

**CORPORATE INTEGRITY AGREEMENT
BETWEEN THE
OFFICE OF INSPECTOR GENERAL
OF THE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
AND
TENET HEALTHCARE CORPORATION; TENET HEALTHSYSTEM MEDICAL, INC.;
TENET HEALTHSYSTEM HOLDINGS, INC.; AND AMISUB (NORTH RIDGE HOSPITAL),
INC. D/B/A NORTH RIDGE MEDICAL CENTER**

I. PREAMBLE

Tenet Healthcare Corporation, Tenet HealthSystem Medical, Inc., Tenet HealthSystem Holdings, Inc., and Amisub (North Ridge Hospital), Inc. d/b/a North Ridge Medical Center (collectively Tenet) hereby enter 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 their officers, directors, employees, contractors, and agents 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, Tenet is entering into a Settlement Agreement with the United States in the matter styled as United States ex rel. Barbera v. Amisub, et al., Case No. 97-6590-CIV-JORDAN/BROWN (S.D. Fla.), and this CIA is incorporated by reference into the Settlement Agreement. References in the CIA to “Tenet” shall apply to Tenet Healthcare Corporation, Tenet HealthSystem Medical, Inc., Tenet HealthSystem Holdings, Inc., and Amisub (North Ridge Hospital), Inc. d/b/a North Ridge Medical Center. References to “NRMC” shall refer to Amisub (North Ridge Hospital), Inc. d/b/a North Ridge Medical Center only.

Prior to execution of this CIA, Tenet established a corporate compliance program that applies to all Tenet subsidiaries and facilities, including NRMC. Tenet’s compliance program includes written policies and procedures, an education and training component, mechanisms for the ongoing monitoring and auditing of Tenet operations to assess compliance, mechanisms for employees and agents to report incidents of noncompliance in an anonymous way, disciplinary actions for individuals violating compliance policies and procedures, and oversight of the compliance program by the Tenet Compliance Officer, Regional Compliance Directors, Hospital Compliance Officers, and a Compliance and Ethics Committee. Tenet agrees that during the term of this CIA it will

continue to operate its compliance program as it pertains to NRMC in a manner that meets the requirements of this CIA. Tenet may modify the compliance program as appropriate, but at a minimum, Tenet shall ensure that it complies with the integrity obligations that are enumerated in this CIA.

II. TERM AND SCOPE OF THE CIA

A. The period of the compliance obligations assumed by Tenet under this CIA shall be 5 years from the effective date of this CIA, unless otherwise specified. The effective date shall be the date on which the final signatory of this CIA executes this CIA (Effective Date). Each one-year period, beginning with the one-year period following the Effective Date, shall be referred to as a “Reporting Period.”

B. Sections VII, VIII, IX, X, and XI shall expire no later than 120 days after OIG’s receipt of: (1) Tenet’s final Annual Report; or (2) any additional materials submitted by Tenet pursuant to OIG’s request, whichever is later.

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

1. “Covered Persons” includes:

- a. all owners, officers, directors, and employees of NRMC and of those Tenet or Tenet-affiliated entities that are involved in the management and/or operations of NRMC, including but not limited to any responsibilities related to Physician Relationships;
- b. all employees, contractors, subcontractors, agents, and other persons who provide patient care items or services or who perform billing or coding functions on behalf of NRMC; and
- c. physicians with active medical staff privileges at NRMC.

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

2. “Physician Relationships” shall mean every financial arrangement or transaction that:

a. (i) involves, directly or indirectly, the offer, payment, solicitation, or receipt of anything of value; and (ii) is between NRMC and/or those Tenet or Tenet-affiliated entities that are involved in the management and operations of NRMC and any physician or physician group that is an actual or potential source of health care business or referrals to NRMC or that is an actual or potential recipient of health care business or referrals from NRMC. The term “health care business or referrals” shall include referring, recommending, arranging for, ordering, leasing, or purchasing of any good, facility, item, or service for which payment may be made in whole or in part by a Federal health care program; or

b. is between NRMC and/or those Tenet or Tenet-affiliated entities that are involved in the management and operations of NRMC and a physician (or a physician’s immediate family member (as defined at 42 C.F.R. § 411.351)) who makes a referral (as defined at 42 U.S.C. § 1395nn(h)(5)) to NRMC for designated health services (as defined at 42 U.S.C. § 1395nn(h)(6)).

Physician Relationships shall include, but not be limited to, the following: (1) physician recruitment and relocation payments; (2) medical directorships; (3) leases of office space and equipment to physicians; (4) personal services agreements; (5) loans; (6) leases of space and equipment from physicians; (7) physician practice acquisitions; (8) employment agreements; (9) hospital-physician joint ventures; (10) services or supplies provided by hospitals to physicians (e.g., joint marketing, practice management, staffing, malpractice insurance, CME, lab, pharmacy, transcription, sterilization, transportation); and (11) gifts, travel, and entertainment.

III. CORPORATE INTEGRITY OBLIGATIONS

Tenet hereby agrees to establish and maintain a compliance program that includes the following elements:

A. Compliance Officers and Committee.

1. *Compliance Officers.* Tenet certifies that it has appointed an individual to serve as the compliance officer for Tenet Healthcare Corporation (Tenet Compliance Officer). Tenet shall maintain a Tenet Compliance Officer for the term of the CIA. The Tenet Compliance Officer (and appropriate designees) 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 Tenet Compliance Officer shall be a member of senior management of Tenet Healthcare Corporation, shall make periodic (at least quarterly) reports regarding compliance matters directly to the Ethics, Quality, and Compliance Committee of the Board of Directors of Tenet Healthcare Corporation, and shall be authorized to report on such matters to this Committee at any time. The Tenet Compliance Officer shall not be, or be subordinate to, the General Counsel or Chief Financial Officer. The Tenet Compliance Officer (and appropriate designees) shall be responsible for monitoring the day-to-day compliance activities engaged in by Tenet Healthcare Corporation as well as for any reporting obligations created under this CIA.

In addition, within 90 days after the Effective Date, Tenet shall appoint an individual to serve as the compliance officer for NRMC (NRMC Compliance Officer) who shall be an employee of NRMC. Tenet shall maintain a NRMC Compliance Officer for the term of the CIA. The NRMC Compliance Officer shall be responsible for developing and implementing policies, procedures, and practices designed to ensure compliance with Federal health care program requirements and with the requirements set forth in this CIA at NRMC. The NRMC Compliance Officer shall be responsible for monitoring the day-to-day compliance activities engaged in by NRMC and shall report to the Tenet Compliance Officer (or appropriate designee) and the NRMC Chief Executive Officer.

Tenet shall report to OIG, in writing, any changes in the identity or position description of either the Tenet Compliance Officer or the NRMC Compliance Officer, or any actions or changes that would affect either compliance officer's ability to perform the duties necessary to meet the obligations in this CIA, within 15 days after such a change.

2. *Compliance Committees.* Tenet certifies that it has a Compliance and Ethics Committee (Tenet Compliance Committee). The Tenet Compliance Committee includes the Tenet Compliance Officer and other members of senior management necessary to meet the requirements of this CIA (e.g., senior executives of relevant departments). The Tenet Compliance Committee shall support the Tenet 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).

In addition, within 90 days after the Effective Date, Tenet shall appoint a compliance committee at NRMC (NRMC Compliance Committee). The NRMC Compliance Committee shall, at a minimum, include the NRMC Compliance Officer and other members of senior management at NRMC 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 NRMC Compliance Officer shall chair the NRMC Compliance Committee and the committee shall support the NRMC 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).

