

**CERTIFICATION OF COMPLIANCE AGREEMENT  
BETWEEN THE  
OFFICE OF INSPECTOR GENERAL OF THE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
AND  
DANBURY HOSPITAL, INC.**

**I. PREAMBLE**

Danbury Hospital, Inc. (Danbury) hereby enters into this Certification of Compliance Agreement (CCA) with the Office of Inspector General (OIG) of the United States Department of Health and Human Services (HHS). Contemporaneously with this CCA, Danbury is entering into a Settlement Agreement with the United States, and this CCA is incorporated by reference into the Settlement Agreement.

The effective date of this CCA shall be the date on which the final signatory of this CCA executes this CCA (Effective Date). Each one-year period, beginning with the one-year period following the Effective Date, shall be referred to as a "Reporting Period."

**II. INTEGRITY REQUIREMENTS**

Danbury shall, for a period of three years from the Effective Date of this CCA:

A. Continued Implementation of Compliance Program. Danbury shall continue to maintain its Compliance Program, as described in the attached Declaration (which is incorporated by reference as Appendix A), and continue to provide, at a minimum, the same level of resources currently provided, throughout this time period. Danbury may amend its Compliance Program as it deems necessary, so long as those amendments are consistent with the overall objective of ensuring compliance with the requirements of Medicare, Medicaid, and all other Federal health care programs, as defined in 42 U.S.C. § 1320a-7b(f).

B. Reporting of Overpayments. Danbury shall promptly refund to the appropriate Federal health care program payor any identified Overpayment(s). For purposes of this CCA, an "Overpayment" shall mean the amount of money Danbury has received in excess of the amount due and payable under any Federal health care program requirements. If, at any time, Danbury identifies or learns of any Overpayment, Danbury 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, Danbury 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, Danbury 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 CCA. Notwithstanding the above, notification and repayment of any Overpayment amount that is routinely reconciled or adjusted pursuant to policies and procedures established by the payor should be handled in accordance with such policies and procedures.

C. Reportable Events. Danbury shall report to OIG in writing within 30 days after making a determination (after a reasonable opportunity to conduct an appropriate review or investigation of the allegations) that there is a Reportable Event, which shall mean anything that involves: (1) a substantial Overpayment, or (2) 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. In such report, Danbury shall include the following information:

1. 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 II.B, 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;
2. a complete description of the Reportable Event, including the relevant facts, persons involved, and legal and Federal health care program authorities implicated;
3. a description of Danbury's actions taken to correct the Reportable Event; and
4. any further steps Danbury plans to take to address the Reportable Event and prevent it from recurring.

D. Notification of Government Investigation or Legal Proceedings. Within 30 days after discovery, Danbury shall notify OIG, in writing, of any ongoing investigation or legal proceeding known to Danbury conducted or brought by a governmental entity or its agents involving an allegation that Danbury 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. Danbury 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.

E. Annual Reporting Requirements. Danbury shall submit to OIG annually a report that sets forth the following information for each Reporting Period (Annual Report):

1. A description of any material amendments to its Compliance Program and the reasons for such changes;
2. Any changes to the level of resources dedicated to its Compliance Program and the reasons for such changes;
3. A summary of all internal or external reviews, audits, or analyses of its Compliance Program (including, at a minimum, the objective of the review, audit, or analysis; the protocol or methodology for the review, audit, or analysis; and the results of the review, audit, or analysis) and any corrective action plans developed in response to such reviews, audits, or analyses;
4. A summary of all internal or external reviews, audits, or analyses related to the assignment of all diagnosis related group (DRG) codes including, but not limited to, DRG 416, DRG 87, and DRG 79 (including, at a minimum, the objective of the review, audit, or analysis; the protocol or methodology for the review, audit, or analysis; and the results of the review, audit, or analysis) and any corrective action plans developed in response to such reviews, audits, or analyses;
5. 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 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; and

6. A joint certification by the Chief Executive Officer and the Compliance Officer that: (a) to the best of their knowledge, except as otherwise described in the Annual Report, Danbury is in compliance with the requirements of this Section II; and (b) they have reviewed the Annual Report and have made reasonable inquiry regarding its content and believe that the information in the Annual Report is accurate and truthful.

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.

