EXHIBIT A

CORPORATE INTEGRITY AGREEMENT
BETWEEN THE
OFFICE OF INSPECTOR GENERAL
OF THE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
AND
UNIVERSITY OF COLORADO HOSPITAL AUTHORITY

I. PREAMBLE

University of Colorado Hospital Authority ("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 Covered Persons (as that term is defined herein) 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.

On February 25, 1997, the Board of Directors of Hospital approved a "Resolution to Approve the Corporate Compliance Program" to formalize Hospital's efforts to ensure compliance with the Federal health care programs. Hospital represents that as of the effective date of this Agreement, Hospital's Corporate Compliance Program has been implemented. Hospital agrees that it shall modify its Corporate Compliance Program as necessary to meet the requirements of this CIA.

II. TERM AND SCOPE OF THE CIA

A. 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.

B. 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, but shall not, in any event, expire before the third anniversary of the effective date of this CIA.

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

1. "Covered Persons" includes all of Hospital's officers, directors, employees, physicians that are full-time medical staff members, medical residents, and all contractors and agents that provide direct patient care items or services or that perform billing or coding functions on behalf of Hospital. Covered Persons does not include physicians that are volunteer clinical staff members at the Hospital, that do not receive any compensation for their teaching activities and that do not receive reimbursement from the Federal health care programs in connection with their volunteer activity at the Hospital. Notwithstanding the above, part-time and pool agents or employees who work less than one hundred sixty (160) hours per year are not Covered Persons.

2. "Relevant Covered Persons" includes each Covered Person who is involved in the assignment of diagnosis or procedure codes for the preparation or submission of claims for reimbursement from any Federal health care program

3. "Pre-Existing Contractors" shall refer to Covered Persons who are independent contractors with whom Hospital has an existing contract on the effective date of this Agreement that has not been renewed or modified after the effective date of this Agreement.

III. CORPORATE INTEGRITY OBLIGATIONS

Hospital hereby agrees to maintain a Compliance Program that includes the following elements for the term of this CIA:

A. Compliance Officer and Committee.

1. *Compliance Officer*. At all times during the term of this CIA, Hospital shall have an individual serving as its Compliance Officer. 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 member of

executive management of the Hospital, shall make periodic (at least quarterly) reports regarding compliance matters directly 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 30 days of such a change.

2. *Compliance Committee*. At all times during the term of this CIA, Hospital shall have a Compliance Committee. The Compliance Committee shall, at a minimum, include the Compliance Officer and any other members of executive management necessary to meet the requirements of this CIA (e.g., appropriate high-level executives of each major area, 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 30 days of such a change.

B. Written Standards.

1. *Code of Conduct*. At all times during the term of this CIA, Hospital shall have a Code of Conduct. The Code of Conduct shall be distributed to all Covered Persons who have not already received it within 90 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 (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 the 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 Disclosure Program described in section III.E, and Hospital's commitment to maintain confidentiality, as appropriate, and non-retaliation with respect to disclosures.

Within 90 days of the effective date of the CIA, each Covered Person who has not already done so 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 90 days of the effective date of the CIA, whichever is later. In order to satisfy the requirements of this section III.B.1, Hospital may revise and re-issue its current Code of Conduct, or provide an update to its current Code of Conduct via e-mail, flyer, newsletter, or other medium.

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 90 days of the distribution of such revisions.

Hospital's obligations with respect to Covered Persons who are "Pre-Existing Contractors" shall be set forth in section III.C.4 below.

The following shall constitute Hospital's obligations under this section III.B.1 with respect to physicians and medical residents that are Covered Persons: (i) Hospital shall distribute the Code of Conduct to all physicians and medical residents that meet the definition of Covered Persons 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 and medical residents who have completed the certification requirement.

2. *Policies and Procedures*. At all times during the term of this CIA, Hospital shall have 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:

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 Disclosure Program described in 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;

d. require that all inpatient claims with a principal diagnosis of 482.89 or 482.83 (or any successors to these codes) intended for submission to Medicare shall first be subject to pre-billing review to ensure the diagnosis code was properly assigned; and

e. address the proper submission of outpatient clinical laboratory claims to the Federal health care programs. The

policies and procedures shall reflect generally those principles and policies set forth in the HHS-OIG's Compliance Program Guidance for Clinical Laboratories.

