

**CORPORATE INTEGRITY AGREEMENT  
BETWEEN THE  
OFFICE OF INSPECTOR GENERAL  
OF THE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
AND  
21ST CENTURY ONCOLOGY, INC.**

**I. PREAMBLE**

21st Century Oncology, Inc. (21st Century) 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 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). This CIA supersedes and replaces the CIA and amendment to the CIA between OIG and 21st Century Oncology, LLC, which were effective December 16, 2016 and March 2, 2016, respectively. Contemporaneously with this CIA, 21st Century is entering into a Settlement Agreement with the United States.

This CIA shall be binding on: (1) 21st Century; (2) all owners of 21st Century who are natural persons (other than shareholders who: (i) have an ownership interest of less than 5% and (ii) acquired the ownership interest through public trading); (3) all directly or indirectly owned or controlled subsidiaries; and (4) any affiliated physician practice that is managed by 21st Century or any of its directly or indirectly owned subsidiaries (otherwise referred to by 21C and hereinafter as “Friendly PCs”).

21st Century represents that, prior to this CIA, 21st Century voluntarily established a Compliance Program which provides for a Chief Compliance Officer, a Compliance Committee, nine regional compliance officers, a compliance training and education program, a confidential disclosure reporting hotline, auditing and monitoring activities, and various policies and procedures aimed at ensuring that 21st Century’s participation in the federal health care programs confirms to all Federal and state laws and Federal health care program requirements. 21st Century shall continue its Compliance Program throughout the term of this CIA and shall do so in accordance with the terms set forth below. 21st Century may modify its Compliance Program, as appropriate, but at a minimum, 21st Century shall ensure that during the term of this CIA, it shall comply with the obligations set forth herein.

## **II. TERM AND SCOPE OF THE CIA**

A. The period of the compliance obligations assumed by 21st Century under this CIA shall be five years from the effective date of this CIA. The “Effective Date” shall be the date on which the final signatory of this CIA executes this CIA. Each one-year period, beginning with the one-year period following the Effective Date, shall be referred to as a “Reporting Period.”

B. Sections VII, X, and XI shall expire no later than 120 days after OIG’s receipt of: (1) 21st Century’s final annual report; or (2) any additional materials submitted by 21st Century pursuant to OIG’s request, whichever is later.

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

1. “Arrangements” shall mean every arrangement or transaction that:
  - a. involves, directly or indirectly, the offer, payment, solicitation, or receipt of anything of value; and is between 21st Century and any actual or potential source of health care business or referrals to 21st Century or any actual or potential recipient of health care business or referrals from 21st Century.
    - i. The term “source of health care business or referrals” shall mean any individual or entity that refers, recommends, arranges for, orders, leases, or purchases any good, facility, item, or service for which payment may be made in whole or in part by a Federal health care program.
    - ii. The term “recipient of health care business or referrals” shall mean any individual or entity (1) to whom 21st Century refers an individual for the furnishing or arranging for the furnishing of any item or service, or (2) from whom 21st Century purchases, leases or orders or arranges for or recommends the purchasing, leasing, or ordering of any good, facility,

item, or service for which payment may be made in whole or in part by a Federal health care program.

- b. is between 21st Century and a physician (or a physician's immediate family member (as defined at 42 C.F.R. § 411.351)) who makes a referral (as defined at 42 U.S.C. § 1395nn(h)(5)) to 21st Century for designated health services (as defined at 42 U.S.C. § 1395nn(h)(6)).

2. "Focus Arrangements" shall include:

a. every Arrangement that:

- i. is between 21st Century and any actual source or recipient of health care business or referrals to 21st Century and involves, directly or indirectly, the offer, payment, or provision of anything of value; or
- ii. is between 21st Century and any physician (or a physician's immediate family member) (as defined at 42 C.F.R. § 411.351)) who makes a referral (as defined at 42 U.S.C. § 1395nn(h)(5)) to 21st Century for designated health services (as defined at 42 U.S.C. § 1395nn(h)(6)).

b. every Arrangement that:

- i. is between any Friendly PC that is managed by 21st Century or any of its directly or indirectly owned subsidiaries or affiliates and any actual source or recipient of health care business or referrals to the physician practice and involves, directly or indirectly, the offer, payment, or provision of anything of value;
- ii. is between any Friendly PC that is managed by 21st Century or any of its directly or indirectly owned subsidiaries or affiliates and any physician who provides items or services to or on behalf of such Friendly PC; or

- c. every Arrangement that involves the provision of management services by 21st Century or any of its directly or indirectly owned subsidiaries or affiliates.

Notwithstanding the foregoing provisions of Section II.C.2, any Arrangement that satisfies the requirements of 42 C.F.R. § 411.356 (ownership or investment interests), 42 C.F.R. § 411.357(g) (remuneration unrelated to the provision of designated health services); 42 C.F.R. § 411.357(i) (payments by a physician for items and services); 42 C.F.R. § 411.357(k) (non-monetary compensation); 42 C.F.R. § 411.357(m) (medical staff incidental benefits), 42 C.F.R. § 411.357(o) (compliance training), 42 C.F.R. § 411.357(q) (referral services), 42 C.F.R. § 411.357(s) (professional courtesy), 42 C.F.R. § 357(u) (community-wide health information systems), or any exception to the prohibitions of 42 U.S.C. § 1395nn enacted following the Effective Date that does not require a written agreement shall not be considered a Focus Arrangement for purposes of this CIA.

3. “Covered Persons” includes:

- a. all owners of 21st Century who are natural persons (other than shareholders who: (i) have an ownership interest of less than 5% and (ii) acquired the ownership interest through public trading), officers, directors, and employees of 21st Century;
- b. all contractors, subcontractors, agents, and other persons who furnish patient care items or services or who perform billing or coding functions on behalf of 21st Century excluding vendors whose sole connection with 21st Century is selling or otherwise providing medical supplies or equipment to 21st Century; and
- c. physicians who are members and employees of any Friendly PC that is managed by 21st Century or any of its directly or indirectly owned subsidiaries or affiliates.

4. “Arrangements Covered Persons” includes each Covered Person who is involved with the development, approval, management, or review of 21st Century’s Arrangements.

Notwithstanding the above, these terms do not include part-time or per diem employees, contractors, subcontractors, agents, and other persons who are not reasonably expected to work more than 160 hours during a Reporting Period, except that any such individuals shall become “Covered Persons” at the point when they work more than 160 hours during a Reporting Period.

### **III. CORPORATE INTEGRITY OBLIGATIONS**

21st Century shall establish and maintain a Compliance Program that includes the following elements:

#### **A. Compliance Officers and Committee, Board of Directors, and Management Compliance Obligations**

1. *Chief Compliance Officer.* Within 90 days after the Effective Date, 21st Century shall appoint a Chief Compliance Officer and shall maintain a Chief Compliance Officer for the term of the CIA. The Chief Compliance Officer shall be an employee and a member of senior management of 21st Century, shall report directly to the Chief Executive Officer of 21st Century, and shall not be or be subordinate to the General Counsel or Chief Financial Officer or have any responsibilities that involve acting in any capacity as legal counsel or supervising legal counsel functions for 21st Century. The Chief Compliance Officer shall be responsible for, without limitation:

- a. Maintaining, 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;
- b. making periodic (at least quarterly) reports regarding compliance matters directly to the Board of Directors of 21st Century, and shall be authorized to report on such matters to the Board of Directors at any time. Written documentation of the Chief Compliance Officer’s reports to the Board of Directors shall be made available to OIG upon request; and
- c. monitoring the day-to-day compliance activities engaged in

by 21st Century as well as for any reporting obligations created under this CIA.

Any noncompliance job responsibilities of the Chief Compliance Officer shall be limited and must not interfere with the Chief Compliance Officer's ability to perform the duties outlined in this CIA.

21st Century shall report to OIG, in writing, any changes in the identity or position description of the Chief Compliance Officer, or any actions or changes that would affect the Chief Compliance Officer's ability to perform the duties necessary to meet the obligations in this CIA, within five days after such a change.

2. *Regional Compliance Officers.* 21st Century has appointed Regional Compliance Officers, which at a minimum shall comprise of the same proportion of Regional Compliance Officers as 21st Century currently maintains and shall maintain Regional Compliance Officers for the term of the CIA. The Regional Compliance Officers shall be responsible for maintaining 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 for the applicable regions, and shall monitor the day-to-day compliance activities for the applicable regions. The Regional Compliance Officers shall report to the Chief Compliance Officer and shall be members of the Compliance Committee. The Regional Compliance Officers shall make periodic (at least quarterly) written reports regarding compliance matters directly to the Chief Compliance Officer, and shall be authorized to report on such matters directly to the Compliance Committee, the Chief Compliance Officer, and the Board of Directors at any time. The Regional Compliance Officers shall make periodic (at least quarterly) visits to 21st Century practices in order to fulfill the obligation of this Section.

