

**CORPORATE INTEGRITY AGREEMENT
BETWEEN THE
OFFICE OF INSPECTOR GENERAL
OF THE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
AND
BEEBE MEDICAL CENTER**

I. PREAMBLE

Beebe Medical Center (Beebe) 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). Contemporaneously with this CIA, Beebe is entering into a Settlement Agreement with the United States, and this CIA is incorporated by reference into the Settlement Agreement.

II. TERM AND SCOPE OF THE CIA

A. The period of the compliance obligations assumed by Beebe under this CIA shall be five years from the effective date of this CIA, unless otherwise specified. The effective date shall be the date on which the final signatory of this CIA executes this CIA (Effective Date). 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, VIII, IX, X, and XI shall expire no later than 120 days after OIG's receipt of: (1) Beebe's final annual report; or (2) any additional materials submitted by Beebe pursuant to OIG's request, whichever is later.

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

1. "Covered Persons" includes:

a. all owners, officers, directors, and employees of Beebe; and

- b. all contractors, subcontractors, agents, and other persons who provide patient care items or services or who perform billing or coding functions on behalf of Beebe;

Notwithstanding the above, this term does 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 per year, except that any such individuals shall become "Covered Persons" at the point when they work more than 160 hours during the calendar year.

2. "Relevant Covered Persons" includes all Covered Persons that have the authority to enter into contracts on behalf of Beebe or to negotiate or directly influence the terms of contracts on behalf of Beebe

III. CORPORATE INTEGRITY OBLIGATIONS

Beebe shall establish and maintain a Compliance Program that includes the following elements:

A. Compliance Officer and Committee.

1. *Compliance Officer.* Within 90 days after the Effective Date, Beebe shall appoint an individual to serve as its Compliance Officer and shall maintain a Compliance Officer for the term of the CIA. The Compliance Officer shall be responsible for developing and implementing policies, procedures, and practices designed to ensure compliance with the requirements set forth in this CIA and with Federal health care program requirements. The Compliance Officer shall be a member of senior management of Beebe, shall make periodic (at least quarterly) reports regarding compliance matters directly to the Board of Directors of Beebe, and shall be authorized to report on such matters to the Board of Directors at any time. The Compliance Officer shall not be or be subordinate to the General Counsel or Chief Financial Officer. The Compliance Officer shall be responsible for monitoring the day-to-day compliance activities engaged in by Beebe as well as for any reporting obligations created under this CIA.

Beebe shall report to OIG, in writing, any changes in the identity or position description of the Compliance Officer, or any actions or changes that would affect the

Compliance Officer's ability to perform the duties necessary to meet the obligations in this CIA, within 15 days after such a change.

2. *Compliance Committee.* Within 90 days after the Effective Date, Beebe 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 the organization's risk areas and shall oversee monitoring of internal and external audits and investigations).

Beebe 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.

B. Written Standards.

1. *Code of Conduct.* Within 90 days after the Effective Date, Beebe shall develop, implement, and distribute a written Code of Conduct to all Covered Persons. Beebe shall make the promotion of, and adherence to, the Code of Conduct an element in evaluating the performance of all employees. The Code of Conduct shall, at a minimum, set forth:

- a. Beebe's commitment to full compliance with all Federal health care program requirements, including its commitment to prepare and submit accurate claims consistent with such requirements;
- b. Beebe's requirement that all of its Covered Persons shall be expected to comply with all Federal health care program requirements and with Beebe's own Policies and Procedures as implemented pursuant to this Section III.B (including the requirements of this CIA);
- c. the requirement that all of Beebe's Covered Persons shall be expected to report to the Compliance Officer or other appropriate individual designated by Beebe suspected violations of any Federal

health care program requirements or of Beebe's own Policies and Procedures;

d. the possible consequences to both Beebe and Covered Persons of failure to comply with Federal health care program requirements and with Beebe's own Policies and Procedures and the failure to report such noncompliance; and

e. the right of all individuals to use the Disclosure Program described in Section III.E, and Beebe's commitment to nonretaliation and to maintain, as appropriate, confidentiality and anonymity with respect to such disclosures.

Within 90 days after the Effective Date, each Covered Person shall certify, in writing, that he or she has received, read, understood, and shall abide by Beebe's Code of Conduct. New Covered Persons shall receive the Code of Conduct and shall complete the required certification within 30 days after becoming a Covered Person or within 90 days after the Effective Date, whichever is later.

Beebe shall periodically review the Code of Conduct to determine if revisions are appropriate and shall make any necessary revisions based on such review. Any revised Code of Conduct shall be distributed within 30 days after any revisions are finalized. Each Covered Person shall certify, in writing, that he or she has received, read, understood, and shall abide by the revised Code of Conduct within 30 days after the distribution of the revised Code of Conduct.

2. *Policies and Procedures.* Within 90 days after the Effective Date, Beebe shall implement written Policies and Procedures regarding the operation of Beebe's compliance program and its compliance with Federal health care program requirements. At a minimum, the Policies and Procedures shall address:

a. the subjects relating to the Code of Conduct identified in Section III.B.1, and

b. The subject of prohibited associations, contracts, and business relationships as prohibited by any Federal or State legislation.

