



JAN 31 2012

Kelly Dean Shrum, D.O.
1869 Highway 83 North
Monticello, AR 71655-9301

Dear Kelly Dean Shrum:

Re: OI File Number H-11-42241-9

This is to notify you that you are being excluded from participation in any capacity in the Medicare, Medicaid, and **all** Federal health care programs as defined in section 1128B(f) of the Social Security Act (Act) for a minimum period of 10 years. The Act defines a Federal health care program as any plan or program that provides health benefits, whether directly, through insurance, or otherwise, which is funded directly, in whole or in part, by the United States Government (other than the Federal Employees Health Benefits Program). State health care programs are defined in section 1128(h) and include plans and programs under titles XIX, V, XX, and XXI of the Act. The scope of this exclusion is broad and has a significant effect on your ability to work in the health care field.

This action is being taken under sections 1128(a)(1) and 1128(a)(3) of the Act (42 U.S.C. 1320a-7(a)) and is effective 20 days from the date of this letter. The section 1128(a)(1) exclusion is due to your conviction as defined in section 1128(i) (42 U.S.C. 1320a-7(i)), in the United States District Court, Eastern District of Arkansas, of a criminal offense related to the delivery of an item or service under the Medicare or a State health care program, including the performance of management or administrative services relating to the delivery of items or services, under any such programs. The section 1128(a)(3) exclusion is due to your felony conviction as defined in section 1128(i) (42 U.S.C. 1320a-7(i)), in the same court, of a criminal offense related to fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct in connection with the delivery of a health care item or service, including the performance of management or administrative services relating to the delivery of such items or services, or with respect to or any act or omission in a health care program (other than Medicare and a State health care program) operated or financed by any Federal, State, or local Government agency.

We have considered the information your attorneys and others furnished to our office in response to our letter to you.

By letter dated December 8, 2011, Andrew Allison, Ph.D., State Medicaid Director, Arkansas Department of Human Services, requested a waiver of your exclusion. Since this request meets the criteria set forth in 42 C.F.R. 1001.1801(b) and section 1128(c)(3)(B) of the Act, we are granting Dr. Allison's request for a waiver of your exclusion for services you provide under the Medicare, Medicaid, and all Federal health care programs as defined in section 1128(h) of the

Act in Drew County, Arkansas, for obstetrical and gynecological items and services. **This waiver affects only obstetrical and gynecological items and services you provide in Drew County, Arkansas, for as long as the Arkansas Department of Human Services determines that such need exists.** Your exclusion will be effective for all items and services you furnish, order or prescribe elsewhere in Arkansas and in all other States.

This exclusion will affect your ability to claim payment from these programs for items or services that you render; it will NOT affect your right to collect benefits under any Federal health care program such as Medicare, Medicaid, or Social Security. You may find more information regarding exclusions on the Office of Inspector General's (OIG) website, including Frequently Asked Questions and the Special Advisory Bulletin about the Effect of Exclusion. To access this site, go to <http://oig.hhs.gov>, click on EXCLUSIONS, and then choose the item you would like to access.

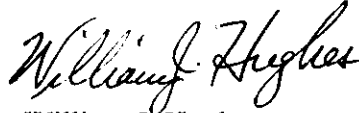
Section 1128(c)(3)(B) of the Act provides that the minimum period of exclusion shall be not less than 5 years. Your period of exclusion is greater than that because our records contain evidence of the following circumstances:

1. The acts resulting in the conviction, or similar acts, that caused, or were intended to cause, a financial loss to a Government program or one or more entities of \$5,000 or more. (The entire amount of financial loss to such programs or entities, including any amounts resulting from similar acts not adjudicated, will be considered regardless of whether full or partial restitution has been made.) The court ordered you to pay approximately \$204,100 in restitution.
2. The acts that resulted in the conviction, or similar acts, were committed over a period of one year or more. The acts occurred from about January 2008 to about June 2009.
3. The individual or entity was convicted of other offenses besides those which formed the basis for the exclusion, or has been the subject of any other adverse action by any Federal, State or local government agency or board, if the adverse action is based on the same set of circumstances that serves as the basis for imposition of the exclusion. The Arkansas Department of Human Services, Division of Medical Services, terminated you from participation in the Medicaid Program.

A detailed explanation of the authority for this exclusion, its effect, and your appeal rights is enclosed and is incorporated as part of this notice by specific reference. You should read this document carefully, act upon it as necessary, and retain it for future reference.

