

**INTEGRITY AGREEMENT  
BETWEEN THE  
OFFICE OF INSPECTOR GENERAL  
OF THE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
AND  
P.C. MEHTA, M.D. & MALTI MEHTA, M.D.**

**I. PREAMBLE**

P.C. MEHTA, M.D. & MALTI MEHTA, M.D. (the “Mehtas”) hereby enter 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 the Mehtas. This commitment to promote compliance applies to any entity that the Mehtas own or in which the Mehtas have a control interest, as defined in 42 U.S.C. § 1320a-3(a)(3), and the Mehtas’ and any such entity’s employees, agents, contractors and all third parties with whom the Mehtas 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 (“Covered Persons”). Contemporaneously with this Agreement, the Mehtas are 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 the Mehtas under this Agreement shall be three (3) 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 remain in effect until OIG has completed its review of the final annual report and any additional materials submitted by the Mehtas pursuant to OIG’s request.

### **III. INTEGRITY OBLIGATIONS**

The Mehtas hereby agree to establish a Compliance Program that, at minimum, includes the following elements:

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

Within 30 days of execution of this Agreement, the Mehtas 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 shall be 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, the Mehtas shall notify the OIG, in writing, within 15 days of such a change.

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

Within the first 30 days following the effective date of this Agreement, the Mehtas shall post in a prominent place accessible to all patients and Covered Persons a notice detailing their commitment to comply with all Federal health care program requirements in the conduct of their 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 of the effective date of this Agreement, the Mehtas shall develop, implement, and make available to all Covered Persons, written policies that address the following:

1. The Mehtas' commitment to operate their business in full compliance with all State and Federal health care program requirements;
2. The proper procedures for the honest and accurate submission of claims in accordance with Federal health care program requirements;
3. The proper documentation of services and billing information and the retention of such information in a readily retrievable form;

4. The requirement that all of the Mehtas' Covered Persons shall be expected to report to the Compliance Contact suspected violations of any Federal health care program requirements or the Mehtas' 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.

5. The requirement that the Mehtas shall 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 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 related to the provision of health care items or services, but has not yet been excluded, debarred, or otherwise declared ineligible. To prevent hiring or contracting with any Ineligible Person, the Mehtas 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://www.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>) and, as appropriate, the state list of exclusions from Medicaid or Medical Assistance programs.

6. The commitment of the Mehtas 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 and maintaining such material in an organized, readily retrievable fashion.

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

Within 90 days of the effective date of the Agreement and annually thereafter, each Covered Person shall certify in writing that he or she has read, understood, and will abide by the Mehtas' Policies and Procedures. New Covered Persons shall review the Policies and Procedures and shall complete the required certification within 14 days after becoming a Covered Person or within 90 days of the effective date of the Agreement,

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 following the effective date of this Agreement, the Mehtas 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 (6) hours of training from an individual or entity, other than the Mehtas 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 the Mehtas. After receiving the initial training described in this Paragraph, the Mehtas and each Covered Person shall receive at least two (2) hours of training annually.

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 of the effective date of this Agreement, 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 (including Medicaid) 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 State and Federal health care program requirements;

4. Examples of proper and improper billing practices; and
5. Review of requirements for higher complexity psychiatry billing codes.

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. The Mehtas shall retain the certifications, along with the training course materials. The training course materials shall be provided in the Annual Report.

#### **E. Third Party Billing**

If, at any time during the term of this Agreement, the Mehtas contract with a third party billing company to submit claims to the Federal health care programs, the Mehtas shall disclose to OIG any ownership or control interest (as defined in 42 U.S.C. § 1320a-3(a)(3)) in, or consulting or employment relationship with, the third party billing company 30 days prior to any such proposed involvement.

Within 90 days of the effective date of this Agreement or within 30 days of entering into any contract with a third party billing company, whichever is later, the Mehtas shall obtain and submit to OIG a certification from the third party billing company that it: (i) is presently in compliance with all Federal health care program requirements as they relate to submission of claims to the Federal health care programs; (ii) has a policy of not knowingly employing any person who has been excluded, debarred or declared ineligible to participate in Medicare or other Federal health care programs, and who has not yet been reinstated to participate in those programs; and (iii) provides the required training in accordance with Section III.D. of this Agreement for those employees involved in the preparation and submission of claims to Federal health care programs.