Within 90 days after the Effective Date, the relevant portions of the Policies and Procedures shall be distributed to all individuals whose job functions relate to those

Policies and Procedures. Appropriate and knowledgeable staff shall be available to explain the Policies and Procedures. At least annually (and more frequently, if appropriate), Beebe shall assess and update as necessary the Policies and Procedures. Within 30 days after the effective date of any revisions, the relevant portions of any such revised Policies and Procedures shall be distributed to all individuals whose job functions relate to those Policies and Procedures.

C. Training and Education.

1. *General Training.* Within 150 days after the Effective Date, Beebe shall provide at least two hours of General Training to each Covered Person. This training, at a minimum, shall explain Beebe's:

- a. CIA requirements; and
- b. Beebe's Compliance Program (including the Code of Conduct and the Policies and Procedures as they pertain to general compliance issues).

New Covered Persons shall receive the General Training described above within 30 days after becoming a Covered Person or within 150 days after the Effective Date, whichever is later. After receiving the initial General Training described above, each Covered Person shall receive at least one hour of General Training annually.

2. *Specific Training.* Within 150 days after the Effective Date, each Relevant Covered Person shall receive at least two hours of Specific Training in addition to the General Training required above. This Specific Training shall include a discussion of

- a. the legal sanctions for violations of the Federal health care program requirements;
- b. examples of violations of the Anti-Kickback Statute and Stark Law;
- c. the personal obligation of each individual involved in the development or maintenance of Beebe's Arrangements (as defined below in Section III.D) to know the Applicable Guidance and Requirements and Beebe's Policies and Procedures; and

d. a review of Provider's contracting Policies and Procedures related to Arrangements, as defined in Section III.D below, and the personal obligation of each individual involved in the development or maintenance of Arrangements to know applicable legal requirements and Provider's Policies and Procedures.

Relevant Covered Persons shall receive this training within 30 days after the beginning of their employment or becoming Relevant Covered Persons, or within 150 days after the Effective Date, whichever is later. A Beebe employee who has completed the Specific Training shall review a new Relevant Covered Person's work, until such time as the new Relevant Covered Person completes his or her Specific Training.

After receiving the initial Specific Training described in this Section, each Relevant Covered Person shall receive at least one hour of Specific Training annually.

3. *Certification.* Each individual who is required to attend training shall certify, in writing, or in electronic form, if applicable, that he or she has received the required training. The certification shall specify the type of training received and the date received. The Compliance Officer (or designee) shall retain the certifications, along with all course materials. These shall be made available to OIG, upon request.

4. *Qualifications of Trainer.* Persons providing the training shall be knowledgeable about the subject area.

5. *Update of Training.* Beebe shall annually review the training, and, where appropriate, update the training to reflect changes in Federal health care program requirements.

6. *Computer-based Training.* Beebe may provide the training required under this CIA through appropriate computer-based training approaches. If Beebe chooses to provide computer-based training, it shall make available appropriately qualified and knowledgeable staff or trainers to answer questions or provide additional information to the individuals receiving such training.

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

This Section shall apply to every relationship, arrangement, or transaction that:

(1) (a) involves, directly or indirectly, the offer, payment, solicitation, or receipt of anything of value; and (b) is between Provider and any actual or potential source of health care business or referrals to Provider or any actual or potential recipient of health care business or referrals from Provider. The term "source" shall mean any physician, contractor, vendor, or agent and the term "health care business or referrals" shall be read to include referring, recommending, arranging for, ordering, leasing, or purchasing of any good, facility, item, or service for which payment may be made in whole or in part by a Federal health care program; or

(2) is between Provider 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 Provider for designated health services (as defined at 42 U.S.C. § 1395nn(h)(6)),

The relationships, arrangements, and transactions described above, and the written versions thereof, are collectively referred to as "Arrangements." The party(ies) to an Arrangement other than Provider shall be referred to herein as a "contractor."

Within 90 days after the Effective Date, Provider shall create procedures reasonably designed to ensure that each Arrangement does not violate the Anti-Kickback Statute and/or the Stark Law, and shall implement procedures to evaluate all existing Arrangements, to the extent not already so evaluated, to determine whether such Arrangements violate the Anti-Kickback Statute and/or the Stark Law. Provider shall certify compliance with this obligation in the Implementation and Annual Reports.

Prior to entering into new Arrangements or renewing existing Arrangements, Provider shall ensure that all Arrangements are in compliance with the Anti-Kickback Statute and Stark Law, and the regulations, directives, and guidance related to these statutes, and comply with the following requirements:

1. The Arrangement shall be set forth in writing and signed by Provider and the contractor(s);
2. The Arrangement shall include a provision that all individuals who meet the definition of Covered Persons shall comply with Provider's Compliance Program, including the training related to the Anti-Kickback Statute and the Stark Law. Additionally, Provider shall provide each contractor with a copy of its Code of Conduct and Stark and Anti-Kickback Policies and Procedures;

3. Provider shall certify and shall require the contractor(s) to certify, at the time of signing the Arrangement and upon contract renewal, that the Arrangement is not intended to generate referrals for services or supplies for which payment may be made in whole or in part under any Federal health care program; and

4. Provider shall require the contractor(s) to certify, at the time of signing the Arrangement, that the contractor(s) shall comply with Provider's compliance program and with the Anti-Kickback Statute and the Stark Law.

