

EXHIBIT D

**CORPORATE INTEGRITY AGREEMENT
BETWEEN THE
OFFICE OF INSPECTOR GENERAL
OF THE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
AND
SOUTH SHORE HOSPITAL**

I. PREAMBLE

South Shore Hospital (“South Shore”) 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 by its officers, directors, employees, contractors and agents that provide direct patient care services or that perform billing or coding functions on behalf of South Shore, physicians, and all other individuals responsible for the provision, marketing or documentation of items or services reimbursable by Federal health care programs, or in the preparation of claims, reports or other requests for reimbursement for such items or services (“Covered Persons”) 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, South Shore is entering into a Settlement Agreement with the United States, and this CIA is incorporated by reference into the Settlement Agreement.

II. TERM OF THE CIA

The period of the compliance obligations assumed by South Shore under this CIA shall be five (5) years from the Effective Date of this CIA (unless otherwise specified). The “Effective Date” of this CIA shall be the date on which the final signatory of this CIA executes this CIA.

Sections VII, VIII, IX, X, and XI shall expire no later than 120 days from the OIG’s receipt of: (1) South Shore’s final annual report; or (2) any additional materials submitted by the South Shore pursuant to the OIG’s request, whichever is later.

III. CORPORATE INTEGRITY OBLIGATIONS

South Shore hereby agrees to maintain a Compliance Program that includes the following elements:

A. Compliance Officer and Committee.

1. *Compliance Officer.* Within 120 days after the Effective Date of this CIA, South Shore shall have in place an individual to serve as its Compliance Officer. 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 South Shore, shall make periodic (at least quarterly) reports regarding compliance matters directly to the Board of Directors of South Shore, and shall be authorized to report on such matters to the Board of Directors at any time. The Compliance Officer shall be responsible for monitoring the day-to-day compliance activities engaged in by South Shore as well as for any reporting obligations created under this CIA.

South Shore shall report to the 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 of such a change.

2. *Compliance Committee.* Within 120 days of the Effective Date of this CIA, South Shore shall have in place 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).

South Shore shall report to the 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 of such a change.

B. Written Standards.

1. *Code of Conduct.* Within 120 days of the Effective Date of this CIA, South Shore shall have in place a written Code of Conduct. The Code of Conduct shall be distributed to all Covered Persons within 120 days of the Effective Date of this CIA who have not already received it. South Shore 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. South Shore'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. South Shore's requirement that all of its Covered Persons shall be expected to comply with all Federal health care program requirements and with South Shore's own Policies and Procedures as implemented pursuant to section III.B (including the requirements of this CIA);
- c. the requirement that all of South Shore's Covered Persons shall be expected to report to the Compliance Officer or other appropriate individual designated by South Shore suspected violations of any Federal health care program requirements or of South Shore's own Policies and Procedures;
- d. the possible consequences to both South Shore and Covered Persons of failure to comply with Federal health care program requirements and with South Shore's own Policies and Procedures and the failure to report such non-compliance; and
- e. the right of all individuals to use the Disclosure Program described in section III.E, and South Shore's commitment to maintain confidentiality, as appropriate, and non-retaliation with respect to such disclosures.

Within 120 days of the Effective Date of the CIA, each Covered Person shall certify, in writing, that he or she has received, read, understood, and will abide by South

Shore's Code of Conduct. New Covered Persons shall receive the Code of Conduct and shall complete the required certification within one month after becoming a Covered Person or within 120 days of the Effective Date of the CIA, whichever is later.

South Shore shall periodically review the Code of Conduct to determine if revisions are appropriate and shall make any necessary revisions based on such a review. Any such revised Code of Conduct shall be distributed within 30 days of finalizing such changes. Covered Persons shall certify that they have received, read, understood and will abide by the revised Code of Conduct within 30 days of the distribution of such revisions.

The following shall constitute South Shore's obligations under this section III.B.1 with respect to non-employed physicians with staff privileges ("Non-Employed Physicians") at South Shore: (i) South Shore shall distribute the Code of Conduct to all Non-Employed Physicians in accordance with the time requirements for other Covered Persons as set forth in this section III.B.1; (ii) South Shore shall use its best efforts to obtain the written certifications described above; and (iii) South Shore shall keep records of the percentage of Non-Employed Physicians who have completed the certification requirement.