#### **F. Annual Review Procedures**

1. *Retention of Independent Review Organization.* Within 90 days of the effective date of this Agreement, the Mehtas shall retain a person or entity, such as a nurse reviewer, or an accounting, auditing or consulting firm (hereinafter “Independent Review Organization” or “IRO”), to perform a billing and coding review to assess the Mehtas’ billing and coding practices (“Billing Engagement”). The Independent Review Organization retained by the Mehtas 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 Federal health care program requirements. The IRO shall assess, along with the Mehtas, whether it can perform the IRO engagement in a

professionally independent 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 of this Agreement. The IRO shall perform all components of each annual Billing Engagement 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 the Mehtas shall retain and make available to the OIG upon request all work papers, supporting documentation, correspondence, and draft reports related to the engagements.

4. *Independence Certification.* Within 120 days from the effective date of this Agreement, the IRO shall provide to the Mehtas a certification or sworn affidavit that it has evaluated its professional independence with regard to the Billing Engagement and that it has concluded that it is, in fact, independent. Such certification shall be included in the Mehtas' Implementation Report submission.

5. *Validation Review.* In the event the OIG has reason to believe that: (a) the Mehtas' 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 to determine whether the Billing Engagement complied with the requirements of the Agreement and/or the findings or Claims Review results are inaccurate. The Mehtas agree to pay for the reasonable cost of any such review performed by the OIG or any of its designated agents so long as it is initiated before one year after the Mehtas' final submission (as described in Section II) is received by the OIG.

Prior to initiating a Validation Review, the OIG shall notify the Mehtas 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, the Mehtas may request a meeting with the OIG to discuss the results of any Billing Engagement submissions or any Claims Review findings; present any additional or relevant information to clarify the results of the Business Engagements or to correct the inaccuracy of the Claims Review; and/or propose alternatives to the proposed Validation Review. The Mehtas agree 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 the Mehtas 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.

**G. 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 the Mehtas have received in excess of the amount due and payable under any Federal health care program requirements. The Mehtas 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, the Mehtas identify or learn of any overpayments, the Mehtas shall notify the payor within 30 days of identification of the overpayment and take remedial steps within 60 days of discovery (or such additional time as may be agreed to by the payor) to correct the problem, including preventing the underlying problem and the overpayments from recurring. Also, within 30 days of identification of the overpayment, the Mehtas shall repay the overpayment to the appropriate payor to the extent such overpayment has been quantified. If not yet quantified, within 30 days of identification, the Mehtas shall notify the payor of their efforts to quantify the overpayment amount along with a schedule of when such work is expected to be completed. Notification and repayment to the contractor should be done in accordance with the contractor policies, and for Medicare contractors, must include the information contained on the Overpayment Refund Form, provided as Appendix B to this Agreement.

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 the Mehtas determine, by any means, that there is a Material Deficiency, the Mehtas shall notify OIG, in writing, within 30 days of making the determination that the Material Deficiency exists. The report to the OIG shall include the following information:

(i) If the Material Deficiency results in an overpayment, the report to the OIG shall be made at the same time as the notification to the payor required in Section III.G.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 the Mehtas' actions taken to correct the Material Deficiency; and

(iv) any further steps the Mehtas plan to take to address the Material Deficiency and prevent it from recurring.

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

Within 30 days of discovery, the Mehtas shall notify OIG, in writing, of any ongoing investigation or legal proceeding conducted or brought by a governmental entity or its agents involving an allegation that the Mehtas have committed a crime or have



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. The Mehtas shall also provide written notice to OIG within 30 days of the resolution of the matter, and shall provide OIG with a description of the findings and/or results of the proceedings, if any.