Provider shall retain and make available to OIG, upon request, copies of all Arrangements subject to this Section and, to the extent available, all non-privileged communications related to the Arrangements and the actual performance of the duties under the Arrangements. Nothing in this CIA, or any other communication or report made pursuant to this CIA, shall constitute a waiver by Provider of its attorney-client, attorney work-product, or other applicable privileges. Notwithstanding that fact, the existence of any such privilege shall not be used by Provider to avoid its obligations to comply with the provisions of this CIA.

E. Disclosure Program.

Within 90 days after the Effective Date, Beebe 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 Beebe'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. Beebe 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. 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, Beebe 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, which shall include a record and summary of each disclosure received (whether anonymous or not), the status of the respective internal reviews, and any corrective action taken in response to the internal reviews. The disclosure log shall be made available to OIG, upon request.

F. Ineligible Persons.

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

a. an "Ineligible Person" shall include an individual or entity who:

- i. is currently excluded, debarred, suspended, or otherwise ineligible to participate in the Federal health care programs or in Federal procurement or nonprocurement programs; or
- ii. has been convicted of a criminal offense that falls within the ambit of 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible.

b. "Exclusion Lists" include:

- i. the HHS/OIG List of Excluded Individuals/Entities (available through the Internet at <http://oig.hhs.gov>); and
- ii. the General Services Administration's List of Parties Excluded from Federal Programs (available through the Internet at <http://epls.arnet.gov>).

c. "Screened Persons" include prospective and current owners, officers, directors, employees, contractors, and agents of Beebe.

2. *Screening Requirements.* Beebe shall ensure that all Screened Persons

are not Ineligible Persons, by implementing the following screening requirements.

a. Beebe shall screen all Screened Persons against the Exclusion Lists prior to engaging their services and, as part of the hiring or contracting process, shall require such persons to disclose whether they are an Ineligible Person.

b. Beebe shall screen all Screened Persons against the Exclusion Lists within 90 days after the Effective Date and on an annual basis thereafter.

c. Beebe shall implement a policy requiring all Screened Persons to disclose immediately any debarment, exclusion, suspension, or other event that makes that person an Ineligible Person.

Nothing in this Section affects the responsibility of (or liability for) Beebe to refrain from billing Federal health care programs for items or services furnished, ordered, or prescribed by an Ineligible Person.

3. *Removal Requirement.* If Beebe has actual notice that a Screened Person has become an Ineligible Person, Beebe shall remove such person from responsibility for, or involvement with, Beebe's business operations related to the Federal health care programs and shall remove such person from any position for which the person's compensation or the items or services furnished, ordered, or prescribed by the person are paid in whole or part, directly or indirectly, by Federal health care programs or otherwise with Federal funds at least until such time as the person is reinstated into participation in the Federal health care programs.

4. *Pending Charges and Proposed Exclusions.* If Beebe has actual notice that a Screened Person is charged with a criminal offense that falls within the ambit of 42 U.S.C. §§ 1320a-7(a), 1320a-7(b)(1)-(3), or is proposed for exclusion during his or her employment or contract term or, in the case of a physician, during the term of the physician's medical staff privileges, Beebe shall take all appropriate actions to ensure that the responsibilities of that person have not and shall not adversely affect the quality of care rendered to any beneficiary, patient, or resident, or the accuracy of any claims submitted to any Federal health care program.

5. *Physicians with Staff Privileges.* Prior to granting staff privileges to a physician after the Effective Date, Beebe shall screen in the manner described in Section III.F.2 above to determine if the physician is an Ineligible Person. Furthermore, Beebe shall review its list of physicians with staff privileges against the Exclusion Lists within

90 days after the Effective Date and at least annually thereafter. If a physician with staff privileges is an Ineligible Person, Beebe shall ensure that the physician does not furnish, order, or prescribe any items or services payable in whole or in part by any Federal health care program. In addition to any other appropriate measures, Beebe shall ensure that any physician who is an Ineligible Person is not "on call" at Beebe.

G. Notification of Government Investigation or Legal Proceedings.

Within 30 days after discovery, Beebe shall notify OIG, in writing, of any ongoing investigation or legal proceeding known to Beebe conducted or brought by a governmental entity or its agents involving an allegation that Beebe 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. Beebe 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 proceedings, if any.