REINSTATEMENT IS NOT AUTOMATIC. You must apply to the OIG and be granted reinstatement. Obtaining a provider number from a Medicare contractor, a State agency, or a Federal health care program does not reinstate your eligibility to participate in those programs.

Sincerely,



William J. Hughes
Reviewing Official
Health Care Program Exclusions
Office of Counsel to the Inspector General

Enclosure

cc: Charles Hicks
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Erin Cassinelli
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Arkansas Department of Human Services
P.O. Box 1437, Slot S-401
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**Please read carefully and retain; it contains important
information about your exclusion**

You are excluded from participation in any capacity in the Medicare, Medicaid, and **all** Federal health care programs as defined in section 1128B(f) (42 U.S.C. 1320a-7b) of the Social Security Act.

This exclusion significantly limits your ability to work in any capacity in the health care field in the United States. No payment will be made by any Federal health care program (such as Medicare, Medicaid, Veterans Administration, TRICARE, etc.) for any items or services furnished, ordered, or prescribed by you in any capacity. For example, you are prohibited from submitting or causing claims to be submitted to Federal health care programs for items or services which you provide, **and** you are also prohibited from being employed to provide items or services which are billed to a Federal health care program. Such items or services could include administrative, clerical, and other activities that do not directly involve patient care or the provision of any health care related services.

An excluded person cannot be employed by a provider to perform functions paid for, in whole or in part, by any Federal health care program. Generally speaking, with rare exceptions, you may not be employed by a hospital, nursing home, or any other institutional provider that participates in Federal health care programs.

In addition, this exclusion may make you ineligible for Federally-insured loans, Federally-funded research grants, and other programs administered by other Federal agencies. This is because Federal government agencies are required by law not to contract with a person excluded or debarred by another Federal agency. (See Section 2455 of the Federal Acquisition Streamlining Act of 1994, P.L. 103-355.)

This exclusion does **not** affect your rights or the rights of your family members to collect benefits to which you or they may be entitled as a beneficiary under any Federal program such as Medicare, Medicaid, or Social Security.

Under 42 U.S.C. 1320a-7(a)(1)(D), the Office of Inspector General (OIG) is required to notify all applicable State agencies of your exclusion, and they are required to exclude you for the same period of time. The OIG's exclusion is in addition to any sanction an individual State or other Federal agency may impose under its own authority. Notice will be provided to the public and other parties in accordance with 42 U.S.C. 1320a-7.

Any service you provide is a non-covered service. Therefore, notwithstanding 42 U.S.C. 1395w-4(g)(4), you cannot submit claims or cause claims to be submitted for payment under any Federal health care program. Violations of the conditions of your exclusion may subject you to criminal prosecution and/or the imposition of civil monetary penalties and the denial of your reinstatement to the programs. (See 42 U.S.C. 1320a-7a(1)(D) and 42 C.F.R. 1001.3002(a)(2).)

If you disagree with this action, you may request a hearing before an administrative law judge in accordance with 42 C.F.R. 1001.2007. Such a request must be made in writing within 60 days of your receiving the OIG's letter of exclusion and sent to the Chief, Civil Remedies Division, Departmental Appeals Board, MS 6132, Room G-644, Cohen Building, 330 Independence Avenue, SW, Washington, D.C. 20201. Your request must be accompanied by a copy of the OIG's letter, a statement as to the specific issues or findings with which you disagree, along with the basis for your contention that the specific issues and/or findings are incorrect.

YOUR REINSTATEMENT IS NOT AUTOMATIC. You will not be reinstated at the conclusion of the minimum period of exclusion, or anytime thereafter, **UNLESS YOU APPLY TO THE OIG AND ARE GRANTED REINSTATEMENT** to the Medicare and Federal health care programs under the provisions of 42 U.S.C. 1320a-7(g) and 42 C.F.R. 1001.3001-3005. If you were excluded because you lost your license, you may not apply for reinstatement until your license has been restored by the licensing board or agency which originally took the disciplinary action against you. A request for reinstatement may be made to the OIG no earlier than 120 days prior to the expiration of the minimum period of exclusion. The request must be made in writing and should be sent to the Director, Exclusions Staff, Office of Investigations, Suite 210, 7175 Security Boulevard, Baltimore, MD 21244. Upon receipt of the request, the OIG will notify you of the information and documentation it requires to reach a decision on your reinstatement.

Obtaining a license, moving to another State, or obtaining a provider number from a Medicare contractor, a State agency, or a Federal health care program does not reinstate your eligibility to participate in those programs.