

**INTEGRITY AGREEMENT  
BETWEEN THE  
OFFICE OF INSPECTOR GENERAL  
OF THE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
AND  
VASANT THACKER, M.D.**

**I. PREAMBLE**

Vasant Thacker, M.D. (Dr. Thacker) hereby enters into this Integrity Agreement (Agreement) with the Office of Inspector General (OIG) of the United States Department of Health and Human Services (HHS) to promote compliance with the statutes, regulations, program requirements 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) by Dr. Thacker. This commitment to promote compliance also applies to any entity that Dr. Thacker owns or in which she has a control interest, as defined in 42 U.S.C. § 1320a-3(a)(3), and to Dr. Thacker's and any such entity's employees, agents, contractors and all third parties with whom Dr. Thacker or such entity may choose to engage to act as billing or coding consultants for purposes of claiming reimbursement from the Federal health care programs. Dr. Thacker and all entities and individuals referenced in the preceding sentence shall hereafter be referred to collectively as "Covered Persons". Contemporaneously with this Agreement, Dr. Thacker is entering into a Settlement Agreement with the United States, and this Agreement is incorporated by reference into the Settlement Agreement.

**II. TERM OF THE AGREEMENT**

Except as otherwise provided, the period of compliance obligations assumed by Dr. Thacker under this Agreement shall be three years from the Effective Date of this Agreement. The Effective Date of this Agreement shall be the date on which the final signatory of this Agreement executes this Agreement.

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

### **III. INTEGRITY OBLIGATIONS**

Dr. Thacker hereby agrees to establish a Compliance Program that, at minimum, includes the following elements:

#### **A. Compliance Contact**

Within 30 days after the Effective Date, Dr. Thacker shall designate a person to be the Compliance Contact for purposes of developing and implementing policies, procedures and practices designed to ensure compliance with the obligations herein and with Federal health care program requirements. In addition, the Compliance Contact is responsible for responding to questions and concerns from Covered Persons and the OIG regarding compliance with the Agreement obligations. The name and phone number of the Compliance Contact shall be included in the Implementation Report. In the event a new Compliance Contact is appointed during the term of this Agreement, Dr. Thacker shall notify the OIG, in writing, within 15 days after such a change.

#### **B. Posting of Notice**

Within 30 days after the Effective Date, Dr. Thacker shall post in a prominent place accessible to all patients and Covered Persons a notice detailing her commitment to comply with all Federal health care program requirements in the conduct of her business. This notice shall include a means (i.e., telephone number, address, etc.) by which instances of misconduct may be reported anonymously. A copy of this notice shall be included in the Implementation Report.

#### **C. Written Policies and Procedures**

Within 90 days after the Effective Date, Dr. Thacker agrees to develop, implement, and make available to all Covered Persons written policies (Policies and Procedures) that address the following:

1. Dr. Thacker's commitment to operate her business in full compliance with all Federal health care program requirements;
2. Dr. Thacker's requirement that all Covered Persons shall be expected to comply with all Federal health care program requirements and with Dr. Thacker's own Policies and Procedures as implemented pursuant to section

III.C (including the requirements of this Agreement);

3. The requirement that all of Dr. Thacker's Covered Persons shall be expected to report to Dr. Thacker or the Compliance Contact suspected violations of any Federal health care program requirements or Dr. Thacker's own Policies and Procedures. Any Covered Person who makes an inquiry regarding compliance with Federal health care program requirements shall be able to do so without risk of retaliation or other adverse effect.

4. The requirement that Dr. Thacker not hire, employ or engage as contractors any Ineligible Person. For purposes of this Agreement, an "Ineligible Person" shall be any 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 non-procurement 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. To prevent hiring or contracting with any Ineligible Person, Dr. Thacker shall check all prospective employees and contractors prior to engaging their services against the HHS/OIG List of Excluded Individuals/Entities (available through the Internet at <http://oig.hhs.gov>) and the General Services Administration's List of Parties Excluded from Federal Programs (available through the Internet at <http://epls.arnet.gov>). In addition to prospective checks, Dr. Thacker shall conduct annual checks of all Covered Persons against each exclusion list.

5. The commitment of Dr. Thacker to remain current with all Federal health care program requirements by obtaining and reviewing program memoranda, newsletters, and any other correspondence from the carrier related to Federal health care program requirements.