H. Reporting.

1. Overpayments.

a. Definition of Overpayments. For purposes of this CIA, an "Overpayment" shall mean the amount of money Beebe has received in excess of the amount due and payable under any Federal health care program requirements.

b. Reporting of Overpayments. If, at any time, Beebe identifies or learns of any Overpayment, Beebe shall notify the payor (e.g., Medicare fiscal intermediary or carrier) within 30 days after identification of the Overpayment and take remedial steps within 60 days after identification (or such additional time as may be agreed to by the payor) to correct the problem, including preventing the underlying problem and the Overpayment from recurring. Also, within 30 days after identification of the Overpayment, Beebe shall repay the Overpayment to the appropriate payor to the extent such Overpayment has been quantified. If not yet quantified, within 30 days after identification, Beebe shall notify the payor of its efforts to quantify the Overpayment amount along with a schedule of when such work is expected to be completed. Notification and repayment

to the payor shall be done in accordance with the payor's policies, and, for Medicare contractors, shall include the information contained on the Overpayment Refund Form, provided as Appendix B to this CIA. Notwithstanding the above, notification and repayment of any Overpayment amount that routinely is reconciled or adjusted pursuant to policies and procedures established by the payor should be handled in accordance with such policies and procedures.

2. Reportable Events.

a. Definition of Reportable Event. For purposes of this CIA, a "Reportable Event" means anything that involves:

- i. a substantial Overpayment; or
- ii. a matter that a reasonable person would consider a probable violation of criminal, civil, or administrative laws applicable to any Federal health care program for which penalties or exclusion may be authorized.

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

b. Reporting of Reportable Events. If Beebe determines (after a reasonable opportunity to conduct an appropriate review or investigation of the allegations) through any means that there is a Reportable Event, Beebe shall notify OIG, in writing, within 30 days after making the determination that the Reportable Event exists. The report to OIG shall include the following information:

- i. If the Reportable Event results in an Overpayment, the report to OIG shall be made at the same time as the notification to the payor required in Section III.H.1, and shall include all of the information on the Overpayment Refund Form, as well as:

(A) the payor's name, address, and contact person to whom the Overpayment was sent; and

(B) the date of the check and identification number (or electronic transaction number) by which the Overpayment was repaid/refunded;

ii. a complete description of the Reportable Event, including the relevant facts, persons involved, and legal and Federal health care program authorities implicated;

iii. a description of Beebe's actions taken to correct the Reportable Event; and

iv. any further steps Beebe plans to take to address the Reportable Event and prevent it from recurring.

IV. NEW BUSINESS UNITS OR LOCATIONS

In the event that, after the Effective Date, Beebe changes locations or sells, closes, purchases, or establishes a new business unit or location related to the furnishing of items or services that may be reimbursed by Federal health care programs, Beebe shall notify OIG of this fact as soon as possible, but no later than within 30 days after the date of change of location, sale, closure, purchase, or establishment. This notification shall include the address of the new business unit or location, phone number, fax number, Medicare Provider number, provider identification number and/or supplier number, and the corresponding contractor's name and address that has issued each Medicare number. Each new business unit or location shall be subject to all the requirements of this CIA.

V. IMPLEMENTATION AND ANNUAL REPORTS

A. Implementation Report. Within 180 days after the Effective Date, Beebe 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, address, phone number, and position description of the Compliance Officer required by Section III.A, and a summary of other noncompliance job responsibilities the Compliance Officer may have;

2. the names and positions of the members of the Compliance Committee required by Section III.A;
3. a copy of Beebe's Code of Conduct required by Section III.B.1;
4. a copy of all Policies and Procedures required by Section III.B.2;
5. the number of individuals required to complete the Code of Conduct certification required by Section III.B.1, the percentage of individuals who have completed such certification, and an explanation of any exceptions (the documentation supporting this information shall be available to OIG, upon request);
6. the following information regarding each type of training required by Section III.C:
 - a. a description of such training, including a summary of the topics covered, the length of sessions and a schedule of training sessions;
 - b. number of individuals required to be trained, percentage of individuals actually trained, and an explanation of any exceptions.

A copy of all training materials and the documentation supporting this information shall be available to OIG, upon request.

7. a description of the Disclosure Program required by Section III.E;
8. a description of the process by which Beebe fulfills the requirements of Section III.F regarding Ineligible Persons;
9. the name, title, and responsibilities of any person who is determined to be an Ineligible Person under Section III.F; the actions taken in response to the screening and removal obligations set forth in Section III.F; and the actions taken to identify, quantify, and repay any overpayments to Federal health care programs relating to items or services furnished, ordered or prescribed by an Ineligible Person;
10. a list of all of Beebe's locations (including locations and mailing addresses); the corresponding name under which each location is doing

business; the corresponding phone numbers and fax numbers; each location's Medicare Provider number(s), provider identification number(s), and/or supplier number(s); and the name and address of each Medicare contractor to which Beebe currently submits claims;

11. a description of Beebe's corporate structure, including identification of any parent and sister companies, subsidiaries, and their respective lines of business;

12. the certifications required by Section V.C.; and

13. A certification as required in Section III.D.2.

B. Annual Reports. Beebe shall submit to OIG annually a report with respect to the status of, and findings regarding, Beebe's compliance activities for each of the five Reporting Periods (Annual Report).