Tenet shall report to the OIG, in writing, any actions or changes that would affect either compliance committee's ability to perform the duties necessary to meet the obligations in this CIA, within 15 days after such a change.

B. Written Standards.

1. *Standards of Conduct.* Tenet certifies that it has developed, and implemented a program to distribute, Standards of Conduct for its employees. For the duration of this CIA, Tenet shall continue to maintain the Standards of Conduct. To the extent necessary, Tenet shall amend the Standards of Conduct within 90 days after the Effective Date to ensure that the Standards of Conduct meet the requirements set forth below. The Standards of Conduct, revised if necessary, shall be made available to all Covered Persons within 90 days after the Effective Date. Tenet shall make the promotion of, and adherence to, the Standards of Conduct an element in evaluating the performance of all employees. The Standards of Conduct shall, at a minimum, set forth:

- a. Tenet'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. the requirement that all Covered Persons shall be expected to comply with all Federal health care program requirements and with Tenet's own Policies and Procedures as implemented pursuant to this Section III.B (including the requirements of this CIA);

- c. the requirement that all Covered Persons shall be expected to report to the Tenet Compliance Officer or other appropriate individual designated by Tenet suspected violations of any Federal health care program requirements or of Tenet's own Policies and Procedures;
- d. the possible consequences to both Tenet and Covered Persons of a failure to comply with Federal health care program requirements and with Tenet's own Policies and Procedures and the failure to report such noncompliance; and
- e. the right of all individuals to use the Disclosure Program described in Section III.F, and Tenet's commitment to nonretaliation and to maintain, as appropriate, confidentiality and anonymity with respect to such disclosures.

NRMC shall adopt Tenet's Standards of Conduct as its own. Within 120 days after the Effective Date, each Covered Person shall certify, in writing, that he or she has received, read, understood, and shall abide by Tenet's Standards of Conduct. New Covered Persons shall receive the Standards of Conduct and shall complete the required certification within 30 days after becoming a Covered Person or within 120 days after the Effective Date, whichever is later.

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

2. Policies and Procedures. Within 90 days after the Effective Date, Tenet shall review, and where appropriate, revise or develop written Policies and Procedures regarding the operation of Tenet's compliance program at NRMC and its compliance with Federal health care program requirements. At a minimum, the Policies and Procedures shall address:

- a. the subjects relating to the Standards of Conduct identified in Section III.B.1;

- b. the proper preparation and submission of cost reports to Medicare and Medicaid, including, but not limited to, Federal and State requirements regarding unallowable costs and allowable costs;
- c. the commitment of Tenet to remain current with all Federal health care program requirements by obtaining and reviewing program memoranda, bulletins, newsletters, or other correspondence from NRMC's fiscal intermediary(ies) and carrier(s) related to Federal health care program requirements;
- d. 42 U.S.C. § 1320a-7b(b) (the Anti-Kickback Statute) and 42 U.S.C. § 1395nn (the Stark Law), all relevant regulations, and other guidance documents related to these statutes, and business or financial arrangements or contracts that potentially could induce the unlawful referral of Federal health care program beneficiaries in violation of the Anti-Kickback Statute or the Stark Law; and
- e. the requirements set forth in Section III.D.

NRMC shall adopt Tenet's Policies and Procedures as its own. Within 90 days after the Effective Date, the relevant portions of the Policies and Procedures shall be distributed to all individuals whose job functions relate to those Policies and Procedures. Appropriate and knowledgeable staff shall be available to explain the Policies and Procedures.

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

C. Training and Education.

1. *General Training.* Within 120 days after the Effective Date, Tenet shall provide at least two hours of General Training to each Covered Person. This training, at a minimum, shall explain Tenet's:

- a. CIA requirements; and

- b. Tenet's compliance program (including the Standards of Conduct and the Policies and Procedures as they pertain to general compliance issues).

New Covered Persons shall receive the General Training described above within 30 days after becoming a Covered Person or within 120 days after the Effective Date, whichever is later. After receiving the initial General Training described above, each Covered Person shall receive at least one hour of General Training annually.

If, pursuant to Tenet's compliance program, Tenet has provided training to Covered Persons that satisfies the requirements set forth above in Section III.C.1 within 60 days prior to the Effective Date, the OIG shall credit that training for purposes of satisfying Tenet's General Training obligations for the first year of this CIA.

2. *Physician Relationships Training.* Within 120 days after the Effective Date, each Covered Person involved with the development, approval, management, or review of Physician Relationships (Physician Relationships Covered Persons) shall receive at least 2 hours of Physician Relationships Training, in addition to the General Training required above. The Physician Relationships Training shall include a discussion of:

- a. Physician Relationships and other arrangements that potentially implicate the Anti-Kickback Law or the Stark Law, as well as the regulations and other guidance documents related to these statutes;
- b. Tenet's policies, procedures, and other requirements relating to Physician Relationships;
- c. the personal obligation of each individual involved in the development, approval, management, or review of Physician Relationships at NRMC to ensure that such relationships do not violate the Anti-Kickback Statute or the Stark Law;
- d. the legal sanctions under the Anti-Kickback Statute and the Stark Law; and
- e. examples of violations of the Anti-Kickback Statute and violations of the Stark Law.

The Physician Relationships Training shall be provided through in-person training sessions. The Physician Relationships Covered Persons shall receive this training within 30 days after the beginning of their employment or becoming Physician Relationships Covered Persons, or within 120 days after the Effective Date, whichever is later. A Tenet employee who has completed the Physician Relationships Training shall review a new Physician Relationships Covered Person's work, to the extent that the work relates to the development, approval, management, or review of Physician Relationships from any Federal health care program, until such time as the new Physician Relationships Covered Person completes his or her Physician Relationships Training.

If, pursuant to Tenet's compliance program, Tenet has provided training to Physician Relationships Covered Persons that satisfies the requirements set forth above in Section III.C.2 within 60 days prior to the Effective Date, the OIG shall credit that training for purposes of satisfying Tenet's Physician Relationships Training obligations for the first year of this CIA.

After receiving the initial Physician Relationships Training described in this Section, each Physician Relationships Covered Person shall receive at least 2 hours of Physician Relationships Training annually.

3. *Cost Reporting Training.* Within 120 days after the Effective Date, each Covered Person who is directly involved in the preparation and submission of cost reports to Federal health care programs (Cost Reporting Covered Persons) shall receive at least 2 hours of Cost Reporting Training, in addition to the General Training required above. The Cost Reporting Training shall include a discussion of:

- a. the submission of proper and accurate cost reports to Federal health care programs in accordance with the relevant requirements;
- b. the personal obligation of each individual involved in the cost reporting, billing, or refunding/reconciliation process to ensure that such cost reports, claims, or refunds are accurate;
- c. the legal sanctions for the submission of improper cost reports;
and
- d. examples of improper cost reporting practices.

The Cost Reporting Training shall be provided through in-person training sessions. Cost Reporting Covered Persons shall receive this training within 30 days after the beginning of their employment or becoming Cost Reporting Covered Persons, or within 120 days after the Effective Date, whichever is later. A Tenet employee who has completed the Cost Reporting Training shall review a new Cost Reporting Covered Person's work, to the extent that the work relates to the preparation or submission of claims for reimbursement (including cost reports) from any Federal health care program, until such time as the new Cost Reporting Covered Person completes his or her Cost Reporting Training.