F. Notifications and Submission of Annual Reports. Unless otherwise specified in writing after the Effective Date, all notifications and Annual Reports required under this CCA shall be submitted to the following addresses:

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

Danbury:

Joseph A. Campbell  
Corporate Compliance Officer  
Danbury Health Systems, Inc.  
24 Hospital Avenue  
Danbury, CT 06810  
Telephone: 203-797-7110  
Facsimile: 203-739-8576

Unless otherwise specified, all notifications and reports required by this CCA may be made by certified mail, overnight mail, hand delivery, or other means, provided that there is proof that such report or notification was received. For purposes of this requirement,

internal facsimile confirmation sheets do not constitute proof of receipt.

G. 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 Danbury's books, records, and other documents and supporting materials and/or conduct on-site reviews of any of Danbury's locations for the purpose of verifying and evaluating: (a) Danbury's compliance with the terms of this CCA; and (b) Danbury's compliance with the requirements of the Federal health care programs in which it participates. The documentation described above shall be made available by Danbury 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 Danbury'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. Danbury shall assist OIG or its duly authorized representative(s) in contacting and arranging interviews with such individuals upon OIG's request. Danbury's employees may elect to be interviewed with or without a representative of Danbury present.

H. Document and Record Retention. Danbury shall maintain for inspection all documents and records relating to reimbursement from the Federal health care programs, or to compliance with this CCA, for four years (or longer if otherwise required by law).

### **III. BREACH AND DEFAULT PROVISIONS**

Danbury is expected to fully and timely comply with all of the Integrity Requirements set forth in this CCA.

A. Stipulated Penalties for Failure to Comply with Certain Obligations. As a contractual remedy, Danbury and OIG hereby agree that failure to comply with the Integrity Requirements set forth in this CCA 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 Danbury fails to establish and implement any of the following compliance program elements as described in Section II and the Declaration attached to this CCA as Appendix A:

a. a Compliance Officer;

- b. a Compliance Committee;
- c. a written Code of Conduct;
- d. written Policies and Procedures;
- e. the annual training of owners, officers, directors, employees, medical staff, and other persons who provide patient care items or services or who perform billing or coding functions on behalf of Danbury;
- f. an internal audit department that performs periodic reviews to monitor Danbury's compliance with Federal health care program requirements;
- g. a Disclosure Program;
- h. Ineligible Persons screening and removal requirements; and
- i. notification of government investigations and 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 Danbury fails to submit the Annual Reports to OIG in accordance with the requirements of Section II.E by the stated deadlines for submission.

3. A Stipulated Penalty of \$1,500 for each day Danbury fails to grant access to the information or documentation as required in Section II.G of this CCA. (This Stipulated Penalty shall begin to accrue on the date Danbury fails to grant access.)

4. A Stipulated Penalty of \$5,000 for each false certification submitted by or on behalf of Danbury as part of its Annual Reports or otherwise required by this CCA.

5. A Stipulated Penalty of \$1,000 for each day Danbury fails to comply fully and adequately with any Integrity Requirements of this CCA. OIG shall provide notice to Danbury, stating the specific grounds for its determination that Danbury has failed to comply fully and adequately with the Integrity Requirement(s) at issue and steps Danbury shall take to comply with the Integrity Requirements of this CCA. (This Stipulated Penalty shall begin to accrue 10 days after Danbury receives 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 1-4 of this Section III.A.

B. Timely Written Requests for Extensions. Danbury 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 CCA. 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 Danbury 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 Danbury 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 Danbury has failed to comply with any of the obligations described in Section III.A and after determining that Stipulated Penalties are appropriate, OIG shall notify Danbury of: (a) Danbury'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, Danbury 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 III.E. In the event Danbury elects to request an ALJ hearing, the Stipulated Penalties shall continue to accrue until Danbury 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 CCA and shall be grounds for exclusion under Section III.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 II.F.

4. *Independence from Material Breach Determination.* Except as set forth in Section III.D.1.c, these provisions for payment of Stipulated Penalties shall not affect or otherwise set a standard for OIG's decision that Danbury has materially breached this

CCA, which decision shall be made at OIG's discretion and shall be governed by the provisions in Section III.D, below.