21st Century shall report to OIG, in writing, any changes in the identity or position description of the Regional Compliance Officers, or any actions or changes that would affect the Regional Compliance Officers' ability to perform the duties necessary to meet the obligations in this CIA, within five days after such a change.

2. *Compliance Committee.* Within 90 days after the Effective Date, 21st Century shall appoint a Compliance Committee. The Compliance Committee shall, at a minimum, include the Compliance Officer and other members of senior management necessary to meet the requirements of this CIA (e.g., senior executives of relevant departments, 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 21st Century's risk areas and shall oversee monitoring of internal and external audits and investigations). The Compliance Committee shall meet at least quarterly. The minutes of the Compliance Committee meetings shall be made available to OIG upon request.

21st Century shall report to OIG, in writing, 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, within 15 days after such a change.

3. *Board of Directors Compliance Obligations.* The Board of Directors (or a committee of the Board) of 21st Century (Board) shall be responsible for the review and oversight of matters related to compliance with Federal health care program requirements and the obligations of this CIA. The Board must include independent (i.e., non-executive) members.

The Board shall, at a minimum, be responsible for the following:

- a. meeting at least quarterly to review and oversee 21st Century's compliance program, including but not limited to the performance of the Compliance Officer and Compliance Committee;
- b. submitting to the OIG a description of the documents and other materials it reviewed, as well as any additional steps taken, such as the engagement of an independent advisor or other third party resources, in its oversight of the compliance program and in support of making the resolution below during each Reporting Period; and
- c. for each Reporting Period of the CIA, adopting a resolution, signed by each member of the Board summarizing its review and oversight of 21st Century's compliance with Federal health care program requirements and the obligations of this CIA.

- d. for the first and fourth Reporting Periods of the CIA, the Board shall retain an individual or entity with expertise in compliance with Federal health care program requirements (Compliance Expert) to perform a review of the effectiveness of 21st Century's Compliance Program (Compliance Program Review). The Compliance Expert shall create a work plan for the Compliance Program Review and prepare a written report about the Compliance Program Review. The written report (Compliance Program Review Report) shall include a description of the Compliance Program Review and any recommendations with respect to 21st Century's compliance program. The Board shall review the Compliance Program Review Report as part of its review and oversight of 21st Century's compliance program. A copy of the Compliance Program Review report shall be provided to OIG in each Annual Report submitted by 21st Century. In addition, copies of any materials provided to the Board by the Compliance Expert, along with minutes of any meetings between the Compliance Expert and the Board, shall be made available to the OIG upon request.

At minimum, the resolution shall include the following language:

“The Board of Directors has made a reasonable inquiry into the operations of 21st Century's Compliance Program including the performance of the Compliance Officer and the Compliance Committee. Based on its inquiry and review, the Board has concluded that, to the best of its knowledge, 21st Century has implemented an effective Compliance Program to meet Federal health care program requirements and the obligations of the CIA.”

If the Board is unable to provide such a conclusion in the resolution, the Board shall include in the resolution a written explanation of the reasons why it is unable to provide the conclusion and the steps it is taking to implement an effective Compliance Program at 21st Century.

21st Century shall report to OIG, in writing, any changes in the composition of the Board, or any actions or changes that would affect the Board's ability to perform the duties necessary to meet the obligations in this CIA, within 15 days after such a change.

4. *Management Certifications.* In addition to the responsibilities set forth in this CIA for all Covered Persons, certain 21st Century employees (Certifying Employees) are specifically expected to monitor and oversee activities within their areas of authority and shall annually certify that the applicable 21st Century department is in compliance with applicable Federal health care program requirements and with the obligations of this CIA. These Certifying Employees shall include, at a minimum, the following: Chief Executive Officer, Chief Financial Officer, Chief Medical Officer, Regional Compliance Officers, Senior Vice Presidents for Operations, and the executives responsible for business development and marketing, if a separate individual is identified as responsible for business development and marketing. For each Reporting Period, each Certifying Employee shall sign a certification that states:

“I have been trained on and understand the compliance requirements and responsibilities as they relate to [insert name of department], an area under my supervision. My job responsibilities include ensuring compliance with regard to the [insert name of department] with all applicable Federal health care program requirements, obligations of the Corporate Integrity Agreement, and 21st Century policies, and I have taken steps to promote such compliance. To the best of my knowledge, the [insert name of department] of 21st Century is in compliance with all applicable Federal health care program requirements and the obligations of the Corporate Integrity Agreement. I understand that this certification is being provided to and relied upon by the United States.”

If any Certifying Employee is unable to provide such a certification, the Certifying Employee shall provide a written explanation of the reasons why he or she is unable to provide the certification outlined above.

Within 90 days after the Effective Date, 21st Century shall develop and implement a written process for Certifying Employees to follow for the purpose of completing the certification required by this section (e.g., reports that must be reviewed, assessments that must be completed, sub-certifications that must be obtained, etc. prior to the Certifying Employee making the required certification).

B. Written Standards

Within 90 days after the Effective Date, 21st Century shall develop and implement written policies and procedures regarding the operation of its compliance program, including the compliance program requirements outlined in this CIA and 21st Century's compliance with Federal health care program requirements (Policies and Procedures). The Policies and Procedures also shall address:

- a. 42 U.S.C. § 1320a-7b(b) (Anti-Kickback Statute) and 42 U.S.C. § 1395nn (Stark Law), and the regulations and other guidance documents related to these statutes, and business or financial arrangements or contracts that generate unlawful Federal health care program business in violation of the Anti-Kickback Statute or the Stark Law; and
- b. the requirements set forth in Section III.D (Compliance with the Anti-Kickback Statute and Stark Law).

The Policies and Procedures shall be made available to all Covered Persons. Throughout the term of this CIA, 21st Century shall enforce its Policies and Procedures and shall make compliance with its Policies and Procedures an element of evaluating the performance of all employees.

At least annually (and more frequently, if appropriate), 21st Century shall assess and update, as necessary, the Policies and Procedures. Any revised or new Policies and Procedures shall be made available to all Covered Persons.

All Policies and Procedures shall be made available to OIG upon request.

C. Training and Education

1. *Covered Persons Training.* Within 90 days after the Effective Date, 21st Century shall develop a written plan (Training Plan) that outlines the steps 21st Century will take to ensure that all Covered Persons receive at least annual training regarding 21st Century's CIA requirements and Compliance Program and the applicable Federal health care program requirements, including the requirements of the Anti-Kickback Statute and the Stark Law; and that all Arrangements Covered Persons receive at least annual training regarding: (i) Arrangements that potentially implicate the Anti-

Kickback Statute or the Stark Law, as well as the regulations and other guidance documents related to these statutes; (ii) 21st Century's policies, procedures, and other requirements relating to Arrangements and Focus Arrangements, including but not limited to the Focus Arrangements Tracking System, the internal review and approval process, and the tracking of remuneration to and from sources of health care business or referrals required by Section III.D of the CIA; (iii) the personal obligation of each individual involved in the development, approval, management, or review of 21st Century's Arrangements to know the applicable legal requirements and the 21st Century's policies and procedures; (iv) the legal sanctions under the Anti-Kickback Statute and the Stark Law; and (v) examples of violations of the Anti-Kickback Statute and the Stark Law.

The Training Plan shall include information regarding the following: training topics, identification of Covered Persons and Arrangements Covered Persons required to attend each training session, length of the training sessions(s), schedule for training, and format of the training. 21st Century shall furnish training to its Covered Persons and Arrangements Covered Persons pursuant to the Training Plan during each Reporting Period.

2. *Board Member Training.* Within 90 days after the Effective Date, each member of the Board of Directors shall receive at least two hours of training. This training shall address the corporate governance responsibilities of board members, and the responsibilities of board members with respect to review and oversight of the Compliance Program. Specifically, the training shall address the unique responsibilities of health care Board members, including the risks, oversight areas, and strategic approaches to conducting oversight of a health care entity. This training may be conducted by an outside compliance expert hired by the Board and should include a discussion of the OIG's guidance on Board member responsibilities.

New members of the Board of Directors shall receive the Board Member Training described above within 30 days after becoming a member or within 90 days after the Effective Date, whichever is later.

3. *Training Records.* 21st Century shall make available to OIG, upon request, training materials and records verifying that Covered Persons, Arrangements Covered Persons, and Board members have timely received the training required under this section.