If, pursuant to Tenet's compliance program, Tenet has provided training to Cost Reporting Covered Persons that satisfies the requirements set forth above in Section III.C.3 within 60 days prior to the Effective Date, the OIG shall credit that training for purposes of satisfying Tenet's Cost Reporting Training obligations for the first year of this CIA.

After receiving the initial Cost Reporting Training described in this Section, each Cost Reporting Covered Person shall receive at least 2 hours of Cost Reporting Training annually.

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

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

6. *Update of Training.* Tenet shall annually review the training, and, where appropriate, update the training to reflect changes in Federal health care program requirements, any issues discovered during internal audits or the reviews required in Section III.E of this CIA, and any other relevant information.

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

Within 90 days after the Effective Date, to the extent not already accomplished, Tenet shall establish policies and procedures regarding its relationships with actual or potential sources of health care business or referrals to Tenet or any actual or potential recipients of health care business or referrals from Tenet (Arrangements) reasonably designed to ensure that each contractor relationship does not violate the Anti-Kickback Statute and/or the Stark Law, and Tenet shall implement procedures to evaluate all existing Arrangements, to the extent not already so evaluated, to determine whether such Arrangements violate the Anti-Kickback Statute and/or the Stark Law. For the purposes of this section, “source” shall mean any physician, contractor, vendor, or agent, and the term “health care business or referrals” shall be read to include referring, recommending, arranging for, ordering, leasing, or purchasing any good, facility, item, or service for which payment may be made in whole or in part by a Federal health care program. The party(ies) to an Arrangement other than Tenet are referred herein as a “contractor.”

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

1. Tenet’s agreement with the contractor shall be set forth in writing and signed by Tenet and the contractor(s);
2. The agreement shall include a provision that the contractor shall comply with Tenet’s compliance program. Additionally, Tenet shall provide each contractor with a copy of its Standards of Conduct and Stark and Anti-Kickback Policies and Procedures;
3. Tenet shall certify and shall require the contractor(s) to certify, at the time of signing the agreement with the contractor and upon renewal of such agreement, that the contractor relationship is not intended to generate referrals for services or supplies for which payment may be made in whole or in part under any Federal health care program; and
4. Tenet shall require the contractor(s) to certify at the time of signing the written agreement that the contractor(s) shall comply with Tenet’s

compliance program and with the Anti-Kickback Statute and the Stark Law.

Tenet shall retain, and make available to OIG upon request, copies of all written agreements with contractors subject to this Section and, to the extent available, all communications related to the contractor relationships and the actual performance of the duties under the contractor relationships.

E. Review Procedures.

1. *General Description.*

a. Retention of Independent Review Organization(s). Within 90 days after the Effective Date, Tenet shall retain an entity (or entities), such as an accounting, auditing, consulting, or law firm (hereinafter Independent Review Organization or IRO), to perform certain review engagements to assist Tenet in assessing and evaluating its cost reporting practices with respect to NRM, its Physician Relationships (as defined in Section II.C of this CIA), and compliance obligations pursuant to this CIA and the Settlement Agreement. Each IRO retained by Tenet shall have expertise in the specific subject matter of each review engagement and the general requirements of the Federal health care program(s) from which Tenet seeks reimbursement. With respect to the Physician Relationships Review, Tenet shall retain competent outside legal counsel with expertise in the Anti-Kickback Statute and Stark Law to serve as the IRO (Legal IRO) in accordance with the specifications in Appendix A. Each IRO shall assess, along with Tenet, whether it can perform the applicable review engagement in a professionally independent fashion taking into account any other business relationships or engagements that may exist.

b. Types of Reviews. The IRO(s) shall conduct three separate reviews. One review shall address Tenet's cost report process to the Federal health care programs with respect to NRM (Cost Report Systems Review). The second review shall address Tenet's compliance with the unallowable costs provisions in the Settlement Agreement (Unallowable Costs Review). The third review shall involve a legal review of current and historical Physician

Relationships involving NRMC and/or those Tenet or Tenet-affiliated entities involved in the management and operations of NRMC (Physician Relationships Review).

c. Retention of Records. The IRO(s) and Tenet shall retain and make available to the OIG upon request all nonprivileged work papers, supporting documentation, correspondence, and draft reports (exchanged between Tenet or NRMC and the IRO(s)) related to the engagements. With respect to the Physician Relationships Review, the Legal IRO and Tenet shall retain and make available to OIG, upon request, (1) copies of all contracts involving or relating to Physician Relationships; (2) all documents relating to the contracts, including approval forms, review notes, fair market value determinations, time sheets, service logs, and payment documentation (e.g., Form 1099s and records of checks or wire transfers); and (3) all nonprivileged communications, including work papers, supporting documentation, correspondence, interview reports, and draft reports related to the contracts and the performance of duties under the contracts.

d. Independence/Objectivity Certification. Each IRO shall include in its report(s) to Tenet a certification or sworn affidavit that it has evaluated its professional independence and/or objectivity, as appropriate to the nature of the engagement, and that it has concluded that it is, in fact, independent and/or objective.

2. *Cost Report Systems Review*. The IRO shall conduct a review of the process undertaken by Tenet with respect to the cost report preparation and submission for NRMC (Cost Report Systems Review). The Cost Report Systems Review shall consist of a thorough review of NRMC's cost report, cost statement, information statement, and payment request preparation processes relating to any and all costs reports submitted to Federal health care programs by or on behalf of NRMC (including, but not limited to, the steps Tenet takes to ensure that the proper information is recorded on cost report submissions to Federal health care programs and that safeguards are in place to ensure that only proper costs and dollar amounts are being submitted to such programs). The Cost Report Systems Review shall be performed annually, shall cover each of the one-year Reporting Periods, and shall be completed within 60 days of the end of the relevant Reporting

Period. The IRO shall perform all components of each annual Cost Report Systems Review. If the Cost Report Process Review for the first Reporting Period does not reveal significant deficiencies, Tenet may request the OIG to eliminate or modify the frequency of the Cost Report Systems Reviews required by the CIA. The OIG shall retain sole discretion to eliminate or modify the frequency of the Cost Report Systems Reviews. If the OIG so permits, the OIG shall notify Tenet in writing of this decision.

3. *Cost Report Systems Review Report.* The IRO shall prepare a report based upon each Cost Report Systems Review. The Cost Report Systems Review Report shall include the IRO's findings and supporting rationale regarding:

- a. the strengths and weaknesses in NRMCM's cost report, cost statement, information statement, and payment request preparation processes relating to any and all costs submitted to Federal health care programs;
- b. any recommendations the IRO may have to improve any of these systems, operations, and processes; and
- c. the IRO's conclusions based upon the Cost Report Systems Review.

4. *Unallowable Cost Review.* The IRO shall conduct a review of Tenet's compliance with the unallowable cost provisions of the Settlement Agreement as they relate to the North Ridge Covered Conduct (as defined in the Settlement Agreement). The IRO shall determine whether Tenet has complied with its obligations not to charge to, or otherwise seek payment from, Federal or State payors for unallowable costs (as defined in the Settlement Agreement) and the 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, a review of payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Tenet or any affiliates. To the extent that 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 shall 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 the Settlement Agreement was executed, as well as from previous years. The IRO shall perform the Unallowable Cost Review for the first Reporting Period only and shall be completed within 60 days of the end of the first Reporting Period.

