

**EXHIBIT I**

**CORPORATE INTEGRITY AGREEMENT**

**BETWEEN THE  
OFFICE OF INSPECTOR GENERAL OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES  
AND  
SANTOS M. FLORES, M.D.**

**I. PREAMBLE**

Santos M. Flores, M.D. ("Flores") agrees to enter into this Corporate Integrity Agreement ("CIA") with the Office of Inspector General of the United States Department of Health and Human Services ("OIG") to provide for the establishment of a Corporate Integrity Program to assure compliance with the billing requirements of Medicare, Medicaid and all other federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) by Flores, his employees and third parties with whom Flores contracts to act as billing agents for Flores. The Corporate Integrity Program shall be maintained so as to ensure, to the extent reasonably possible, that Flores and each of his employees, agents and contractors maintain the business integrity required of a participant in federal health care programs, and that Flores' billings for medical care and related reimbursable expenses are in compliance with all statutes and regulations applicable to such programs and with the terms of this CIA as set forth below. Flores will do everything he can do in his capacity to ensure compliance with the terms of this CIA.

**II. TERM OF THE CIA**

Except as otherwise provided, the period of compliance obligations assumed by Flores under this CIA shall be five (5) years from the date of execution of this CIA. The date of execution shall be the date the final signature is obtained on this CIA.

**III. CORPORATE INTEGRITY OBLIGATIONS**

Within ninety (90) days of the date of execution of this CIA, Flores agrees to implement a Corporate Integrity Program (the "Program"), which shall include the provisions listed herein.

Within the first thirty (30) days following the effective date of this CIA, Flores shall post in a prominent place accessible to all patients and employees a notice detailing his commitment to comply with all applicable statutes, regulations and directives applicable to Medicare, Medicaid and all other federal health care programs in the conduct of his business.

**A. INFORMATION AND EDUCATION**

Within the first (60) days following the effective date of this CIA, Flores and all personnel involved in preparing or submitting Medicare, Medicaid, and all other federal health care program bills shall be trained in the proper billing standards, methods, and procedures to ensure accurate billing for services rendered to these federal health care programs. The training shall be designed to ensure that Flores and all of his employees and agents are aware of all applicable health care laws, regulations, and program guidelines and with the standards of business conduct that such individual is expected to follow and the consequences (*i.e.* termination, legal sanctions, etc.) both to the individual and Flores that will ensue from any violation of such requirements. In addition, Flores will arrange for all new personnel involved in billing for services to participate in such training no later than thirty (30) days after they begin working for Flores. Until they have had the requisite training, such new employees will work under the direct supervision of an employee who has received such training. This training program shall provide for no less than six (6) hours annually of training for each person.

At a minimum, this training program shall cover the following topics:

1. The proper billing standards and procedures for the submission of accurate bills for services rendered and/or items provided to Medicare, Medicaid, and all other federal health care programs to which Flores submits claims;
2. All applicable laws, rules, regulations, and guidelines related to Medicare, Medicaid and other federal health care programs billing, reimbursement, and the legal sanctions for improper billing;
3. All applicable laws, rules, regulations, and guidelines related to health care fraud and abuse and the legal sanctions for violating these laws; and
4. The personal obligation of each individual involved to make reasonable efforts to ensure that the information provided by the individual (either orally or in writing) relating to the care or the services rendered to patients of the federal health care programs, is accurate.

**B. REFERRAL SOURCES**

Flores and his employees shall: (a) refrain from receiving, soliciting, offering and paying for any item or service of value (*i.e.*, remuneration) to physicians, hospitals or other referral sources, unless the remuneration and the particular circumstances under which such remuneration is given is outside the scope of the anti-kickback statute (codified at 42 U.S.C. § 1320a-7b(b)), the federal physician self referral prohibition (also known as the "Stark Statute") (codified at 42 U.S.C. § 1395nn), and other applicable statutes,

regulations, and program requirements relating to payments to and from referral sources, or the remuneration is otherwise excepted under the “safe harbor” regulations or other exceptions to the anti-kickback statute and Stark Statute.