2. *Policies and Procedures.* Within 120 days of the Effective Date of this CIA, South Shore shall have in place written Policies and Procedures regarding the operation of South Shore'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;
- b. the accurate preparation of cost reports submitted to the Federal health care programs, including but not limited to, the proper treatment of costs for administrative and home health services.

Within 120 days of the Effective Date of the CIA, the relevant portions of the Policies and Procedures shall be distributed to all individuals whose job functions are related to those Policies and Procedures. Appropriate and knowledgeable staff should be available to explain the Policies and Procedures.

At least annually (and more frequently if appropriate), South Shore shall assess and update as necessary the Policies and Procedures. Within 30 days of 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 are related to those Policies and Procedures.

C. Training and Education.

1. *General Training.* Within 120 days of the Effective Date of this CIA, South Shore shall provide at reasonable and appropriate general training to each Covered Person. This training, at a minimum, shall explain South Shore's:

- a. CIA requirements; and
- b. South Shore'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 of becoming a Covered Person or within 120 days after the Effective Date of this CIA, whichever is later. After receiving the initial training described above, each Covered Person shall receive at least one hour of general training annually. General compliance training (as described above) provided to Covered Persons by South Shore during the six months immediately prior to the effective date of this CIA may be credited towards the training time requirements set forth in this section III.C.1, however, South Shore shall meet the requirements of this section by updating any such training, as appropriate, via e-mail, newsletter, flyer, other appropriate medium, or by covering any additional topics required by this section III.C.1 in the next annual general training session.

2. *Specific Training.* Within 120 days of the Effective Date of this CIA, each Covered Person who is involved directly or in a supervisory role and/or in the preparation or submission of claims for reimbursement from any Federal health care program, including but not limited to cost reports (hereinafter referred to as "Relevant Covered Persons") shall receive at least five (5) hours of specific training in addition to the general training required above. This specific training shall include a discussion of :

- a. the submission of accurate bills for services rendered to Federal health care program beneficiaries;
- b. policies, procedures and other requirements applicable to the documentation of medical records;
- c. the personal obligation of each individual involved in the billing process to ensure that such billings are accurate;
- d. applicable reimbursement statutes, regulations, and program requirements and directives;
- e. the legal sanctions for improper billings; and
- f. examples of proper and improper billing practices.

Persons providing the training must be knowledgeable about the subject area.

Relevant Covered Persons shall receive this training within 30 days of the beginning of their employment or becoming Relevant Covered Persons or within 120 days of the Effective Date of this CIA, whichever is later. A South Shore employee who has completed the specific training shall review a new Relevant Covered Person's work, to the extent that the work relates to the preparation or submission of claims for reimbursement from any Federal health care program, until such time as the new Relevant Covered Person completes his/her applicable training.

After receiving the initial training described in this section, every Relevant Covered Person shall receive at least three hours of specific training annually. Specific training that meets the requirements of this section III.C.2 above and that was provided to Relevant Covered Persons during the four months immediately preceding the effective date of this CIA may be credited towards the training time requirements of this section.

3. *Certification.* Each individual who is required to attend training shall certify, in writing, 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 his or her designee) shall retain the certifications, along with all course materials. These shall be made available to OIG, upon request.

4. *Exception for Pre-Existing Contractors.* The term “Pre-Existing Contractors” shall refer to Covered Persons who are independent contractors that provide direct patient care services or that perform billing or coding functions on behalf of South Shore with whom South Shore has an existing contract on the effective date of this Agreement that has not been renewed or modified after the effective date of this Agreement. Once South Shore renegotiates, modifies, or renews a contract with a Pre-Existing Contractor, such Contractor ceases to be a Pre-Existing Contractor as that term is used for purposes of this CIA, and South Shore shall have full responsibility for the certification and training compliance obligations with respect to such Contractor as contemplated by sections III.B and III.C. Notwithstanding any other provision of this CIA, the following are South Shore’s only obligations hereunder with respect to sections III.B and III.C for Pre-Existing Contractors: South Shore shall make the Code of Conduct available to all Pre-Existing Contractors and shall make the general training, and specific training, where appropriate, available to all Pre-Existing Contractors, and shall use its best efforts to encourage their attendance and participation. The Compliance Officer shall keep a record of all Pre-Existing Contractors who attend such training and shall include such record in each Annual Report to OIG.