D. Compliance with the Anti-Kickback Statute and Stark Law

1. *Focus Arrangements Procedures.* Within 90 days after the Effective Date, 21st Century shall create procedures reasonably designed to ensure that each existing and new or renewed Focus Arrangement does not violate the Anti-Kickback Statute and/or the Stark Law or the regulations, directives, and guidance related to these statutes (Focus Arrangements Procedures). These procedures shall include the following:

- a. creating and maintaining a centralized tracking system for all existing and new or renewed Focus Arrangements (Focus Arrangements Tracking System);
- b. tracking remuneration to and from all parties to Focus Arrangements;
- c. tracking service and activity logs to ensure that parties to the Focus Arrangement are performing the services required under the applicable Focus Arrangement(s) (if applicable);
- d. monitoring the use of leased space, medical supplies, medical devices, equipment, or other patient care items to ensure that such use is consistent with the terms of the applicable Focus Arrangement(s) (if applicable);
- e. establishing and implementing a written review and approval process for all Focus Arrangements, the purpose of which is to ensure that all new and existing or renewed Focus Arrangements do not violate the Anti-Kickback Statute and Stark Law, and that includes at least the following: (i) a legal review of all Focus Arrangements by counsel with expertise in the Anti-Kickback Statute and Stark Law, (ii) a process for specifying the business need or business rationale for all Focus Arrangements, and (iii) a process for determining and documenting the fair market value of the remuneration specified in the Focus Arrangement;
- f. requiring the Compliance Officer to review the Focus Arrangements Tracking System, internal review and approval

process, and other Focus Arrangements Procedures on at least an annual basis and to provide a report on the results of such review to the Compliance Committee; and

- g. implementing effective responses when suspected violations of the Anti-Kickback Statute and Stark Law are discovered, including disclosing Reportable Events and quantifying and repaying Overpayments pursuant to Sections III.J and III.K when appropriate.

2. *New or Renewed Focus Arrangements.* Prior to entering into new Focus Arrangements or renewing existing Focus Arrangements, in addition to complying with the Focus Arrangements Procedures set forth above, 21st Century shall comply with the following requirements (Focus Arrangements Requirements):

- a. Ensure that each Focus Arrangement is set forth in writing and signed by 21st Century and the other parties to the Focus Arrangement;
- b. Include in the written agreement a requirement that each party to a Focus Arrangement who meets the definition of a Covered Person shall complete at least one hour of training regarding the Anti-Kickback Statute and the Stark Law and examples of arrangements that potentially implicate the Anti-Kickback Statute or the Stark Law. Additionally, 21st Century shall provide each party to the Focus Arrangement with a copy of its Stark Law and Anti-Kickback Statute Policies and Procedures;
- c. Include in the written agreement a certification by the parties to the Focus Arrangement that the parties shall not violate the Anti-Kickback Statute and the Stark Law with respect to the performance of the Arrangement.

3. *Records Retention and Access.* 21st Century shall retain and make available to OIG, upon request, the Focus Arrangements Tracking System and all supporting documentation of the Focus Arrangements subject to this Section and, to the

extent available, all non-privileged communications related to the Focus Arrangements and the actual performance of the duties under the Focus Arrangements.

E. Review Procedures

1. *General Description.*

- a. *Engagement of Independent Review Organization.* Within 90 days after the Effective Date, 21st Century shall engage an entity (or entities), such as an accounting, auditing, law, or consulting firm (hereinafter “Independent Review Organization” or “IRO”), to perform the reviews listed in this Section III.E. The applicable requirements relating to the IRO are outlined in Appendix A to this CIA, which is incorporated by reference.
- b. *Retention of Records.* The IRO and 21st Century shall retain and make available to OIG, upon request, all work papers, supporting documentation, correspondence, and draft reports (those exchanged between the IRO and 21st Century) related to the reviews.
- c. *Responsibilities and Liabilities.* Nothing in this Section III.E affects 21st Century’s responsibilities or liabilities under any criminal, civil, or administrative laws or regulations applicable to any Federal health care program including, but not limited to, the Anti-Kickback Statute and/or the Stark Law.

2. *Arrangements Review.* The IRO shall perform an Arrangements Review and prepare an Arrangements Review Report as outlined in Appendix B to this CIA, which is incorporated by reference.

3. *Claims Review.* The IRO shall review claims submitted by 21st Century and reimbursed by the Medicare and Medicaid programs, to determine whether the items and services furnished were medically necessary and appropriately documented and whether the claims were correctly coded, submitted and reimbursed (Claims Review)

and shall prepare a Claims Review Report, as outlined in Appendix C to this CIA, which is incorporated by reference.

4. *Independence and Objectivity Certification.* The IRO shall include in its report(s) to 21st Century a certification that the IRO has (a) evaluated its professional independence and objectivity with respect to the reviews required under this Section III.E and (b) concluded that it is, in fact, independent and objective, in accordance with the requirements specified in Appendix A to this CIA. The IRO's certification shall include a summary of all current and prior engagements between 21st Century and the IRO.

F. Risk Assessment and Internal Review Process

Within 90 days after the Effective Date, 21st Century shall develop and implement a centralized annual risk assessment and internal review process to identify and address risks associated with Arrangements (as defined in Section II.C.1 above) and 21st Century's participation in the Federal health care programs, including but not limited to the risks associated with the submission of claims for items and services furnished to Medicare and Medicaid program beneficiaries. The risk assessment and internal review process shall require compliance, legal and department leaders, at least annually, to: (1) identify and prioritize risks, (2) develop internal audit work plans related to the identified risk areas, (3) implement the internal audit work plans, (4) develop corrective action plans in response to the results of any internal audits performed, and (5) track the implementation of the corrective action plans in order to assess the effectiveness of such plans. 21st Century shall maintain the risk assessment and internal review process for the term of the CIA.

G. Disclosure Program

Within 90 days after the Effective Date, 21st Century shall establish a Disclosure Program that includes a mechanism (e.g., a toll-free compliance telephone line) to enable individuals to disclose, to the Compliance Officer or some other person who is not in the disclosing individual's chain of command, any identified issues or questions associated with 21st Century'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. 21st Century shall appropriately publicize the existence of the disclosure mechanism (e.g., via periodic e-mails to employees or by posting the information in prominent common areas).

The Disclosure Program shall emphasize a nonretribution, nonretaliation policy, and shall include a reporting mechanism for anonymous communications for which appropriate confidentiality shall be maintained. The Disclosure Program also shall include a requirement that all of 21st Century's Covered Persons shall be expected to report suspected violations of any Federal health care program requirements to the Compliance Officer or other appropriate individual designated by 21st Century. 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, 21st Century shall conduct an internal review of the allegations set forth in the disclosure and ensure that proper follow-up is conducted.

The Compliance Officer (or designee) shall maintain a disclosure log and shall record each disclosure in the disclosure log within two business days of receipt of the disclosure. The disclosure log shall include a 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.

#### H. Ineligible Persons

1. *Definitions.* For purposes of this CIA:

- a. an "Ineligible Person" shall include an individual or entity who:
  - i. is currently excluded from participation in any Federal health care program; or
  - ii. has been convicted of a criminal offense that falls within the scope of 42 U.S.C. § 1320a-7(a), but has not yet been excluded.

- b. “Exclusion List” means the HHS/OIG List of Excluded Individuals/Entities (LEIE) (available through the Internet at <http://www.oig.hhs.gov>).

2. *Screening Requirements.* 21st Century shall ensure that all prospective and current Covered Persons are not Ineligible Persons, by implementing the following screening requirements.

- a. 21st Century shall screen all prospective Covered Persons against the Exclusion List prior to engaging their services and, as part of the hiring or contracting process, shall require such Covered Persons to disclose whether they are Ineligible Persons.
- b. 21st Century shall screen all current Covered Persons against the Exclusion List within 90 days after the Effective Date and on a monthly basis thereafter.
- c. 21st Century shall implement a policy requiring all Covered Persons to disclose immediately if they become an Ineligible Person.

Nothing in this Section III.H affects 21st Century’s responsibility to refrain from (and liability for) billing Federal health care programs for items or services furnished, ordered, or prescribed by an excluded person. 21st Century understands that items or services furnished, ordered, or prescribed by excluded persons are not payable by Federal health care programs and that 21st Century may be liable for overpayments and/or criminal, civil, and administrative sanctions for employing or contracting with an excluded person regardless of whether 21st Century meets the requirements of Section III.H.

3. *Removal Requirement.* If 21st Century has actual notice that a Covered Person has become an Ineligible Person, 21st Century shall remove such Covered Person from responsibility for, or involvement with, 21st Century’s business operations related to the Federal health care program(s) from which such Covered Person has been excluded and shall remove such Covered Person from any position for which the Covered Person’s compensation or the items or services furnished, ordered, or prescribed by the Covered Person are paid in whole or part, directly or indirectly, by any

Federal health care program(s) from which the Covered Person has been excluded at least until such time as the Covered Person is reinstated into participation in such Federal health care program(s).