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

In the event that, after the effective date of this Agreement, the Mehtas change locations or purchase or establish a new business related to the furnishing of items or services that may be reimbursed by Federal health care programs, the Mehtas shall notify OIG of this fact as soon as possible, but no later than within 30 days of the date of change of location, 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 of this Agreement, the Mehtas shall submit a written report to OIG summarizing the status of their implementation of the requirements of this Agreement. This report, known as the "Implementation Report," shall include:

1. The name and phone number of the Mehtas' Compliance Contact;
2. A copy of the notice the Mehtas posted in their office as described in Section III.B and a description of where and when the notice has been posted;
3. A copy of the written policies and procedures required by Section III.C.;
4. A certification signed by the Mehtas attesting that the Policies and Procedures are being implemented and have been made available to all Covered Persons;

5. A description of the training required by Section III.D., including a summary of the topics covered and a schedule of when the training session(s) were held;
6. A certification signed by the Mehtas attesting that all employees have completed the initial training required by Section III.D. and have executed the required certifications;
7. If applicable, a copy of the certification from the third party billing company required by Section III.E;
8. The name and qualifications of the IRO the Mehtas have retained to conduct the billing engagement and the proposed start and completion dates of the first annual review;
9. A certification from the IRO regarding its professional independence from the Mehtas;
10. A list of all the Mehtas' 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 contractor's name and address that issued each provider identification number; and
11. A certification from the Mehtas stating that they have reviewed the Implementation Report, they have made a reasonable inquiry regarding its content and believe that, upon such inquiry, the information is accurate and truthful.

**B. Annual Reports**

The Mehtas shall submit to OIG Annual Reports with respect to the status of and findings regarding the Mehtas' compliance activities for each of the three (3) one-year periods beginning on the effective date of the Agreement. (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 written policies and procedures developed pursuant to Section III.C., a copy of any policies and procedures that were revised;
2. A certification by the Mehtas 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.;
4. A certification signed by the Mehtas certifying that they are maintaining written certifications from all Covered Persons that they received training pursuant to the requirements set forth in Section III.D.;
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. The Mehtas' 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 the Mehtas and the IRO, including, but not limited to, any outside financial audits, compliance program engagements, or reimbursement consulting;
8. A summary of any Material Deficiencies (as defined in Section III.G.) identified during the Reporting Period and the status of any corrective and preventative action relating to all such Material Deficiencies;
9. 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;

10. A certification signed by the Mehtas 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
11. A certification signed by the Mehtas certifying that they have reviewed the Annual Report, they have made a reasonable inquiry regarding its content and believe 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:

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

If to Mehtas:           P.C. Mehta, M.D. & Malti Mehta, M.D.  
Piedmont Psychiatric Associates  
1040 X-Ray Drive, Suite C  
Gastonia, NC 28054  
Ph.   704.337.6366 or 704.346.7052  
Fax   704.364.0176 or 704.868.3939

With a copy to: Myron Prescott  
P.O. Box 1274  
Cornelius, NC 28031  
Ph.   704.896.8992  
Fax   704.896.1962

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 the Mehtas' books, records, and other documents and supporting materials and/or conduct on-site reviews of any of the Mehtas' locations for the purpose of verifying and evaluating: (a) the Mehtas' compliance with the terms of this Agreement; and (b) the Mehtas' compliance with the requirements of the Federal health care programs in which they participate. The documentation described above shall be made available by the Mehtas to OIG or its duly authorized representative(s) at all reasonable times, and considering patient care that may be being furnished, for inspection, audit or reproduction. Furthermore, for purposes of this provision, OIG or its duly authorized representative(s) may interview any of the Mehtas' 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. The Mehtas agree to assist OIG or its duly authorized representative(s) in contacting and arranging interviews with such individuals upon OIG's request. The Mehtas' employees may elect to be interviewed with or without a representative of the Mehtas present.

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

The Mehtas 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 (4) 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 the Mehtas prior to any release by OIG of information submitted by the Mehtas pursuant to their obligations under this Agreement and identified upon submission by the Mehtas as trade secrets, or information that is commercial or financial and privileged or confidential, under the FOIA rules. With respect to such releases, the Mehtas shall have the rights set forth at 45 C.F.R. § 5.65(d). The Mehtas 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 the Mehtas shall be expected throughout the duration of this Agreement with respect to all of the obligations herein agreed to by the Mehtas.