5. *Exception for Non-Employed Physicians.* Notwithstanding any other provision of this CIA, the following shall constitute South Shore’s obligations under this section III.C with respect to Non-Employed Physicians: South Shore shall make the general training and the specific training, where appropriate, available to all Non-Employed Physicians at South Shore, and shall use its best efforts to encourage their attendance and participation. The Compliance Officer shall maintain records of the percentage of all physicians with privileges who attend such training.

D. Independent Review Organization Procedures.

1. *General Description.*

a. *Retention of Independent Review Organization.* Within 120 days of the Effective Date of this CIA, South Shore shall retain an entity (or entities), such as an accounting, auditing or consulting firm (hereinafter “Independent Review Organization” or “IRO”), to perform engagements to assist South Shore in evaluating its cost reporting and its compliance obligations pursuant to this CIA and the Settlement Agreement. Each Independent Review Organization retained by South Shore shall have expertise in the cost reporting

and other requirements applicable to hospitals and in the general requirements of the Medicare program. Each IRO shall assess, along with South Shore, whether it can perform the IRO engagements in a professionally independent fashion, taking into account any other business relationships or other engagements that may exist.

b. *Types of Engagements.* The Independent Review Organization(s) shall conduct two separate engagements. One engagement shall address South Shore's submission of cost reports to the Medicare program ("Cost Reporting Engagement"). The second engagement shall address South Shore's compliance with the obligations assumed under this CIA and the Settlement Agreement ("Unallowable Costs Review").

c. *Frequency of Cost Reporting Engagement and Unallowable Costs Review.* The Cost Report Engagement shall be performed annually and shall cover each of the one-year periods beginning with the Effective Date of this CIA ("Reporting Period"). The IRO(s) shall perform all components of each annual Cost Reporting Engagement. The Unallowable Costs Review shall be performed by the IRO for the first Reporting Period.

d. *Retention of Records.* The IRO and South Shore shall retain and make available to the OIG, upon request, all work papers, supporting documentation, and draft reports exchanged between the IRO and South Shore related to the engagements.

2. *Cost Reporting Engagement.* The Cost Reporting Engagement shall consist of the following:

a. *Cost Report Systems Engagement.* The IRO shall, through observation and inquiry, gain an understanding of South Shore's cost report preparation process ("Cost Report Systems Engagement"). The engagement will be designed to compare South Shore's practices with best practices among similarly situated hospitals in the industry and will be designed to produce findings and recommendations aimed at improving South Shore's cost report

preparation process. The specific focus of the engagement will be to document and, if applicable, recommend improvements to the steps South Shore takes to ensure that the proper information is being recorded on such submissions to the Medicare program and that controls are reasonably designed to ensure that allowable costs and amounts are submitted for reimbursement. The IRO shall conduct interviews and review policies and procedures to present findings and recommendations on South Shore's cost report preparation policies, procedures, and process ("Cost Report Systems Findings"). The Cost Report Systems Engagement shall consist of interviews with key South Shore cost reporting personnel, as well as an analysis of cost report preparation policies and procedures. The IRO's findings and recommendations shall include an analysis of the internal controls related to the allocation of costs and the derivation of dollar amounts.

b. Cost Report Engagement. The IRO shall perform an analysis of all costs charged directly to those departments of South Shore for which payment is made based upon a hospital-specific cost as reported on Medicare cost reports during the Reporting Period (the "Cost Report Engagement"), to evaluate their compliance with Medicare requirements.

