River Valley Counseling Center, Inc.

Corporate Compliance Agreement

PREAMBLE

River Valley Counseling Center, Inc. (RVCC) agrees to take the actions as specified herein to assure the Office of Inspector General (OIG), the Health Care Financing Administration (HCFA) and its Medicare and Medicaid beneficiaries that RVCC possesses the high degree of business honesty and integrity required of a Medicare or Medicaid provider.

RVCC, therefore, agrees to the terms and conditions set out below:

ARTICLES

1. The period of this Corporate Compliance Agreement (hereinafter, the "Agreement") shall be five (5) years from the date of the execution of this Agreement by RVCC.

2. In addition to any other right OIG or HCFA may have by statute, regulation, or contract, OIG or HCFA or their duly authorized representatives may examine RVCC's books, records and other company documents and supporting materials for the purposes of verifying and evaluating: (a) RVCC's compliance with the terms of the Agreement;

(b) RVCC's business conduct in its dealings with the Government; and (c) RVCC's compliance with the statutory and regulatory requirements of the Medicare and Medicaid programs. The materials described above shall be made available by RVCC at all reasonable times for inspection, audit, or reproduction. Further, for purposes of this provision, OIG or HCFA or their duly authorized representatives may interview any RVCC employee who consents to be interviewed at the employee's place of business during normal business hours or at such other place and time as may be mutually agreed between the employee and OIG , HCFA or their duly authorized representatives. Employees may elect to be interviewed with or without a representative of RVCC present.

3. RVCC agrees to implement, within 90 days of the execution of this Agreement, a Code of Business Conduct (Code) for dealing with Medicare, Medicaid, and other government health care programs. The Code shall be maintained so as to ensure that RVCC and each of its officers, employees, and consultants maintains the business honesty and integrity required of a Medicare and Medicaid provider and that RVCC's conduct is in strict compliance with all applicable Medicare and Medicaid Laws regulations, and program requirements.

a. The Compliance Officer of RVCC shall be responsible for implementing the

Code, for maintaining and updating the Code and for auditing RVCC's compliance with this Agreement. RVCC shall provide to OIG copies of the written reports and minutes of the Board meetings reflecting the reports made to the Board and the Board's decisions or directions to management concerning any matters in any way related to the Code or this Agreement. Within 90 days of the execution of this Agreement, RVCC shall notify OIG of the name of the Compliance Officer. If the Compliance Officer changes or is replaced, RVCC shall notify OIG within one week of naming the replacement.

b. The Code will be circulated to each employee, excluding maintanance personnel, of RVCC. After reading the Code each current employee will sign an acknowledgment. These signed documents will be maintained by RVCC and be open to inspection by OIG. At least once in each calendar year, each then-current employee shall repeat the procedure of reading the Code and signing the acknowledgment. RVCC shall submit, as a part of each report to OIG pursuant to Article 6, a statement by the Compliance Officer that he/she has verified that the signed acknowledgments are being maintained and that each employee has signed the acknowledgment as required by this provision. Within two weeks of starting employment with RVCC, new employees shall read the Code and sign the acknowledgment. Within the two weeks the new employee's immediate supervisor or other management person shall discuss the content and requirements of the Code with the new employees. Each employee of RVCC shall receive at least one hour of live training on the Code.

c. RVCC shall post in common work areas a "Hotline" poster for reporting suspected misconduct directly to the Compliance Officer. In addition, RVCC has posted in a prominent place accessible to each of its employees, a notice detailing the company's commitment to comply with all applicable laws and regulations in the conduct of its business. On annual basis, starting one year from the date of this Agreement, RVCC, as a part of the report required by Article 6, shall provide OIG with a report identifying all calls made to the company Hotline (regardless of the subject matter), and any other instances of misconduct with respect to the provision of, or the billing for, services provided to or for Medicare, Medicaid or any third party payer, brought to the attention of management during the preceding year. Such reports shall state the nature of the reported conduct, the results of the internal investigation, and the corrective action, if any, taken by RVCC. Matters pending resolution at the time of the annual report period shall be reported each year until final resolution of the matter is reported. If no calls are received by the Hotline, the report should so state.