4. *Pending Charges and Proposed Exclusions.* If 21st Century has actual notice that a Covered Person is charged with a criminal offense that falls within the scope of 42 U.S.C. §§ 1320a-7(a), 1320a-7(b)(1)-(3), or is proposed for exclusion during the Covered Person's employment or contract term 21st Century shall take all appropriate actions to ensure that the responsibilities of that Covered Person have not and shall not adversely affect the quality of care rendered to any beneficiary or the accuracy of any claims submitted to any Federal health care program.

I. Notification of Government Investigation or Legal Proceeding

Within 30 days after discovery, 21st Century shall notify OIG, in writing, of any ongoing investigation or legal proceeding known to 21st Century conducted or brought by a governmental entity or its agents involving an allegation that 21st Century 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. 21st Century shall also provide written notice to OIG within 30 days after the resolution of the matter, and shall provide OIG with a description of the findings and/or results of the investigation or proceeding, if any.

J. Overpayments

1. *Definition of Overpayments.* An "Overpayment" means any funds that 21st Century receives or retains under any Federal health care program to which 21st Century, after applicable reconciliation, is not entitled to under such Federal health care program.

2. *Overpayment Policies and Procedures.* Within 90 days after the Effective Date, 21st Century shall develop and implement written policies and procedures regarding the identification, quantification and repayment of Overpayments received from any Federal health care program.

## K. Reportable Events

1. *Definition of Reportable Event.* For purposes of this CIA, a “Reportable Event” means anything that involves:

- a. a substantial Overpayment;
- b. 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;
- c. the employment of or contracting with a Covered Person who is an Ineligible Person as defined by Section III.H.1.a; or
- d. the filing of a bankruptcy petition by 21st Century.

A Reportable Event may be the result of an isolated event or a series of occurrences.

2. *Reporting of Reportable Events.* If 21st Century determines (after a reasonable opportunity to conduct an appropriate review or investigation of the allegations) through any means that there is a Reportable Event, 21st Century shall notify OIG, in writing, within 30 days after making the determination that the Reportable Event exists.

3. *Reportable Events under Section III.K.1.a.and III.K.1.b.* For Reportable Events under Section III.K.1.a and b, the report to OIG shall include:

- a. a complete description of all details relevant to the Reportable Event, including, at a minimum, the types of claims, transactions, or other conduct giving rise to the Reportable Event; the period during which the conduct occurred; and the names of entities and individuals believed to be implicated, including an explanation of their roles in the Reportable Event;

- b. a statement of the Federal criminal, civil or administrative laws that are probably violated by the Reportable Event, if any;
- c. the Federal health care programs affected by the Reportable Event;
- d. a description of the steps taken by 21st Century to identify and quantify any Overpayments; and
- e. a description of 21st Century's actions taken to correct the Reportable Event and prevent it from recurring.

If the Reportable Event involves an Overpayment, within 60 days of identification of the Overpayment, 21st Century shall repay the Overpayment, in accordance with the requirements of 42 U.S.C. § 1320a-7k(d) and 42 C.F.R. § 401.301-305 (and any applicable CMS guidance) and provide OIG with a copy of the notification and repayment.

4. *Reportable Events under Section III.K.1.c.* For Reportable Events under Section III.K.1.c, the report to OIG shall include:

- a. the identity of the Ineligible Person and the job duties performed by that individual;
- b. the dates of the Ineligible Person's employment or contractual relationship;
- c. a description of the Exclusion List screening that 21st Century completed before and/or during the Ineligible Person's employment or contract and any flaw or breakdown in the Ineligible Persons screening process that led to the hiring or contracting with the Ineligible Person;
- d. a description of how the Ineligible Person was identified; and
- e. a description of any corrective action implemented to prevent future employment or contracting with an Ineligible Person.

5. *Reportable Events under Section III.K.1.d.* For Reportable Events under Section III.K.1.d, the report to the OIG shall include documentation of the bankruptcy filing and a description of any Federal health care program authorities implicated.

6. *Reportable Events Involving the Stark Law.* Notwithstanding the reporting requirements outlined above, any Reportable Event that involves solely a probable violation of section 1877 of the Social Security Act, 42 U.S.C. §1395nn (the Stark Law) should be submitted by 21st Century to the Centers for Medicare & Medicaid Services (CMS) through the self-referral disclosure protocol (SRDP), with a copy to the OIG. If 21st Century identifies a probable violation of the Stark Law and repays the applicable Overpayment directly to the CMS contractor, then 21st Century is not required by this Section III.K to submit the Reportable Event to CMS through the SRDP.

#### **IV. SUCCESSOR LIABILITY**

In the event that, after the Effective Date, 21st Century proposes to (a) sell any or all of its business, business units, or locations (whether through a sale of assets, sale of stock, or other type of transaction) relating to the furnishing of items or services that may be reimbursed by a Federal health care program, or (b) purchase or establish a new business, business unit, or location relating to the furnishing of items or services that may be reimbursed by a Federal health care program, the CIA shall be binding on the purchaser of any business, business unit, or location and any new business, business unit, or location (and all Covered Persons at each new business, business unit, or location) shall be subject to the applicable requirements of this CIA, unless otherwise determined and agreed to in writing by OIG.

If, in advance of a proposed sale or proposed purchase, 21st Century wishes to obtain a determination by OIG that the proposed purchaser or the proposed acquisition will not be subject to the requirements of the CIA, 21st Century must notify OIG in writing of the proposed sale or purchase at least 30 days in advance. This notification shall include a description of the business, business unit, or location to be sold or purchased, a brief description of the terms of the transaction and, in the case of a proposed sale, the name and contact information of the prospective purchaser.

#### **V. IMPLEMENTATION AND ANNUAL REPORTS**

A. Implementation Report

Within 120 days after the Effective Date, 21st Century shall submit a written report to OIG summarizing the status of its implementation of the requirements of this CIA (Implementation Report). The Implementation Report shall, at a minimum, include:

1. the name, business address and phone number, and position description of the Chief Compliance Officer and Regional Compliance Officers required by Section III.A, and a summary of other noncompliance job responsibilities the Chief Compliance Officer and Regional Compliance Officers may have;
2. the names and positions of the members of the Compliance Committee required by Section III.A;
3. the names of the Board members who are responsible for satisfying the Board of Directors compliance obligations described in Section III.A.3;
4. the names and positions of the Certifying Employees required by Section III.A.4 as well as the written process for the Certifying Employees to follow;
5. a list of all Policies and Procedures required by Section III.B;
6. the Training Plan required by Section III.C.1 and a description of the Board of Directors training required by Section III.C.2 (including a summary of the topics covered, the length of the training, and when the training was provided);
7. a description of (a) the Focus Arrangements Tracking System required by Section III.D.1.a, (b) the internal review and approval process required by Section III.D.1.e; and (c) the tracking and monitoring procedures and other Focus Arrangements Procedures required by Section III.D.1;
8. the following information regarding the IRO(s): (a) identity, address, and phone number; (b) a copy of the engagement letter; (c) information to demonstrate that the IRO has the qualifications outlined in Appendix A to this CIA; and (d) a certification from the IRO regarding its professional independence and objectivity with respect to 21st Century;

9. a description of the risk assessment and internal review process required by Section III.F;
10. a description of the Disclosure Program required by Section III.G;
11. a description of the Ineligible Persons screening and removal process required by Section III.H;
12. a copy of 21st Century's policies and procedures regarding the identification, quantification and repayment of Overpayments required by Section III.J;
13. a description of 21st Century's corporate structure, including identification of any parent and sister companies, subsidiaries, and their respective lines of business;
14. a list of all of 21st Century's locations (including locations and mailing addresses), the corresponding name under which each location is doing business, and each location's Medicare and state Medicaid program provider number(s) and/or supplier number(s); and
15. the certifications required by Section V.C.