5. *Unallowable Cost Review Report.* The IRO shall prepare a report based upon the Unallowable Cost Review performed. The Unallowable Cost Review Report shall include the IRO's findings and supporting rationale regarding the Unallowable Costs Review and whether Tenet has complied with the obligation not to charge to, or otherwise seek payment from, Federal or State payors for unallowable costs (as defined in the Settlement Agreement) and the obligation to identify to applicable Federal or State payors any unallowable costs included in payments previously sought from such payor.

6. *Physician Relationships Review.* Tenet shall engage competent outside legal counsel with expertise in the Anti-Kickback Statute and Stark Law (Legal IRO) to perform the Physician Relationships Review. The Legal IRO shall conduct a review of the Physician Relationships involving NRMC and/or those Tenet or Tenet-affiliated entities involved in the management and operations of NRMC. The purpose of the review will be to identify current and/or historical Physician Relationships that could pose a risk of violating the Anti-Kickback Statute and/or the Stark Law and to recommend appropriate corrective actions when those risks have been identified. The Legal IRO and Tenet shall follow the specifications for the Physician Relationships Review detailed in Appendix A, which is incorporated by reference into this CIA. Nothing in this Section III affects Tenet's responsibilities of, or liabilities under, any criminal, civil, or administrative laws or regulations applicable to any Federal health care program including, but not limited to, the Anti-Kickback Statute and/or the Stark Law.

7. *Summary Report for the Physician Relationships Review.* As further specified in Appendix A, the Legal IRO shall prepare reports for each Reporting Period within 60 days of the end of each Reporting Period summarizing the findings regarding the Physician Relationships Review, including a summary of how many Physician Relationships were reviewed

and how many Outlier Physician Relationships (as defined in Appendix A) were identified and a certification from the Legal IRO that the Physician Relationships Review has been conducted reasonably and in good faith.

8. *Validation Review.* In the event the OIG has reason to believe that: (a) any of the reviews required by this Section III.E fails to conform to the requirements of this CIA; or (b) any IRO's findings or results in the reviews are inaccurate, the OIG may, at its sole discretion, conduct its own review to determine whether the review(s) complied with the requirements of the CIA and/or whether the results of the review(s) are inaccurate (Validation Review). Tenet shall pay the reasonable cost of any such review performed by the OIG or any of its designated agents. Any such Validation Review must be initiated no later than one year after Tenet's final submission (as described in Section II) is received by the OIG.

Prior to initiating a Validation Review, the OIG shall notify Tenet of its intent to do so and will provide a written explanation of why the OIG believes such a review is necessary. To resolve any concerns raised by the OIG, Tenet may request a meeting with the OIG to: (a) discuss the results of any review submissions or findings; (b) present any additional information to clarify the results of reviews or to correct the inaccuracy of the reviews; and/or (c) propose alternatives to the proposed Validation Review. Tenet agrees to provide any additional information as may be requested by the OIG under this Section III.E in an expedited manner. The OIG will attempt in good faith to resolve any issues with Tenet pertaining to the reviews 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.

F. Disclosure Program.

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

The Disclosure Program shall emphasize a nonretribution, nonretaliation policy, and shall include a reporting mechanism for anonymous communications for which appropriate confidentiality shall be maintained. Upon receipt of a disclosure, the Tenet Compliance Officer (or designee) shall gather all relevant information from the disclosing individual. The Tenet 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, Tenet shall conduct an internal review of the allegations set forth in the disclosure and ensure that proper follow-up is conducted.

The Tenet Compliance Officer (or designee) shall maintain a disclosure log, which shall include a record and summary of each disclosure received (whether anonymous or not), the status of the respective internal reviews, and any corrective action taken in response to the internal reviews. The disclosure log shall be made available to OIG, upon request.

G. Ineligible Persons.

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

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

i. is currently excluded, debarred, suspended, or otherwise ineligible to participate in the Federal health care programs or

in Federal procurement or nonprocurement programs; or

ii. has been convicted of a criminal offense that falls within the ambit of 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible.

b. "Exclusion Lists" include:

i. the HHS/OIG List of Excluded Individuals/Entities (available through the Internet at <http://oig.hhs.gov>); and

ii. the General Services Administration's List of Parties Excluded from Federal Programs (available through the Internet at <http://epls.arnet.gov>).

c. "Screened Persons" include prospective and current owners, officers, directors, employees, contractors, and agents of NRMC or of those Tenet or Tenet-affiliated entities who are, or will be, involved in the management or operations of NRMC, including but not limited to responsibilities relating to Physician Relationships.

2. *Screening Requirements.* Tenet shall ensure that all prospective and current owners, officers, directors, employees, contractors, and agents of NRMC or Tenet who are, or will be, involved in the management or operations of NRMC, are not Ineligible Persons, by implementing the following screening requirements.

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

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

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

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

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

4. *Pending Charges and Proposed Exclusions.* If Tenet has actual notice that a person identified in Section III.G.2 is charged with a criminal offense that falls within the ambit of 42 U.S.C. §§ 1320a-7(a), 1320a-7(b)(1)-(3), or is proposed for exclusion during his or her employment or contract term or, in the case of a physician, during the term of the physician's medical staff privileges, Tenet shall take all appropriate actions to ensure that the responsibilities of that person have not and shall not adversely affect the quality of care rendered to any beneficiary, patient, or resident, or the accuracy of any claims submitted to any Federal health care program.

H. Notification of Government Investigation or Legal Proceedings.

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

I. Reporting.

1. *Overpayments.*

a. Definition of Overpayments. For purposes of this CIA, an "Overpayment" shall mean the amount of money NRMC 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, Tenet identifies or learns of any Overpayment, Tenet shall notify the payor (e.g., Medicare fiscal intermediary or carrier) within 30 days after identification of the Overpayment. If necessary, Tenet shall take remedial steps within 60 days after identification (or such additional time as may be agreed to by the payor) to correct the problem, including preventing the underlying problem and the Overpayment from recurring. Also, within 30 days after identification of the Overpayment, Tenet shall repay the Overpayment to the appropriate payor to the extent such Overpayment has been quantified. If not yet quantified, within 30 days after identification, Tenet shall notify the payor of its efforts to quantify the Overpayment amount and provide a schedule of when such work is expected to be completed. Notification and repayment to the payor shall be done in accordance with the payor's policies, and, for Medicare contractors, shall include the information contained on the Overpayment Refund Form, provided as Appendix B to this CIA. Notwithstanding the above, notification and repayment of any Overpayment amount that routinely is reconciled or adjusted pursuant to policies and procedures established by the payor should be handled in accordance with such policies and procedures.

2. *Reportable Events*.

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

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

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

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

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

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

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

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

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

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

IV. NEW BUSINESS UNITS OR LOCATIONS

In the event that, after the Effective Date, NRMC changes locations, is sold, closes, or purchases or establishes a new business unit or location related to the furnishing of items or services that may be reimbursed by Federal health care programs, Tenet shall notify the OIG of this fact as soon as possible, but no later than 30 days after the date of change of location, sale, closure, purchase, or establishment. This notification shall include the address of the new business unit or location, phone number, fax number,

Medicare Provider number, provider identification number and/or supplier number, and the corresponding contractor's name and address that has issued each Medicare number. Each new business unit or location shall be subject to all the requirements of this CIA.