Within 120 days of the effective date of the CIA, the relevant portions of the Policies and Procedures shall be distributed to all Covered Persons whose job functions are related to those Policies and Procedures and who have not already received them. 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 Covered Persons whose job functions are related to those Policies and Procedures.

In order to satisfy the requirements of this section III.B.2, Hospital may review and revise any Policies and Procedures currently related to Hospital's Corporate Compliance Plan or the existing Compliance Plans for the following areas: (i) Admissions; (ii) Ambulatory Care/Emergency Services; (iii) Clinical Lab; (iv) Materials Management; (v) Medical Records; (vi) Patient Accounts; and (vii) Radiology, however the Policies and Procedures must meet the minimum requirements of this section III.B.2 for the term of this CIA.

C. Training and Education.

1. *General Training*. Within 120 days of the effective date of this CIA, Hospital shall provide adequate and appropriate general training to each Covered Person that, at a minimum, 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).

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 adequate and appropriate general training annually. Hospital's obligations with respect to Covered Persons who are "Pre-Existing Contractors" shall be set forth in section III.C.4 below. General compliance training (as described above) provided to Covered Persons by Hospital during the six months immediately prior to the effective date of this CIA may be credited towards the training 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, other appropriate medium, or by covering any additional topics required by this section III.C.1 in the next annual general training session.

2. *Coding Training*. Within 120 days of the effective date of this CIA, each Relevant Covered Person shall receive at least five hours of coding training in addition to the general training required above. This coding training shall include a discussion of:

a. the submission of accurate bills for services rendered to Medicare and other Federal health care program beneficiaries;

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.

Persons providing the coding training must be knowledgeable about the subject area.

Relevant Covered Persons shall receive this coding 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 Hospital employee who has

completed the coding 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 coding training.

After receiving the initial training described in this section, every Relevant Covered Person shall receive at least three hours of coding training annually. Coding 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 effective date of this CIA may be credited towards the training time requirements of this section. Coding training that includes the topics listed in this section III.C.2 may be provided either by Hospital or by qualified external personnel.

3. *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. 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 Pre-Existing Contractors.* Once Hospital renegotiates, modifies, or renews a contract with a Pre-Existing Contractor, such Contractor ceases to be a Pre-Existing Contractor as that term is used for purposes of this CIA, and Hospital shall have full responsibility for the certification and training compliance obligations with respect to such Contractor as contemplated by sections III.B and III.C. Notwithstanding any other provision of this CIA, the following are Hospital's only obligations hereunder with respect to training and certifications for Pre-Existing Contractors: (i) Hospital shall attempt to renegotiate contracts with Pre-Existing Contractors to require such contractors to meet all of the training and certification requirements of this CIA; and (ii) Hospital shall make the Code of Conduct available to all Pre-Existing Contractors and shall make the general training, and coding training, where appropriate, available to all Pre-Existing Contractors, and shall use its best efforts to encourage their attendance and participation. The Compliance Officer shall keep a record of all Pre-Existing Contractors who attend such training and shall include such record in each Annual Report to OIG.

5. *Exception for Physicians and Medical Residents that are Covered Persons.* Notwithstanding any other provision of this CIA, Hospital shall make the general training and the coding training, where appropriate, available to all physicians

and medical residents that meet the definition of Covered Persons, and shall use its best efforts to encourage their attendance and participation. The Compliance Officer shall maintain records of the percentage of all physicians and medical residents who attend such training.