**C. PERSONAL SERVICES AND BUSINESS CONTRACTS**

Flores will adopt policies reasonably designed to prevent contractual relationships that violate the anti-kickback statute and the Stark Statute, and will implement procedures to evaluate all existing contractual relationships with physicians, employees, contractors, vendors, and other persons or entities. At a minimum, Flores shall seek to establish a process to ensure that all such contracts in which it enters comply with the following standards:

1. The agreement shall be set out in writing and signed by the parties;
2. The agreement shall specify the services to be provided by the agent;
3. If the agreement is intended to provide for the services of the agent on a periodic, sporadic or part-time basis, rather than on a full-time basis for the term of the agreement, the agreement shall specify exactly the schedule of such intervals;
4. The terms of the agreement shall be for not less than one year;
5. The aggregate compensation paid to the agent over the term of the agreement shall be set in advance, be consistent with fair market value in arms-length transactions and not be determined in a manner that takes into account the volume or value of any referrals or business otherwise generated between the parties for which payment may be made in whole or in part under Medicare, Medicaid and other federal health care programs, as defined in section 1128B(f) of the Social Security Act (42 U.S.C. § 1320a-7b(f));
6. The services performed under the agreement shall not involve the counseling or promotion of a business arrangement or other activity that violates any State or Federal law; and
7. The aggregate services contracted for do not exceed those that are reasonable and necessary for the legitimate business purposes of the arrangement.

Flores shall be prepared to provide to the OIG, upon request, copies of the contracts, all non-privileged communications related to the contracts and the actual performance of the duties under the contracts such as time sheets, service logs, and payment documentation.

Flores shall have an experienced attorney with knowledge of the federal health care statutes, regulations, and rules, review all of the personal service and management contracts entered into by Flores to ensure that they have met the requirements established in this section. All materials relating to the attorney's analysis of the personal service and management contracts entered into by Flores shall be maintained and available for OIG review and inspection for minimum of six (6) years after the execution of this CIA.

**D. INDEPENDENT AUDITS**

Within thirty (30) days from the effective date of this CIA, Flores will contract with a third party reviewer (audit, law or health care consulting firm) to undertake a review of a statistically valid sample of the claims submitted by him and his agents and employees to the federal health care programs to determine that they are in compliance with the billing requirements of the federal health care programs to which the claims were submitted. This review will be conducted by an independent and appropriately trained person or entity with knowledge of federal health care statutes, regulations, program requirements, billing policies and procedures. Such a review shall be conducted annually for each of the five one-year periods following the date of execution of this CIA.

Generally, if any of these reviews uncover claims processing and/or billing policies, procedures and/or practices that result in material deficiencies, Flores shall notify the entity in charge of processing the claim for reimbursement (such as the Medicare carrier or other payor), within thirty (30) days of discovering the deficiency and take remedial steps within sixty (60) days (or such additional time as may be agreed to by the payor) to correct the problem, and prevent the deficiency from reoccurring.

The notice to the payor should state that the repayment is being made pursuant to the terms of this CIA and should include: (1) the methodology by which the overpayment was determined; (2) any claim specific information by which the overpayment was determined; (3) the amount of the overpayment; and (4) the date of the check number (or electronic transaction number) on which the overpayment was repaid.

Contemporaneous with Flores' notification to the payor as provided above, Flores shall notify OIG of: (1) all of the information provided to the payor in returning the overpayment; (2) the name and the address of the payor where the overpayment was sent; (3) his findings concerning the material deficiency; (4) Flores' actions to correct such material deficiency; and (5) any further steps Flores plans to take to address such material deficiency and prevent it and similar billing deficiencies from reoccurring.