V. IMPLEMENTATION AND ANNUAL REPORTS

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

1. any changes between January 27, 2004 and the date of the Implementation Report to the identity, address, phone number, and position description of the Tenet Compliance Officer required by Section III.A.1;
2. the name, address, phone number, and position description of the NRMC Compliance Officer required by Section III.A.1;
3. any changes between January 27, 2004 and the date of the Implementation Report to the names and positions of the members of the Tenet Compliance Committee required by Section III.A.2;
4. the names and positions of the members of the NRMC Compliance Committee required by Section III.A.2;
5. if revised between January 27, 2004 and the date of the Implementation Report, a copy of Tenet's Standards of Conduct required by Section III.B.1;
6. a copy of all Policies and Procedures which address the requirements of Section III.B.2 that have been revised or developed between January 27, 2004 and the date of the Implementation Report;
7. a description of any revisions to the Training and Education of Covered Persons which address the requirements of Section III.C that have been revised or developed between January 27, 2004 and the date of the Implementation Report;
8. a certification from the Tenet Compliance Officer that:

a. all Covered Persons have completed the Standards of Conduct certification required by Section III.B.1; and

b. all Covered Persons, Physician Relationships Covered Persons, and Cost Reporting Covered Persons have completed the applicable training and executed the certification(s) required by Section III.C.

9. a list of all current Covered Persons (broken down into the categories described in Section II.C.1 of the CIA), Physician Relationships Covered Persons, and Cost Reporting Covered Persons, including their names, titles, and job locations;

10. a description of any changes to the Disclosure Program between January 27, 2004 and the date of the Implementation Report;

11. the following information regarding the IRO(s): (a) identity, address and phone number; (b) a copy of the engagement letter; (c) a summary and description of any and all current and prior engagements and agreements between Tenet and the IRO, including, but not limited to, any outside financial audits, compliance program engagements, or reimbursement consulting; and (d) the proposed start and completion dates of the Unallowable Cost Review, Cost Report Systems Review, and the Physician Relationships Review;

12. a certification from the IRO(s) regarding its or their professional independence and/or objectivity with respect to Tenet;

13. a description of the process by which Tenet fulfills the requirements of Section III.G regarding Ineligible Persons;

14. a summary of personnel actions (other than hiring) taken pursuant to Section III.G between January 27, 2004 and the date of the Implementation Report;

15. any changes between January 27, 2004 and the date of the Implementation Report to NRMCC's locations (including locations and mailing addresses); the corresponding name under which each location is doing business; the corresponding phone numbers and fax numbers; each location's Medicare Provider number(s), provider identification number(s),

and/or supplier number(s); and the name and address of each Medicare contractor to which NRMC currently submits claims; and

16. the certifications required by Section V.C.

B. Annual Reports. Tenet shall submit to the OIG annually a report with respect to the status of, and findings regarding, Tenet's compliance activities for each of the 5 Reporting Periods (Annual Report).

Each Annual Report shall include, at a minimum:

1. any change in the identity, position description, or other noncompliance job responsibilities of the Tenet Compliance Officer or NRMC Compliance Officer and any change in the membership of the Tenet Compliance Committee or NRMC Compliance Committee described in Section III.A;
2. a summary of any significant changes or amendments to the Policies and Procedures required by Section III.B and the reasons for such changes (e.g., change in contractor policy) and copies of any compliance-related Policies and Procedures;
3. the number of individuals required to complete the Standards of Conduct certification required by Section III.B.1, the percentage of individuals who have completed such certification, and an explanation of any exceptions (the documentation supporting this information shall be made available to the OIG, upon request);
4. the following information regarding each type of training required by Section III.C:
 - a. a description of each training session, including a summary of the topics covered, the length of the sessions and a schedule of training sessions conducted;
 - b. the number of individuals required to be trained, the percentage of individuals actually trained, and an explanation of any exceptions.

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

5. a list of all current Covered Persons (broken down into the categories described in Section II.C.1 of the CIA), Physician Relationships Covered Persons, and Cost Reporting Covered Persons, including their names, titles, and job location;
6. a complete copy of the Cost Report Systems Report (if applicable), Unallowable Cost Review Report (if applicable), and Summary Report for the relevant Reporting Period, along with a copy of the IRO engagement letters;
7. Tenet's response and corrective action plan(s) related to any issues raised in the reports prepared pursuant to Section III.E;
8. with respect to the Physician Relationships Review, a certification from the Tenet Compliance Officer that Tenet has implemented, or intends to implement, any and all corrective actions recommended by the Legal IRO, as required by Appendix A;
9. a summary/description of all engagements between Tenet and all the IROs, 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;
10. a certification from each IRO regarding its professional independence and/or objectivity with respect to Tenet;
11. a summary of Reportable Events (as defined in Section III.I) identified during the Reporting Period and the status of any corrective and preventative action relating to all such Reportable Events;
12. a report of the aggregate Overpayments that have been returned to the Federal health care programs. Overpayment amounts shall be broken down into the following categories: inpatient Medicare, outpatient Medicare, Medicaid (report each applicable state separately, if applicable), and other Federal health care programs. Overpayment amounts that are routinely reconciled or adjusted pursuant to policies and procedures established by the payor do not need to be included in this aggregate Overpayment report;

13. a summary of the disclosures collected in the disclosure log required by Section III.F that: (a) relate to Federal health care programs; or (b) allege abuse or neglect of patients;

14. any changes to the process by which Tenet fulfills the requirements of Section III.G regarding Ineligible Persons;

15. the name, title, and responsibilities of any person who is determined to be an Ineligible Person under Section III.G; the actions taken by Tenet in response to the screening and removal obligations set forth in Section III.G; and the actions taken to identify, quantify, and repay any overpayments to Federal health care programs relating to items or services relating to items or services furnished, ordered or prescribed by an Ineligible Person;

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

17. a description of all changes to the most recently provided list of NRMC's locations (including addresses) as required by Section V.A.15; the corresponding name under which each location is doing business; the corresponding phone numbers and fax numbers; each location's Medicare Provider number(s), provider identification number(s), and/or supplier number(s); and the name and address of each Medicare contractor to which NRMC currently submits claims; and

18. the certifications required by Section V.C.

Each Annual Report shall be received by the OIG no later than 60 days after the end of the applicable Reporting Period.

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

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

2. he or she has reviewed the report and has made reasonable inquiry regarding its content and believes that the information in the report is accurate and truthful; and
3. Tenet has complied with its obligations under the Settlement Agreement: (a) not to resubmit to any Federal health care program payors any previously denied claims related to the Covered Conduct addressed in the Settlement Agreement, and not to appeal any such denials of claims; (b) not to charge to or otherwise seek payment from Federal or State payors for unallowable costs (as defined in the Settlement Agreement); and (c) to identify and adjust any past charges or claims for unallowable costs; and
4. Tenet's policies and procedures and training materials have been reviewed by competent legal counsel and have been found to reflect accurately the requirements of the Anti-Kickback Statute, Stark Law, and other Federal health care program requirements. If the applicable legal requirements have not changed after the initial review of the documents referenced above, competent legal counsel must review only material changes to the documents. The certification shall include a description of the documents reviewed and approximately when the review was completed.

D. Designation of Information. Tenet 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. Tenet shall refrain from identifying any information as exempt from disclosure if that information does not meet the criteria for exemption from disclosure under FOIA.

