Exhibit A

CORPORATE INTEGRITY AGREEMENT
BETWEEN THE
OFFICE OF INSPECTOR GENERAL
OF THE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
AND
ST. FRANCIS HOSPITAL AND MEDICAL CENTER

I. PREAMBLE

St. Francis Hospital ("Hospital") 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, directors, employees, physicians, contractors and agents, ("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, Hospital is entering into a Settlement Agreement with the United States, and this CIA is incorporated by reference into the Settlement Agreement. Prior to the execution of this CIA, Hospital has created a compliance program titled the "St. Francis Organizational Responsibility Program" (the "SFORP"). Hospital and the OIG agree that Hospital may utilize and adapt any components of the SFORP existing at the time of execution of this CIA as necessary to be in compliance with the corporate integrity obligations assumed by Hospital pursuant to this CIA. To the extent that Hospital's existing SFORP can not be adapted or maintained to meet the corporate integrity obligations of this CIA, Hospital shall adopt new components to its SFORP, or create a new compliance program, so that Hospital will meet the corporate integrity obligations assumed by Hospital pursuant to this CIA.

II. TERM OF THE CIA

The period of the compliance obligations assumed by Hospital under this CIA shall be three years from the effective date of this CIA (unless otherwise specified). The effective date of this CIA shall be the date on which the final signatory of this CIA executes this CIA.

Sections VII, VIII, IX, X and XI shall remain in effect until OIG has completed its review of the final annual report and any additional materials submitted by Hospital pursuant to OIG's request.

III. CORPORATE INTEGRITY OBLIGATIONS

Hospital hereby agrees to establish a compliance program (the "Compliance Program") either by maintenance or adaptation of the SFORP or by creating a new program that includes the following elements during the term of this CIA:

A. Compliance Officer and Committee.

1. *Compliance Officer.* Within 120 days after the effective date of this CIA, Hospital shall have in place an individual servings as its Compliance Officer (the "Compliance Officer"). At its own discretion, Hospital may adapt the current position of Organizational Responsibility Officer, or create a new position to meet the requirements of this CIA. The Compliance Officer shall 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 be a high level executive of Hospital, shall make periodic (at least quarterly) reports regarding compliance matters directly to the CEO and/or to the Board of Directors of Hospital, and shall be authorized to report on such matters to the Board of Directors at any time. The Compliance Officer shall be responsible for monitoring the day-to-day compliance activities engaged in by Hospital as well as for any reporting obligations created under this CIA.

Any 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.* Within 120 days of the effective date of this CIA, Hospital shall have in place a Compliance Committee (the "Compliance Committee"). At its own discretion, Hospital may adapt the current SFORP Task Force, or create a new compliance committee to meet the requirements of this section. The Compliance Committee shall, at a minimum, 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 chair the Compliance Committee and the Committee shall support the Compliance Officer in fulfilling his/her responsibilities (e.g., shall assist in the analysis of the organization's risk areas and shall oversee monitoring of internal and external audits and investigations).

Any 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.

B. Written Standards.

1. *Code of Conduct*. Within 120 days of the effective date of this CIA, Hospital shall have in place a Code of Conduct. The Code of Conduct shall be distributed to all Covered Persons within 120 days of the effective date of this CIA. Hospital shall 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, at a minimum, set forth:

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

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

d. the possible consequences to both Hospital and Covered Persons of failure to comply with all Federal health care program requirements and with Hospital'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 Hospital's commitment to maintain confidentiality, as appropriate, and non-retaliation with respect to disclosures.

At its own discretion, Hospital may fulfill its distribution obligations under this section by revising and reissuing its current "Employee Standards of Business Conduct"[1] or by issuing to all Covered Persons a newsletter, e-mail, or other update to the Employee Standards of Conduct addressing the requirements of this section III.B.1. Within 120 days of the effective date of the CIA, each Covered Person shall certify, in writing, that he or she has received, read, understood, and will abide by Hospital's Code of Conduct. New Covered Persons shall receive the Code of Conduct and shall complete the required certification within two weeks after becoming a Covered Person or within 120 days of the effective date of the CIA, whichever is later.

The following shall constitute Hospital's obligations under this section III.B.1 with respect to physicians with staff privileges: (i) Hospital shall distribute the Code of Conduct to all physicians with staff privileges in accordance with the time requirements for other Covered Persons as set forth in this section III.B.1; (ii) Hospital shall use its best efforts to obtain the written certifications described above; and (iii) Hospital shall keep records of the percentage of physicians who have completed the certification requirement.