For purposes of this CIA, a "material deficiency" shall mean any isolated event or a series of occurrences that: (i) has a significant, adverse financial impact on the Medicare, Medicaid or other federal health care programs; (ii) significantly affects the veracity of the information upon which the claim is based, even if it does not have a financial impact;

or (iii) would prevent Flores from submitting the claim for reimbursement (including, but not limited to, issues relating to compliance with the anti-kickback statute or the Stark Statute; and which claims lack conformity with the programs' reimbursement principles or other applicable statutes, and the regulations and written directives issued by the Health Care Financing Administration ("HCFA") and/or its agents, or any other agency charged with administering the affected health care program and/or its agents.

While this reporting requirement includes occurrences having a "significant," adverse financial impact, this provision does not excuse Flores' statutory obligation as a participant in the federal health care programs to bring to a payor's attention any other billing deficiencies, however de minimis, make appropriate refunds and take any steps necessary to prevent the reoccurrence.

**E. DEALING WITH EXCLUDED OR CONVICTED PERSONS OR ENTITIES**

Effective upon the date of execution of this CIA, Flores shall not employ or contract with, with or without pay, an individual or entity that is listed by a federal agency as excluded, suspended or otherwise ineligible for participation in federal programs. In order to carry out the policy, Flores shall make a reasonable inquiry into the status of any potential employee or consultant. Such a reasonable inquiry shall include, at a minimum, a review of the OIG's Cumulative Sanctions Report and the General Services Administration's ("GSA's") List of Parties Excluded from Federal Procurement and Non-Procurement Programs. Among other places, these reports can be found on the "Internet" at <http://www.dhhs.gov/progorg/oig> and <http://www.arnet.gov/epl>, respectively.

Flores will remove from responsibility for, or involvement with, Flores' federal health care program business operations any employee who becomes suspended or is proposed for exclusion during the individual's employment with Flores until the resolution of such suspension or proposed exclusion. In addition, if any employee of Flores is charged with a criminal, civil or administrative offense relating to Medicare, Medicaid, or other federal health care program business, Flores will remove that employee immediately from responsibility for or involvement with Flores' federal health care program business affairs until the resolution of such charges. If the employee is convicted or debarred, Flores' policy shall require that the employee be terminated from employment with Flores. Flores shall notify OCIG of each personnel action taken as a result of the identification of the exclusion status of an employee and the reasons behind such action, within fifteen (15) days of the action.

**IV. SELF-DISCLOSURE OF PROBABLE VIOLATIONS**

During the term of this CIA, Flores will report to OIG any reliable evidence of actions that Flores believes constitute a probable violation of any state or federal civil, criminal or administrative law, regulation, or rule governing a federal health care program. When such

disclosure is required by the CIA, Flores shall make the required disclosure as soon as practicable, but in no event later than thirty (30) calendar days after becoming aware of the existence of the probable violation. The evidence to be disclosed under this paragraph will include evidence relating to conduct by any of Flores' personnel and any person or entity with a financial interest in Flores' business, and it will include evidence disclosed to Flores from any source. Flores will certify to OIG that all disclosures made under this paragraph have been fully investigated and that appropriate actions have been taken to ensure that Flores is in compliance with all state and federal civil, criminal, and administrative laws, regulations and rules governing all federal health care programs. Nothing in this paragraph waives OIG's right to enforce any and all laws and regulations governing any federal health care program, subject to the release provisions of the Settlement Agreement signed this same date.

## **V. OIG INSPECTION, AUDIT AND REVIEW RIGHTS**

In addition to any other right OIG may have by statute, regulation, contract or pursuant to this CIA, OIG or its duly authorized representative(s) may examine Flores' books, records, and other company documents and supporting materials for the purpose of verifying and evaluating: (i) Flores' compliance with the terms of this CIA; and (ii) Flores' compliance with the requirements of the Medicare, Medicaid and other federal health care programs. The documentation described above shall be made available by Flores at all reasonable times for inspection, audit or reproduction. Furthermore, for purposes of this provision, OIG or its authorized representative(s) may interview any of Flores' employees who consents to be interviewed at the employee's place of business during normal business hours or at such other place and time as may be mutually agreed upon between the employee and OIG. Flores agrees to assist OIG in contacting and arranging interviews with such employees upon OIG's request. Flores' employees may elect to be interviewed with or without a representative of Flores present. OIG, HCFA, or the affected intermediary or carrier, may conduct unannounced on-site visits at any time to review patient medical records and other related documentation for the purpose of verifying and evaluating Flores' compliance with the statutory and regulatory requirement of Medicare, Medicaid and all other federal health care programs.