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

As a contractual remedy, the Mehtas 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 the Mehtas:
  - a. Fail to have in place a Compliance Contact as required in Section III.A;
  - b. Fail to post the notice required in Section III.B;
  - c. Fail to have in place the Policies and Procedures required in Section III.C;
  - d. Fail to ensure that each applicable Covered Person attends the training required by Section III.D. within the time frames required in that Section;
  - e. Fail to retain an IRO within the timeframe required in Section III.F.1, or annually submit the IRO’s Claims Review Report and Process Review Report as required in Section III.F and Appendix A; or
  - f. Fail to 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 the Mehtas employ or contract with an

Ineligible Person and that person: (i) has responsibility for, or involvement with, the Mehtas' 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 subsection shall not be demanded for any time period during which the Mehtas can demonstrate that they did not discover the person's exclusion or other ineligibility after making a reasonable inquiry (as described in Section III.C.5) as to the status of the person.

3. A Stipulated Penalty of \$750 for each day the Mehtas fail to grant access to the information or documentation as required in Section VII. This Stipulated Penalty shall begin to accrue on the date the Mehtas fail to grant access.

4. A Stipulated Penalty of \$750 for each day the Mehtas fail to comply fully and adequately with any obligation of this Agreement. In its notice to the Mehtas, OIG shall state the specific grounds for its determination that the Mehtas have failed to comply fully and adequately with the Agreement obligation(s) at issue and steps the Mehtas must take to comply with the Agreement. (This Stipulated Penalty shall begin to accrue 10 days after the date that the Mehtas receive 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 1-3 of this Section.

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

The Mehtas 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 the Mehtas fail 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 the Mehtas receive 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 the Mehtas have failed to comply with any of the obligations described in Section X.A and after determining that Stipulated Penalties are appropriate, OIG shall notify the Mehtas of: (a) the Mehtas' 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 of the receipt of the Demand Letter, the Mehtas shall respond by either: (a) curing the breach to OIG's satisfaction, notifying OIG of their corrective actions, 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 the Mehtas elect to request an ALJ hearing, the Stipulated Penalties shall continue to accrue until the Mehtas cure, 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 the Mehtas have 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 the Mehtas 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 Independent Review Organization in accordance with Section III.F.

2. *Notice of Material Breach and Intent to Exclude.* The parties agree that a material breach of this Agreement by the Mehtas constitutes an independent basis for the Mehtas' exclusion from participation in the Federal health care programs. Upon a determination by OIG that the Mehtas have materially breached this Agreement and that exclusion should be imposed, OIG shall notify the Mehtas of: (a) the Mehtas' 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.* The Mehtas shall have 30 days from the date of receipt of the Notice of Material Breach and Intent to Exclude to demonstrate to OIG's satisfaction that:

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

4. *Exclusion Letter.* If at the conclusion of the 30-day period, the Mehtas fail to satisfy the requirements of Section X.D.3, OIG may exclude the Mehtas from participation in the Federal health care programs. OIG will notify the Mehtas in writing of its determination to exclude the Mehtas (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, the Mehtas wish to apply for reinstatement, the Mehtas 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 the Mehtas 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, the Mehtas 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 of the receipt of the Demand Letter and the request for a hearing involving exclusion shall be made within 25 days of receipt of the Exclusion Letter.

2. *Stipulated Penalties Review.* Notwithstanding any provision of Title 42 of the United States Code or Chapter 42 of the Code of Federal Regulations, the only issues in a proceeding for Stipulated Penalties under this Agreement shall be: (a) whether the Mehtas were in full and timely compliance with the obligations of this Agreement for which OIG demands payment; and (b) the period of noncompliance. The Mehtas shall have the burden of proving their full and timely compliance and the steps taken to cure the noncompliance, if any. If the ALJ agrees with OIG with regard to a finding of a breach of this Agreement and orders the Mehtas to pay Stipulated Penalties, such Stipulated Penalties shall become due and payable 20 days after the ALJ issues such a decision unless the Mehtas request 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 the Mehtas were 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) The Mehtas had begun to take action to cure the material breach within that period;
  - (ii) The Mehtas had pursued and are pursuing such action with due diligence; and
  - (iii) The Mehtas provided to OIG within that period a reasonable timetable for curing the material breach and the Mehtas have 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 the Mehtas, only after a DAB decision in favor of OIG. The Mehtas' election of their contractual right to appeal to the DAB shall not abrogate OIG's authority to exclude the Mehtas 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 the Mehtas 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. The Mehtas agree to waive their right to any notice of such an exclusion if a decision upholding the exclusion is rendered by the ALJ