6. The proper procedures for the accurate preparation and submission of claims (including those for consultative and non-consultative office visits) in accordance with Federal health care program requirements; and

7. The proper documentation of services (including consultative and non-consultative office visits) and billing information and the retention of such information in a readily retrievable form.

At least annually (and more frequently if appropriate), Dr. Thacker 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 made available to all individuals whose job functions are related to those Policies and Procedures.

Within 90 days after the Effective Date and annually thereafter, each Covered Person shall certify in writing that he or she has read, understood, and will abide by Dr. Thacker's Policies and Procedures. New Covered Persons shall review the Policies and Procedures and shall complete the required certification within two weeks after becoming a Covered Person or within 90 days after the Effective Date, whichever is later.

Copies of the written policies and procedures shall be included in the Implementation Report. Copies of any written policies and procedures that are subsequently revised shall be included in the Annual Report.

#### **D. Training and Certification**

Within 90 days after the Effective Date and at least once each year thereafter, Dr. Thacker and Covered Persons involved in the delivery of patient care items or services and/or in the preparation or submission of claims for reimbursement from any Federal health care program shall receive at least six hours of training from an individual or entity, other than Dr. Thacker or another Covered Person. The training shall be conducted by individuals with expertise in the relevant subject areas, e.g., preparation or submission of claims to Federal health care programs for the types of services provided by Dr. Thacker.

New Covered Persons involved in the delivery of patient care items or services and/or in the preparation or submission of claims for reimbursement from any Federal health care program shall receive the training described above within 30 days after becoming a Covered Person or within 90 days after the Effective Date, whichever is later. The training for New Covered Persons may either be provided internally by Covered Persons who have completed the required annual training or externally by a qualified individual or entity. Until they have received the requisite training, such New Covered Persons shall work under the direct supervision of a Covered Person who has received such training.

At a minimum, the annual and new employee training sessions shall cover the following topics:

1. Federal health care program requirements related to the proper submission of accurate bills for services rendered and/or items provided to Federal health care program patients;
2. The written Policies and Procedures developed pursuant to Section III.C, above;
3. The legal sanctions for improper billing or other violations of the Federal health care program requirements; and
4. Examples of proper and improper billing practices.

Each Covered Person shall annually 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. Dr. Thacker shall retain the certifications, along with the training course materials. The training course materials shall be provided in the Annual Report.

**E. Annual Review Procedures**

1. *Retention of Independent Review Organization.* Within 90 days after the Effective Date, Dr. Thacker shall retain a person or entity, such as a nurse reviewer, an accounting, auditing or consulting firm (hereinafter “Independent Review Organization” or “IRO”), to perform a review engagement to assist Dr. Thacker in assessing and evaluating her billing and coding practices (“Billing Engagement”). The Independent Review Organization retained by Dr. Thacker shall have expertise in the billing, coding, reporting and other requirements of the particular section of the health care industry pertaining to this Agreement and in the general requirements of the Federal health care programs from which Dr. Thacker seeks reimbursement. The IRO shall assess, along with Dr. Thacker, whether it can perform the IRO engagement in a professionally independent and objective fashion, taking into account any other business relationships or other engagements that may exist.

2. *Frequency of the Billing Engagement.* The Billing Engagement shall be performed at least annually and shall cover each of the one-year periods beginning with the Effective Date. The IRO shall perform all components of each annual Billing Engagement and prepare the required reports in accordance with the procedures detailed in **Appendix A** to this Agreement, which is incorporated by reference into this Agreement.

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

4. *Independence/Objectivity Certification.* Within 120 days after the Effective Date, the IRO shall provide to Dr. Thacker a certification or sworn affidavit that it has evaluated its professional independence and objectivity with regard to the Billing Engagement and that it has concluded that it is, in fact, independent and objective. Such certification shall be included in Dr. Thacker's Implementation Report submission. Annual independence certifications shall be included in the Annual Report.