Each Annual Report shall include, at a minimum:

1. any change in the identity, position description, or other noncompliance job responsibilities of the Compliance Officer and any change in the membership of the Compliance Committee described in Section III.A;

2. a summary of any significant changes or amendments to the Policies and Procedures required by Section III.B and the reasons for such changes (e.g., change in contractor policy) and copies of any compliance-related Policies and Procedures;

3. the number of individuals required to complete the Code of Conduct certification required by Section III.B.1, the percentage of individuals who have completed such certification, and an explanation of any exceptions (the documentation supporting this information shall be available to OIG, upon request);

4. the following information regarding each type of training required by Section III.C:

a. a description of such training, including a summary of the topics covered, the length of sessions and a schedule of training sessions;

- b. number of individuals required to be trained, percentage of individuals actually trained, and an explanation of any exceptions.

A copy of all training materials and the documentation supporting this information shall be available to OIG, upon request.

5. a summary of Reportable Events (as defined in Section III.H) identified during the Reporting Period and the status of any corrective and preventative action relating to all such Reportable Events;
6. a report of the aggregate Overpayments that have been returned to the Federal health care programs. Overpayment amounts shall be broken down into the following categories: inpatient Medicare, outpatient Medicare, Medicaid (report each applicable state separately, if applicable), and other Federal health care programs. Overpayment amounts that are routinely reconciled or adjusted pursuant to policies and procedures established by the payor do not need to be included in this aggregate Overpayment report;
7. a summary of the disclosures in the disclosure log required by Section III.E that: (a) relate to Federal health care programs; or (b) allege abuse or neglect of patients;
8. any changes to the process by which Beebe fulfills the requirements of Section III.F regarding Ineligible Persons;
9. the name, title, and responsibilities of any person who is determined to be an Ineligible Person under Section III.F; the actions taken by Beebe in response to the screening and removal obligations set forth in Section III.F; and the actions taken to identify, quantify, and repay any overpayments to Federal health care programs relating to items or services relating to items or services furnished, ordered or prescribed by an Ineligible Person;
10. a summary describing any ongoing investigation or legal proceeding required to have been reported pursuant to Section III.G. The summary shall include a description of the allegation, the identity of the investigating or prosecuting agency, and the status of such investigation or legal proceeding;

11. a description of all changes to the most recently provided list of Beebe's locations (including addresses) as required by Section V.A.11; the corresponding name under which each location is doing business; the corresponding phone numbers and fax numbers; each location's Medicare Provider number(s), provider identification number(s), and/or supplier number(s); and the name and address of each Medicare contractor to which Beebe currently submits claims;

12. the certifications required by Section V.C.; and

13. the certification as required in Section III.D.2.

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. The Implementation Report and Annual Reports shall include a certification by the Compliance Officer that:

(1) to the best of his or her knowledge, except as otherwise described in the applicable report, Beebe is in compliance with all of the requirements of this CIA;

(2) 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; and

(3) Beebe 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. Beebe 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. Beebe 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

Beebe:

Wendy Herbst
Corporate Compliance Officer
424 Savannah Road
Lewes, DE 19958-0226
Telephone: 302-645-3524
Facsimile: 302-645-3635

Unless otherwise specified, all notifications and reports required by this CIA may be made by certified mail, overnight mail, hand delivery, or other means, provided that there is proof that such notification was received. For purposes of this requirement, internal facsimile confirmation sheets do not constitute proof of receipt.

VII. OIG INSPECTION, AUDIT, AND REVIEW RIGHTS

In addition to any other rights OIG may have by statute, regulation, or contract, OIG or its duly authorized representative(s) may examine or request copies of Beebe's books, records, and other documents and supporting materials and/or conduct on-site reviews of any of Beebe's locations for the purpose of verifying and evaluating: (a)

Beebe's compliance with the terms of this CIA; and (b) Beebe's compliance with the requirements of the Federal health care programs in which it participates. The documentation described above shall be made available by Beebe to OIG or its duly authorized representative(s) at all reasonable times for inspection, audit, or reproduction. Furthermore, for purposes of this provision, OIG or its duly authorized representative(s) may interview any of Beebe's employees, contractors, or agents who consent to be interviewed at the individual's place of business during normal business hours or at such other place and time as may be mutually agreed upon between the individual and OIG. Beebe shall assist OIG or its duly authorized representative(s) in contacting and arranging interviews with such individuals upon OIG's request. Beebe's employees may elect to be interviewed with or without a representative of Beebe present.

VIII. DOCUMENT AND RECORD RETENTION

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

IX. DISCLOSURES

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

X. BREACH AND DEFAULT PROVISIONS

Beebe 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, Beebe 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 Beebe fails to establish and implement any of the following obligations as described in Section III:

- a. a Compliance Officer;
- b. a Compliance Committee;
- c. a written Code of Conduct;
- d. written Policies and Procedures;
- e. the training of Covered Persons;
- f. a Disclosure Program;
- g. Ineligible Persons screening and removal requirements; and
- h. Notification of Government investigations or legal proceedings.

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 Beebe fails to be in Contractual Compliance with the Anti-Kickback Statute and the Stark Law as required in Section III.D.