c. Cost Reporting Engagement Report. The IRO shall prepare a report based upon the Cost Reporting Engagement and as contemplated by the AICPA's Statement of Position 99-1, *Guidance to Practitioners in Conducting and Reporting on an Agreed-Upon Procedures Engagement to Assist Management in Evaluating the Effectiveness of Its Corporate Compliance Program*, and consulting standards, as appropriate. The Report shall include: (i) the IRO's findings and supporting rationale regarding South Shore's cost report, cost statement, information statement and payment request preparation process relating to any and all costs submitted to the Medicare program covered by the Cost Report Systems Engagement in the period being audited; (ii) any recommendations the IRO may have to improve any of these systems, operations, and processes; (iii) a summary of the conclusions from the Cost Report Engagement; and (iv) the IRO's findings and supporting rationale,

based upon the IRO's Unallowable Cost Review, as set forth below, regarding whether South Shore has complied with its obligation not to charge to, or otherwise seek payment from, Federal or State payors for unallowable costs (as defined in the Settlement Agreement) and South Shore's obligation to identify to applicable Federal or State payors any unallowable costs included in payments previously sought from such payor.

3. *Unallowable Costs Review.* The IRO shall determine whether South Shore has complied with its obligation not to charge to, or otherwise seek payment from, Federal or State payors for unallowable costs (as defined in the Settlement Agreement) and its obligation to identify to applicable Federal or State payors any unallowable costs included in payments previously sought from the United States, or any State Medicaid program. This unallowable cost analysis shall include, but not be limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by South Shore or any of its subsidiaries. To the extent such cost reports, cost statements, information reports or payment requests, even if already settled, have been adjusted to account for the effect of the inclusion of the unallowable costs, the IRO will determine if such adjustments were proper. In making this determination, the IRO may need to review cost reports and/or financial statements from the year in which of the Settlement Agreement was executed, as well as from previous years.

4. *Validation Review.* In the event the OIG has reason to believe that: (a) South Shore's Cost Reporting Engagement or Unallowable Costs Review fails to conform to the requirements of this CIA; or (b) the findings or Cost Reporting Engagement results are inaccurate, the OIG may, at its sole discretion, conduct its own review to determine whether the Cost Reporting Engagement and Unallowable Costs Review comply with the requirements of the CIA and/or the findings or Cost Reporting Engagement results are inaccurate. South Shore agrees to pay for the reasonable cost of any such review performed by the OIG or any of its designated agents so long as it is initiated before one year after the final submission (as described in section II) is received by the OIG.

Prior to initiating a Validation Review, the OIG shall notify South Shore of its intent to do so and provide a written explanation of why the OIG believes such a review is necessary. To resolve any concerns raised by the OIG, South Shore may request a meeting with the OIG to discuss the results of any Engagement submissions or any Cost Reporting Engagement findings; present any additional or relevant information to clarify

the results of the Engagements or to correct the inaccuracy of the Cost Reporting Engagement; and/or propose alternatives to the proposed Validation Review. South Shore agrees to provide any additional information as may be requested by the OIG under this section in an expedited manner. The OIG will attempt in good faith to resolve any Cost Reporting Engagement or Unallowable Costs Review issues with South Shore prior to conducting a Validation Review. However, the final determination as to whether or not to proceed with a Validation Review shall be made at the sole discretion of the OIG.

5. *Independence Certification.* The IRO shall include in its report(s) to South Shore a certification or sworn affidavit that it has evaluated its professional independence with regard to the Billing Engagement and that it has concluded that it was, in fact, independent.

E. Disclosure Program.

Within 120 days after the Effective Date of this CIA, South Shore shall have in place a Disclosure Program, that must include 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 South Shore'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. South Shore 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 non-retribution, non-retaliation policy, and shall include a reporting mechanism for anonymous communications for which appropriate confidentiality will 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, South Shore shall conduct an internal review of the allegations set forth in such a disclosure and ensure that proper follow-up is conducted.

The Compliance Officer (or his or her 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 available to OIG, upon request.

F. Ineligible Persons.

1. *Definition.* For purposes of this CIA, an “Ineligible Person” shall be any individual or entity who: (a) is currently excluded, debarred or otherwise ineligible to participate in the Federal health care programs or in Federal procurement or non-procurement programs; or (b) 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 or otherwise declared ineligible.

