier's check, payable to: "Secretary of the Department of Health and Human Services," and submitted to OIG at the address set forth in section VI.

4. *Independence from Material Breach Determination*. Except as set forth in section X.D.1.c, these provisions for payment of Stipulated Penalties shall not affect or otherwise set a standard for OIG's decision that Forrest General has materially breached this CIA, which decision shall be made at OIG's discretion and shall be governed by the provisions in section X.D, below.

D. Exclusion for Material Breach of this CIA

1. *Definition of Material Breach*. A material breach of this CIA means:

a. a failure by Forrest General to report a material deficiency, take corrective action and make the appropriate refunds, as required in section III.H;

b. a repeated or flagrant violation of the obligations under this CIA, including, but not limited to, the obligations addressed in section X.A;

c. a failure to respond to a Demand Letter concerning the payment of Stipulated Penalties in accordance with section X.C; or

d. a failure to retain and use an Independent Review Organization in accordance with section III.D.

2. *Notice of Material Breach and Intent to Exclude*. The parties agree that a material breach of this CIA by Forrest General constitutes an independent basis for Forrest General's exclusion from participation in the Federal health care programs. Upon a determination by OIG that Forrest General has materially breached this CIA and that exclusion should be imposed, OIG shall notify Forrest General of: (a) Forrest General's material breach; and (b) OIG's intent to exercise its contractual right to impose exclusion (this notification is hereinafter referred to as the "Notice of Material Breach and Intent to Exclude").

3. *Opportunity to Cure*. Forrest General shall have 30 days from the date of receipt of the Notice of Material Breach and Intent to Exclude to demonstrate to OIG's satisfaction that:

a. Forrest General is in compliance with the obligation(s) of the CIA cited by the OIG as being the basis for the material breach;

b. the alleged material breach has been cured; or

c. the alleged material breach cannot be cured within the 30-day period, but that: (i) Forrest General has begun to take action to cure the material breach; (ii) Forrest General is pursuing such action with due diligence; and (iii) Forrest General has provided to OIG a reasonable timetable for curing the material breach.

4. *Exclusion Letter.* If at the conclusion of the 30-day period, Forrest General fails to satisfy the requirements of section X.D.3, OIG may exclude Forrest General from participation in the Federal health care programs. OIG will notify Forrest General in writing of its determination to exclude Forrest General (this letter shall be referred to hereinafter as the "Exclusion Letter"). Subject to the Dispute Resolution provisions in section X.E, below, the exclusion shall go into effect 30 days after the date of the Exclusion Letter. The exclusion shall have national effect and shall also apply to all other Federal procurement and non-procurement programs. Reinstatement to program participation is not automatic. If at the end of the period of exclusion, Forrest General wishes to apply for reinstatement, Forrest General must submit a written request for reinstatement in accordance with the provisions at 42 C.F.R. §§ 1001.3001-.3004.

E. Dispute Resolution

1. *Review Rights.* Upon OIG's delivery to Forrest General of its Demand Letter or of its Exclusion Letter, and as an agreed-upon contractual remedy for the resolution of disputes arising under this CIA, Forrest General shall be afforded certain review rights comparable to the ones that are provided in 42 U.S.C. § 1320a-7(f) and 42 C.F.R. Part 1005 as if they applied to the Stipulated Penalties or exclusion sought pursuant to this CIA. Specifically, OIG's determination to demand payment of Stipulated Penalties or to seek exclusion shall be subject to review by an ALJ and, in the event of an appeal, the Departmental Appeals Board ("DAB"), in a manner consistent with the provisions in 42 C.F.R. §§ 1005.2-1005.21. Notwithstanding the language in 42 C.F.R. § 1005.2(c), the request for a hearing involving Stipulated Penalties shall be

made within 10 days of the receipt of the Demand Letter and the request for a hearing involving exclusion shall be made within 25 days of receipt of the Exclusion Letter.