Hospital shall annually review the Code of Conduct to determine if revisions are appropriate and shall make any necessary revisions based on such a review. Any such revised Code of Conduct shall be distributed within 30 days of finalizing such changes. Covered Persons shall certify that they have received, read, understood and will abide by the revised Code of Conduct within 30 days of the finalization of such revisions.

2. *Policies and Procedures*. Within 120 days of the effective date of this CIA, Hospital shall implement written Policies and Procedures regarding the operation of Hospital's compliance program and its compliance with Federal health care program requirements. At a minimum, the Policies and Procedures shall:

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[1] See, St. Francis Hospital and Medical Center, Organizational Responsibility Program Plan, Revised July 23, 1998, Attachment C

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

b. provide disciplinary guidelines and methods for employees or other individuals to make disclosures or otherwise report on compliance issues to Hospital management through the Confidential Disclosure Program required by section III.E;

c. require that all diagnosis codes submitted for claims purposes to any Federal health care program be properly supported by documentation of the diagnosis by the treating physician in the patients medical record; and

d. require that all inpatient claims with a principal diagnosis of 482.89 (or any successor(s) to this code) intended for submission to Medicare shall first be subject to pre-billing review to ensure the diagnosis code was properly assigned.

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

Within 120 days of the effective date of the CIA, the relevant portions of the Policies and Procedures shall be distributed to all individuals whose job functions are related to those Policies and Procedures. Appropriate and knowledgeable staff should be available to explain the Policies and Procedures.

At least annually (and more frequently if appropriate), Hospital shall assess and update as necessary the Policies and Procedures. Within 30 days of the effective date of any 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*. Within 120 days of the effective date of this CIA, Hospital shall provide at least two hours of general training to each Covered Person (the "General Training"). This General Training shall explain Hospital'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 used for the General Training 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 effective date of this CIA, whichever is later. After receiving the initial training described above, each Covered Person shall receive at least one hour of General Training annually. General compliance training (as described above) provided to Covered Persons by Hospital during the six months immediately prior to the execution of this CIA may be credited towards the training time requirements set forth in this section III.C.1, however, Hospital shall meet the requirements of this section by updating any such training, as appropriate, via e-mail, newsletter, flyer, or other appropriate medium.

2. *Specific Training.* Within 120 days of the effective date of this CIA, each Covered Person who is involved directly or in a supervisory role in the preparation or submission of claims for items or services (including, but not limited to, coding or billing) to any Federal health care program (hereinafter referred to as "Relevant Covered Persons") shall receive at least five hours of coding training in addition to the General Training required above (the "Specific Training"). This Specific Training shall include a discussion of:

a. the submission of accurate bills for services rendered to Medicare and other 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 used for the Specific Training shall be made available to OIG, upon request. Persons providing the Specific Training must be knowledgeable about the subject area.

Relevant Covered Persons shall receive this Specific Training within 30 days of the beginning of their employment or becoming a Relevant Covered Person or within 120 days of the effective date of this CIA, whichever is later. A Hospital 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 the applicable Specific Training. Specific Training that meets the requirements of this section III.C.2 above and that was provided to Relevant Covered Persons during the four months immediately preceding the execution of this CIA may be credited towards the training time requirements of this section.

After receiving the initial training described in this section, every Relevant Covered Person shall receive at least three hours of Specific Training annually.

3. *Exception for Physicians with Privileges.* Notwithstanding any other provision of this CIA, Hospital shall make the General Training and the Specific Training, where appropriate, available to all physicians with privileges at Hospital, and shall use its best efforts to encourage their attendance and participation. The Compliance Officer shall maintain records of the percentage of all physicians with privileges who attend such training.

4. *Certification.* Each Covered Person 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 and may take the form of a "sign-in sheet" at the various training sessions. 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.