VI. NOTIFICATIONS AND SUBMISSION OF REPORTS

Unless otherwise stated in writing after the Effective Date, all notifications and reports required under this CIA shall be submitted to the following entities:

OIG:

Administrative and Civil Remedies Branch
Office of Counsel to the Inspector General
Office of Inspector General
U.S. Department of Health and Human Services
Cohen Building, Room 5527
330 Independence Avenue, S.W.
Washington, DC 20201
Telephone: 202.619.2078
Facsimile: 202.205.0604

Tenet:

Cheryl Wagonhurst
Chief Compliance Officer
Compliance Department
Tenet Healthcare Corporation
3820 State Street
Santa Barbara, CA 93105
Telephone: 805.563.7068
Facsimile: 805.563.7192

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 the OIG may have by statute, regulation, or contract, the OIG or its duly authorized representative(s) may examine or request copies of Tenet's books, records, and other documents and supporting materials and/or conduct on-site reviews at the locations of NRMC, Tenet, or any Tenet-affiliated entity involved in the management and operations of NRMC for the purpose of verifying and evaluating: (a) Tenet's compliance with the terms of this CIA; and (b) Tenet's compliance with the requirements of the Federal health care programs in which it participates. The documentation described above shall be made available by Tenet to the OIG or its duly authorized representative(s) at all reasonable times for inspection, audit, or reproduction. Furthermore, for purposes of this provision, the OIG or its duly authorized representative(s) may interview any of Tenet'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 the OIG. Tenet shall assist the OIG or its duly authorized representative(s) in contacting and arranging interviews with such individuals upon the OIG's request. Tenet's employees may elect to be interviewed with or without a representative of Tenet present.

VIII. DOCUMENT AND RECORD RETENTION

Tenet shall maintain for inspection all documents and records relating to reimbursement from the Federal health care programs or compliance with this CIA for a period of 6 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 Tenet prior to any release by OIG of information submitted by Tenet pursuant to its obligations under this CIA and identified upon submission by Tenet as trade secrets, or information that is commercial or financial and privileged or confidential, under the FOIA rules. With respect to such releases, Tenet shall have the rights set forth at 45 C.F.R. § 5.65(d).

X. BREACH AND DEFAULT PROVISIONS

Tenet 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, Tenet and the OIG hereby agree that failure to comply with certain obligations as set forth in this CIA may lead to the imposition of the following monetary penalties (hereinafter referred to as "Stipulated Penalties") in accordance with the following provisions.

1. A Stipulated Penalty of \$2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day Tenet fails to appoint, establish, and/or implement any of the following obligations as described in Section III:

- a. a Tenet Compliance Officer;
- b. an NRMC Compliance Officer;

- c. a Tenet Compliance Committee;
- d. an NRMC Compliance Committee;
- e. a written Standards of Conduct;
- f. written Policies and Procedures;
- g. the training of Covered Persons;
- h. a Disclosure Program;
- i. Ineligible Persons screening and removal requirements; and
- j. Notification of Government investigations or legal proceedings.

2. A Stipulated Penalty of \$2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day Tenet fails to engage an IRO for the Cost Report Systems Review, the Unallowable Cost Review, or the Physician Relationships Review, or fails to complete the Cost Report Systems Review, the Unallowable Cost Review, or the Physician Relationships Review, as required in Section III.E and Appendix A.

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 Tenet fails to submit the Implementation Report or any Annual Reports to the OIG in accordance with the requirements of Section V by the deadlines for submission.

4. A Stipulated Penalty of \$2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day Tenet fails to submit any Unallowable Costs Review Report, Cost Report Systems Review Report, or Physician Relationships Review Report in accordance with the requirements of Section III.E and Appendix A.

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

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

7. A Stipulated Penalty of \$1,000 for each day Tenet fails to comply fully and adequately with any obligation of this CIA. The OIG shall provide notice to Tenet, stating the specific grounds for its determination that Tenet has failed to comply fully and adequately with the CIA obligation(s) at issue and steps Tenet shall take to comply with the CIA. (This Stipulated Penalty shall begin to accrue 10 days after Tenet receives this notice from the OIG of the failure to comply.) A Stipulated Penalty as described in this Subsection shall not be demanded for any violation for which the OIG has sought a Stipulated Penalty under Subsections 1-6 of this Section.

B. Timely Written Requests for Extensions. Tenet 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 the 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 Tenet fails to meet the revised deadline set by the 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 Tenet receives the 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 the 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 Tenet has failed to comply with any of the obligations described in Section X.A and after determining that Stipulated Penalties are appropriate, the OIG shall notify Tenet of: (a) Tenet's failure to comply; and (b) the OIG's exercise of its contractual right to demand payment of the Stipulated Penalties (this notification is referred to as the "Demand Letter").

2. *Response to Demand Letter*. Within 10 days after the receipt of the Demand Letter, Tenet shall either: (a) cure the breach to the OIG's satisfaction and pay the applicable Stipulated Penalties; or (b) request a hearing before an HHS administrative law judge (ALJ) to dispute the OIG's determination of noncompliance, pursuant to the

agreed upon provisions set forth below in Section X.E. In the event Tenet elects to request an ALJ hearing, the Stipulated Penalties shall continue to accrue until Tenet cures, to the 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 the 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 Tenet 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 Tenet to report a Reportable Event, take corrective action, and make the appropriate refunds, as required in Section III.I;
- 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 engage and use an IRO in accordance with Section III.E.

2. *Notice of Material Breach and Intent to Exclude.* The parties agree that a material breach of this CIA by Tenet constitutes an independent basis for NRMC's exclusion from participation in the Federal health care programs. Upon a determination by the OIG that Tenet has materially breached this CIA and that exclusion is the appropriate remedy, the OIG shall notify Tenet of: (a) Tenet's material breach; and (b)

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

- a. Tenet 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) Tenet has begun to take action to cure the material breach; (ii) Tenet is pursuing such action with due diligence; and (iii) Tenet has provided to the OIG a reasonable timetable for curing the material breach.

4. *Exclusion Letter.* If, at the conclusion of the 30-day period, Tenet fails to satisfy the requirements of Section X.D.3, the OIG may exclude NRMC from participation in the Federal health care programs. The OIG shall notify Tenet in writing of its determination to exclude NRMC (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 Tenet's receipt of the Exclusion Letter. The exclusion shall have national effect and shall also apply to all other Federal procurement and nonprocurement programs. Reinstatement to program participation is not automatic. After the end of the period of exclusion, NRMC may apply for reinstatement by submitting a written request for reinstatement in accordance with the provisions at 42 C.F.R. §§ 1001.3001-.3004.

E. Dispute Resolution

1. *Review Rights.* Upon the OIG's delivery to Tenet of a Demand Letter or of an Exclusion Letter, and as an agreed-upon contractual remedy for the resolution of disputes arising under this CIA, Tenet 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, the OIG's determination to demand payment of Stipulated Penalties or to seek exclusion shall be subject to review by an HHS ALJ and, in the event of an appeal, the HHS Departmental Appeals Board (DAB), in a manner consistent with the provisions in 42 C.F.R. §§ 1005.2-1005.21. Notwithstanding the language in 42 C.F.R. § 1005.2(c), the request for a hearing involving Stipulated Penalties shall be made within 10 days after receipt of the Demand Letter and the request for a hearing involving exclusion shall be made within 25 days after receipt of the Exclusion Letter.