3. A Stipulated Penalty of \$2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day Beebe fails to submit the Implementation Report or the Annual Reports 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 Beebe fails to submit the annual Claims Review Report in accordance with the requirements of Section III.D.

5. A Stipulated Penalty of \$1,500 for each day Beebe fails to grant access to the information or documentation as required in Section VII. (This Stipulated Penalty shall begin to accrue on the date Beebe fails to grant access.)

6. A Stipulated Penalty of \$5,000 for each false certification submitted by or on behalf of Beebe as part of its Implementation Report, Annual Report, additional documentation to a report (as requested by the OIG), or otherwise required by this CIA.

7. A Stipulated Penalty of \$1,000 for each day Beebe fails to comply fully and adequately with any obligation of this CIA. OIG shall provide notice to Beebe, stating the specific grounds for its determination that Beebe has failed to comply fully and adequately with the CIA obligation(s) at issue and steps Beebe shall take to comply with the CIA. (This Stipulated Penalty shall begin to accrue 10 days after Beebe 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 1-6 of this Section.

B. Timely Written Requests for Extensions. Beebe 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 Beebe fails to meet the revised deadline set by OIG. Notwithstanding any other provision in this Section, if OIG denies such a timely written request, Stipulated Penalties for failure to perform the act or file the notification or report shall not begin to accrue until three business days after Beebe receives OIG's written denial of such request or the original due date, whichever is later. A "timely written request" is defined as a request in writing received by OIG at least five business days prior to the date by which any act is due to be performed or any notification or report is due to be filed.

C. Payment of Stipulated Penalties.

1. *Demand Letter*. Upon a finding that Beebe 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 Beebe of: (a) Beebe's failure to comply; and (b) OIG's exercise of its contractual right to demand payment of the Stipulated Penalties (this notification is referred to as the "Demand Letter").

2. *Response to Demand Letter*. Within 10 days after the receipt of the Demand Letter, Beebe 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 Beebe elects to request an ALJ hearing, the Stipulated Penalties shall continue to accrue until Beebe cures, to OIG's satisfaction, the alleged breach in dispute. Failure to respond to the Demand Letter in one of these two manners within the allowed time period shall be considered a material breach of this CIA and shall be grounds for exclusion under Section X.D.

3. *Form of Payment.* Payment of the Stipulated Penalties shall be made by certified or cashier's check, payable to: "Secretary of the Department of Health and Human Services," and submitted to OIG at the address set forth in Section VI.

4. *Independence from Material Breach Determination.* Except as set forth in Section X.D.1.c, these provisions for payment of Stipulated Penalties shall not affect or otherwise set a standard for OIG's decision that Beebe 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 Beebe to report a Reportable Event, take corrective action, and make the appropriate refunds, as required in Section III.H;
- b. a repeated or flagrant violation of the obligations under this CIA, including, but not limited to, the obligations addressed in Section X.A; or
- c. a failure to respond to a Demand Letter concerning the payment of Stipulated Penalties in accordance with Section X.C.

2. *Notice of Material Breach and Intent to Exclude.* The parties agree that a material breach of this CIA by Beebe constitutes an independent basis for Beebe's exclusion from participation in the Federal health care programs. Upon a determination by OIG that Beebe has materially breached this CIA and that exclusion is the appropriate remedy, OIG shall notify Beebe of: (a) Beebe's material breach; and (b) OIG's intent to exercise its contractual right to impose exclusion (this notification is hereinafter referred to as the "Notice of Material Breach and Intent to Exclude").

3. *Opportunity to Cure.* Beebe shall have 30 days from the date of receipt of the Notice of Material Breach and Intent to Exclude to demonstrate to OIG's satisfaction that:

- a. Beebe is in compliance with the obligations of the CIA cited by OIG as being the basis for the material breach;
- b. the alleged material breach has been cured; or
- c. the alleged material breach cannot be cured within the 30-day period, but that: (i) Beebe has begun to take action to cure the material breach; (ii) Beebe is pursuing such action with due diligence; and (iii) Beebe has provided to OIG a reasonable timetable for curing the material breach.

4. *Exclusion Letter.* If, at the conclusion of the 30-day period, Beebe fails to satisfy the requirements of Section X.D.3, OIG may exclude Beebe from participation in the Federal health care programs. OIG shall notify Beebe in writing of its determination to exclude Beebe (this letter shall be referred to hereinafter as the "Exclusion Letter"). Subject to the Dispute Resolution provisions in Section X.E, below, the exclusion shall go into effect 30 days after the date of Beebe's receipt of the Exclusion Letter. The exclusion shall have national effect and shall also apply to all other Federal procurement and nonprocurement programs. Reinstatement to program participation is not automatic. After the end of the period of exclusion, Beebe 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 Beebe 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, Beebe 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.