2. *Screening Requirements.* South Shore shall not hire as employees or engage as contractors or grant staff privileges to any Ineligible Person. To prevent hiring or contracting with any Ineligible Person, South Shore shall screen all prospective employees and prospective contractors prior to engaging their services and screen physicians prior to granting staff privileges by: (a) requiring applicants to disclose whether they are Ineligible Persons; 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://www.hhs.gov/oig>) (these lists will hereinafter be referred to as the “Exclusion Lists”). Nothing in this section affects the responsibility of (or liability for) South Shore to refrain from billing Federal health care programs for services of the Ineligible Person.

3. *Review and Removal Requirement.* Within 120 days of the Effective Date of this CIA, South Shore shall review its list of current employees and contractors and physicians with staff privileges against the Exclusion Lists. Thereafter, South Shore shall review its list of current employees and contractors and physicians with staff privileges against the Exclusion Lists annually. In addition, South Shore shall require employees and contractors to disclose immediately any debarment, exclusion, or other event that makes the employee an Ineligible Person.

If South Shore has actual notice that an employee, contractor, or physician with staff privileges has become an Ineligible Person, South Shore shall remove such person

from responsibility for, or involvement with, South Shore's business operations related to the Federal health care programs and shall remove such person from any position for which the person's salary or the items or services rendered, 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 South Shore has actual notice that an employee or contractor is charged with a criminal offense related to any Federal health care program, or is proposed for exclusion during his or her employment or contract term, South Shore shall take all appropriate actions to ensure that the responsibilities of that employee or contractor 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.

G. Notification of Government Investigation or Legal Proceedings.

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

H. Reporting.

1. *Overpayments*

a. *Definition of Overpayments.* For purposes of this CIA, an "overpayment" shall mean the amount of money South Shore 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, South Shore identifies or learns of any overpayments, South Shore shall notify the payor (e.g., Medicare fiscal intermediary or carrier) within 30

days of identification of the overpayment and take remedial steps within 60 days of identification (or such additional time as may be agreed to by the payor) to correct the problem, including preventing the underlying problem and the overpayments from recurring. Also, within 30 days of identification of the overpayment, South Shore shall repay the overpayment to the appropriate payor to the extent such overpayment has been quantified. If not yet quantified, within 30 days of identification, South Shore 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 should be done in accordance with the payor's policies, and for Medicare contractors, must include the information contained on the Overpayment Refund Form, provided as Appendix A 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. Material Deficiencies.

a. Definition of Material Deficiency. For purposes of this CIA, a "Material Deficiency" 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 Material Deficiency may be the result of an isolated event or a series of occurrences.

b. Reporting of Material Deficiencies. If South Shore determines through any means that there is a Material Deficiency, South Shore shall notify OIG, in writing, within 30 days of making the

determination that the Material Deficiency exists. The report to the OIG shall include the following information:

(i) If the Material Deficiency results in an overpayment, the report to the 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 Material Deficiency, including the relevant facts, persons involved, and legal and Federal health care program authorities implicated;

(iii) a description of South Shore's actions taken to correct the Material Deficiency; and

(iv) any further steps South Shore plans to take to address the Material Deficiency and prevent it from recurring.

IV. NEW BUSINESS UNITS OR LOCATIONS

In the event that, after the Effective Date of this CIA, South Shore changes locations or sells, closes, purchases or establishes new business units related to the furnishing of items or services that may be reimbursed by Federal health care programs, South Shore shall notify OIG of this fact as soon as possible, but no later than within 30 days of the date of change of location, sale, closure, purchase or establishment. This notification shall include the location of the new operation(s), phone number, fax number, Medicare provider number(s) (if any), and the corresponding contractor's name and address that has issued each Medicare provider number. All Covered Persons at such locations shall be subject to the applicable requirements in this CIA (e.g., completing certifications and undergoing training).