2. *Stipulated Penalties Review.* Notwithstanding any provision of Title 42 of the United States Code or Chapter 42 of the Code of Federal Regulations, the only issues in a proceeding for Stipulated Penalties under this CIA shall be: (a) whether Forrest General was in full and timely compliance with the obligations of this CIA for which the OIG demands payment; and (b) the period of noncompliance. Forrest General shall have the burden of proving its full and timely compliance and the steps taken to cure the noncompliance, if any. If the ALJ agrees with OIG with regard to a finding of a breach of this CIA and orders Forrest General to pay Stipulated Penalties, such Stipulated Penalties shall become due and payable 20 days after the ALJ issues such a decision unless Forrest General requests review of the ALJ decision by the DAB. If the ALJ decision is properly appealed to the DAB and the DAB upholds the determination of OIG, the Stipulated Penalties shall become due and payable 20 days after the DAB issues its decision.

3. *Exclusion Review.* Notwithstanding any provision of Title 42 of the United States Code or Chapter 42 of the Code of Federal Regulations, the only issues in a proceeding for exclusion based on a material breach of this CIA shall be:

a. whether Forrest General was in material breach of this CIA;

b. whether such breach was continuing on the date of the Exclusion Letter; and

c. whether the alleged material breach could not have been cured within the 30 day period, but that:

(i) Forrest General had begun to take action to cure the material breach within that period;

(ii) Forrest General has pursued and is pursuing such action with due diligence; and

(iii) Forrest General provided to OIG within that period a reasonable timetable for curing the material breach and Forrest General has followed the timetable.

For purposes of the exclusion herein, exclusion shall take effect only after an ALJ decision favorable to OIG, or, if the ALJ rules for the Forrest General, only after a DAB decision in favor of OIG. Forrest General's election of its contractual right to appeal to the DAB shall not abrogate the OIG's authority to exclude Forrest General upon the issuance of an ALJ's decision in favor of the OIG. If the ALJ sustains the determination of the OIG and determines that exclusion is authorized, such exclusion shall take effect 20 days after the ALJ issues such a decision, notwithstanding that Forrest General may request review of the ALJ decision by the DAB. If the DAB finds in favor of OIG after an ALJ decision adverse to OIG, the exclusion shall take effect 20 days after the DAB decision. If the DAB finds in favor of Forrest General, Forrest General will be reinstated effective on the date of the original exclusion.

XI. EFFECTIVE AND BINDING AGREEMENT

Consistent with the provisions in the Settlement Agreement pursuant to which this CIA is entered, and into which this CIA is incorporated, Forrest General and OIG agree as follows:

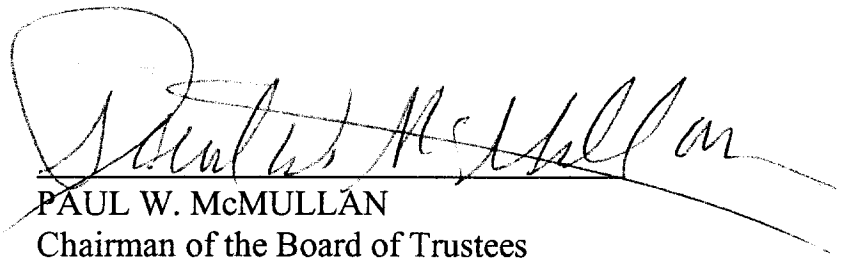
A. This CIA shall be binding on the successors, assigns, and transferees of Forrest General;

B. This CIA shall become final and binding on the date the final signature is obtained on the CIA;

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

D. The undersigned Forrest General signatories represent and warrant that they are authorized to execute this CIA. The undersigned OIG signatory represents that he is signing this CIA in his official capacity and that he is authorized to execute this CIA.