D. Exclusion for Material Breach of this CCA.

1. *Definition of Material Breach.* A material breach of this CCA means:

- a. a failure by Danbury to report a Reportable Event, take corrective action, and make the appropriate refunds, as required in Section II.C;
- b. a repeated or flagrant violation of the obligations under this CCA, including, but not limited to, the obligations addressed in Section III.A; or
- c. a failure to respond to a Demand Letter concerning the payment of Stipulated Penalties in accordance with Section III.C.

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

3. *Opportunity to Cure.* Danbury 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. Danbury is in compliance with the requirements of the CCA 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) Danbury has begun to take action to cure the material breach; (ii) Danbury is pursuing such action with due diligence; and (iii) Danbury has provided to OIG a reasonable timetable for curing the material breach.

4. *Exclusion Letter.* If, at the conclusion of the 30-day period, Danbury



fails to satisfy the requirements of Section III.D.3, OIG may exclude Danbury from participation in the Federal health care programs. OIG shall notify Danbury in writing of its determination to exclude Danbury (this letter shall be referred to as the "Exclusion Letter"). Subject to the Dispute Resolution provisions in Section III.E, below, the exclusion shall go into effect 30 days after the date of Danbury'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, Danbury 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 Danbury of its Demand Letter or of its Exclusion Letter, and as an agreed-upon contractual remedy for the resolution of disputes arising under this CCA, Danbury 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 CCA. 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 CCA shall be: (a) whether Danbury was in full and timely compliance with the requirements of this CCA for which OIG demands payment; and (b) the period of noncompliance. Danbury 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 CCA and orders Danbury to pay Stipulated Penalties, such Stipulated Penalties shall become due and payable 20 days after the ALJ issues such a decision unless Danbury 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 CCA shall be:

- a. whether Danbury was in material breach of this CCA;
- 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) Danbury had begun to take action to cure the material breach within that period; (ii) Danbury has pursued and is pursuing such action with due diligence; and (iii) Danbury provided to OIG within that period a reasonable timetable for curing the material breach and Danbury 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 Danbury, only after a DAB decision in favor of OIG. Danbury's election of its contractual right to appeal to the DAB shall not abrogate OIG's authority to exclude Danbury 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 Danbury 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. Danbury 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 Danbury, Danbury 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 CCA agree that the DAB's decision (or the ALJ's decision if not appealed) shall be considered final for all purposes under this CCA.

#### **IV. EFFECTIVE AND BINDING AGREEMENT**

Danbury and OIG agree as follows:

A. This CCA shall be binding on the successors, assigns, and transferees of Danbury;

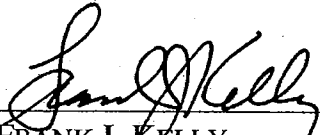
B. This CCA shall become final and binding on the date the final signature is obtained on the CCA;

C. Any modifications to this CCA shall be made with the prior written consent of the parties to this CCA;

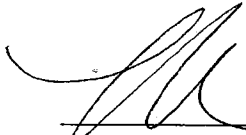
D. OIG may agree to a suspension of Danbury's obligations under this CCA in the event of Danbury's cessation of participation in Federal health care programs. If Danbury withdraws from participation in Federal health care programs and is relieved of its CCA obligations by OIG, Danbury shall notify OIG at least 30 days in advance of Danbury'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 CCA should be reactivated or modified.

E. The undersigned Danbury signatories represent and warrant that they are authorized to execute this CCA. The undersigned OIG signatory represents that he is signing this CCA in his official capacity and that he is authorized to execute this CCA.

**ON BEHALF OF DANBURY HOSPITAL, INC.**

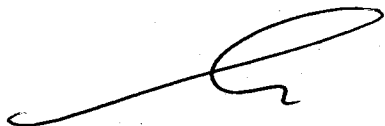
  
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FRANK J. KELLY  
President and Chief Executive Officer  
Danbury Hospital, Inc.

10/18/06  
DATE

  
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MAUREEN WEAVER, ESQUIRE  
Counsel for Danbury Hospital, Inc.  
Wiggin and Dana

10/19/06  
DATE

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

  
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GREGORY E. DEMSKE  
Assistant Inspector General for Legal Affairs  
Office of Inspector General  
United States Department of Health and Human Services

10/23/06  
DATE

**DECLARATION**

The declarants are the President/Chief Executive Officer and the Compliance Officer who have personal knowledge of the facts stated herein. The following describes the compliance program (Program) currently in place at Danbury.