D. Review Procedures.

1. *General Description.*

a. Retention of Independent Review Organization. Within 120 days of the effective date of this CIA, Hospital 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 Hospital in assessing the adequacy of its billing, coding, and compliance practices pursuant to this CIA. Each Independent Review Organization retained by Hospital 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 Federal health care program(s) from which Hospital seeks reimbursement. Each IRO shall assess, along with Hospital, whether it can perform the IRO engagements in a professionally independent fashion taking into account any other business relationships or other engagements that may exist.

b. Types of Engagements. The Hospital and the Independent Review Organization(s) shall conduct two separate engagements. One engagement shall address Hospital's billing and coding to the Federal health care programs ("Billing Engagement"). The second engagement shall address Hospital's compliance with the obligations assumed under this CIA ("Compliance Engagement").

c. Frequency of Billing and Compliance Engagements. The Claims Review component of the Billing Engagement shall be performed annually and shall cover the following one year periods: (i) July 1, 2001 through June 30, 2002; (ii) July 1, 2002 through June 30, 2003; and (iii) July 1, 2003 through June 30, 2004. The IRO(s) shall perform a validation of the Hospital's Claims Review

performed as part of the annual Billing Engagement. The Compliance Engagement and the Systems Review component of the Billing Engagement shall be performed by the IRO for the one-year period beginning July 1, 2001 through June 30, 2002.

d. Retention of Records. The IRO and Hospital shall retain and make available to the OIG, upon request, all work papers, supporting documentation, correspondence, and draft reports (those exchanged between the IRO and Hospital) 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. The Hospital shall perform a Claims Review to assess the accuracy of Hospital's inpatient coding and to identify overpayments, if any, through an appraisal of Paid Claims for "short stay" inpatient treatment submitted by Hospital to the Medicare program. For purposes of this CIA, "short-stay" inpatient treatment shall include all 1-, 2-, or 3-day hospitalizations. The Claims Review shall be performed in accordance with the procedures set forth in Appendix A to this CIA.

b. Claims Review Report. The Hospital 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. Systems Review. The IRO shall review Hospital's billing and coding systems and/or operations (the "Systems Review"). The Systems Review shall consist of a thorough review of the following:

i. Hospital's billing systems and/or operations relating to claims submitted to all Federal health care programs (including, but not limited to, the operation of the billing

system, safeguards to ensure proper claim submission and billing, and procedures to correct inaccurate billing); and

ii. Hospital's coding systems and/or operations relating to claims submitted to all Federal health care programs (including, but not limited to, the process by which claims are coded, safeguards to ensure proper coding, and procedures to correct inaccurate coding).

d. Systems Review Report. The IRO shall prepare a report based upon each Systems Review performed ("Systems Review Report"). The Systems Review Report shall include the IRO's findings and supporting rationale regarding:

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

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

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

e. IRO Validation Review. For each Claims Review performed by Hospital in accordance with the terms of this CIA, the IRO shall perform validation procedures to verify the methodology applied in the internal audit and the findings and conclusions of the internal reviewers. If OIG is not satisfied with the objectivity and effectiveness of the internal Claims Reviews performed by Hospital's internal reviewers, Hospital agrees that it will contract with an IRO, at its own expense, to perform subsequent Claims Reviews. Prior to requiring Hospital to contract with an IRO to perform such subsequent Claims Reviews, the OIG shall notify the Hospital of its intent to do so and its reasons for believing that such IRO Claims Reviews are necessary, and shall attempt to resolve any issues without requiring that such subsequent Claims Reviews be performed by an IRO. This attempt to resolve issues may include

permitting the Hospital to perform further Claims Review work to address OIG's concerns. However, it shall remain in the sole discretion of the OIG to require Hospital to contract with an IRO to perform subsequent Claims Reviews. A report of the IRO's Validation Review shall be included within each of Hospital's Annual Reports.

3. *Compliance Engagement.*

a. Compliance Review. The IRO shall conduct a review of Hospital's compliance activities ("Compliance Review"). The Compliance Review shall consist of a review of Hospital's adherence to the obligations set forth in sections I through VIII of this CIA.

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

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 the IRO's findings, supporting rationale, and a summary of such findings and rationale regarding Hospital's compliance with the terms of sections I through VIII of the CIA, as applicable.

4. *OIG Validation Review.* 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 Engagements 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 Hospital's final submission (as described in section II) is received by the OIG. 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.