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, the Mehtas and the OIG agree as follows:

1. This Agreement shall be binding on the successors, assigns and transferees of the Mehtas;
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 the Mehtas' obligations under this Agreement in the event of the Mehtas' cessation of participation in Federal health care programs. If the Mehtas withdraw from participation in Federal health care programs and are relieved from their Agreement obligations by the OIG, the Mehtas shall notify the OIG 30 days in advance of either of the Mehta's intent to reapply as a participating provider or supplier with the Federal health care programs. Upon receipt of such notification, OIG will evaluate whether the CIA should be reactivated or modified.
5. The undersigned Mehtas signatories represent and warrant that they are 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.

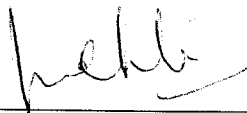
IN WITNESS WHEREOF, the parties hereto affix their signatures:

**THE MEHTAS**

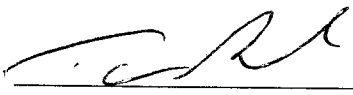
1/10/02  
Date

  
P.C. Mehta, M.D.

1/10/02  
Date

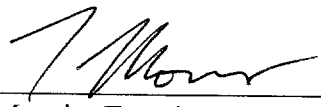
  
Malti Mehta, M.D.

1/10/02  
Date

  
Counsel for the Mehtas

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

1/15/02  
Date

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

## 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 the Mehtas to the Medicare and Medicaid programs.
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 the Mehtas’ billing and coding systems and/or operations (the “Process Review”). This review shall examine the coding and claim submission process (e.g., reviewing the process, reviewing the systems edits, automated coding systems).
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 the Mehtas’ coding systems and/or operations and claims submission process. 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 the Mehtas 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. Overpayment: The amount of money the Mehtas have received in excess of the amount due and payable under any Federal health care program requirements.

c. Item: Any discrete unit that can be sampled (e.g., code, line item, beneficiary, patient encounter, etc.).

d. Paid Claim: A code or line item submitted by the Mehtas and for which the Mehtas have received reimbursement from the Medicare or Medicaid program.

e. Population: All Items for which the Mehtas have submitted a code or line item and for which the Mehtas have received reimbursement from the Medicare and Medicaid programs (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.hhs.gov/oig/oas/ratstat.html](http://www.hhs.gov/oig/oas/ratstat.html)".

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. The Claims Review Sample shall consist of an appraisal of a minimum 50 Items. The Claims Review Sample shall be selected by using RAT-STATS' "Random Numbers" function, and shall be selected from the entire population. 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 the Mehtas cannot produce documentation sufficient to support the Paid Claim shall be considered an error and the total reimbursement received by the Mehtas for such Paid Claim shall be deemed an Overpayment. Replacement sampling for Paid Claims with missing documentation shall not be 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, HCFA program memoranda, Medicare and Medicaid manuals 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 the Mehtas (“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 the Mehtas;
- 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 the Mehtas, identify underpayments, but any underpayments identified during the Claims Review shall not be offset or “netted out”

from 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 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		

**AMENDMENT TO THE INTEGRITY AGREEMENT  
BETWEEN THE  
OFFICE OF INSPECTOR GENERAL OF THE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
AND  
P.C. MEHTA, M.D. & MALTI MEHTA, M.D.**

The Office of Inspector General (“OIG”) of the Department of Health and Human Services and P.C. Mehta, M.D. and Malti Mehta, M.D. (“the Mehtas”) entered into a Integrity Agreement (“IA”) on January 15, 2002.

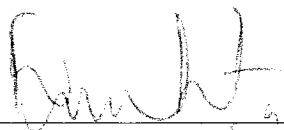
- A. Pursuant to section IX.3. of the Mehtas’ IA, modifications to the IA may be made with the prior written consent of both the OIG and the Mehtas. Therefore, the OIG and the Mehtas hereby agree that the Mehtas’ IA will be amended as follows:

Section III.F., Review Procedures of the IA is hereby superceded by the attached new section III.F., Review Procedures.

Appendix A of the Mehtas’ IA is hereby superceded by the attached new Appendix A.