B. Annual Reports

21st Century shall submit to OIG a report on its compliance with the CIA requirements for each of the five Reporting Periods (Annual Report). Each Annual Report shall include, at a minimum, the following information:

1. any change in the identity, position description, or other noncompliance job responsibilities of the Chief Compliance Officer and Regional Compliance Officers; a current list of the Compliance Committee members, a current list of the Board members who are responsible for satisfying the Board of Directors compliance obligations, and a current list of the Certifying Employees, along with the identification of any changes made during the Reporting Period to the Compliance Committee, Board of Directors, and Certifying Employees;

2. the dates of each report made by the Compliance Officer to the Board (written documentation of such reports shall be made available to OIG upon request);
3. the Board resolution required by Section III.A.3 and a description of the documents and other materials reviewed by the Board, as well as any additional steps taken, in its oversight of the compliance program and in support of making the resolution;
4. a copy of the Compliance Program Review Report as required by Section III.A.4.d;
5. a list of any new or revised Policies and Procedures developed during the Reporting Period;
6. a description of any changes to 21st Century's Training Plan developed pursuant to Section III.C, and a summary of any Board of Directors training provided during the Reporting Period;
7. a description of (a) any changes to the Focus Arrangements Tracking System required by Section III.D.1.a; (b) any changes to the internal review and approval process required by Section III.D.1.e; and (c) any changes to the tracking and monitoring procedures and other Arrangements Procedures required by Section III.D.1;
8. a complete copy of all reports prepared pursuant to Section III.E and 21st Century's response to the reports, along with corrective action plan(s) related to any issues raised by the reports;
9. a certification from the IRO regarding its professional independence and objectivity with respect to 21st Century;
10. a description of any changes to the risk assessment and internal review process required by Section III.F., including the reasons for such changes;
11. a summary of the following components of the risk assessment and internal review process during the Reporting Period: work plans developed, internal audits performed, corrective action plans developed in response to internal audits, and steps taken to track the implementation of the corrective action plans. Copies of any

work plans, internal audit reports, and corrective actions plans shall be made available to OIG upon request;

12. a summary of the disclosures in the disclosure log required by Section III.G that: (a) relate to Federal health care programs; or (b) involve allegations of conduct that may involve illegal remuneration or inappropriate referrals in violation of the Anti-Kickback Statute or Stark law (the complete disclosure log shall be made available to OIG upon request);

13. a description of any changes to the Ineligible Persons screening and removal process required by Section III.H, including the reasons for such changes;

14. a summary describing any ongoing investigation or legal proceeding required to have been reported pursuant to Section III.I. 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;

15. a description of any changes to the Overpayment policies and procedures required by Section III.J, including the reasons for such changes;

16. a summary of Reportable Events (as defined in Section III.K) identified during the Reporting Period;

17. a description of all changes to the most recently provided list of 21st Century's locations (including addresses) as required by Section V.A.14; and

18. the certifications required by Section V.C.

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

### C. Certifications

1. *Certifying Employees.* In each Annual Report, 21st Century shall include the certifications of Certifying Employees as required by Section III.A.4;

2. *Compliance Officer and Chief Executive Officer.* The Implementation Report and each Annual Report shall include a certification by the Compliance Officer and Chief Executive Officer that:

- a. to the best of his or her knowledge, except as otherwise described in the report, 21st Century is in compliance with all of the requirements of this CIA;
- b. to the best of his or her knowledge, 21st Century has implemented procedures reasonably designed to ensure that all Focus Arrangements do not violate the Anti-Kickback Statute and Stark Law, including the Focus Arrangements Procedures required in Section III.D of the CIA;
- c. to the best of his or her knowledge, 21st Century has fulfilled the requirements for New and Renewed Focus Arrangements under Section III.D.2 of the CIA; and
- d. he or she has reviewed the report and has made reasonable inquiry regarding its content and believes that the information in the report is accurate and truthful.

3. *Chief Financial Officer.* The first Annual Report shall include a certification by the Chief Financial Officer that, to the best of his or her knowledge, 21st Century has complied with its obligations under the Settlement Agreement: (a) 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; (b) not to charge to or otherwise seek payment from federal or state payors for unallowable costs (as defined in the Settlement Agreement); and (c) to identify and adjust any past charges or claims for unallowable costs.

D. Designation of Information

21st Century 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. 21st Century 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, all notifications and reports required under this CIA shall be submitted to the following entities:

### OIG:

Administrative and Civil Remedies Branch  
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, S.W.  
Washington, DC 20201  
Telephone: 202.619.2078  
Facsimile: 202.205.0604

### 21st Century:

Chief Compliance Officer  
21<sup>st</sup> Century Oncology, Inc.  
2270 Colonial Boulevard  
Fort Myers, FL 33907  
Telephone: (239) 931-7288  
Facsimile: (239) 931-9340

Unless otherwise specified, all notifications and reports required by this CIA shall be made by 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. Upon request by OIG, 21st Century may be required to provide OIG with an electronic copy of each notification or report required by this CIA, in addition to a paper copy.

## **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 conduct interviews, examine and/or request copies of 21st Century's books, records, and other documents and supporting materials, and conduct on-site reviews of any of 21st Century's locations for the purpose of verifying and evaluating: (a) 21st Century's compliance with the terms of this CIA; and (b) 21st Century's compliance with the requirements of the Federal health care programs. The documentation described above shall be made available by 21st Century to OIG or its duly authorized representative(s) at all reasonable times for inspection, audit, and/or reproduction. Furthermore, for purposes of this provision, OIG or its duly authorized representative(s) may interview any of 21st Century's owners, employees, contractors, and directors 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. 21st Century shall assist OIG or its duly authorized representative(s) in contacting and arranging interviews with such individuals upon OIG's request. 21st Century's owners, employees, contractors, and directors may elect to be interviewed with or without a representative of 21st Century present.

## **VIII. DOCUMENT AND RECORD RETENTION**

21st Century shall maintain for inspection all documents and records relating to reimbursement from the Federal health care programs and to compliance with this CIA for six years (or longer if otherwise required by law) from the Effective Date.

## **IX. DISCLOSURES**

Consistent with HHS's FOIA procedures, set forth in 45 C.F.R. Part 5, OIG shall make a reasonable effort to notify 21st Century prior to any release by OIG of information submitted by 21st Century pursuant to its obligations under this CIA and identified upon submission by 21st Century as trade secrets, or information that is commercial or financial and privileged or confidential, under the FOIA rules. With respect to such releases, 21st Century shall have the rights set forth at 45 C.F.R. § 5.65(d).

## **X. BREACH AND DEFAULT PROVISIONS**

21st Century 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, 21st Century and OIG hereby agree that failure to comply with certain obligations as 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 21st Century fails to establish, implement or comply with any of the following obligations as described in Sections III:

- a. a Chief Compliance Officer;
- b. Regional Compliance Officers;
- c. a Compliance Committee;
- d. the Board of Directors compliance obligations and the engagement of a Compliance Expert, the performance of a Compliance Program Review, and the preparation of a Compliance Program Review Report, as required by Section III.A.3;
- e. the management certification obligations;
- f. written Policies and Procedures;
- g. training and education of Covered Persons, Arrangements Covered Persons, and Board Members;
- h. the Focus Arrangements Procedures and/or Focus Arrangements Requirements;

- i. a risk assessment and internal review process;
- j. a Disclosure Program;
- k. Ineligible Persons screening and removal requirements;
- l. notification of Government investigations or legal proceedings;
- m. policies and procedures regarding the repayment of Overpayments; and
- n. reporting of Reportable Events

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 21st Century fails to engage and use an IRO, as required by Section III.E, Appendix A, Appendix B, or Appendix C.

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 21st Century fails to submit a complete Implementation Report, Annual Report, or any certification to OIG in accordance with the requirements of Section V by the deadlines for submission.

4. A Stipulated Penalty of \$2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day 21st Century fails to submit any Arrangements Review Report in accordance with the requirements of Section III.E and Appendix B.

5. A Stipulated Penalty of \$2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day 21st Century fails to submit any Claims Review Report in accordance with the requirements of Section III.E and Appendix C or fails to repay any Overpayment identified by the IRO as required by Appendix C.

6. A Stipulated Penalty of \$1,500 for each day 21st Century fails to grant access as required in Section VII. (This Stipulated Penalty shall begin to accrue on the date 21st Century fails to grant access.)

7. A Stipulated Penalty of \$50,000 for each false certification submitted by or on behalf of 21st Century as part of its Implementation Report, any Annual Report, additional documentation to a report (as requested by the OIG), or otherwise required by this CIA.

8. A Stipulated Penalty of \$1,000 for each day 21st Century fails to comply fully and adequately with any obligation of this CIA. OIG shall provide notice to 21st Century stating the specific grounds for its determination that 21st Century has failed to comply fully and adequately with the CIA obligation(s) at issue and steps 21st Century shall take to comply with the CIA. (This Stipulated Penalty shall begin to accrue 10 days after the date 21st Century receives this notice from OIG of the failure to comply.) A Stipulated Penalty as described in this Subsection shall not be demanded for any violation for which OIG has sought a Stipulated Penalty under Subsections 1-7 of this Section.