D. Review Procedures. Hospital shall retain an entity, such as an accounting, auditing, or consulting firm (hereinafter "Independent Review Organization"), to perform

review procedures to assist Hospital in assessing the adequacy of its billing and compliance practices pursuant to this CIA. The Independent Review Organization must have expertise in the billing, coding, reporting and other requirements of the Federal health care programs from which Hospital seeks reimbursement. The Independent Review Organization must be retained to conduct the audit of the first year within 90 days of the effective date of this CIA. The Independent Review Organization will conduct two separate engagements and will prepare a report of each of these engagements. One will be an analysis of Hospital's billing of inpatient claims to the Medicare program to assist the Hospital and OIG in determining compliance with all applicable statutes, regulations, and directives/guidance ("billing engagement"). The billing engagement will be performed annually and cover each of the one-year periods beginning on the effective date of this CIA or the anniversary of that date. The second engagement will determine whether Hospital is in compliance with this CIA ("compliance engagement") and will be performed by the IRO for the first one-year period beginning with the effective date of this CIA. A complete copy of the Independent Review Organization's billing and compliance engagement reports shall be included in each of Hospital's Annual Reports to OIG as described in section V.B, below.

1. *Billing Engagement.* The billing engagement shall consist of a review of a statistically valid sample of inpatient claims that can be projected to the population of inpatient claims submitted to the Medicare program for the 12-month period covered by the engagement. The sample size shall be determined through the use of a probe sample. The probe sample must contain at least 30 sample units and cannot be used as part of the full sample. The full sample must contain a sufficient number of units so that when the sample results are projected to the population of claims, the projection provides a minimum 90% confidence level and a maximum precision of plus or minus 25% of the point estimate (i.e., the upper and lower bounds of the 90% confidence interval shall not exceed 125% and shall not fall below 75% of the midpoint of the confidence interval, respectively). Both the probe sample and the full sample must be selected through random number sampling. To generate the random sample, Hospital shall use OIG's Office of Audit Services Statistical Sampling Software, also known as "RAT-STATS," which is available through the Internet at "www.hhs.gov/progorg/oas/ratstat.html."

Each annual billing engagement and its corresponding report shall include the following components:

a. Billing Engagement Objective: a clear statement of the objective intended to be achieved by the billing engagement

and the procedure or combination of procedures that will be applied to achieve the objective.

b. Billing Engagement Population: the identity of the population, which is the group about which information is needed and an explanation of the methodology used to develop the population and provide the basis for this determination.

c. Sources of Data: a full description of the source of the information upon which the billing engagement conclusions will be based, including the legal or other standards applied, documents relied upon, payment data, and/or any contractual obligations.

d. Sampling Unit: a definition of the sampling unit, which is any of the designated elements that comprise the population of interest.

e. Sampling Frame: the identity of the sampling frame, which is the totality of the sampling units from which the sample will be selected.

The billing engagement report shall provide:

a. findings regarding Hospital's inpatient billing and coding operation (including, but not limited to, the operation of the billing system, strengths and weaknesses of this system, internal controls, effectiveness of the system);

b. findings regarding whether Hospital is submitting accurate claims for inpatient services billed to the Medicare program;

c. findings regarding Hospital's procedures to correct inaccurate billings or codings of inpatient claims to the Medicare program;

d. findings regarding the accuracy of the coding of hospital admissions involving a principal diagnosis of pneumonia; and

e. findings regarding the steps Hospital is taking to bring its operations into compliance or to correct problems identified by the audit.

2. *Compliance Engagement.* An Independent Review Organization shall also conduct a compliance engagement that shall provide findings regarding whether Hospital's program, policies, procedures, and operations comply with the terms of this CIA. This report of the engagement shall provide section by section findings regarding the requirements of this CIA.

3. *Verification/Validation.* In the event the OIG has reason to believe that: (a) Hospital'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 and Compliance Engagement comply with the requirements of the CIA and/or the findings or Claims Review results are inaccurate. Hospital 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 report is submitted. Prior to proceeding with such an independent review, the OIG shall notify Hospital of its intent to do so and its reasons for believing such a review is necessary, and shall attempt to resolve any issues without proceeding with an independent review. This attempt to resolve issues may include permitting Hospital to recommend further work it or the IRO may undertake to address the OIG's concerns. However, it shall remain in the sole discretion of the OIG to proceed with an independent review as described above.