5. *Independence Certification.* Within 120 days from the effective date of this CIA, the IRO shall provide to Hospital 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 Hospital's first Annual Report submission.

E. Disclosure Program.

At all times during the term of this CIA, Hospital shall maintain a Disclosure Program, that must include a mechanism (e.g., a 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, conduct, 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 continue to appropriately publicize the existence of the disclosure mechanism.

The 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 disclosure log, which shall include a record and summary of each disclosure received (whether anonymous or not), the status of the respective internal reviews, and any corrective action taken in response to the internal reviews. The 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, contractors, and physicians with staff privileges against the Exclusion Lists. Thereafter, Hospital shall review its list of current employees, contractors, and physicians with staff privileges against the Exclusion Lists 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, in accordance with Hospital policies and medical staff bylaws if applicable, from responsibility for, or involvement with, Hospital's business operations related to the Federal health care programs and shall exclude all costs for the person's salary or the items or services rendered, ordered, or prescribed by the person to be furnished by the Hospital so that such costs or items or services are not 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. In addition to any other appropriate measures, Hospital will take steps to

ensure that any full-time medical staff physician or medical resident who is an Ineligible Person is not "on-call" at Hospital.

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" for CIA reports to the OIG, however, Hospital may separately state the gross amount of any identified overpayments and may separately state the gross amount of any identified underpayments.

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) within 30 days of identification of the overpayment 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. Also, within 30 days of identification of the overpayment, Hospital 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, Hospital 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 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. 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 and need not be reported pursuant to this section.

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 Hospital determines through any means 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 by teleconference or on-site at Hospital 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 and the percentage of full-time medical staff physicians and medical residents who have completed the certifications; and

3. all Covered Persons have completed the applicable training and executed the certification(s) required by section III.C. and the percentage of full time medical staff physicians and medical residents 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, Hospital's compliance activities for each of the three one-year periods set forth in section III.D.1.c above. (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, position description, or other non-compliance job responsibilities of the Compliance Officer and any change in the membership 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 section III.B.1;

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

   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; (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) and a summary of any compliance-related Policies and Procedures. The Policies and Procedures shall be made available to the OIG upon request;

4. a description of all training materials used for the training required by section III.C, a description of such training 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, a schedule of when the training sessions were held, and a record of Pre-Existing Contractors and other contractors that attended the training. The training materials used for the training shall be made available to the OIG upon request;

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/description of all engagements between Hospital and the IRO, including, but not limited to, any outside financial audits, compliance program engagements, or reimbursement consulting;

8. 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;

9. 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;

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

11. 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;

12. 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;

13. 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

14. the certification required by section V.C.

The first Annual Report shall be received by the OIG no later than 90 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 potentially 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 University of Colorado Hospital Authority:

Roger Gopalan
Compliance Officer and Director, Internal Audit
Board of Directors
University Hospital
4200 East Ninth Avenue
Campus Box #A020
Denver, CO 80262
Telephone: (303) 724-5230
Facsimile: (303) 724-1819

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. 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. Hospital's employees may elect to be interviewed with or without a representative of Hospital present after being informed that they have the option to be interviewed with a Hospital representative present. The OIG will notify the Hospital of any interviews conducted under this provision. 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.

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 obligations described in section III:

a. a Compliance Officer;

b. a Compliance Committee;

c. a written Code of Conduct;

d. written Policies and Procedures;

e. a requirement that Covered Persons be trained; and

f. a Disclosure Program.

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. 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 Hospital receives notice at the address listed in Section VI above of the failure to comply.) A Stipulated Penalty as described in this paragraph shall not be demanded for any violation for which the OIG has sought a Stipulated Penalty under paragraphs 1-5 of this section.

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 three 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 compliance with the obligations 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) 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 HHS ALJ and, in the event of an appeal, the HHS 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. Hospital agrees to waive its/his/her right to any notice of such an exclusion if a decision upholding the exclusion is rendered by the ALJ or DAB.