B. Timely Written Requests for Extensions

21st Century 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 21st Century 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 days after 21st Century 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 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 21st Century 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 21st Century of: (a) 21st Century's failure to comply; and (b) OIG's exercise of its contractual right to demand payment of the Stipulated Penalties. (This notification shall be referred to as the "Demand Letter.")

2. *Response to Demand Letter.* Within 10 days after the receipt of the Demand Letter, 21st Century 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 21st Century elects to request an ALJ hearing, the Stipulated Penalties shall continue to accrue until 21st Century 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 electronic funds transfer to an account specified by OIG in the Demand Letter.

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 21st Century 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 21st Century to report a Reportable Event, take corrective action, or make the appropriate refunds, as required in Section III.K;
- b. repeated violations or a flagrant violation of any 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 engage and use an IRO in accordance with Section III.E, Appendix A, Appendix B, or Appendix C.

2. *Notice of Material Breach and Intent to Exclude.* The parties agree that a material breach of this CIA by 21st Century constitutes an independent basis for 21st Century's exclusion from participation in the Federal health care programs. The length of the exclusion shall be in the OIG's discretion, but not more than five years per material breach. Upon a determination by OIG that 21st Century has materially breached this CIA and that exclusion is the appropriate remedy, OIG shall notify 21st Century of: (a) 21st Century's material breach; and (b) OIG's intent to exercise its contractual right to impose exclusion. (This notification shall be referred to as the "Notice of Material Breach and Intent to Exclude.")

3. *Opportunity to Cure.* 21st Century shall have 30 days from the date of receipt of the Notice of Material Breach and Intent to Exclude to demonstrate that:

- a. the alleged material breach has been cured; or
- b. the alleged material breach cannot be cured within the 30-day period, but that: (i) 21st Century has begun to take action to cure the material breach; (ii) 21st Century is pursuing such action with due diligence; and (iii) 21st Century has provided to OIG a reasonable timetable for curing the material breach.

4. *Exclusion Letter.* If, at the conclusion of the 30-day period, 21st Century fails to satisfy the requirements of Section X.D.3, OIG may exclude 21st Century from participation in the Federal health care programs. OIG shall notify 21st Century in writing of its determination to exclude 21st Century. (This letter shall be referred to 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 21st Century's receipt of the Exclusion Letter. The exclusion shall have national effect. Reinstatement to program participation is not automatic. At the end of the period of exclusion, 21st Century may apply for reinstatement by submitting 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 21st Century 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, 21st Century 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 after receipt of the Demand Letter and the request for a hearing involving exclusion shall be made within 25 days after receipt of the Exclusion Letter. The procedures relating to the filing of a request for a hearing can be found at <http://www.hhs.gov/dab/divisions/civil/procedures/divisionprocedures.html>.

2. *Stipulated Penalties Review.* Notwithstanding any provision of Title 42 of the United States Code or Title 42 of the Code of Federal Regulations, the only issues in a proceeding for Stipulated Penalties under this CIA shall be: (a) whether 21st Century was in full and timely compliance with the obligations of this CIA for which OIG demands payment; and (b) the period of noncompliance. 21st Century shall have the burden of proving its full and timely compliance and the steps taken to cure the noncompliance, if any. OIG shall not have the right to appeal to the DAB an adverse ALJ decision related to Stipulated Penalties. If the ALJ agrees with OIG with regard to a finding of a breach of this CIA and orders 21st Century to pay Stipulated Penalties, such Stipulated Penalties shall become due and payable 20 days after the ALJ issues such a decision unless 21st Century 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 Title 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 whether 21st Century was in material breach of this CIA and, if so, whether:

- a. 21st Century cured such breach within 30 days of its receipt of the Notice of Material Breach; or
- b. the alleged material breach could not have been cured within the 30 day period, but that, during the 30 day period following 21st Century's receipt of the Notice of Material Breach: (i) 21st Century had begun to take action to cure the material breach; (ii) 21st Century pursued such action with due diligence; and (iii) 21st Century provided to OIG a reasonable timetable for curing the material breach.

For purposes of the exclusion herein, exclusion shall take effect only after an ALJ decision favorable to OIG, or, if the ALJ rules for 21st Century, only after a DAB decision in favor of OIG. 21st Century's election of its contractual right to appeal to the DAB shall not abrogate OIG's authority to exclude 21st Century upon the issuance of an ALJ's decision in favor of OIG. If the ALJ sustains the determination of OIG and determines that exclusion is authorized, such exclusion shall take effect 20 days after the ALJ issues such a decision, notwithstanding that 21st Century 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. 21st Century shall waive its right to any notice of such an exclusion if a decision upholding the exclusion is rendered by the ALJ or DAB. If the DAB finds in favor of 21st Century, 21st Century shall be reinstated effective on the date of the original exclusion.

4. *Finality of Decision.* The review by an ALJ or DAB provided for above shall not be considered to be an appeal right arising under any statutes or regulations. Consequently, the parties to this CIA agree that the DAB's decision (or the ALJ's decision if not appealed) shall be considered final for all purposes under this CIA.

## **XI. EFFECTIVE AND BINDING AGREEMENT**

21st Century and OIG agree as follows:

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

B. This CIA constitutes the complete agreement between the parties and may not be amended except by written consent of the parties to this CIA.

C. OIG may agree to a suspension of 21st Century's obligations under this CIA based on a certification by 21st Century that it is no longer providing health care items or services that will be billed to any Federal health care program and it does not have any ownership or control interest, as defined in 42 U.S.C. §1320a-3, in any entity that bills any Federal health care program. If 21st Century is relieved of its CIA obligations, 21st Century shall be required to notify OIG in writing at least 30 days in advance if 21st Century plans to resume providing health care items or services that are billed to any Federal health care program or to obtain an ownership or control interest in any entity that bills any Federal health care program. At such time, OIG shall evaluate whether the CIA will be reactivated or modified.

D. All requirements and remedies set forth in this CIA are in addition to and do not affect (1) 21st Century's responsibility to follow all applicable Federal health care program requirements or (2) the government's right to impose appropriate remedies for failure to follow applicable Federal health care program requirements.

E. The undersigned 21st Century signatories represent and warrant that they are authorized to execute this CIA. The undersigned OIG signatories represent that they are signing this CIA in their official capacities and that they are authorized to execute this CIA.

F. This CIA may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same CIA. Electronically-transmitted copies of Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this CIA.

**ON BEHALF OF 21ST CENTURY**

/Paul Rundell/

\_\_\_\_\_  
Paul Rundell, Interim Chief Executive Officer

11/15/17  
\_\_\_\_\_  
DATE

/Kimberly J. Tzoumakas/

\_\_\_\_\_  
Kimberly J. Commins-Tzoumakas, Esq.  
Hall, Render, Killian, Heath & Lyman, PLLC  
Counsel for 21st Century Oncology, Inc.

11/15/17  
\_\_\_\_\_  
DATE

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

/Lisa M. Re/

\_\_\_\_\_  
Lisa M. Re  
Assistant Inspector General for Legal Affairs  
Office of Inspector General  
U. S. Department of Health and Human Services

11/17/17  
\_\_\_\_\_  
DATE

/Karen S. Glassman/

\_\_\_\_\_  
Karen S. Glassman  
Senior Counsel  
Office of Inspector General  
U. S. Department of Health and Human Services

11/17/2017  
\_\_\_\_\_  
DATE

## APPENDIX A

### INDEPENDENT REVIEW ORGANIZATION

This Appendix contains the requirements relating to the Independent Review Organization (IRO) required by Section III.E of the CIA.

#### A. IRO Engagement

1. 21st Century shall engage an IRO that possesses the qualifications set forth in Paragraph B, below, to perform the responsibilities in Paragraph C, below. The IRO shall conduct the review in a professionally independent and objective fashion, as set forth in Paragraph D. Within 30 days after OIG receives the information identified in Section V.A.8 of the CIA or any additional information submitted by 21st Century in response to a request by OIG, whichever is later, OIG will notify 21st Century if the IRO is unacceptable. Absent notification from OIG that the IRO is unacceptable, 21st Century may continue to engage the IRO.

2. If 21st Century engages a new IRO during the term of the CIA, that IRO must also meet the requirements of this Appendix. If a new IRO is engaged, 21st Century shall submit the information identified in Section V.A.8 of the CIA to OIG within 30 days of engagement of the IRO. Within 30 days after OIG receives this information or any additional information submitted by 21st Century at the request of OIG, whichever is later, OIG will notify 21st Century if the IRO is unacceptable. Absent notification from OIG that the IRO is unacceptable, 21st Century may continue to engage the IRO.