## **VI. REPORTS**

### **A. IMPLEMENTATION REPORT**

Flores shall provide the OIG's Office of Counsel to the Inspector General ("OCIG") with a written report demonstrating that Flores has complied with all of the Program's requirements. This report, known as the "Implementation Report," shall be sent to the address set forth in section VII of this CIA. The Implementation Report shall include:

- (1) A copy of the notice Flores posted in his office describing his commitment to comply with all applicable statutes, regulations and directives applicable to

Medicare, Medicaid and all other federal health care programs in the conduct of his business.

- (2) A description of the training programs implemented pursuant to section III.A of this CIA and a summary of the activities engaged in, in furtherance of the training programs, including a schedule and topic outline of the training sessions, and a written certification from all appropriate personnel that they received training pursuant to the requirements set forth in section III.A of this CIA and that they received, read, and understood the applicable health care laws, including Medicare laws, regulations and standards of business conduct.
- (3) A copy of review conducted pursuant to section III.D of this CIA, a complete description of the findings made during the review; copies of the disclosure or notice documents made by Flores pursuant to this section; a description of the corrective steps, including but not limited to, any revisions or amendments to billing policies, procedures and practices; proof of refund to the pertinent payor (where applicable), and a complete description of the methodology behind any repayments made as a result of reviews or audits (where applicable).
- (4) A resolution from Flores certifying that he has reviewed the Implementation Report, he has made a reasonable inquiry regarding its content and believes that, upon his inquiry, the information is accurate and truthful.

**B. ANNUAL REPORTS**

Flores shall make annual written reports (each one of which is referred to throughout this CIA as the "Annual Report") to OCIG describing the measures Flores has taken to implement and maintain the Program and ensure compliance with the terms of this CIA. In accordance with the provisions above, the Annual Report shall include:

- (1) A description of the training programs implemented pursuant to section III.A of this CIA and a summary of the activities engaged in, in furtherance of the training programs, including a schedule and topic outline of the training sessions, and a written certification from all appropriate personnel that they received training pursuant to the requirements set forth in section III.A of this CIA and that they received, read, and understood the applicable health care laws, including Medicare laws, regulations and standards of business conduct.
- (2) A written certification from Flores and his attorney, that they have reviewed the applicable materials that pertain to Flores complying with the requirements established pursuant to section III.B, they have made a reasonable inquiry regarding its content and believes that, upon their inquiry, Flores has met the requirements of section III.B.

- (3) Pursuant to the requirements set forth in section III.C, Flores shall have an experienced attorney with knowledge of the federal health care statutes, regulations, and rules certify that he has reviewed all of the personal service and management contracts entered into by Flores.
- (4) A copy of the audits and reviews conducted pursuant to section III.D of this CIA relating to the year covered by the Annual Report; a complete description of the findings made during the reviews and audits; copies of the disclosure or notice documents made by Flores pursuant to this section; a description of the corrective steps, including but not limited to, any revisions or amendments to billing policies, procedures and practices; proof of refund to the pertinent payor (where applicable), and a complete description of the methodology behind any repayments made as a result of reviews or audits (where applicable).
- (5) A written certification that Flores has disclosed all probable violations pursuant to section IV.
- (6) A resolution from Flores certifying that he has reviewed the Annual Report, he has made a reasonable inquiry regarding its content and believes that, upon his inquiry, the information is accurate and truthful.

The first Annual Report shall be received by the OIG no later than one year and thirty (30) days after the effective date of this CIA. Subsequent Annual Reports shall be submitted no later than the anniversary date of the due date of the first Annual Report.