d. RVCC will retain, on annual basis, an independent review organization, such as a law firm or an accounting firm, with experience and expertise in Medicare and Medicaid billing procedures, regulations and compliance therewith, which shall review, on an annual basis, the Medicare and Medicaid billing practices of RVCC and to the extent that deficiencies in accuracy or internal controls relating to billings are identified,

shall advise RVCC and its officers/personnel/staff on methods to improve billing procedures. RVCC shall provide HHS-OIG with a copy of any findings of the independent review organization and report to OIG RVCC's corrections of any deficiencies with respect to Medicare and Medicaid billings. If the independent review organization has no findings, RVCC shall so report. RVCC will implement written policies, which may be included in the Code, and distribute those policies to all employees involved in preparing or submitting Medicare and Medicaid claims, advising employees of the RVCC's commitment to accurate billings consistent with published Medicare and Medicaid statutes, regulations and program requirements.

4. The principal members of RVCC management on the date of execution of this Agreement are James Siemianowski, Chief Executive Officer; Rosemarie Goyette, Chief Financial Officer; and Robin Larder-Olajarz, President of the Board of Directors. RVCC agrees to notify OIG within two weeks if any of these principals leave their current positions and to notify OIG of their successors upon appointment.

5. Promotion of and adherence to the Code and this Agreement shall be an element of each manager's and supervisor's performance. RVCC shall implement and maintain an annual certification requirement that all managers at every level in the company attest that they personally, but not necessarily individually, have (a) discussed

with each employee under their supervision the content and application of the Code and this Agreement; (b) informed each such employee that strict compliance with the Code and the Agreement is a condition of employment; and (c) informed each such employee that RVCC will take disciplinary action up to and including termination, for violation of the principles and practices set forth in the Code, as well as applicable Medicare and Medicaid laws, regulations, and program requirements. RVCC will maintain these certificates and make them available to OIG upon request. RVCC will submit, as a part of each report to the OIG pursuant to the Article 6, a statement by the Compliance Officer that he/she has verified that the certifications are being maintained and that each manager has provided a certification as required by this provision.

6. The Compliance Officer of RVCC shall submit written reports to OIG describing the measures taken by RVCC to implement and to ensure compliance with this Agreement. The report will be submitted in time to be received at OIG within one year of the effective date of this Agreement, and thereafter on or before each anniversary during the term of this Agreement. The final report is to be received not later than one month prior to the final day of this Agreement. The reporting dates and time frames set forth in this Agreement are deadlines for receipt of the reports by OIG. The reports shall include:

* Code of conduct/ethics/compliance training conducted and the number of

persons who attended.

* Information required by Articles 3, 5, and 6.

* The status of any ongoing investigation of, or legal proceedings involving, RVCC, including times, places, and subject matter of search warrants, subpoenas, criminal charges, criminal or civil agreements, etc.

* Any changes, amendments, or additions to the Code.

* Any Medicare certifications undertaken on behalf of clinicians employed by RVCC.

* The results of any reviews or audits performed on RVCC's billing system, including its Servicemaster data base which lists the services provided and the codes related thereto, or any other billing system utilized by RVCC.

7. In addition to the periodic written reports required under Article 6, RVCC shall notify OIG within ten days of the time RVCC learns of (a) the initiation of any criminal or civil investigation by any Governmental entity, (b) service of subpoenas on behalf of

carried out in any RVCC facility, (d) initiation of legal action by any entity that alleges facts that, if true, would impact upon the business responsibility of RVCC with respect to the Medicare and Medicaid programs. RVCC shall provide to OIG as much information as necessary to allow OIG to determine the impact of the investigative or legal activity upon the present responsibility of RVCC to continue as a Medicare and Medicaid provider.

8. Between five and seven months after the effective date of this Agreement, the Compliance Officer or Counsel for RVCC may meet with the OIG or a designee to discuss implementation of this Agreement. Any such meeting will be within the discretion of RVCC.

9. In addition to the routine reports of misconduct as described in, and required by, Article 3.c., RVCC shall report to OIG, within 15 days of discovery by management, any suspected misconduct that management has reasonable grounds to believe may constitute a violation of criminal or civil law. The misconduct to be reported pursuant to this Article includes misconduct by any person, including, but not limited to, those associated with RVCC and shall include misconduct disclosed to RVCC from any source. RVCC will investigate any report of such misconduct that comes to its attention and will notify OIG of the outcome of the investigation and any potential or actual impact

on any aspect of RVCC's status as a Medicare or Medicaid provider. RVCC will include summary reports of the status of each such investigation to OIG in the reports submitted pursuant to Article 3 until each matter is finally resolved.