#### B. IRO Qualifications

The IRO shall:

1. assign individuals to conduct the Arrangements Review who are knowledgeable in the requirements of the Anti-Kickback Statute and the Stark Law and the regulations and other guidance documents related to these statutes;

2. assign individuals to conduct the Claims Review who have expertise in the Medicare and state Medicaid program requirements applicable to the claims being reviewed;

3. assign individuals to design and select the Claims Review sample who are knowledgeable about the appropriate statistical sampling techniques;

4. assign individuals to conduct the coding review portions of the Claims Review who have a nationally recognized coding certification and who have maintained this certification (e.g., completed applicable continuing education requirements);

5. assign licensed nurses or physicians with relevant education, training and specialized expertise (or other licensed health care professionals acting within their scope of practice and specialized expertise) to make the medical necessity determinations required by the Claims Review; and

6. have sufficient staff and resources to conduct the reviews required by the CIA on a timely basis.

#### C. IRO Responsibilities

The IRO shall:

1. perform each Arrangements Review and Claims Review in accordance with the specific requirements of the CIA;

2. follow all applicable Medicare and state Medicaid program rules and reimbursement guidelines in making assessments in the Claims Review;

3. request clarification from the appropriate authority (e.g., Medicare contractor), if in doubt of the application of a particular Medicare or state Medicaid program policy or regulation;

4. respond to all OIG inquires in a prompt, objective, and factual manner; and

5. prepare timely, clear, well-written reports that include all the information required by Appendix B and Appendix C (as applicable) to the CIA.

#### D. IRO Independence and Objectivity

The IRO must perform the Arrangements Review and the Claims Review in a professionally independent and objective fashion, as defined in the most recent Government Auditing Standards issued by the U.S. Government Accountability Office.

#### E. IRO Removal/Termination

1. *21st Century and IRO.* If 21st Century terminates its IRO or if the IRO withdraws from the engagement during the term of the CIA, 21st Century must submit a notice explaining (a) its reasons for termination of the IRO or (b) the IRO's reasons for its withdrawal to OIG, no later than 30 days after termination or withdrawal. 21st

Century must engage a new IRO in accordance with Paragraph A of this Appendix and within 60 days of termination or withdrawal of the IRO.

2. *OIG Removal of IRO.* In the event OIG has reason to believe that the IRO does not possess the qualifications described in Paragraph B, is not independent and objective as set forth in Paragraph D, or has failed to carry out its responsibilities as described in Paragraph C, OIG shall notify 21st Century in writing regarding OIG's basis for determining that the IRO has not met the requirements of this Appendix. 21st Century shall have 30 days from the date of OIG's written notice to provide information regarding the IRO's qualifications, independence or performance of its responsibilities in order to resolve the concerns identified by OIG. If, following OIG's review of any information provided by 21st Century regarding the IRO, OIG determines that the IRO has not met the requirements of this Appendix, OIG shall notify 21st Century in writing that 21st Century shall be required to engage a new IRO in accordance with Paragraph A of this Appendix. 21st Century must engage a new IRO within 60 days of its receipt of OIG's written notice. The final determination as to whether or not to require 21st Century to engage a new IRO shall be made at the sole discretion of OIG.

## APPENDIX B

### ARRANGEMENTS REVIEW

The Arrangements Review shall consist of two components: a systems review and a transactions review. The IRO shall perform all components of each Arrangements Review. If there are no material changes to 21st Century's systems, processes, policies, and procedures relating to Arrangements, the Arrangements Systems Review shall be performed for the first and fourth Reporting Periods. If 21st Century materially changes the Arrangements systems, processes, policies and procedures, the IRO shall perform an Arrangements Systems Review for the Reporting Period in which such changes were made in addition to conducting the systems review for the first and fourth Reporting Periods. The Arrangements Transactions Review shall be performed annually and shall cover each of the five Reporting Periods.

A. Arrangements Systems Review. The Arrangements Systems Review shall be a review of 21st Century's systems, processes, policies, and procedures relating to the initiation, review, approval, and tracking of Arrangements. Specifically, the IRO shall review the following:

1. 21st Century's systems, policies, processes, and procedures with respect to creating and maintaining a centralized tracking system for all existing and new and renewed Focus Arrangements (Focus Arrangements Tracking System), including a detailed description of the information captured in the Focus Arrangements Tracking System;

2. 21st Century's systems, policies, processes, and procedures for tracking remuneration to and from all parties to Focus Arrangements;

3. 21st Century's systems, policies, processes, and procedures for tracking service and activity logs to ensure that parties to the Focus Arrangement are performing the services required under the applicable Focus Arrangement(s) (if applicable);

4. 21st Century's systems, policies, processes, and procedures for monitoring the use of leased space, medical supplies, medical devices, equipment, or other patient care items to ensure that such use is consistent with the terms of the applicable Focus Arrangement(s) (if applicable);

5. 21st Century's systems, policies, processes, and procedures for initiating Arrangements, including those policies that identify the individuals with

authority to initiate an Arrangement and that specify the business need or business rationale required to initiate an Arrangement;

6. 21st Century's systems, policies, processes, and procedures for the internal review and approval of all Arrangements, including those policies that identify the individuals required to approve each type or category of Arrangement entered into by 21st Century, the internal controls designed to ensure that all required approvals are obtained, and the processes for ensuring that all Focus Arrangements are subject to a legal review by counsel with expertise in the Anti-Kickback Statute and Stark Law;

7. the Compliance Officer's annual review of and reporting to the Compliance Committee on the Focus Arrangements Tracking System, 21st Century's internal review and approval process, and other Arrangements systems, process, policies, and procedures;

8. 21st Century's systems, policies, processes, and procedures for implementing effective responses when suspected violations of the Anti-Kickback Statute and Stark Law are discovered, including disclosing Reportable Events and quantifying and repaying Overpayments when appropriate; and

9. 21st Century's systems, policies, processes, and procedures for ensuring that all new and renewed Focus Arrangements comply with the Focus Arrangements Requirements set forth in Section III.D.2 of the CIA.

B. Arrangements Systems Review Report. The IRO shall prepare a report based upon each Arrangements Systems Review performed. The Arrangements Systems Review Report shall include the following information:

1. a description of the documentation (including policies) reviewed and personnel interviewed;

2. a detailed description of 21st Century's systems, policies, processes, and procedures relating to the items identified in Section A.1-9 above;

3. findings and supporting rationale regarding weaknesses in 21st Century's systems, processes, policies, and procedures relating to Arrangements described in Section A.1-9 above; and

4. recommendations to improve 21st Century's systems, policies, processes, or procedures relating to Arrangements described in Section A.1-9 above.

C. Arrangements Transactions Review. The Arrangements Transactions Review shall consist of a review by the IRO of 100 Focus Arrangements, including at least 45 randomly selected Focus Arrangements under Section II.C.2.a, at least 45 randomly selected Focus Arrangements under Section II.C.2.b, and at least 10 randomly selected Focus Arrangements under Section II.C.2.c, that were entered into or renewed during the Reporting Period. The IRO shall assess whether 21st Century has complied with the Focus Arrangements Procedures and the Focus Arrangements Requirements described in Sections III.D.1 and III.D.2 of the CIA, with respect to the selected Focus Arrangements.

The IRO's assessment with respect to each Focus Arrangement that is subject to review shall include:

1. verifying that the Focus Arrangement is maintained in 21st Century's centralized tracking system in a manner that permits the IRO to identify the parties to the Focus Arrangement and the relevant terms of the Focus Arrangement (*i.e.*, the items/services/equipment/space to be provided, the amount of compensation, the effective date, the expiration date, etc.);

2. verifying that the Focus Arrangement was subject to the internal review and approval process (including both a legal and business review) and obtained the necessary approvals and that such review and approval is appropriately documented;

3. verifying that the remuneration related to the Focus Arrangement is properly tracked;

4. verifying that the service and activity logs are properly completed and reviewed (if applicable);

5. verifying that leased space, medical supplies, medical devices, and equipment, and other patient care items are properly monitored (if applicable); and

6. verifying that the Focus Arrangement satisfies the Focus Arrangements Requirements of Section III.D.2 of the CIA.

D. Arrangements Transaction Review Report. The IRO shall prepare a report based on each Arrangements Transactions Review performed. The Arrangements Transaction Review Report shall include the following information:

1. *Review Methodology.*

- a. Review Protocol. A detailed narrative description of the procedures performed and a description of the sampling unit and universe utilized in performing the procedures for the sample reviewed.
- b. Sources of Data. A full description of the documentation and other information, if applicable, relied upon by the IRO in performing the Arrangements Transaction Review.
- c. Supplemental Materials. The IRO shall request all documentation and materials required for its review of the Focus Arrangements selected as part of the Arrangements Transaction Review and 21st Century shall furnish such documentation and materials to the IRO prior to the IRO initiating its review of the Focus Arrangements. If the IRO accepts any supplemental documentation or materials from 21st Century after the IRO has completed its initial review of the Focus Arrangements (Supplemental Materials), the IRO shall identify in the Arrangements Transaction Review Report the Supplemental Materials, the date the Supplemental Materials were accepted, and the relative weight the IRO gave to the Supplemental Materials in its review. In addition, the IRO shall include a narrative in the Arrangements Transaction Review Report describing the process by which the Supplemental Materials were accepted and the IRO's reasons for accepting the Supplemental Materials.