V. IMPLEMENTATION AND ANNUAL REPORTS

A. Implementation Report. Within 150 days after the Effective Date of this CIA, South Shore shall submit a written report to OIG summarizing the status of its implementation of the requirements of this CIA. This Implementation Report shall include:

1. the name, address, phone number, and position description of the Compliance Officer required by section III.A, and a summary of other non-compliance 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 South Shore's Code of Conduct required by section III.B.1;
4. a copy of all compliance-related Policies and Procedures required by section III.B.2 and a summary of all other Policies and Procedures required by section III.B.2;
5. a copy of all training materials used for the training required by section III.C, a description of such training, including a description of the targeted audiences, length of sessions, which sessions were mandatory and for whom, percentage of attendance, and a schedule of when the training sessions were held;
6. a certification by the Compliance Officer that:
 - a. the Policies and Procedures required by section III.B have been developed, are being implemented, and have been distributed to all appropriate Covered Persons;
 - b. all Covered Persons have completed the Code of Conduct certification required by section III.B.1; and
 - c. all Covered Persons have completed the applicable training and executed the certification(s) required by section III.C.

The documentation supporting this certification shall be available to OIG, upon request.

7. a description of the Disclosure Program required by section III.E;
8. the identity of the IRO(s), a summary/description of all engagements between South Shore and the IRO, including, but not limited to, any outside financial audits, compliance program engagements, or reimbursement consulting, and the proposed start and completion dates of the first annual review;
9. a certification from the IRO regarding its professional independence from South Shore;
10. a summary of personnel actions (other than hiring) taken pursuant to section III.F.;
11. a list of all of South Shore'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 identification number(s) and the name and address of the Medicare contractor to which South Shore currently submits claims;
12. a description of South Shore's corporate structure, including identification of any parent and sister companies, subsidiaries and their respective lines of business; and
13. the certification required by section V.C.

B. Annual Reports. South Shore shall submit to OIG Annual Reports with respect to the status of, and findings regarding, South Shore's compliance activities for each of the five one-year periods beginning on the Effective Date of the CIA. (The one-year period covered by each Annual Report shall be referred to as "the Reporting Period").

Each Annual Report shall include:

1. any change in the identity, position description, or other non-compliance job responsibilities of the Compliance Officer and any change in the membership of the Compliance Committee described in section III.A;
2. a certification by the Compliance Officer that:
 - a. all Covered Persons have completed any Code of Conduct certifications required by section III.B.1;
 - b. all Covered Persons have completed the applicable training and executed the certification(s) required by section III.C;
 - c. South Shore has complied with its obligations under the Settlement Agreement: (i) 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; (ii) not to charge to or otherwise seek payment from Federal or State payors for unallowable costs (as defined in the Settlement Agreement); and (iii) to identify and adjust any past charges or claims for unallowable costs;

The documentation supporting this certification shall be available to OIG, upon request.

3. 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;
4. a copy of all training materials used for the training required by section III.C (to the extent it has not already been provided as part of the Implementation Report), a description of such training conducted during the Reporting Period, including a description of the targeted audiences, length of sessions, which sessions were mandatory and for whom, percentage of attendance, and a schedule of when the training sessions were held;

5. a complete copy of all reports prepared pursuant to the IRO's Cost Reporting Engagement and Unallowable Costs Review, including a copy of the methodology used, along with a copy of the IRO's engagement letter;
6. South Shore's response and corrective action plan(s) related to any issues raised by the IRO(s);
7. a revised summary/description of all engagements between South Shore and the IRO, including, but not limited to, any outside financial audits, compliance program engagements, or reimbursement consulting, if different from what was submitted as part of the Implementation Report;
8. a certification from the IRO regarding its professional independence from South Shore;
9. a summary of Material Deficiencies (as defined in III.H) identified during the Reporting Period and the status of any corrective and preventative action relating to all such Material Deficiencies;
10. a report of the aggregate overpayments that have been returned to the Federal health care programs. Overpayment amounts should 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;
11. 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;
12. a description of any personnel actions (other than hiring) taken by South Shore as a result of the obligations in section III.F, and the name, title, and responsibilities of any person that falls within the ambit of section III.F.4, and the actions taken in response to the obligations set forth in that section;

13. 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;

14. a description of all changes to the most recently provided list (as updated) of South Shore's locations (including locations and mailing 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 Federal health care program provider identification number(s), and the contractor name and address that issued each provider identification number; and

15. the certification required by section V.C.