E. Confidential Disclosure Program.

Within 120 days after the effective date of this CIA, Hospital shall have in place a 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 Hospital'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. Hospital 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 emphasize a non-retribution, non-retaliation policy, and shall 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 the appropriateness of the alleged improper practice; and (2) provides an opportunity for taking corrective action, Hospital 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 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*. Hospital shall not hire, engage as a contractor, or grant staff privileges to, any Ineligible Person. To prevent hiring or contracting with any Ineligible Person, Hospital shall screen all prospective employees and prospective contractors prior to engaging their services and 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 effective

date of this CIA, Hospital shall review its list of current employees and contractors and physicians with staff privileges against the Exclusion Lists. Thereafter, Hospital shall review the list annually. In addition, Hospital shall require employees and contractors to disclose immediately any debarment, exclusion or other event that makes the employee an Ineligible Person.

If Hospital has notice that an employee, contractor, or physician with staff privileges has become an Ineligible Person, Hospital shall remove such person from responsibility for, or involvement with, Hospital'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 Hospital has 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, the Hospital 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, Hospital shall notify OIG, in writing, of any ongoing investigation or legal proceeding conducted or brought by a governmental entity or its agents involving an allegation that Hospital 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. Hospital 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 Hospital has received in excess of the amount due and payable under any Federal health care program requirements. Hospital may not subtract any underpayments for purposes of determining the amount of relevant "overpayments."

b. Reporting of Overpayments. If, at any time, Hospital identifies or learns of any overpayments, Hospital shall notify the payor (e.g., Medicare fiscal intermediary or carrier) and repay any identified overpayments within 30 days of discovery and take remedial steps within 60 days of discovery (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. Notification and repayment to the contractor should be done in accordance with the contractor policies, and for Medicare contractors, must include the information contained on the Overpayment Refund Form, provided as Appendix B to this CIA.

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 potential 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 Hospital determines that there is a Material Deficiency, Hospital 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 Hospital's actions taken to correct the Material Deficiency; and

(iv) any further steps Hospital 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 effective date of this CIA, Hospital 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, Hospital 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 shall be subject to the applicable requirements in this CIA (e.g., completing certifications and undergoing training).

V. REPORTS

A. Initial Availability and Certification. Within 150 days after the effective date of this CIA, Hospital's Compliance Officer shall be available to the OIG to summarize the status of Hospital's implementation of the requirements of this CIA. The Compliance Officer shall also certify in writing by that date that:

1. the Policies and Procedures required by section III.B have been developed, are being implemented, and have been distributed to all appropriate Covered Persons;

2. all Covered Persons have completed the Code of Conduct certification required by section III.B.1 along with the percentage of physicians with staff privileges who have completed the certification requirement; and

3. all Covered Persons have completed the applicable training and executed the certification(s) required by section III.C. along with the percentage of physicians with staff privileges who have completed the training;

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

B. Annual Reports. Hospital shall submit to OIG Annual Reports with respect to the status of and findings regarding of Hospital's compliance activities for each of the

three one-year periods beginning on the effective 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 the annual Code of Conduct certification required by section III.B.1 along with the percentage of physicians with staff privileges who have completed the certification;

   b. all Covered Persons have completed the applicable training and executed the certification(s) required by section III.C along with the percentage of physicians with staff privileges who have completed the training;

   c. Hospital 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 (including the percentage of physicians with staff privileges who attended), and a schedule of when the training sessions were held;

5. a complete copy of all reports prepared pursuant to the IRO's billing and compliance engagements, including a copy of the methodology used, along with a copy of the IRO's engagement letter;

6. Hospital's response and corrective action plan(s) related to any issues raised by the IRO(s);

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;

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 Hospital 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 Hospital'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 Report and Annual Reports shall include a certification by the Compliance Officer that: (1) except as otherwise described in the applicable report, Hospital 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: Hospital 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. Hospital 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 effective date of this CIA, all notifications and reports required under this CIA shall be submitted to the following entities:

If to 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

If to Hospital:

Mr. Michael Dorsey
Organizational Responsibility Officer
St. Francis Hospital & Medical Center
1700 West 7th Street
Topeka, KS 66606
Telephone (785) 295-8928
Facsimile (785) 295-5479

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 Hospital's books, records, and other documents and supporting materials and/or conduct on-site reviews of any of Hospital's locations for the purpose of verifying and evaluating: (a)

Hospital's compliance with the terms of this CIA; and (b) Hospital's compliance with the requirements of the Federal health care programs in which it participates. The documentation described above shall be made available by Hospital to OIG or its duly authorized representative(s) at all reasonable times for inspection, audit or reproduction. Nothing in this CIA, or any communication or report made pursuant to this CIA, shall constitute a waiver of, or be construed to require Hospital to waive, Hospital's attorney-client, work product, or other applicable privileges. Notwithstanding that fact, the existence of any such privilege does not affect Hospital's obligation to comply with the provisions of this CIA, e.g., by providing all documents necessary to determine whether Hospital is in compliance with the terms of the CIA. Furthermore, for purposes of this provision, OIG or its duly authorized representative(s) may interview any of Hospital'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. Hospital agrees to assist OIG or its duly authorized representative(s) in contacting and arranging interviews with such individuals upon OIG's request.