- B. The OIG and the Mehtas agree that all other sections of the Mehtas’ IA will remain unchanged and in effect, unless specifically amended upon the prior written consent of the OIG and the Mehtas.
- C. The undersigned Mehtas signatories represent and warrant that they are authorized to execute this Amendment. The undersigned OIG signatory represents that he is signing the Amendment in his official capacity and that he is authorized to execute this Amendment.
- D. This effective date of this Amendment will be the date on which the final signatory of this Amendment signs this Amendment.

**ON BEHALF OF P.C. MEHTA, M.D. & MALTI MEHTA, M.D.**

  
\_\_\_\_\_  
P.C. Mehta, M.D.

APRIL 12 2001  
\_\_\_\_\_  
DATE

*Malti Mehta*

\_\_\_\_\_  
Malti Mehta, M.D.

*4/12/02*

\_\_\_\_\_  
DATE

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

*Lewis Morris*

\_\_\_\_\_  
Lewis Morris  
Assistant Inspector General for Legal Affairs  
Office of Inspector General  
U.S. Department of Health and Human Services

*3/8/02*

\_\_\_\_\_  
DATE

F. Review Procedures.

1. *General Description.*

a. Retention of Independent Review Organization. Within 90 days of the effective date of this IA, the Mehtas 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 billing review to assist the Mehtas in assessing and evaluating their billing and coding practices and systems, and their compliance obligations pursuant to this IA and their Settlement Agreement. The IRO retained by the Mehtas shall have expertise in the billing, coding, reporting and other requirements of the particular section of the health care industry pertaining to this IA and in the general requirements of the Federal health care program(s) from which the Mehtas seek reimbursement. The IRO shall assess, along with the Mehtas, whether it can perform the IRO review in a professionally independent fashion taking into account any other business relationships or other engagements that may exist. The IRO review shall address and analyze the Mehtas’ billing and coding to the Federal health care programs (“Claims Review”).

b. Frequency of Claims Review. The Claims Review shall be performed annually and shall cover each of the one-year periods of the IA beginning with the effective date of this IA. The IRO shall perform all components of each annual Claims Review.

c. Retention of Records. The Mehtas and the IRO shall retain and make available to the OIG, upon request, all work papers, supporting documentation, correspondence, and draft reports (those exchanged between the Mehtas and the IRO related to the reviews).

2. *Claims Review.*

The Claims Review shall include a Discovery Sample and, if necessary, a Full Sample. The applicable definitions, procedures, and reporting requirements are outlined in Appendix A to this IA, which is incorporated by reference.

a. Discovery Sample. The IRO shall randomly select and review a sample of 50 Medicare and other Federal health care programs Paid Claims submitted by or on behalf of the Mehtas. The Paid Claims shall be

reviewed based on the supporting documentation available to the Mehtas or under the Mehtas' control and applicable billing and coding regulations and guidance to determine whether the claim submitted was correctly coded, submitted and reimbursed.

i. Results of Discovery Sample. If the Error Rate (as defined in Appendix A) is less than 5%, no additional sampling is required, nor is the Systems Review required. (Note: The threshold listed above does not imply that this is an acceptable error rate. Accordingly, the Mehtas should, as appropriate, further analyze any errors identified in the Discovery Sample. The Mehtas recognizes that the OIG or other HHS component, in its discretion and as authorized by statute, regulation, or other appropriate authority may also analyze or review Paid Claims included, or errors identified, in the Discovery Sample.)

ii. If the Discovery Sample indicates that the Error Rate is 5% or greater, the IRO shall perform a Full Sample and a Systems Review, as described below.

b. Full Sample. If necessary, as determined by procedures set forth in Section III.F.2., the IRO shall perform an additional sample of Paid Claims using commonly accepted sampling methods and in accordance with Appendix A. The Full Sample should be designed to (1) estimate the actual Overpayment in the population with a 90% confidence level and with a maximum relative precision of 25% of the point estimate and (2) conform with the Centers for Medicare and Medicaid Services' statistical sampling for overpayment estimation guidelines. The Paid Claims shall be reviewed based on supporting documentation available to the Mehtas or under the Mehtas' control and applicable billing and coding regulations and guidance to determine whether the claim submitted was correctly coded, submitted, and reimbursed. For purposes of calculating the size of the Full Sample, the Discovery Sample may serve as the probe sample, if statistically appropriate. Additionally, the Mehtas may use the Items sampled as part of the Discovery Sample, and the corresponding findings for those 50 Items, as part of its Full Sample, if statistically appropriately. The OIG, in its full discretion, may refer the findings of the Full Sample (and any related workpapers) received from the Mehtas to the appropriate Federal health care program payor, including the Medicare contractor (*e.g.*, carrier, fiscal intermediary, or DMERC), for appropriate follow-up by that payor.