1. The annual budget for the Program is attached hereto as Exhibit 1 and Danbury shall sustain, at a minimum, the levels of funding reflected therein for three years subsequent to the Effective Date.

2. The Program includes a Compliance Officer who is responsible for developing and implementing policies, procedures, and practices designed to ensure compliance with Federal health care program requirements. The Compliance Officer also is responsible for monitoring the day-to-day compliance activities of Danbury. The Compliance Officer is a member of senior management of Danbury and is not subordinate to the General Counsel or Chief Financial Officer, excepting administrative reports to the Senior Vice President/Chief Financial Officer. The Compliance Officer makes periodic (at least quarterly) reports regarding compliance matters directly to the Board of Directors of Danbury and is authorized to report on such matters to the Board of Directors at any time.

3. The Program includes a Compliance Committee that is chaired by the Compliance Officer and that is made up of other members of senior management necessary to support the Compliance Officer in fulfilling his/her responsibilities under the Program (e.g., senior executives of relevant departments, such as billing, human resources, audit, and operations).

4. Danbury has in place a Code of Conduct that includes: (a) Danbury'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) Danbury's requirement that all of its personnel are expected to comply with all Federal health care program requirements and with the Policies and Procedures described in Paragraph 5 below; (c) the requirement that all of Danbury's personnel are expected to report to the Compliance Officer or other appropriate individual designated by Danbury suspected violations of any Federal health care program requirements or of Danbury's own Policies and Procedures; (d) the possible consequences to both Danbury and its personnel of failure to comply with Federal health care program requirements and with Danbury's own Policies and Procedures and the failure to report such noncompliance; and (e) the right of Danbury's personnel to use the Disclosure Program

described in Paragraph 8 below and Danbury's commitment to nonretaliation and to maintain, as appropriate, confidentiality and anonymity with respect to such disclosures. Each (i) owner, officer, director, and employee; (ii) contractor, subcontractor, agent, and other person who provides patient care items or services or who performs billing or coding functions on behalf of Danbury; and (iii) member of the medical staff of Danbury is required to certify in writing that he or she has received, read, understood, and will abide by the Code of Conduct.

5. Danbury has in place Policies and Procedures regarding the operation of the Program and Danbury's compliance with Federal health care program requirements, including proper billing and claims submissions. The Policies and Procedures are made available to all relevant Danbury personnel. At least annually (and more frequently, if appropriate), Danbury reviews and updates as necessary its Policies and Procedures and, if revisions are made, makes available the relevant portions of any revised Policies and Procedures to all Danbury personnel whose job functions relate to the revised Policies and Procedures.

6. Danbury has in place an annual training program that requires all (i) owners, officers, directors, and employees; (ii) other persons who provide patient care items or services or who perform billing or coding functions; and (iii) members of the medical staff of Danbury to attend at least one hour of annual compliance training that addresses Danbury's Code of Conduct and the operation of the Program. Danbury's annual training program also requires additional hours of training for all employees, contractors, subcontractors, agents, and other persons who provide patient care items or services or who perform billing, coding, or claims submission functions on behalf of Danbury. Such additional training addresses: (a) the Federal health care program requirements regarding the accurate coding and submission of claims; (b) policies, procedures, and other requirements applicable to the documentation of medical records; (c) the personal obligation of each individual involved in the claims submission process to ensure that such claims are accurate; (d) applicable reimbursement statutes, regulations, and program requirements and directives; (e) the legal sanctions for violations of Federal health care program requirements; and (f) examples of proper and improper claims submission practices, including proper assignment of diagnosis related group (DRG) codes to patients for stays for DRG 416, DRG 87, and DRG 79. Danbury maintains written or electronic records that identify the type of annual training provided, the date(s) of the training, and the attendees. Persons providing the training are knowledgeable about the subject area. Danbury reviews the training content on an annual basis and, as appropriate, updates the training to reflect changes in Federal health care program requirements and/or any issues discovered during the internal audits described in Paragraph 7 below.

7. Danbury has in place an internal audit department that performs periodic reviews to monitor Danbury's compliance with Federal health care program requirements, including focused reviews relating to specific risk areas identified by the OIG and/or through the Program. The internal audit department prepares an annual work plan that is reviewed by the Executive Compliance Committee. The internal audit department uses a variety of approaches, including data analysis, sampling, employee interviews, and surveys. Danbury has 4.4 full-time qualified employees in its internal audit department and 2 full-time qualified employees in its compliance department who are certified coders. These employees assist in the review of Danbury's compliance with Federal health care program requirements. Danbury has also committed to conducting two external reviews for the upcoming three years.