VIII. DOCUMENT AND RECORD RETENTION

Hospital 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 Hospital prior to any release by OIG of information submitted by Hospital pursuant to its obligations under this CIA and identified upon submission by Hospital as trade secrets, or information that is commercial or financial and privileged or confidential, under the FOIA rules. With respect to such releases, Hospital shall have the rights set forth at 45 C.F.R. § 5.65(d). Hospital shall refrain from identifying any information as exempt from release if that information does not meet the criteria for exemption from disclosure under FOIA.

X. BREACH AND DEFAULT PROVISIONS

Hospital 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, Hospital 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 Hospital fails to have in place any of the following:

a. a Compliance Officer as described by section III.A.1;

b. a Compliance Committee as described by section III.A.2;

c. a written Code of Conduct as described by section III.B.1;

d. written Policies and Procedures as described by section III.B.2;

e. a requirement that Covered Persons be trained as described in section III.C; and

f. 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 Hospital 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 Hospital fails to meet any of the deadlines for the submission of the Implementation Report 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 Hospital employs, contracts with, or grants staff privileges to, an Ineligible Person and that person: (i) has responsibility for, or involvement with, Hospital'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 (the Stipulated Penalty described in this paragraph shall not be demanded for any time period during which Hospital 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 Hospital 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 Hospital fails to grant access.)

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

B. Timely Written Requests for Extensions. Hospital 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 Hospital 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 Hospital 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 Hospital 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 Hospital of: (a) Hospital'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, Hospital 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 Hospital elects to request an ALJ hearing, the Stipulated Penalties shall continue to accrue until Hospital 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 Hospital 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 Hospital 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 Hospital constitutes an independent basis for Hospital's exclusion from participation in the Federal health care programs. Upon a determination by OIG that Hospital has materially breached this CIA and that exclusion should be imposed, OIG shall notify Hospital of: (a) Hospital'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.* Hospital 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. Hospital is in full compliance with this CIA;

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) Hospital has begun to take action to cure the material breach; (ii) Hospital is pursuing such action with due diligence; and (iii) Hospital has provided to OIG a reasonable timetable for curing the material breach.

4. *Exclusion Letter.* If at the conclusion of the 30-day period, Hospital fails to satisfy the requirements of section X.D.3, OIG may exclude Hospital from participation in the Federal health care programs. OIG will notify Hospital in writing of its determination to exclude Hospital (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, Hospital wishes to apply for reinstatement, Hospital 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 Hospital 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, Hospital 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 Hospital was in full and timely compliance with the obligations of this CIA for which the OIG demands payment; and (b) the period of noncompliance. Hospital 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 Hospital to pay Stipulated Penalties, such Stipulated Penalties shall become due and payable 20 days after the ALJ issues such a decision unless Hospital 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 Hospital 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) Hospital had begun to take action to cure the material breach within that period;

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

(iii) Hospital provided to OIG within that period a reasonable timetable for curing the material breach and Hospital 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 Hospital, only after a DAB decision in favor of OIG. Hospital's election of its contractual right to appeal to the DAB shall not abrogate the OIG's authority to exclude Hospital 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 Hospital 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.

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, Hospital and OIG agree as follows:

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

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 Hospital 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 ST. FRANCIS HOSPITAL AND MEDICAL CENTER

David H. Robbins for Sister Loretto Marie Colwell — April 23, 2001

SISTER LORETTO MARIE COLWELL — DATE

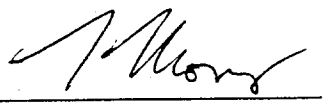
President and Chief Executive Officer

David H. Robbins — April 23, 2001

DAVID H. ROBBINS, ESQ. — DATE

Counsel for St. Francis Hospital

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

4/25/07
DATE