5. *Validation Review.* In the event the OIG has reason to believe that: (a) Dr. Thacker's Billing Engagement fails to conform to the requirements of this Agreement; or (b) the findings or Claims Review results are inaccurate, the OIG may, at its sole discretion, conduct its own review (Validation Review) to determine whether the Billing Engagement complies with the requirements of the Agreement and/or the findings or Claims Review results are inaccurate. Dr. Thacker agrees to pay for the reasonable cost of any such Validation 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 Dr. Thacker 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, Dr. Thacker may request a meeting with the OIG to discuss the results of any Engagement submissions or any Claims Review findings; present any additional or relevant information to clarify the results of the Engagements or to correct the inaccuracy of the Claims Review; and/or propose alternatives to the proposed Validation Review. Dr. Thacker 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 Billing Engagement and/or Claims Review issues with Dr. Thacker 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. Reporting of Overpayments and Material Deficiencies**

**1. *Overpayments.***

a. Definition of Overpayments. For purposes of this Agreement, an “overpayment” shall mean the amount of money Dr. Thacker has received in excess of the amount due and payable under any Federal health care program requirements. Dr. Thacker may not subtract any underpayments for purposes of determining the amount of relevant “overpayments” for purposes of reporting under this Agreement.

b. Reporting of Overpayments. If, at any time, Dr. Thacker identifies or learns of any overpayments, Dr. Thacker shall notify the payor (e.g., Medicare fiscal intermediary or carrier) within 30 days after identification of the overpayment and take remedial steps within 60 days after identification (or such additional time as may be agreed to by the payor) to correct the problem, including preventing the underlying problem and the overpayments from recurring. Also, within 30 days after identification of the overpayment, Dr. Thacker 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, Dr. Thacker shall notify the payor of her 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 B to this Agreement. 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 Agreement, 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 Dr. Thacker determines, by any means, that there is a Material Deficiency, Dr. Thacker shall notify OIG, in writing, within 30 days after 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.F.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) on 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 Dr. Thacker's actions taken to correct the Material Deficiency; and

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

#### **G. Notification of Government Investigations or Legal Proceedings**

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

#### **IV. NEW BUSINESS UNITS OR LOCATIONS**

In the event that, after the Effective Date, Dr. Thacker changes locations or sells, closes, purchases or establishes a new business related to the furnishing of items or services that may be reimbursed by Federal health care programs, Dr. Thacker shall notify OIG of this fact as soon as possible, but no later than within 30 days after the date of change of location, sale, closure, purchase or establishment. This notification shall include the location of the new operation(s), phone number, fax number, Medicare provider or supplier 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 Agreement (e.g., completing certifications and undergoing training).

#### **V. REPORTS**

##### **A. Implementation Report**

Within 120 days after the Effective Date, Dr. Thacker shall submit a written report to OIG summarizing the status of her implementation of the requirements of this Agreement. This report, known as the "Implementation Report," shall include:

1. The name, address and phone number of Dr. Thacker's Compliance Contact;
2. A copy of the notice Dr. Thacker posted in her office as described in Section III.B and a description of where and when the notice has been posted;
3. A copy of the Policies and Procedures required by section III.C of this

Agreement;

4. A certification signed by Dr. Thacker attesting that the Policies and Procedures are being implemented and have been made available to all Covered Persons;
5. A copy of all training materials used for the training required by section III.D, a description of the training, including a summary of the topics covered, the length of the session(s) and a schedule of when the training session(s) were held;
6. A certification signed by Dr. Thacker attesting that all employees have completed the initial training required by Section III.D and have executed the required certifications;
7. The name and qualifications of the IRO retained by Dr. Thacker, a summary/description of all engagements between Dr. Thacker 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;
8. A certification from the IRO regarding its professional independence and objectivity from Dr. Thacker;
9. A list of all Dr. Thacker'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 Dr. Thacker currently submits claims; and
10. A certification from Dr. Thacker stating that she has reviewed the Implementation Reports, she has made a reasonable inquiry regarding its content and believes that, upon such inquiry, the information is accurate and truthful.

## **B. Annual Reports**

Dr. Thacker shall submit to OIG Annual Reports with respect to the status of and findings regarding her compliance activities for each of the three one-year periods beginning on the Effective Date. (The one-year period covered by each Annual Report shall be referred to as "the Reporting Period"). 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.