ON BEHALF OF FORREST GENERAL HOSPITAL



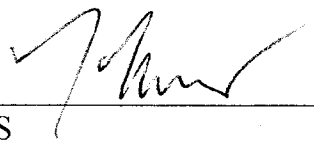
PAUL W. McMULLAN
Chairman of the Board of Trustees
of Forrest General Hospital

09-12-01
DATE

DINETIA M. NEWMAN, ESQ.
Counsel for Forrest General Hospital

09/12/01
DATE

ON BEHALF OF THE OFFICE OF INSPECTOR GENERAL OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES



LEWIS MORRIS
Assistant Inspector General for Legal Affairs
Office of Inspector General
U. S. Department of Health and Human Services

6/10/01
DATE

APPENDIX A

A. Claims Review.

1. ***Definitions***. For the purposes of the Claims Review, the following definitions shall be used:

a. Claims Review Sample: A statistically valid, randomly selected, sample of items selected for appraisal in the Claims Review.

b. Item: Any discrete unit that can be sampled (e.g., code, line item, beneficiary, patient encounter, etc.).

c. Overpayment: Consistent with the definition of Overpayment as articulated in section III.H.1.a of the CIA, the amount of money Forrest General has received in excess of the amount due and payable under any Federal health care program requirements. For the purposes of the Claims Review and all reporting to the OIG under this CIA, Forrest General shall not subtract or "net out" underpayments when determining the amount of relevant Overpayments.

d. Paid Claim: A code or line item submitted by Forrest General and for which Forrest General has received reimbursement from the Medicare program for items or services provided in Forrest General's Emergency Room or by Forrest General's Emergency Department.

e. Population: All Items for which Forrest General has submitted a code or line item and for which Forrest General has received reimbursement from the Medicare program for items or services provided in Forrest General's Emergency Room or by Forrest General's Emergency Department, including all claims coded by any outside contractor (i.e., a Paid Claim) during the 12-month period covered by the Claims Review. To be included in the Population, an Item must have resulted in at least one Paid Claim.

f. Probe Sample: A sample of Items selected through simple random sampling from the Population for the purpose of estimating the mean and standard deviation of the Population. The estimated mean and standard

preparing and submitting the Claims Review Report (see section B, below).

c. Calculation of Claims Review Sample Size and Selection of the Claims Review Sample. The estimates of the mean and the standard deviation of the Population obtained through the review of the Probe Sample shall be used to calculate the minimum size of the Claims Review Sample. In order to determine the minimum number of Items that must be included in the Claims Review Sample to meet the 90% confidence level and 25% precision requirements, RAT-STATS' "Sample Size Estimators" (located under the "Utility Programs" file) shall be used. The Claims Review Sample shall be selected by using RAT-STATS' "Random Numbers" function, and shall be selected from the entire Population, with the Population including those Items reviewed as part of the Probe Sample, so that all Items in the Population have an equal chance of inclusion in the Claims Review Sample.

d. Item Appraisal. For each Item appraised (either as part of the Claims Review Sample or of the Probe Sample), only Paid Claims shall be evaluated. Every Paid Claim in the Claims Review Sample shall be evaluated by Forrest General. Ten percent 10% of all Paid Claims reviewed by Forrest General as part of its internal Claims Review shall be evaluated by the IRO to determine whether the claim submitted was correctly coded, submitted, and reimbursed. Each appraisal must be sufficient to provide all information required under the Claims Review Report.

e. Paid Claims without Supporting Documentation. For the purpose of appraising Items included in the Claims Review and/or the Probe Sample, any Paid Claim for which Forrest General cannot produce documentation sufficient to support the Paid Claim shall be considered an error and the total reimbursement received by Forrest General for such Paid Claim shall be deemed an Overpayment. Replacement sampling for Paid Claims with missing documentation is not permitted.

f. Use of First Samples Drawn. For the purposes of all samples (Probe Sample(s) and Claims Review Sample(s)) discussed in this Appendix, the Paid Claims associated with the Items selected in the first sample (or first

2. ***Statistical Sampling Documentation***

a. The number of Items appraised in the Probe Sample(s) and in the Claims Review Sample.

b. A copy of the RAT-STATS printout of the random numbers generated by the "Random Numbers" function.

c. A copy of the RAT-STATS printout of the "Sample Size Estimators" results used to calculate the minimum number of Items for inclusion in the Claims Review Sample.

d. A copy of the RAT-STATS printout of the "Variable Appraisals" function results for the Probe Sample.

e. The Sampling Frame used in the Probe Sample(s) and the Claims Review Sample will be available to the OIG upon request.