## **VII. NOTIFICATIONS AND SUBMISSION OF REPORTS**

Unless otherwise stated subsequent to the execution of this CIA, all notifications and reports required under the terms of this CIA shall be submitted to the entities listed below:

ATTN: Civil Recoveries Branch - Compliance Unit  
Office of Counsel to the Inspector General  
Office of Inspector General  
U.S. Department of Health and Human Services  
330 Independence Avenue, SW  
Cohen Building, Room 5527  
Washington, DC 20201  
Ph. 202.619.2078  
Fax 202.205.0604



All correspondence to Flores shall be sent to:

Santos M. Flores, M.D.  
P.O. Box 781569  
San Antonio, Texas 78278-1569  
Ph. 210.731.1941  
Fax 210.735.1229

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

Flores shall maintain for inspection documents and records relating to (1) compliance with requirements of this CIA; and (2) reimbursement from the Medicare, Medicaid and all other federal health care programs for a period of six (6) years or for whatever period otherwise required by law or policy, which ever is longer.

#### **IX. BREACH AND DEFAULT PROVISIONS**

Flores' compliance with the terms and conditions in this CIA shall constitute an element of Flores' present responsibility with regard to participation in federal programs. Full and timely compliance by Flores shall be expected throughout the duration of this CIA with respect to all of the obligations herein agreed to by Flores. As stated below in section XI of this CIA, any and all modifications to this CIA (including changes to dates on which an obligation is due to be met) shall be requested in writing and agreed to by OIG in writing prior to the date on which the modification is expected to take effect.

##### **A. STIPULATED PENALTIES FOR FAILURE TO COMPLY WITH CERTAIN OBLIGATIONS**

As a contractual remedy, Flores and OIG hereby agree that failure to comply with certain obligations 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 for each day Flores fails to comply with any of the following, which stipulated penalty shall begin to accrue one day after the date the obligation becomes due:
  - a. submission of a report within ninety (90) days of the effective date of this CIA demonstrating the Defendants of the Program, as required in section III of this CIA; and
  - b. submission of complete Annual Reports demonstrating compliance, including the submission of all required statements, summaries, reports,

and certifications, as required in section VI of this CIA.

2. A stipulated penalty of \$2,500 for each day Flores fails to grant OIG access to the information or documentation necessary to exercise the OIG's inspection, audit and review rights set forth in section V of this CIA, which stipulated penalty shall begin to accrue on the date Flores fails to grant access.
3. A stipulated penalty of \$1,500 for each day Flores employs in a position related to the federal health care programs (as specified in section III.E above) an individual after that individual has been listed by a federal agency as excluded, debarred, suspended or otherwise ineligible for participation in the Medicare, Medicaid or any other federal health care program, which stipulated penalty shall begin to accrue on the date of the beginning of the employment relationship or the listing of the individual, whichever is later.
4. A stipulated penalty of \$1,000 for each day Flores fails to comply with any other requirement in this CIA, which is not covered by provisions 1, 2 or 3 of section IX.A of this CIA, which stipulated penalty shall begin to accrue on the date of the OIG's notice of noncompliance or as otherwise indicated in the OIG's notice, in accordance with section IX.B.

**B. PAYMENT OF STIPULATED PENALTIES**

Upon finding that Flores has failed to comply with any of the above-enumerated obligations, OIG shall notify Flores in writing, and deliver personally or by certified mail, of: (i) Flores' failure to comply; and (ii) OIG's exercise of its contractual right to demand payment of the stipulated penalties payable under this CIA (this notification of the OIG's notice of noncompliance is hereinafter referred to as the "Demand Letter").

Within ten (10) days of receipt of the Demand Letter, Flores shall respond by either: (i) curing the breach to the OIG's satisfaction, paying the applicable stipulated penalties and notifying OIG of his corrective actions; or (ii) sending in writing to the OIG a request for a hearing before an HHS administrative law judge to dispute the OIG's determination of noncompliance, pursuant to the agreed upon provisions set forth in section IX.D of this CIA, which request shall suspend implementation and payment of the stipulated penalties until a decision is reached by the HHS administrative law judge. Failure to respond to the Demand Letter within the ten (10) day period shall be considered a material breach of this CIA and shall be grounds for exclusion under section IX.C below.