Each Annual Report shall include:

1. If revisions were made to the Policies and Procedures developed pursuant to section III.C of this Agreement, a copy of any Policies and Procedures that were revised;
2. A certification by Dr. Thacker that all Covered Persons have executed the annual Policies and Procedures certification required by section III.C;
3. A schedule, topic outline and copies of the training materials for the training programs attended in accordance with section III.D of this Agreement;
4. A certification signed by Dr. Thacker certifying that she is maintaining written certifications from all Covered Persons that they received training pursuant to the requirements set forth in section III.D of this Agreement;
5. A complete copy of all reports prepared pursuant to the IRO's Billing Engagement, including the Claims Review Report and Process Review Report, along with a copy of the IRO's engagement letter;
6. Dr. Thacker's response and corrective action plan(s) related to any issues raised or recommendations made by the IRO;
7. A summary/description of all engagements between Dr. Thacker 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 and objectivity from Dr. Thacker;
9. A summary of Material Deficiencies (as defined in III.F) identified during the Reporting Period and the status of any corrective and preventative action relating to all such Material Deficiencies;
10. A summary describing any ongoing investigation or legal proceeding required to have been reported pursuant to section III.G. The summary shall include a description of the allegation, the identity of the investigating or prosecuting agency, and the status of such investigation or legal proceeding;
11. A certification signed by Dr. Thacker certifying that all prospective employees and contractors are being screened against the HHS/OIG List of Excluded Individuals/Entities and the General Services Administration's List of Parties Excluded from Federal Programs; and
12. A certification signed by Dr. Thacker certifying that she has reviewed the Annual Report, she has made a reasonable inquiry regarding its content and believes that, upon such inquiry, the information is accurate and truthful.

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

Unless otherwise stated subsequent to the execution of this Agreement, all notifications and reports required under the terms of this Agreement shall be submitted to the following:

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, SW  
Washington, DC 20201  
Phone: 202.619.2078  
Facsimile: 202.205.0604

Dr. Thacker: Vasant Thacker, M.D.  
101 Main Street  
Room 210  
Medford, MA 02155  
Phone: 781.396.8100  
Facsimile: 781.391.9929

Unless otherwise specified, all notifications and reports required by this Agreement 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 Dr. Thacker's books, records, and other documents and supporting materials and/or conduct on-site reviews of any of Dr. Thacker's locations for the purpose of verifying and evaluating: (a) Dr. Thacker's compliance with the terms of this Agreement; and (b) Dr. Thacker's compliance with the requirements of the Federal health care programs in which she participates. The documentation described above shall be made available by Dr. Thacker 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 Dr. Thacker'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. Dr. Thacker agrees to assist OIG or its duly authorized representative(s) in contacting and arranging interviews with such individuals upon OIG's request. Dr. Thacker's employees may elect to be interviewed with or

without a representative of Dr. Thacker present.

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

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

Full and timely compliance by Dr. Thacker is expected throughout the duration of this Agreement with respect to all of the obligations to which she herein agrees.

#### **A. Stipulated Penalties for Failure to Comply with Certain Obligations**

As a contractual remedy, Dr. Thacker and OIG hereby agree that failure to comply with certain obligations set forth in this Agreement 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 \$1,000 (which shall begin to accrue on the day after the date the obligation became due) for each day Dr. Thacker fails to:
  - a. have in place a Compliance Contact as required in section III.A;
  - b. post the notice required in section III.B;
  - c. implement and make available the Policies and Procedures required

in section III.C;

- d. require that Covered Persons attend the training required by section III.D of the Agreement within the time frames required in that section;
- e. retain an IRO within the time frame required in section III.E.1, or to submit the IRO's annual Claims Review Report and Process Review Report as required in section III.E and Appendix A; or
- f. meet any of the deadlines for the submission of the Implementation Report or the Annual Reports to OIG.

2. A Stipulated Penalty of \$750 (which shall begin to accrue on the date the failure to comply began) for each day Dr. Thacker employs or contracts with an Ineligible Person and that person: (i) has responsibility for, or involvement with, Dr. Thacker'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 Dr. Thacker can demonstrate that she did not discover the person's exclusion or other ineligibility after making a reasonable inquiry (as described in section III.C.4) as to the status of the person).

3. A Stipulated Penalty of \$750 for each day Dr. Thacker fails to grant access to the information or documentation as required in section VII of this Agreement. (This Stipulated Penalty shall begin to accrue on the date Dr. Thacker fails to grant access.)

4. A Stipulated Penalty of \$5,000 for each false certification submitted by or on behalf of Dr. Thacker as part of her Implementation Report, Annual Report, additional documentation to a Report (as requested by OIG), or as otherwise required by this Agreement.