3. ***Claims Review Results***

a. Total number and percentage of instances in which the IRO determined that the Paid Claim submitted by Forrest General ("Claim Submitted") differed from what should have been the correct claim ("Correct Claim"), regardless of the effect on the payment.

b. Total number and percentage of instances in which the Claim Submitted differed from the Correct Claim and in which such difference resulted in an Overpayment to Forrest General.

c. The total dollar amount of all Paid Claims in the Claims Review Sample and the total dollar amount of Overpayments associated with the Paid Claims identified by the Claims Review. (This is the total dollar amount of the Overpayments identified in section B.3.b above.) The IRO may, in its report to Forrest General, identify underpayments, but any underpayments identified during the Claims Review shall not be offset or "netted out" of the total dollar amount of Paid Claims or of the Overpayments when reporting these amounts in the Claims Review Report to the OIG.

d. A spreadsheet of the Claims Review results that includes the following information for each Paid Claim appraised: Federal health care program billed, beneficiary health insurance claim number, date of service, procedure code submitted, procedure code reimbursed, allowed amount reimbursed by payor, correct procedure code (as determined by the IRO), correct allowed amount (as determined by the IRO), dollar difference between allowed amount reimbursed by payor and the correct allowed amount. (See Attachment 1 to this Appendix.)

4. ***Credentials.*** The names and credentials of the individuals who: (1) designed the statistical sampling procedures and the review methodology utilized for the Claims Review; and (2) performed the Claims Review.

OVERPAYMENT REFUND

TO BE COMPLETED BY MEDICARE CONTRACTOR

Date:_____
Contractor Deposit Control #_____ Date of Deposit: _____
Contractor Contact Name:_____ Phone #_____
Contractor Address:_____
Contractor Fax:_____

TO BE COMPLETED BY PROVIDER/PHYSICIAN/SUPPLIER

Please complete and forward to Medicare Contractor. This form, or a similar document containing the following information, should accompany every voluntary refund so that receipt of check is properly recorded and applied.

PROVIDER/PHYSICIAN/SUPPLIERNAME_____
ADDRESS_____
PROVIDER/PHYSICIAN/SUPPLIER #_____ CHECK NUMBER#_____
CONTACT PERSON:_____ PHONE #_____
AMOUNT OF CHECK $_____ CHECK DATE_____

REFUND INFORMATION

For each Claim, provide the following:
Patient Name_____ HIC #_____
Medicare Claim Number_____ Claim Amount Refunded $_____
Reason Code for Claim Adjustment:_____ (Select reason code from list below. Use one reason per claim)
(Please list all claim numbers involved. Attach separate sheet, if necessary)
*Note: If Specific Patient/HIC/Claim #/Claim Amount data not available for all claims due to Statistical Sampling, please indicate methodology and formula used to determine amount and reason for overpayment:*_____

For Institutional Facilities Only:
Cost Report Year(s) _____
(If multiple cost report years are involved, provide a breakdown by amount and corresponding cost report year.)

For OIG Reporting Requirements:
Do you have a Corporate Integrity Agreement with OIG? _____Yes _____No

Reason Codes:

Billing/Clerical Error
01 - Corrected Date of Service
02 - Duplicate
03 - Corrected CPT Code
04 - Not Our Patient(s)
05 - Modifier Added/Removed
06 - Billed in Error
07 - Corrected CPT Code

MSP/Other Payer Involvement
08 - MSP Group Health Plan Insurance
09 - MSP No Fault Insurance
10 - MSP Liability Insurance
11 - MSP, Workers Comp.(Including Black Lung
12 - Veterans Administration

Miscellaneous
13 - Insufficient Documentation
14 - Patient Enrolled in an HMO
15 - Services Not Rendered
16 - Medical Necessity
17 - Other (Please Specify)
_____

Attachment 1

Claim Review Results

Federal Health Care Program Billed	Bene HIC #	Date of Service	Procedure Code Submitted	Procedure Code Reimbursed	Allowed Amount Reimbursed	Correct Procedure Code (IRO determined)	Correct Allowed Amt Reimbursed (IRO determined)	Dollar Difference between Amt Reimbursed and Correct Allowed Amt