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;

D. OIG may agree to a suspension of Hospital's obligations under the CIA in the event of Hospital's cessation of participation in Federal health care programs. If Hospital withdraws from participation in Federal health care programs and is relieved from its CIA obligations by the OIG, Hospital agrees to notify OIG 30 days in advance of Hospital's intent to reapply as a participating provider or supplier with the Federal health care programs. Upon receipt of such notification, OIG will evaluate whether the CIA should be reactivated or modified.

E. 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 UNIVERSITY OF COLORADO HOSPITAL AUTHORITY

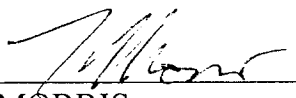
DENNIS BRIMHALL
President and Chief Executive Officer

8-23-01
DATE

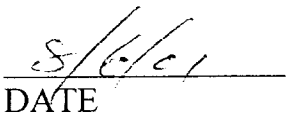
GARY W. EILAND
Counsel for University of Colorado
Hospital Authority

8/16/01
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



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 Hospital has received in excess of the amount due and payable under any Federal health care program requirements.

d. Paid Claim: A code or line item submitted by Hospital for "short stay" (as defined in Section III.D.2.a) inpatient care and for which Hospital has received reimbursement from the Medicare program.

e. Population: All Items for which Hospital has submitted a code or line item and for which Hospital has received reimbursement from the Medicare program (i.e., a Paid Claim) for "short stay" (as defined in Section III.D.2.a) inpatient care 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 Overpayments in the Population. The estimated mean and standard deviation of Overpayments in the Population are to be used to calculate the minimum number of Items that shall be included in the Claims Review Sample in order to achieve the required confidence and precision levels.

g. RAT-STATS: OIG's Office of Audit Services Statistical Sampling

Software. RAT-STATS is publicly available to download through the Internet at "www.hhs.gov/oig/oas/ratstat.html".

2. ***Description of Claims Review***. The Claims Review shall consist of an appraisal of a statistically valid sample of Items (the Claims Review Sample) that can be projected to the total Population.

a. Confidence and Precision Requirements. The Claims Review Sample should contain a sufficient number of Items (according to the RAT-STATS calculation) so that if the Overpayments identified in the Claims Review Sample were projected to the Population, the projection would provide a 90% confidence level and a maximum relative precision (i.e., semi-width of the confidence interval) of plus or minus 25% of the point estimate. In other words, if the Claims Review Overpayment results were projected to the Population at a 90% confidence level, the confidence interval (expressed in dollars) should be sufficiently narrow that the upper bound of the confidence interval would not exceed 125% of the midpoint of the confidence interval (the point estimate), and the lower bound of the confidence interval would not be less than 75% of the midpoint of the confidence interval.

b. Use of a Probe Sample to Determine Claims Review Sample Size. To determine how many Items must be included in the Claims Review Sample to meet the 90% confidence level and 25% precision requirements, the mean and the standard deviation of Overpayments in the Population must be estimated. Estimates for each unique Population shall be developed through the use of a single Probe Sample. The Probe Sample shall be used to determine the minimum Claims Review Sample size through one of the two following options:

i. *Probe Sample with a Minimum Size of Thirty Items*. The Probe Sample shall include at least 30 Items, and shall be selected through the use of RAT-STATS' "Random Numbers" function. Once all Paid Claims associated with the Items included in the Probe Sample have been reviewed, the estimated mean and standard deviation of Overpayments in the Population shall be determined. This determination is based on the Overpayment amount received by Hospital for each Item in the sample. The "Difference Values Only"

function located under the "Variable Appraisals" component of RAT-STATS shall be used to calculate the estimated mean and standard deviation of Overpayments in the Population. For purposes of estimating the mean and standard deviation of Overpayments in the Population, and entering this information into the "Variable Appraisals", "Difference Values Only" function of RAT-STATS, any underpayment identified for a Paid Claim in the Probe Sample shall be treated as a zero overpayment. If no Overpayments are found in this Probe Sample, then a second Probe Sample, of at least 30 Items, must be selected and reviewed. The estimated mean and standard deviation of Overpayments in the Population (based on the amount of Overpayments received by Hospital for each sample Item) shall be determined from this Probe Sample, using RAT-STATS' "Difference Values Only" function located under the "Variable Appraisals" component. If no Overpayments are found in this second Probe Sample, then the Claims Review can be terminated with the results of the second Probe Sample, and the results of the two Probe Samples shall be reported in lieu of the Claims Review when preparing and submitting the Claims Review Report (see section B, below); or