2. *Stipulated Penalties Review.* Notwithstanding any provision of Title 42 of the United States Code or Title 42 of the Code of Federal Regulations, the only issues in a proceeding concerning Stipulated Penalties under this CIA shall be: (a) whether Tenet was in full and timely compliance with the obligations of this CIA for which the OIG demands payment; and (b) the period of noncompliance. Tenet 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 the OIG with regard to a finding of a breach of this CIA and orders Tenet to pay Stipulated Penalties, such Stipulated Penalties shall become due and payable 20 days after the ALJ issues such a decision unless Tenet 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 the OIG, the Stipulated Penalties shall become due and payable 20 days after the DAB issues its decision.

3. *Exclusion Review.* Notwithstanding any provision of Title 42 of the United States Code or Title 42 of the Code of Federal Regulations, the only issues in a proceeding for exclusion based on a material breach of this CIA shall be:

- a. whether Tenet 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) Tenet had begun to take action to cure the material breach within that period; (ii) Tenet has pursued and is pursuing such action with due diligence; and (iii) Tenet provided to the OIG within that period a reasonable timetable for curing the material breach and Tenet has followed the timetable.

For purposes of the exclusion herein, exclusion shall take effect only after an ALJ decision favorable to the OIG, or, if the ALJ rules for Tenet, only after a DAB decision in favor of the OIG. Tenet's election of its contractual right to appeal to the DAB shall not abrogate the OIG's authority to exclude Tenet 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 Tenet may request review of the ALJ decision by the DAB. If the DAB finds in favor of the OIG after an ALJ decision adverse to the OIG, the exclusion shall take effect 20 days after the DAB decision. Tenet shall waive its right to any notice of such an exclusion if a decision upholding the exclusion is rendered by the ALJ or DAB. If the DAB finds in favor of Tenet, Tenet shall be reinstated effective on the date of the original exclusion.

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

XI. EFFECTIVE AND BINDING AGREEMENT

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

- A. This CIA shall be binding on the successors, assigns, and transferees of Tenet;
- 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. The OIG may agree to a suspension of Tenet obligations under the CIA in the event of NRMC's cessation of participation in Federal health care programs. If NRMC withdraws from participation in Federal health care programs and is relieved of its CIA obligations by the OIG, Tenet shall notify the OIG at least 30 days in advance of NRMC's intent to reapply as a participating provider or supplier with any Federal health care program. Upon receipt of such notification, the OIG shall evaluate whether the CIA should be reactivated or modified.

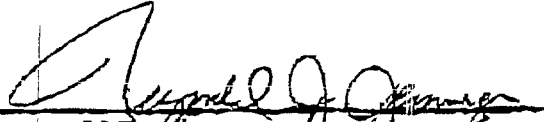
E. The undersigned Tenet signatories represent and warrant that they are authorized to execute this CIA. The undersigned OIG signatory represents that he is signing this CIA in his official capacity and that he is authorized to execute this CIA.

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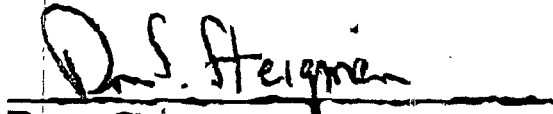
CORP REPORT FIN PLAN

NO. 8341 P. 2


ON BEHALF OF TENET HEALTHCARE CORPORATION, TENET HEALTHSYSTEM MEDICAL, INC., TENET HEALTHSYSTEM HOLDINGS, INC., AND AMISUB, INC. (NORTH RIDGE HOSPITAL), INC. D/B/A NORTH RIDGE MEDICAL CENTER


Reynold Jennings
Chief Operating Officer
Tenet Healthcare Corporation

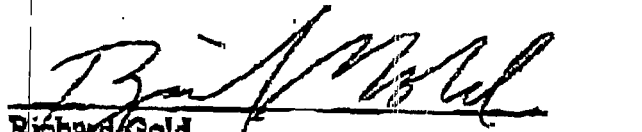
3/23/04
DATE


Don S. Steigman
Senior Vice President - Operations
Florida Division
Tenet Healthcare Corporation

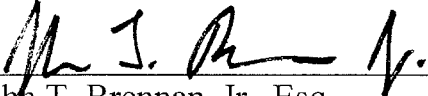
3/22/04
DATE


Cheryl Wagonhurst
Chief Compliance Officer
Tenet Healthcare Corporation

3/23/04
DATE


Richard Gold
Chief Executive Officer
Amisub, Inc. (d/b/a North Ridge Medical Center)

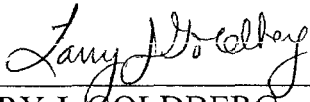
3/23/04
DATE



John T. Brennan, Jr., Esq.
Crowell & Moring

March 23, 2004
DATE

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



LARRY J. GOLDBERG
Assistant Inspector General for Legal Affairs
Office of Inspector General
U. S. Department of Health and Human Services

March 23, 2004

DATE

APPENDIX A

SPECIFICATIONS FOR THE PHYSICIAN RELATIONSHIPS REVIEW

I. Purpose of the Physician Relationships Review

Tenet shall engage a Legal IRO who shall conduct a review of the Physician Relationships involving NRMC and/or those Tenet or Tenet-affiliated entities involved in the management and operations of NRMC, including, but not limited to, those entities with any responsibilities relating to Physician Relationships. The purpose of the review will be to identify current and historical Physician Relationships that could pose a risk of violating the Anti-Kickback Statute and/or the Stark Law and to develop and implement appropriate corrective actions when those risks have been identified. This Appendix A describes the procedures that Tenet and the Legal IRO shall follow with respect to the Physician Relationships Review.

II. Engagement of the Legal IRO

Tenet shall engage competent outside legal counsel with expertise in the Anti-Kickback Statute and Stark Law to serve as the Legal IRO. The Legal IRO shall conduct the review in a professionally independent and objective fashion. Within 30 days after the OIG receives written notice of the identity of the selected Legal IRO, the OIG will notify Tenet if the Legal IRO is unacceptable. Absent notification from the OIG that the Legal IRO is unacceptable, Tenet may continue to engage the Legal IRO.

If Tenet terminates the Legal IRO during the course of the engagement, Tenet must submit a notice explaining its reasons to the OIG no later than 30 days after termination. Tenet must engage a new Legal IRO in accordance with this Appendix A. In the event the OIG has reason to believe that the Legal IRO does not possess the qualifications described in this Appendix A, is not independent and objective, or has failed to carry out its responsibilities as described in this Appendix A, the OIG may, at its sole discretion, require Tenet to engage a new Legal IRO in accordance with this Appendix A.

Prior to requiring Tenet to engage a new Legal IRO, the OIG shall notify Tenet of its intent to do so and provide a written explanation of why OIG believes such a step is necessary. To resolve any concerns raised by the OIG, Tenet may request a meeting with the OIG to discuss any aspect of the IRO's qualifications, independence or performance of its responsibilities and to present additional information regarding these matters. Tenet shall provide any additional information as may be requested by the OIG under this Paragraph in an expedited manner. The OIG will attempt in good faith to resolve any differences regarding the Legal IRO with Tenet prior to requiring Tenet to terminate the Legal IRO. However, the final determination as to whether or

not to require Tenet to engage a new Legal IRO shall be made at the sole discretion of the OIG.

III. Physician Relationships To Be Reviewed

The Legal IRO shall review and analyze all Physician Relationships, as defined in Section II.C of the CIA, in effect at any time during the time period from January 1, 1998 through the term of the CIA. The Physician Relationships to be reviewed shall include, but shall not be limited to, the following: (1) physician recruitment and relocation payments; (2) medical directorships; (3) leases of office space and equipment to physicians; (4) personal services agreements with physicians and physician groups; (5) loans to physicians or physician groups; (6) leases of space and equipment from physicians; (7) physician practice acquisitions; (8) employment agreements with physicians or physician groups; (9) joint ventures; (10) services or supplies provided by Tenet or NRMC to physicians or physician groups (e.g., joint marketing, practice management, staffing, malpractice insurance, continuing medical education, lab, pharmacy, transcription, sterilization, transportation); and (11) gifts, travel, and entertainment provided to physicians and physician groups.