5. A Stipulated Penalty of \$750 for each day Dr. Thacker fails to comply fully and adequately with any obligation of this Agreement. In its notice to Dr. Thacker, OIG shall state the specific grounds for its determination that she has failed to comply fully and adequately with the Agreement obligation(s) at issue and the steps she must take to comply with the Agreement. (This Stipulated Penalty shall begin to accrue 10 days

after the date Dr. Thacker 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 1-4 of this section.

### **B. Timely Written Requests for Extensions**

Dr. Thacker 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 Agreement. 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 Dr. Thacker 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 Dr. Thacker 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 Dr. Thacker 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 Dr. Thacker of: (a) her failure to comply; and (b) 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 after receipt of the Demand Letter, Dr. Thacker shall respond by either: (a) curing the breach to OIG's satisfaction and paying the applicable Stipulated Penalties; or (b) sending in writing to OIG a request for 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 Dr. Thacker elects to request an ALJ hearing, the Stipulated Penalties shall continue to accrue until she 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 Agreement 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 Dr. Thacker has materially breached this Agreement, 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 Agreement**

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

a. a failure by Dr. Thacker to report a Material Deficiency, take corrective action and make the appropriate refunds, as required in section III.F;

b. a repeated or flagrant violation of the obligations under this Agreement, 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 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 Agreement by Dr. Thacker constitutes an independent basis for Dr. Thacker's exclusion from participation in the Federal health care programs. Upon a determination by OIG that Dr. Thacker has materially breached this Agreement and that exclusion should be imposed, OIG shall notify Dr. Thacker of: (a) her 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.* Dr. Thacker shall have 30 days after the date of receipt of the Notice of Material Breach and Intent to Exclude to demonstrate to OIG's satisfaction that:

- a. Dr. Thacker is in compliance with the obligations of the Agreement 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) Dr. Thacker has begun to take action to cure the material breach; (ii) Dr. Thacker is pursuing such action with due diligence; and (iii) Dr. Thacker has provided to OIG a reasonable timetable for curing the material breach.

4. *Exclusion Letter.* If at the conclusion of the 30-day period, Dr. Thacker fails to satisfy the requirements of section X.D.3, OIG may exclude Dr. Thacker from participation in the Federal health care programs. OIG will notify Dr. Thacker in writing of its determination to exclude her (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, Dr. Thacker wishes to apply for reinstatement, she 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 Dr. Thacker of its Demand Letter or of its Exclusion Letter, and as an agreed-upon contractual remedy for the resolution of disputes arising under this Agreement, Dr. Thacker 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 Agreement. Specifically, OIG's determination to demand payment of Stipulated Penalties or to seek exclusion shall be subject to review by an HHS ALJ and, in the event of an appeal, the HHS Departmental Appeals Board (DAB), in a manner consistent with the provisions in 42 C.F.R. §§ 1005.2-1005.21. Notwithstanding the language in 42 C.F.R. § 1005.2(c), the request for a hearing involving Stipulated Penalties shall be made within 10 days after receipt of the Demand Letter and the request for a hearing involving exclusion shall be made within 25 days after receipt of the Exclusion Letter.

2. *Stipulated Penalties Review.* Notwithstanding any provision of Title 42 of the United States Code or Chapter 42 of the Code of Federal Regulations, the only issues in a proceeding for Stipulated Penalties under this Agreement shall be: (a) whether Dr. Thacker was in full and timely compliance with the obligations of this Agreement for which OIG demands payment; and (b) the period of noncompliance. Dr. Thacker shall have the burden of proving her 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 Agreement and orders Dr. Thacker to pay Stipulated Penalties, such Stipulated Penalties shall become due and payable 20 days after the ALJ issues such a decision unless Dr. Thacker 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 Agreement shall be:

- a. whether Dr. Thacker was in material breach of this Agreement;
- 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) Dr. Thacker had begun to take action to cure the material breach within that period; (ii) Dr. Thacker has pursued and is pursuing such action with due diligence; and (iii) Dr. Thacker provided to OIG within that period a reasonable timetable for curing the material breach and Dr. Thacker 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 Dr. Thacker, only after a DAB decision in favor of OIG. Dr. Thacker's election of her contractual right to appeal to the DAB shall not abrogate OIG's authority to exclude Dr. Thacker upon the issuance of an ALJ's decision in favor of OIG. If the ALJ sustains the determination of OIG and determines that exclusion is authorized, such exclusion shall take effect 20 days after the ALJ issues such a decision, notwithstanding that Dr. Thacker 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. Dr. Thacker agrees to waive her 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 Dr. Thacker, Dr. Thacker 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 Agreement agree that the DAB's decision (or the ALJ's decision if not appealed) shall be considered final for all purposes under this Agreement.