The first Annual Report shall be received by the 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) except as otherwise described in the applicable report, South Shore is in compliance with all of the requirements of this CIA, to the best of his or her knowledge; and (2) the Compliance Officer has reviewed the Report and has made reasonable inquiry regarding its content and believes that the information is accurate and truthful.

D. Designation of Information: South Shore 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. South Shore 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 of this CIA, all notifications and reports required under this CIA shall be submitted to the following entities:

OIG:

Civil Recoveries Branch - Compliance Unit
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, SW
Washington, DC 20201
Telephone (202) 619-2078
Facsimile (202) 205-0604

South Shore:

Sophie Martin
Chief Compliance Officer
South Shore Hospital and Medical Center
630 Alton Road, Suite 404
Miami Beach, FL 33139
Telephone (305) 672-2100 ext. 3439
Facsimile (305) 534-2643

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 South Shore's books, records, and other documents and supporting materials and/or conduct on-site reviews of any of South Shore's locations for the purpose of verifying and

evaluating: (a) South Shore's compliance with the terms of this CIA; and (b) South Shore's compliance with the requirements of the Federal health care programs in which it participates. The documentation described above shall be made available by South Shore 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 South Shore'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. South Shore agrees to assist OIG or its duly authorized representative(s) in contacting and arranging interviews with such individuals upon OIG's request. South Shore's employees may elect to be interviewed with or without a representative of South Shore present.

VIII. DOCUMENT AND RECORD RETENTION

South Shore 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, the OIG shall make a reasonable effort to notify South Shore prior to any release by OIG of information submitted by South Shore pursuant to its obligations under this CIA and identified upon submission by South Shore as trade secrets, or information that is commercial or financial and privileged or confidential, under the FOIA rules. With respect to such releases, South Shore shall have the rights set forth at 45 C.F.R. § 5.65(d). South Shore shall refrain from identifying any information as exempt from release if that information does not meet the criteria for exemption from disclosure under FOIA.

X. BREACH AND DEFAULT PROVISIONS

South Shore 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, South Shore 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 (which shall begin to accrue on the day after the date the obligation became due) for each day South Shore fails to have in place any of the obligations described in section III:

- a. a Compliance Officer;
- b. a Compliance Committee;;
- c. a written Code of Conduct;
- d. written Policies and Procedures;
- e. a requirement that Covered Persons be trained; and
- f. a Disclosure Program.

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 South Shore fails to retain an IRO, 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 South Shore fails to meet any of the deadlines for the submission of the Implementation Report or the Annual Reports to OIG.

4. A Stipulated Penalty of \$2,000 (which shall begin to accrue on the date the failure to comply began) for each day South Shore employs or contracts with or grants staff privileges to an Ineligible Person and that person: (i) has responsibility for, or involvement with, South Shore’s business operations related to the Federal health care programs; or (ii) is in a position for which the person’s salary or the items or services rendered, 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 (the Stipulated Penalty described in this paragraph shall not be demanded for any time period during which South Shore can demonstrate that it did not discover the person’s exclusion

or other ineligibility after making a reasonable inquiry (as described in section III.F) as to the status of the person).

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

6. A Stipulated Penalty of \$1,000 for each day South Shore fails to comply fully and adequately with any obligation of this CIA. In its notice to South Shore, OIG shall state the specific grounds for its determination that South Shore has failed to comply fully and adequately with the CIA obligation(s) at issue and steps South Shore must take to comply with the CIA. (This Stipulated Penalty shall begin to accrue 10 days after the South Shore receives notice from the OIG of the failure to comply.) A Stipulated Penalty as described in this paragraph shall not be demanded for any violation for which the OIG has sought a Stipulated Penalty under paragraphs 1-5 of this section.

B. Timely Written Requests for Extensions. South Shore 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 South Shore 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 South Shore 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 South Shore 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 South Shore of: (a) South Shore's failure to comply; and (b) the OIG's exercise of its contractual right to demand payment of the Stipulated Penalties (this notification is hereinafter referred to as the "Demand Letter").