IV. Review Protocol

The Legal IRO shall conduct the Physician Relationships Review by undertaking the following steps: (1) Data Collection; (2) Analysis of Physician Relationships; (3) Identification of Outlier Physician Relationships; (4) Corrective Action Plan; and (5) Summary Report.

A. Data Collection.

The Legal IRO shall collect and synthesize all relevant data relating to the Physician Relationships involving NRMC and/or those Tenet or Tenet-affiliated entities involved in the management and operations of NRMC. Tenet shall cooperate with and assist the Legal IRO in the collection of such data. The data to be collected shall include, but shall not be limited to, the following: (1) physician contracts and contract files; (2) lease agreements, loan agreements, acquisition agreements, joint venture agreements; (3) financial records reflecting payments to and from physicians and supporting documentation; (4) accounts payable and receivable files; (5) internal and external audit reports; (6) legal department files; (7) rent rolls for medical office building leases; (8) memoranda, correspondence, emails, and electronic files relating to Physician Relationships; (9) business plans, pro formas, and operating reports; (10) admissions/referral revenue data; and (11) cost report impact. In addition, the Legal IRO shall conduct interviews of relevant personnel at NRMC and/or at those Tenet or Tenet-affiliated entities involved in the management and operations of NRMC and prepare written interview reports of such interviews.

B. Analysis of Physician Relationships.

The Legal IRO shall review and evaluate all Physician Relationships to determine whether each Physician Relationship complies with the Anti-Kickback Statute and the Stark Law. To this end, the Legal IRO shall create a database containing information on each reviewed Physician Relationship, which shall include an identification, explanation, and/or description of: (1) each party involved in the Physician Relationship; (2) the relationship(s) between or among the parties; (3) the term of the relationship(s), as well as any contract start and expiration dates (including any automatic renewal provisions); (4) the nature and material terms of the Physician Relationship, including the subject of the contract, type of service or supplies provided, etc.; (5) any remuneration or compensation paid to or by a physician referral source; (6) payment methodology, if applicable; (7) the method by which fair market value was calculated and evaluated; and (8) potentially applicable safe harbor(s) or exceptions.

C. Identification of Outlier Physician Relationships.

Within 180 days after the Effective Date, the Legal IRO shall provide the OIG with a draft workplan for the identification of Outlier Physician Relationships (as defined below), including the proposed objective criteria to be used to identify such relationships. The OIG will review the draft workplan and provide comments and recommendations to the Legal IRO on the draft workplan. A final workplan will thereafter be established. Any comments and recommendations made by the OIG in connection with the workplan will not preclude the OIG from making further comments or recommendations after reviewing the Physician Relationships Review Report. Outlier Physician Relationships shall be defined as any and all Physician Relationships that a reasonable person would consider to be potential violations of criminal, civil, or administrative laws applicable to any Federal health care program, including the Anti-Kickback Statute and Stark Law.

The Legal IRO shall identify any and all Outlier Physician Relationships in accordance with the workplan developed as outlined above. For each identified Outlier Physician Relationship, the Legal IRO shall conduct an additional investigation into the relationship in order to determine the root cause(s) of the Outlier Physician Relationship. Such additional investigation may include, but is not limited to, re-review of the relevant contracts and supporting documents, additional interviews of relevant persons, additional analysis of payments and methodology of payments, and re-calculation and re-evaluation of fair market value. The Legal IRO shall create a written report on each identified Outlier Physician Relationship that contains the factual information specifically described in Section IV.B of this Appendix, as well as a complete factual description of the root cause(s) of the Outlier Physician

Relationship. The Legal IRO shall provide Tenet with copies of these written reports in conjunction with any corrective action plan developed for Tenet. The Legal IRO shall also maintain these written reports for a period of 6 years after the termination of the CIA and shall make copies of these written reports available to the OIG upon request in accordance with Section VI of this Appendix.

D. Corrective Action Plan.

The Legal IRO shall develop an appropriate corrective action plan for any Outlier Physician Relationships identified in the Physician Relationships Review. Such corrective action may include, but is not limited to, the following: (1) enforcing the terms of a current agreement; (2) amending a current written agreement; (3) creating a new written agreement where there was not a current agreement; (4) terminating an agreement or arrangement; (5) quantification and repayment of any Overpayments to the Federal health care programs; and (6) revision of the Legal IRO's workplan for the Physician Relationships Review. If necessary, the Legal IRO shall also recommend additional corrective action regarding Tenet's compliance with the Anti-Kickback Statute and the Stark Law, including, but not limited to, additional training for Physician Relationships Covered Persons on the Anti-Kickback Statute and Stark Law and additional policies and procedures (or revisions to current policies and procedures) for the development, approval, management, and review of Physician Relationships.

Tenet, in coordination with the Legal IRO, shall implement the corrective actions recommended by the Legal IRO for all Outlier Physician Relationships identified in the Physician Relationships Review. The Tenet Compliance Officer shall certify in each Annual Report that Tenet has implemented these corrective actions. In addition, the Legal IRO shall create a written report that provides a factual description of each corrective action implemented by Tenet pursuant to the Physician Relationships Review. The Legal IRO shall maintain these written reports for a period of 6 years after the termination of the CIA and shall make copies of these written reports available to the OIG in accordance with Section VI of this Appendix.

E. Summary Reports.

The Legal IRO shall create written reports summarizing the findings and recommendations of the Physician Relationships Review for each Reporting Period (Summary Reports) within 60 days of the end of the applicable Reporting Period. Each Summary Report shall include a summary of how many Physician Relationship were reviewed and how many Outlier Physician Relationships were identified and a certification from the Legal IRO that Physician Relationships Review has been conducted reasonably and in good faith. Tenet shall provide a copy of the Summary Report in each Annual Report.

V. Frequency of Review

For the first Reporting Period, the Legal IRO shall review the Physician Relationships in effect at any time during January 1, 1998 through the end of the first Reporting Period. For each successive Reporting Period, the Legal IRO shall review any new Physician Relationships established during the Reporting Period, as well as any Physician Relationships in effect at the end of the prior Reporting Period to which material changes were made during the Reporting Period. The Physician Relationships Review shall be completed with 60 days of the end of each applicable Reporting Period.

VI. Retention of Records

The Legal IRO and Tenet shall retain for a period of 6 years, and make available to the OIG upon request, all work papers, supporting documentation, correspondence, and draft reports (exchanged between Tenet or NRMC and the Legal IRO). In particular, the Legal IRO and Tenet shall retain and make available to the OIG, upon request, (1) copies of all contracts involving or relating to Physician Relationships at NRMC; (2) all documents relating to the contracts, including approval forms, review notes, time sheets, fair market value determinations, service logs, and payment documentation (e.g., Form 1099s and records of checks or wire transfers); and (3) all nonprivileged communications, including work papers, supporting documentation, correspondence, interview reports, and draft reports related to the contracts and the performance of duties under the contracts.

APPENDIX B

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:

Billing/Clerical Error	MSP/Other Payer Involvement	Miscellaneous
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		