8. Danbury maintains a Disclosure Program that includes a mechanism 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 Danbury'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. Danbury publicizes the existence of the disclosure mechanism to all personnel.

The Disclosure Program emphasizes a nonretribution, nonretaliation policy and includes a reporting mechanism for anonymous communications for which appropriate confidentiality is maintained. Each disclosure is reviewed by the Compliance Officer, who either investigates the disclosure or refers the disclosure to the relevant department or manager for follow up and any appropriate corrective action.

The Compliance Officer (or designee) maintains a disclosure log, which includes a record and summary of each disclosure received (whether anonymous or not), the status of Danbury's internal review of the allegations, and any corrective action taken in response to the internal review.

9. Danbury has in place a policy and procedure for screening all prospective owners, officers, directors, employees, contractors, agents, and medical staff members to ensure that they are not Ineligible Persons<sup>1</sup> by: (a) requiring such persons to disclose

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<sup>1</sup> An "Ineligible Person" is 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.

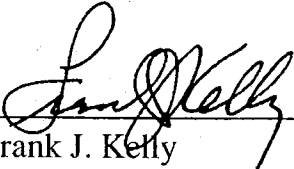
whether they are an Ineligible Person; and (b) appropriately querying the General Services Administration's List of Parties Excluded from Federal Programs (available through the Internet at <http://epls.arnet.gov>) and the HHS/OIG List of Excluded Individuals/Entities (available through the Internet at <http://oig.hhs.gov>) (these lists shall hereinafter be referred to as the "Exclusion Lists"). Danbury also performs annual screening of its current owners, officers, directors, employees, contractors, agents, and medical staff members against the Exclusion Lists and requires all owners, officers, directors, employees, contractors, agents, and medical staff members to disclose immediately any debarment, exclusion, suspension, or other event that makes that person an Ineligible Person.

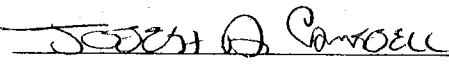
Danbury also has a policy in place that, if Danbury has actual notice that an owner, officer, director, employee, contractor, agent, or medical staff member has become an Ineligible Person, Danbury will remove such person from responsibility for, or involvement with, Danbury's business operations related to the Federal health care programs and will remove such person from any position for which the person's compensation or items or services furnished, ordered, or prescribed by the person are paid in whole or in 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. (Nothing in this Declaration affects the responsibility of Danbury to refrain from billing Federal health care programs for items or services furnished, ordered, or prescribed by excluded individuals or Danbury's liability for overpayments received by Danbury as a result of billing any Federal health care program for such items or services.)

The undersigned signatory represents and warrants that he/she is authorized to execute this declaration on behalf of Danbury.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 18<sup>th</sup> day of October 2006.

  
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Frank J. Kelly  
President and Chief Executive Officer

  
\_\_\_\_\_  
Joseph A. Campbell  
Compliance Officer



## 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:**

- |   |   |   |
|---|---|---|
| <p><u>Billing/Clerical Error</u></p> <ul style="list-style-type: none"> <li>01 - Corrected Date of Service</li> <li>02 - Duplicate</li> <li>03 - Corrected CPT Code</li> <li>04 - Not Our Patient(s)</li> <li>05 - Modifier Added/Removed</li> <li>06 - Billed in Error</li> <li>07 - Corrected CPT Code</li> </ul> | <p><u>MSP/Other Payer Involvement</u></p> <ul style="list-style-type: none"> <li>08 - MSP Group Health Plan Insurance</li> <li>09 - MSP No Fault Insurance</li> <li>10 - MSP Liability Insurance</li> <li>11 - MSP, Workers Comp.(Including Black Lung</li> <li>12 - Veterans Administration</li> </ul> | <p><u>Miscellaneous</u></p> <ul style="list-style-type: none"> <li>13 - Insufficient Documentation</li> <li>14 - Patient Enrolled in an HMO</li> <li>15 - Services Not Rendered</li> <li>16 - Medical Necessity</li> <li>17 - Other (Please Specify)</li> </ul> |
|---|---|---|