ii. *Probe Sample with a Minimum Size of Fifty Items*. The Probe Sample shall include at least 50 Items, and shall be selected through the use of RAT-STATS' "Random Numbers" function. Once all Paid Claims associated with the Items included in the Probe Sample have been reviewed, the estimated mean and standard deviation of Overpayments in the Population shall be determined. This determination is based on the Overpayment amount received by Hospital for each Item in the sample. The "Difference Values Only" function located under the "Variable Appraisals" component of RAT-STATS shall be used to calculate the estimated mean and standard deviation of Overpayments in the Population. For purposes of estimating the mean and standard deviation of Overpayments in the Population, and entering this information into the "Variable Appraisals", "Difference Values Only" function of RAT-STATS, any underpayment identified for a Paid Claim in the Probe Sample shall be treated as a zero overpayment. If no Overpayments are found in this 50 Item Probe Sample, then the Claims Review can be

terminated with the review of the Probe Sample and the results of the Probe Sample shall be reported in lieu of the results of the Claims Review when 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 Overpayments in the Population obtained through the review of the Probe Sample shall be used to estimate the minimum size of the Claims Review Sample. In order to estimate the 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. Whereas the Claims Review Sample size is estimated from the results of the probe sample, there is a possibility that examining the number of Items identified by RAT-STATS may not achieve the 90% confidence and 25% precision levels. If the reviewer can demonstrate that the review was properly conducted, but the 90% confidence level and 25% precision interval could not be achieved, the reviewer will not be required to examine additional items.

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 the Hospital 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 Hospital cannot produce documentation sufficient to support the Paid Claim shall be considered an error and the

excess reimbursement received by Hospital 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 sample for each strata, if applicable) shall be used. In other words, it is not permissible to generate a number of random samples and then select one for use as the Probe Sample or Claims Review Sample.

B. Claims Review Report. The following information shall be included in each Claims Review Report:

1. ***Claims Review Methodology***

a. Claims Review Objective: A clear statement of the objective intended to be achieved by the Claims Review.

b. Sampling Unit: A description of the Item as that term is utilized for the Claims Review. As noted in section A.1.b above, for purposes of this Billing Engagement, the term "Item" may refer to any discrete unit that can be sampled (e.g., claim, line item, beneficiary, patient encounter, etc.).

c. Claims Review Population: A description of the Population subject to the Claims Review.

d. Sampling Frame: A description of the sampling frame, which is the totality of Items from which the Probe and Claims Review Sample have been selected and an explanation of the methodology used to identify the sampling frame. In most circumstances, the sampling frame will be identical to the Population.

e. Sources of Data: A description of the documentation relied upon by the Hospital when performing the Claims Review (e.g., medical records, physician orders, certificates of medical necessity, requisition forms, local medical review policies, HCFA program memoranda, Medicare carrier or intermediary manual or bulletins, other policies, regulations, or directives).

f. Review Protocol: A narrative description of how the Claims Review was conducted and what was evaluated.

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", "Difference Values Only" function results for the Probe Sample, including a copy of the data file.

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 Hospital determined that the Paid Claims submitted by Hospital ("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 Hospital. The Hospital may also report the total number and percentage of instances in which the Claim Submitted differed from the Correct Claim and in which such difference resulted in an identified underpayment to Hospital.

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.) Hospital may also report the total dollar amount of identified underpayments associated with Paid Claims identified by the Claims Review.

d. The level of precision achieved by the Claims Review at a 90% confidence level.

e. 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, correct allowed amount, 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 (IRO determined)	Dollar Difference between Amt Reimbursed and Correct Allowed Amt