## **XI. EFFECTIVE AND BINDING AGREEMENT**

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

1. This Agreement shall be binding on the successors, assigns and transferees of Dr. Thacker;
2. This Agreement shall become final and binding on the date the final signature is obtained on the Agreement;
3. Any modifications to this Agreement shall be made with the prior written consent of the parties to this Agreement;
4. OIG may agree to a suspension of Dr. Thacker's obligations under this Agreement in the event of her cessation of participation in Federal health care programs. If Dr. Thacker withdraws from participation in Federal health care programs and is relieved from her Agreement obligations by the OIG, she agrees to notify the OIG 30 days in advance of her 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 Integrity Agreement should be reactivated or modified.
5. The undersigned Dr. Thacker signatory represents and warrants that she is authorized to execute this Agreement. The undersigned OIG signatory represents that he is signing this Agreement in his official capacity and that he is authorized to execute this Agreement.

IN WITNESS WHEREOF, the parties hereto affix their signatures:

**VASANT THACKER, M.D.**

3-5-04  
Date

Vasant M. Thacker, M.D.  
Vasant Thacker, M.D.  
101 Main Street  
Room 210  
Medford, MA 02155

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

3/9/04  
Date

Larry J. Goldberg  
Larry J. Goldberg  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
U. S. Department of Health and Human  
Services

## APPENDIX A

### A. Billing Engagement

The Billing Engagement shall be composed of two separate reviews, a “Claims Review” and a “Process Review.” The IRO shall prepare a Claims Review Report and a Process Review Report to communicate the findings of the reviews.

1. ***Claims Review.*** The IRO shall perform a Claims Review to identify any Overpayments through an appraisal of Paid Claims submitted by Dr. Thacker to the Medicare program.
2. ***Claims Review Report.*** The IRO shall prepare a report based upon each Claims Review performed (Claims Review Report). The Claims Review Report shall be submitted to the OIG in the Annual Report.
3. ***Process Review.*** The IRO shall review Dr. Thacker’s billing and coding systems and/or operations (the Process Review). This review shall examine the coding process and claim submission/billing process (including, but not limited to, the operation of the billing system, the process for coding claims, safeguards to ensure proper coding and claim submission, and procedures to correct inaccurate coding or billing).
4. ***Process Review Report.*** The IRO shall prepare a report based upon the Process Review (Process Review Report). The Process Review Report shall include the IRO’s findings and supporting rationale regarding the strengths and weaknesses in Dr. Thacker’s coding and billing systems and/or operations. This report shall also include any recommendations the IRO may have to improve any of these systems, operations, and processes; and a discussion of how Dr. Thacker can implement such recommendations. The Process Review Report shall be submitted to the OIG in the Annual Report.

## **B. Claims Review**

1. **Definitions.** For the purposes of the Claims Review, the following definitions shall be used:

- a. **Claims Review Sample:** A statistically valid, randomly selected sample of items selected for appraisal in the Claims Review.
- b. **Item:** Any discrete unit that can be sampled (e.g., code, line item, beneficiary, patient encounter, etc.).
- c. **Overpayment:** Consistent with the definition of Overpayment as articulated in section III.H.1.a of the Agreement, the amount of money Dr. Thacker has received in excess of the amount due and payable under any Federal health care program requirements. For the purposes of the Claims Review and all reporting to the OIG under this Agreement, Dr. Thacker shall not subtract or “net out” underpayments when determining the amount of relevant Overpayments.
- d. **Paid Claim:** A code or line item submitted by Dr. Thacker and for which Dr. Thacker has received reimbursement from the Medicare program.
- e. **Population:** All Items for which Dr. Thacker has submitted a code or line item and for which Dr. Thacker has received reimbursement from the Medicare program (i.e., a Paid Claim) during the 12-month period covered by the Claims Review. To be included in the Population, an Item must have resulted in at least one Paid Claim.
- f. **RAT-STATS:** OIG’s Office of Audit Services Statistical Sampling Software. RAT-STATS is publicly available to download through the Internet at “[www.oig.hhs.gov](http://www.oig.hhs.gov)”.