2. *Review Findings*. The IRO's findings with respect to whether 21st Century has complied with the Focus Arrangements Procedures and Focus Arrangements Requirements with respect to each of the randomly selected Focus Arrangements reviewed by the IRO. In addition, the Arrangements Transactions Review Report shall include observations, findings and recommendations on possible improvements to 21st Century's policies, procedures, and systems in place to ensure that all Focus Arrangements comply with the Focus Arrangements Procedures and Focus Arrangements Requirements.

**APPENDIX C**  
**CLAIMS REVIEW**

A. Claims Review. The IRO shall perform the Claims Review annually to cover the first three Reporting Periods and only cover claims submitted by 21st Century Oncology, LLC. The IRO shall perform all components of each Claims Review.

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

- a. Overpayment: The amount of money 21st Century has received in excess of the amount due and payable under Medicare and TRICARE program requirements, as determined by the IRO in connection with the review of claims performed under this Appendix B.
- b. Paid Claim: A claim submitted by 21st Century and for which 21st Century has received reimbursement from the Medicare and TRICARE programs.
- c. Population: The Population shall be defined as all Paid Claims during the 12-month period covered by the Claims Review.

2. *Claims Review Samples*. The IRO shall randomly select and review three samples of 100 Paid Claims (Claims Review Samples) as follows: (1) Paid Claims drawn from all laboratory claims; (2) Paid Claims drawn from all service lines within which physicians participate in 21st Century's ancillary bonus pools; and (3) Paid Claims drawn from all CPT code 77300 claims.<sup>1</sup> The Paid Claims shall be reviewed based on the supporting documentation available at 21st Century's office or under 21st Century's control, and the applicable coverage, billing, coding, and medical necessity requirements, regulations, and/or guidance to determine whether the items and services provided were medically necessary and appropriately documented, and whether the claims were correctly coded, submitted, and reimbursed. Additionally, with regard to the Claims Review Sample of Paid Claims drawn from all CPT code 77300 claims, the IRO shall ensure that the documentation demonstrates that CPT Code 77300 has been appropriately ordered and

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<sup>1</sup> The five character codes and descriptions included in this CIA were obtained from the Current Procedural Terminology (CPT®), copyright 2011 by the American Medical Association (AMA). CPT is developed by the AMA as a listing of descriptive terms and five character identifying codes and modifiers for reporting medical services and procedures. Any use of CPT outside of this CIA should refer to the most current version of the Current Procedural Terminology available from AMA. Applicable FARS/DFARS apply.

reviewed by a physician. For each Paid Claim in the Claims Review Samples that results in an Overpayment, the IRO shall review the system(s) and process(es) that generated the Paid Claim and identify any problems or weaknesses that may have resulted in the identified Overpayments. The IRO shall provide its observations and recommendations on suggested improvements to the system(s) and process(es) that generated the Paid Claim.

3. *Other Requirements.*

- a. Supplemental Materials. The IRO shall request all documentation and materials required for its review of the Paid Claims selected as part of the Claims Review Samples, and 21st Century shall furnish such documentation and materials to the IRO prior to the IRO initiating its review of the Claims Review Samples. If the IRO accepts any supplemental documentation or materials from 21st Century after the IRO has completed its initial review of the Claims Review Samples (Supplemental Materials), the IRO shall identify in the Claims Review Report the Supplemental Materials, the date the Supplemental Materials were accepted, and the relative weight the IRO gave to the Supplemental Materials in its review. In addition, the IRO shall include a narrative in the Claims Review Report describing the process by which the Supplemental Materials were accepted and the IRO's reasons for accepting the Supplemental Materials.
- b. Paid Claims without Supporting Documentation. Any Paid Claim for which 21st Century cannot produce documentation shall be considered an error and the total reimbursement received by 21st Century for such Paid Claim shall be deemed an Overpayment. Replacement sampling for Paid Claims with missing documentation is not permitted.
- c. Use of First Samples Drawn. For the purposes of all Claims Review Samples discussed in this Appendix, the Paid Claims selected shall be used (i.e., it is not permissible to generate more than one list of random samples and then select one for use with the Claims Review Samples).

4. *Repayment of Identified Overpayments.* 21st Century shall repay within 60 days any Overpayment(s) identified by the IRO in the Claims Review Samples, in accordance with the requirements of 42 U.S.C. § 1320a-7k(d) and 42 C.F.R. § 401.301-305 (and any applicable CMS guidance) (the "CMS overpayment rule"). If 21st Century determines that the CMS overpayment rule requires that an extrapolated Overpayment be

repaid, 21st Century shall repay that amount at the mean point estimate as calculated by the IRO. 21st Century shall make available to OIG all documentation that reflects the refund of the Overpayment(s) to the payor. OIG, in its sole discretion, may refer the findings of the Claims Review Samples (and any related work papers) received from 21st Century to the appropriate payor for follow up by the payor.

B. Claims Review Report. The IRO shall prepare a Claims Review Report as described in this Appendix for each Claims Review performed. The following information shall be included in the Claims Review Report for each Discovery Sample and Full Sample (if applicable).

1. *Claims Review Methodology.*

- a. Claims Review Population. A description of the Population subject to the Claims Review.
- b. Claims Review Objective. A clear statement of the objective intended to be achieved by the Claims Review.
- c. Source of Data. A description of the specific documentation relied upon by the IRO when performing the Claims Review (e.g., medical records, physician orders, certificates of medical necessity, requisition forms, local medical review policies (including title and policy number), CMS program memoranda (including title and issuance number), Medicare carrier or intermediary manual or bulletins (including issue and date), other policies, regulations, or directives).
- d. Review Protocol. A narrative description of how the Claims Review was conducted and what was evaluated.
- e. Supplemental Materials. A description of any Supplemental Materials as required by A.3.a., above.

2. *Statistical Sampling Documentation.*

- a. A copy of the printout of the random numbers generated by the “Random Numbers” function of the statistical sampling software used by the IRO.

- b. A description or identification of the statistical sampling software package used to select the sample and determine the Full Sample size, if applicable.
3. *Claims Review Findings.*
- a. Narrative Results.
    - i. A description of 21st Century’s billing and coding system(s), including the identification, by position description, of the personnel involved in coding and billing.
    - ii. A description of controls in place at 21st Century to ensure that all items and services billed to Medicare or TRICARE are medically necessary and appropriately documented.
    - ii. A narrative explanation of the IRO’s findings and supporting rationale (including reasons for errors, patterns noted, etc.) regarding the Claims Review, including the results of the Claims Review Samples .
  - b. Quantitative Results.
    - i. Total number and percentage of instances in which the IRO determined that the coding of the Paid Claims submitted by 21st Century differed from what should have been the correct claim and in which such difference resulted in an Overpayment to 21st Century.
    - ii. Total number and percentage of instances in which the IRO determined that a Paid Claim was not appropriately documented and in which such documentation errors resulted in an Overpayment to 21st Century.
    - iii. Total number and percentage of instances in which the IRO determined that a Paid Claim was for items or services that were not medically necessary and resulted in an Overpayment to 21st Century.
    - iv. Total dollar amount of all Overpayments in each Claims Review Sample.

- v. Total dollar amount of Paid Claims included in each Claims Review Sample.
  - vi. Error Rate in each Claims Review Sample. The Error Rate shall be calculated by dividing the Overpayment in each Claims Review Sample by the total dollar amount associated with each of the Paid Claims in that Claims Review Sample.
  - vii. An estimate of the actual Overpayments in the Population at the mean point estimate for each Claims Review Sample.
  - viii. A spreadsheet of the Claims Review results that includes the following information for each Paid Claim: Federal health care program billed, beneficiary health insurance claim number, date of service, code submitted (e.g., DRG, CPT code, etc.), code reimbursed, allowed amount reimbursed by payor, correct code (as determined by the IRO), correct allowed amount (as determined by the IRO), dollar difference between allowed amount reimbursed by payor and the correct allowed amount.
- c. Recommendations. The IRO's report shall include any recommendations for improvements to 21st Century's billing and coding system or to 21st Century's controls for ensuring that all items and services billed to Medicare or TRICARE are medically necessary and appropriately documented, based on the findings of the Claims Review.

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.