If Flores submits a timely written request to HHS-OIG for an extension of the relevant time period to perform any act or file any notification or report under this CIA, but such an extension is denied, HHS-OIG agrees that Stipulated Penalties shall not begin to accrue until two (2) business days following Flores' receipt of HHS-OIG's written denial

of such an extension. A "timely written request" is defined as a request in writing received by HHS-OIG at least five (5) business days prior to the date by which any act is due to be performed or notification or report is due to be filed.

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 OCIG at the address set forth in section VII of this CIA.

Except as otherwise noted above, these provisions for payment of stipulated penalties shall not affect or otherwise set a standard for the OIG's determination that Flores has materially breached this CIA, which decision shall be made at the OIG's discretion and governed by the provisions in section IX.C of this CIA, below.

**C. REMEDIES FOR MATERIAL BREACH OF THIS CIA**

If Flores engages in conduct that OIG considers to be a material breach, defined below, of this CIA, OIG may seek exclusion of Flores from participation in the Medicare, Medicaid and any other federal health care programs. Upon making its determination, OIG shall notify Flores of the alleged material breach by certified mail and of its intent to exclude as a result thereof (this notice shall be referred to hereinafter as the "Notice of Material Breach and Intent to Exclude Letter"). Flores shall have thirty-five (35) days from the date of the letter to:

- (1) demonstrate to the OIG's satisfaction that Flores is in full compliance with the CIA; or
- (2) cure the alleged material breach; or
- (3) demonstrate to the OIG's satisfaction that the alleged the material breach cannot be cured within the thirty-five (35) day period, but that Flores has begun to take action to cure the material breach and that Flores will pursue such an action with due diligence. Flores shall, at this time, submit a timetable for curing the material breach for the OIG's approval.

If at the conclusion of the thirty-five (35) day period (or other specific period as subsequently agreed by OIG and Flores), Flores fails to act in accordance with provisions 1, 2 or 3 above, OIG may exclude Flores from participation in the Medicare, Medicaid and all other federal health care programs. OIG will notify Flores in writing of its determination to exclude Flores (this letter shall be referred to hereinafter as the "Exclusion Letter").

Notwithstanding any provisions in Chapter 42 of the Code of Federal Regulations, the exclusion shall take effect thirty (30) days from the date of the Exclusion Letter unless

Flores exercises his contractual right to seek review of the OIG's exclusion determination by requesting a hearing before an administrative law judge as provided in section IX.D below. In the event Flores requests such a hearing, the exclusion shall not be effective until the issuance of an administrative law judge's decision supporting the OIG's exclusion determination. The exclusion shall have national effect and will also apply to all other federal procurement and non-procurement programs.

For purposes of this section, a "material breach" shall mean: (i) a failure to report a material deficiency, take corrective action and pay the appropriate refunds, as provided in section III.D of this CIA; (ii) repeated or flagrant violations of the obligations under this CIA, including, but not limited to, the obligations addressed in section IX.A of this CIA; or (iii) failure to respond to a Demand Letter concerning the payment of stipulated penalties in accordance with section IX.B above.

In connection with the OIG's determination to exclude Flores pursuant to this provision, Flores shall have the right to dispute the OIG's determination in accordance with the agreed upon provisions set forth in section IX.D of this CIA.

#### **D. DISPUTE RESOLUTION**

Upon OIG's delivery to Flores of its Demand letter or Exclusion Letter, and as an agreed upon contractual remedy for the resolution of disputes arising under the obligations in this CIA, Flores shall be afforded some review rights comparable to the ones that are provided in 42 U.S.C. § 1320a-7(f) and 42 C.F.R. § 1005 as if they applied to the stipulated penalties or exclusion sought pursuant to this CIA. Specifically, the OIG's determination to demand payment of stipulated penalties or to seek exclusion shall be subject to review by an HHS administrative law judge in a manner consistent with the provisions in 42 C.F.R. §§ 1005.2-1005.21. The administrative law judge's decision, in turn, may be appealed to HHS's Departmental Appeals Board ("DAB") in a manner consistent with the provisions in 42 C.F.R. § 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 ten (10) days of the date of the Demand Letter and the request for a hearing involving exclusion shall be made within thirty (30) days of the date of the Exclusion Letter.