10. RVCC will institute a written internal operating policy that RVCC shall not knowingly employ, with or without pay, an individual who is listed by a Federal Agency as debarred, suspended, or otherwise ineligible for Federal programs. This policy may be incorporated into the Code. In order to carry out the policy, RVCC shall make reasonable inquiry into the status of any potential employee, consultant or contractor. Such reasonable inquiry shall include, at a minimum, review of the Office of Inspector General's List of Excluded Parties and the General Services Administration's List of Parties Excluded from Federal Procurement Programs. RVCC policy shall not require RVCC to terminate the employment of individuals who become suspended or are proposed for debarment during their employment with RVCC. RVCC, however, will remove such employees from responsibility from or involvement with RVCC's Medicare or Medicaid business operation until the resolution of such suspension or proposed debarment. In addition, if any employee of RVCC is charged with a criminal offense relating to its Medicare or Medicaid business, RVCC will remove that employee immediately from responsibility for, or involvement with, RVCC's Medicare or Medicaid business affairs. If the employee is convicted, debarred or excluded, RVCC will

relating to its Medicare or Medicaid business, RVCC will remove that employee immediately from responsibility for, or involvement with, RVCC's Medicare or Medicaid business affairs. If the employee is convicted, debarred or excluded, RVCC will terminate the employee from employment with RVCC. RVCC shall notify OIG of each such personnel action taken, and the reasons therefore, within 15 days of the action.

11. RVCC will develop a written internal operating policy that RVCC shall not knowingly form a contract with, purchase from, or enter into any business relationship with, any individual or business entity that is listed by a Federal Agency as debarred, suspended or excluded, unless there is a compelling reason to do so. If RVCC concludes that there is a compelling reason, RVCC will notify OIG of that fact within two days of such contract, purchase or business relationship. Reasonable inquiry shall be made into the status of any potential business partner or contractor. Such reasonable inquiry shall include, at a minimum, review of OIG's List of Excluded Parties and the General Service Administration's List of Parties Excluded from Federal Procurement Programs.

12. RVCC shall notify OIG of any proposed changes in the ,Code and compliance with this Agreement. OIG, or its authorized representatives, retain the right to verify, approve, or disapprove any such changes. No such changes shall be implemented without the prior approval of OIG.

importance of each employee's abiding by the terms of the Agreement and all Medicare and Medicaid statutes, regulations and program requirements.

14. In the event that OIG believes that RVCC is in breach of one or more of its obligations under this Agreement, OIG will notify RVCC of the alleged breach by certified mail, specifying the circumstances of the alleged breach. RVCC will have thirty (30) days to cure the breach, or otherwise satisfy OIG that it is in full compliance with this Agreement. If OIG determines that RVCC is still in breach, it may declare RVCC to be in default and may exclude RVCC from participation in the Medicare and Medicaid programs until such time as the breach is cured. Upon notification by OIG of its intent to exclude, RVCC is entitled to the due process afforded a provider under 42 U.S.C. 1320a-7 (f). Notwithstanding the provisions 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 breach of this Agreement shall be (1) whether RVCC was in breach of one or more of its obligations under this Agreement at the time of and as specified in the notice given to RVCC, (2) whether such breach was continuing on the date on which OIG notified RVCC of its proposal to exclude and (3) whether RVCC failed to cure the breach within 30 days after receiving notice thereof from OIG.

15. Any notices or information required hereunder shall be in writing and

15. Any notices or information required hereunder shall be in writing and delivered or mailed by registered or certified mail, postage prepaid as followed:

If to RVCC, to: James Siemianowski
Chief Executive Officer
River Valley Counseling Center
319 Beech Street
Holyoke, MA 01040

cc: Michele E. Granda, Esq.
Mc Dermott, Will & Emery
75 State Street
Boston, MA 02109

If to OIG,to: Eileen T. Boyd
Deputy Inspector General
Office of Enforcement and Compliance
Office of Inspector General
Department of Health and
Human Services
330 Independence Ave. Room 5600
Washington, D.C. 20201

RVCC

By: James Siemanowski Date: April 15, 1997

Office of Inspector General

By: [signature] Date: 4/24/97

Lewis Morris
Assistant Inspector General
Office of Counsel to the Inspector General
Department of Health and Human Services