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 Beebe was in full and timely compliance with the obligations of this CIA for which OIG demands payment; and (b) the period of noncompliance. Beebe 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 Beebe to pay Stipulated Penalties, such Stipulated Penalties shall become due and payable 20 days after the ALJ issues such a decision unless Beebe 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:

- a. whether Beebe was in material breach of this CIA;
- b. whether such breach was continuing on the date of the Exclusion Letter; and
- c. whether the alleged material breach could not have been cured within the 30-day period, but that: (i) Beebe had begun to take action to cure the material breach within that period; (ii) Beebe has pursued and is pursuing such action with due diligence; and (iii) Beebe provided to OIG within that period a reasonable timetable for curing the material breach and Beebe has followed the timetable.

For purposes of the exclusion herein, exclusion shall take effect only after an ALJ decision favorable to OIG, or, if the ALJ rules for Beebe, only after a DAB decision in favor of OIG. Beebe's election of its contractual right to appeal to the DAB shall not abrogate OIG's authority to exclude Beebe 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 Beebe 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. Beebe 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 Beebe, Beebe shall be reinstated effective on the date of the original exclusion.

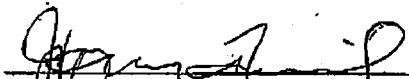
4. *Finality of Decision.* The review by an ALJ or DAB provided for above shall not be considered to be an appeal right arising under any statutes or regulations. Consequently, the parties to this CIA agree that the DAB's decision (or the ALJ's decision if not appealed) shall be considered final for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

XI. EFFECTIVE AND BINDING AGREEMENT

Consistent with the provisions in the Settlement Agreement pursuant to which this CIA is entered, and into which this CIA is incorporated, Beebe and OIG agree as follows:

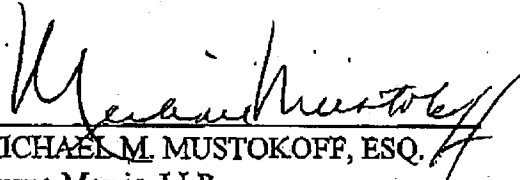
- A. This CIA shall be binding on the successors, assigns, and transferees of Beebe;
- B. This CIA shall become final and binding on the date the final signature is obtained on the CIA;
- C. Any modifications to this CIA shall be made with the prior written consent of the parties to this CIA;
- D. OIG may agree to a suspension of Beebe's obligations under the CIA in the event of Beebe's cessation of participation in Federal health care programs. If Beebe withdraws from participation in Federal health care programs and is relieved of its CIA obligations by OIG, Beebe shall notify OIG at least 30 days in advance of Beebe's intent to reapply as a participating provider or supplier with any Federal health care program. Upon receipt of such notification, OIG shall evaluate whether the CIA should be reactivated or modified.
- E. The undersigned Beebe signatory represents and warrants that he is authorized to execute this CIA. The undersigned OIG signatory represents that he is signing this CIA in his official capacity and that he is authorized to execute this CIA.

ON BEHALF OF BEEBE MEDICAL CENTER



JEFFREY FRIED, President and CEO
Beebe Medical Center

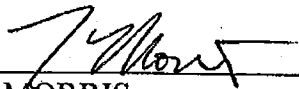
3/6/06
DATE




MICHAEL M. MUSTOKOFF, ESQ.
Duane Morris, LLP
Counsel for Beebe Medical Center

3/15/06
DATE

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



LEWIS MORRIS
Chief Counsel to the Inspector General
Office of Inspector General
U. S. Department of Health and Human Services



DATE

CIA APPENDIX B

Appendix B Instruction Guide
Contracts with Referral Sources and Referral Recipients

1. Parties: With whom Beebe Medical Center (Beebe) has entered into a contractual arrangement.
2. Relationship(s) between the parties: The type of relationship between Beebe and another party, e.g.: Physician Employment Contract, Medical Directorship, Lease Agreement, etc...
3. Start Date
4. End Date
5. Automatic Renewal Provisions
6. Description: Include the type and/or subject of the contract.
7. Payment Methodology: Provide an accurate representation of the relationship, i.e., a description of the method and how it was determined.

Examples: Physician Contractual Arrangement

8. How was fair market value evaluated? E.g.: for a physician contract, it could be an analysis performed by an outside accounting firm or net collections minus operating expenses formulary. For a lease it could be market rate determined by a commercial real estate management firm.
9. If applicable, does a Stark Law exception (apply) (exist) (fit)?
10. If applicable, does it fall within a Safe Harbor?

Other

Recognizing this is an ongoing review from year to year, and there may be no changes to certain arrangements, please note which arrangements have been updated since the last submission.

CIA APPENDIX C

OVERPAYMENT REFUND

TO BE COMPLETED BY MEDICARE CONTRACTOR

Date: _____
 Contractor Deposit Control # _____ Date of Deposit: _____
 Contractor Contact Name: _____ Phone # _____
 Contractor Address: _____
 Contractor Fax: _____

TO BE COMPLETED BY PROVIDER/PHYSICIAN/SUPPLIER

Please complete and forward to Medicare Contractor. This form, or a similar document containing the following information, should accompany every voluntary refund so that receipt of check is properly recorded and applied.