Notwithstanding any provision of Title 42 of the United States Code or Chapter 42 of the Code of Federal Regulations, the only issues in a proceeding for stipulated penalties under this section shall be: (i) whether, on the date of the Demand Letter, Flores was in full and timely compliance with the obligations in this CIA for which OIG demands payment; (ii) whether Flores failed to cure; (iii) whether it was reasonable for the alleged breach to have been cured within the ten-day period; and (iv) the period of noncompliance. For purposes of paying stipulated penalties under this CIA, and if Flores chooses to seek review in lieu of curing the breach and paying the stipulated penalties, as

set forth above, the administrative law judge's decision shall give rise to Flores' obligation to pay. Thus, payment will be due twenty (20) days from the day the administrative law judge's decision is issued. Flores' election of his contractual right to appeal to the DAB shall not excuse his obligation to make payment upon the issuance of the administrative law judge's decision.

Notwithstanding any provision of Title 42 of the United States Code or Chapter 42 of the Code of Federal Regulations, the only issues in a proceeding for exclusion based on a material breach of this CIA shall be: (i) whether Flores was in material breach of one or more of his obligations under this CIA; (ii) whether the alleged material breach was continuing on the date of the Exclusion Letter; (iii) whether, as of the date of the Exclusion Letter, Flores had failed to cure; and (iv) whether the alleged material breach could have been cured within the thirty-five-day period or such other period as agreed to in writing between Flores and OIG. For purposes of the exclusion herein agreed to, in the event of a material breach of this CIA, an administrative law judge's decision finding in favor of the OIG shall be deemed to make the exclusion effective, at which time the OIG may proceed with its exclusion of Flores. The administrative law judge's decision may be appealed to the DAB in a manner consistent with the provisions in 42 C.F.R. §§ 1005.21.

Neither the review by an administrative law judge nor the potential subsequent review of the administrative law judge's decision by the DAB, as provided for above, shall 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 shall be considered final for all purposes under this CIA and shall not be appealed either administratively or judicially or otherwise be subject to review by any court or other adjudicative forum.

#### **X. COSTS RELATED TO ADDITIONAL AUDITS**

In addition to the obligations assumed by Flores under the CIA and as described above, if OIG determines that it is necessary to conduct an independent audit or review to determine whether or to the extent to which Flores is complying with his obligation under this CIA, Flores agrees to pay for the reasonable cost of any such audit or review.

#### **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, Flores and the OIG agree as follows:

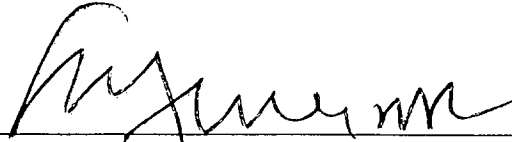
- (1) this CIA shall be binding on the successors, assigns and transferees of Flores;
- (2) this CIA shall become final and binding only upon signing by each respective party hereto; and

- (3) any modifications to this CIA shall be made with the prior written consent of the parties to this CIA.

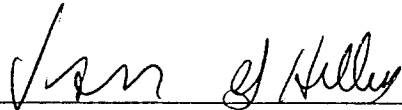
IN WITNESS WHEREOF, the parties hereto affix their signatures:

**SANTOS M. FLORES, M.D.**

3/4/99  
Date


  
Santos M. Flores, M.D.

3/4/99  
Date

  
Van G. Hilly, Esquire  
Counsel for Santos M. Flores, M.D.

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

3/12/99  
Date

  
Lewis Morris, Esquire  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
U. S. Department of Health and Human Services