2. *Response to Demand Letter.* Within 10 days of the receipt of the Demand Letter, South Shore 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 South Shore elects to request an ALJ hearing, the Stipulated Penalties shall continue to accrue until South Shore 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 South Shore 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 South Shore to report a Material Deficiency, 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;

c. a failure to respond to a Demand Letter concerning the payment of Stipulated Penalties in accordance with section X.C; or

d. a failure to retain and use an Independent Review Organization in accordance with section III.D.

2. *Notice of Material Breach and Intent to Exclude.* The parties agree that a material breach of this CIA by South Shore constitutes an independent basis for South Shore's exclusion from participation in the Federal health care programs. Upon a determination by OIG that South Shore has materially breached this CIA and that exclusion should be imposed, OIG shall notify South Shore of: (a) South Shore'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.* South Shore 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. South Shore is in compliance with the obligations of the CIA cited by the 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) South Shore has begun to take action to cure the material breach; (ii) South Shore is pursuing such action with due diligence; and (iii) South Shore has provided to OIG a reasonable timetable for curing the material breach.

4. *Exclusion Letter.* If at the conclusion of the 30-day period, South Shore fails to satisfy the requirements of section X.D.3, OIG may exclude South Shore from participation in the Federal health care programs. OIG will notify South Shore in writing of its determination to exclude South Shore (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 the Exclusion Letter. The exclusion shall have national effect and shall also apply to all other Federal procurement and non-procurement programs. Reinstatement to program participation is not automatic. If at the end of the period of exclusion, South Shore wishes to apply for reinstatement, South Shore must submit 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 South Shore 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, South Shore 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 of the receipt of the Demand Letter and the request for a hearing involving exclusion shall be made within 25 days of receipt of the Exclusion Letter.

2. *Stipulated Penalties Review.* 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 CIA shall be: (a) whether South Shore was in full and timely compliance with the obligations of this CIA for which the OIG demands payment; and (b) the period of noncompliance. South Shore shall have the burden of proving its full and timely compliance and the steps taken to cure the noncompliance, if any. The 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 South Shore to pay Stipulated Penalties, such Stipulated Penalties shall become due and payable 20 days after the ALJ issues such a decision unless South Shore 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 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:

- a. whether South Shore 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) South Shore had begun to take action to cure the material breach within that period;

(ii) South Shore has pursued and is pursuing such action with due diligence; and

(iii) South Shore provided to OIG within that period a reasonable timetable for curing the material breach and South Shore 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 South Shore, only after a DAB decision in favor of OIG. South Shore's election of its contractual right to appeal to the DAB shall not abrogate the OIG's authority to exclude South Shore upon the issuance of an ALJ's decision in favor of the OIG. If the ALJ sustains the determination of the OIG and determines that exclusion is authorized, such exclusion shall take effect 20 days after the ALJ issues such a decision, notwithstanding that South Shore 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. South Shore agrees to 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 South Shore, South Shore will 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, South Shore and OIG agree as follows:

A. This CIA shall be binding on the successors, assigns, and transferees of South Shore;

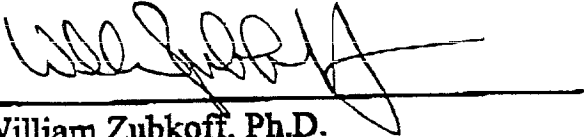
B. This CIA shall become final and binding on the date the final signature is obtained on the CIA;

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 South Shore's obligations under the CIA in the event of South Shore's cessation of participation in Federal health care programs. If South Shore withdraws from participation in Federal health care programs and is relieved from its CIA obligations by the OIG, South Shore agrees to notify OIG 30 days in advance of South Shore's intent to reapply as a participating provider or supplier with the Federal health care programs. Upon receipt of such notification, OIG will evaluate whether the CIA should be reactivated or modified.

E. The undersigned South Shore signatories represent and warrant that they are 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 SOUTH SHORE HOSPITAL



William Zubkoff, Ph.D.
Chief Executive Officer

5/9/02
DATE

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



LEWIS MORRIS
Assistant Inspector General for Legal Affairs
Office of Inspector General
U. S. Department of Health and Human Services

5/8/02
DATE

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		