PROVIDER/PHYSICIAN/SUPPLIER NAME _____
 ADDRESS _____
 PROVIDER/PHYSICIAN/SUPPLIER # _____ CHECK NUMBER# _____
 CONTACT PERSON: _____ PHONE # _____
 AMOUNT OF CHECK \$ _____ CHECK DATE _____

REFUND INFORMATION

For each Claim, provide the following:

Patient Name _____ HIC # _____
 Medicare Claim Number _____ Claim Amount Refunded \$ _____
 Reason Code for Claim Adjustment: _____ (Select reason code from list below. Use one reason per claim)

(Please list all claim numbers involved. Attach separate sheet, if necessary)

Note: If Specific Patient/HIC/Claim #/Claim Amount data not available for all claims due to Statistical Sampling, please indicate methodology and formula used to determine amount and reason for overpayment:

For Institutional Facilities Only:

Cost Report Year(s) _____
 (If multiple cost report years are involved, provide a breakdown by amount and corresponding cost report year.)

For OIG Reporting Requirements:

Do you have a Corporate Integrity Agreement with OIG? Yes No

Reason Codes:

<u>Billing/Clerical Error</u>	<u>MSP/Other Payer Involvement</u>	<u>Miscellaneous</u>
01 - Corrected Date of Service	08 - MSP Group Health Plan Insurance	13 - Insufficient Documentation
02 - Duplicate	09 - MSP No Fault Insurance	14 - Patient Enrolled in an HMO
03 - Corrected CPT Code	10 - MSP Liability Insurance	15 - Services Not Rendered
04 - Not Our Patient(s)	11 - MSP, Workers Comp.(Including Black Lung	16 - Medical Necessity
05 - Modifier Added/Removed	12 - Veterans Administration	17 - Other (Please Specify) _____
06 - Billed in Error		
07 - Corrected CPT Code		

**EXHIBIT B
(PROVIDER
CERTIFICATION)**

CERTIFICATION

A. I, [Provider], certify under penalty of perjury that during the prior 12-month period from _____, through and including _____, for any relationship, arrangement, and transaction (Arrangement) that:

(1) (a) involves, directly or indirectly, the offer, payment, solicitation, or receipt of anything of value; and (b) is between [Provider] and any actual or potential source of health care business or referrals to [Provider] or any actual or potential recipient of health care business or referrals from [Provider]. The term "source" shall mean any facility, institution, physician, contractor, vendor, or agent and the term "health care business or referrals" shall be read to include referring, recommending, arranging for, ordering, leasing, or purchasing of any goods, facility, item, or service for which payment may be made in whole or in part by a Federal health care program; or

(2) is between [Provider] (or [Provider]'s immediate family member (as defined at 42 C.F.R. § 411.351)) and any person or entity to which [Provider] makes a referral (as defined at 42 U.S.C. § 1395nn(h)(5)) to for designated health services (as defined at 42 U.S.C. § 1395nn(h)(6)).

All Arrangements, including those predating the 12-month period, are in compliance with the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b), and Stark Law, 42 U.S.C. § 1395nn, and the regulations, directives, and guidance related to these statutes.

B. All new and existing Arrangements:

(1) are set forth in writing and signed by [Provider] and the other parties to the Arrangement;

2. include a provision that all parties to the Arrangement shall comply with the Anti-Kickback Statute and the Stark Law; and

3. require all parties to the Arrangement to certify, at the time of signing the Arrangement and upon contract renewal, that the Arrangement is not intended to generate referrals for items or services for which payment may be made in whole or in part under any Federal health care program.

[Provider]

Date

[ALTERNATE LANGUAGE]

A. I, [Provider], certify under penalty of perjury that during the prior 12-month period from _____, through and including _____, for any relationship, arrangement, and transaction (Arrangement) that:

(1) (a) involves, directly or indirectly, the offer, payment, solicitation, or receipt of anything of value; and (b) is between [Provider] and any actual or potential source of health care business or referrals to [Provider] or any actual or potential recipient of health care business or referrals from [Provider]. The term "source" shall mean any facility, institution, physician, contractor, vendor, or agent and the term "health care business or referrals" shall be read to include referring, recommending, arranging for, ordering, leasing, or purchasing of any goods, facility, item, or service for which payment may be made in whole or in part by a Federal health care program; or

(2) is between [Provider] (or [Provider]'s immediate family member (as defined at 42 C.F.R. § 411.351)) and any person or entity to which [Provider] makes a referral (as defined at 42 U.S.C. § 1395nn(h)(5)) to for designated health services (as defined at 42 U.S.C. § 1395nn(h)(6)).

All Arrangements (except those described below), including those predating the 12-month period, are in compliance with the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b), and Stark Law, 42 U.S.C. § 1395nn, and the regulations, directives, and guidance related to these statutes.

The Arrangement(s) that is (are) (an) exception(s) to the above certification is (are) described below:

I entered into an Arrangement with:

The relevant facts of the Arrangement are :

This Arrangement involved the following Federal health care program(s):

The corrective actions taken were:

An overpayment resulting from the Arrangement in the amount of \$ _____ was repaid to (program name and fiscal intermediary or carrier) on (date) and proof of payment is attached:

The following steps have been implemented to prevent recurrence:

[Provider]

Date