2. **Description of Claims Review.** The Claims Review shall consist of an appraisal of a statistically valid sample of Items (the Claims Review Sample) that can be projected to the total Population.

- a. **Claims Review Sample.** Review a minimum 100 Items Claims Review Sample. The 100 Items shall be selected for appraisal through the use of RAT-STATS’ “Random Numbers” function. All Paid Claims associated

with these Items shall be reviewed and reported on in the Claims Review Report (See Section C, below).

b. Item Appraisal. For each Item appraised, only Paid Claims shall be evaluated. Every Paid Claim in the Claims Review Sample shall be evaluated by the IRO to determine whether the claim submitted was correctly coded, submitted, and reimbursed. Each appraisal must be sufficient to provide all information required under the Claims Review Report.

c. Paid Claims without Supporting Documentation. For the purpose of appraising Items included in the Claims Review Sample, any Paid Claim for which Dr. Thacker cannot produce documentation sufficient to support the Paid Claim shall be considered an error and the total reimbursement received by Dr. Thacker for such Paid Claim shall be deemed an Overpayment. Replacement sampling for Paid Claims with missing documentation is not permitted.

d. Use of First Samples Drawn. For the purposes of the Claims Review Sample discussed in this Appendix, the Paid Claims associated with the Items selected in the first sample (or first sample for each strata, if applicable) shall be used. In other words, it is not permissible to generate a number of random samples and then select one for use as the Claims Review Sample.

**C. Claims Review Report**. The following information shall be included in each Claims Review Report:

**1. *Claims Review Methodology***

a. Claims Review Objective: A clear statement of the objective intended to be achieved by the Claims Review.

b. Sampling Unit: A description of the Item as that term is utilized for the Claims Review. As noted in section B.1.b above, for purposes of this Billing Engagement, the term "Item" may refer to any discrete unit that can be sampled (e.g., claim, line item, beneficiary, patient encounter, etc.).

c. Claims Review Population: A description of the Population subject to

the Claims Review.

d. Sampling Frame: A description of the sampling frame, which is the totality of Items from which the Claims Review Sample has been selected and an explanation of the methodology used to identify the sampling frame. In most circumstances, the sampling frame will be identical to the Population.

e. Sources of Data: A description of the documentation relied upon by the IRO when performing the Claims Review (e.g., medical records, physician orders, certificates of medical necessity, requisition forms, local medical review policies, CMS program memoranda, Medicare carrier or intermediary manual or bulletins, other policies, regulations, or directives).

f. Review Protocol: A narrative description of how the Claims Review was conducted and what was evaluated.

## ***2. Statistical Sampling Documentation***

- a. The number of Items appraised in the Claims Review Sample;
- b. A copy of the RAT-STATS printout of the random numbers generated by the "Random Numbers" function for the Claims Review Sample; and
- c. The Sampling Frame used in the Claims Review Sample shall be available to the OIG upon request.

## ***3. Claims Review Results***

- a. Total number and percentage of instances in which the IRO determined that the Paid Claim submitted by Dr. Thacker (Claim Submitted) differed from what should have been the correct claim (Correct Claim), regardless of the effect on the payment;
- b. Total number and percentage of instances in which the Claim Submitted differed from the Correct Claim and in which such difference resulted in an Overpayment to Dr. Thacker;
- c. The total dollar amount of all Paid Claims in the Claims Review Sample

and the total dollar amount of Overpayments associated with the Paid Claims identified by the Claims Review. (This is the total dollar amount of the Overpayments identified in section C.3.b above.) The IRO may, in its report to Dr. Thacker, identify underpayments, but any underpayments identified during the Claims Review shall not be offset or “netted out” of the total dollar amount of Paid Claims or of the Overpayments when reporting these amounts in the Claims Review Report to the OIG; and

d. A spreadsheet of the Claims Review results (in the format set forth in Attachment 1) that includes the following information for each Paid Claim appraised: Federal health care program billed, beneficiary health insurance claim number, date of service, procedure code submitted, procedure code reimbursed, allowed amount reimbursed by payor, correct procedure code (as determined by the IRO), correct allowed amount (as determined by the IRO), dollar difference between allowed amount reimbursed by payor and the correct allowed amount.

4. **Credentials.** The names and credentials of the individuals who: (1) designed the statistical sampling procedures and the review methodology utilized for the Claims Review; and (2) performed the Claims Review.



## 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		