c. Systems Review. If the Mehtas' Discovery Sample identifies an Error

Rate of 5% or greater, the Mehtas' IRO shall also conduct a Systems Review. Specifically, for each Item in the Discovery Sample and Full Sample that resulted in an Overpayment, the IRO should perform a "walk through" of the system(s) and process(es), that generated the Item to identify any problems or weaknesses that may have resulted in the identified Overpayments. The IRO shall provide to the Mehtas observations and recommendations on suggested improvements to the system(s) and the process(es) that generated the claim.

d. Repayment of Identified Overpayments. In accordance with section III.G. of the IA, the Mehtas agrees to repay within 30 days any Overpayment(s) identified in the Discovery Sample or the Full Sample (if applicable), regardless of the Error Rate, to the appropriate payor and in accordance with payor refund policies. The Mehtas agrees to make available to the OIG any and all documentation that reflects the refund of the Overpayment(s) to the payor and the associated documentation.

3. *Claims Review Report.* The IRO shall prepare a report based upon the Claims Review performed (the "Claims Review Report"). Information to be included in the Claims Review Report is detailed in Appendix A.
4. *Validation Review.* In the event the OIG has reason to believe that: (a) the Mehtas' Claims Review fails to conform to the requirements of this IA; or (b) the IRO's findings or Claims Review results are inaccurate, the OIG may, at its sole discretion, conduct its own review to determine whether the Claims Review complied with the requirements of the IA and/or the findings or Claims Review results are inaccurate ("Validation Review"). The Mehtas agrees to pay for the reasonable cost of any such review performed by the OIG or any of its designated agents so long as it is initiated before one year after the Mehtas' final submission (as described in section II) is received by the OIG.

Prior to initiating a Validation Review, the OIG shall notify the Mehtas 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, the Mehtas may request a meeting with the OIG to discuss the results of any Claims Review submissions or findings; present any additional or relevant information to clarify the results of the Claims Review or to correct the inaccuracy of the Claims Review; and/or propose alternatives to the proposed Validation Review. The Mehtas 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 Claims Review issues with the Mehtas prior to conducting a Validation Review. However, the final determination as to whether or not to proceed with a Validation Review shall be made at the sole discretion of the OIG.

5. *Independence Certification.* The IRO shall include in its report to the Mehtas a certification or sworn affidavit that it has evaluated its professional independence with regard to the Claims Review and that it has concluded that it was, in fact, independent.

## APPENDIX A

### A. Claims Review.

1. **Definitions.** For the purposes of the Claims Review, the following definitions shall be used:
  - a. Overpayment: The amount of money the Mehtas have received in excess of the amount due and payable under any Federal health care program requirements.
  - b. Item: Any discrete unit that can be sampled (e.g., code, line item, beneficiary, patient encounter, etc.).
  - c. Paid Claim: A code or line item submitted by the Mehtas and for which the Mehtas have received reimbursement from Medicare or other Federal health care programs.
  - d. Population: All Items for which the Mehtas have submitted a code or line item and for which the Mehtas have received reimbursement from the Medicare and other Federal health care programs (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.
  - e. Error Rate: The Error Rate shall be the percentage of net overpayments identified in the sample. The Error Rate is calculated by dividing the net Overpayment identified in the sample by the total dollar amount associated with the Items in the sample.
2. **Other Requirements.**
  - a. Paid Claims without Supporting Documentation. For the purpose of appraising Items included in the Claims Review, any Paid Claim for which the Mehtas cannot produce documentation sufficient to support the Paid Claim shall be considered an error and the total reimbursement received by the Mehtas for such Paid Claim shall be deemed an Overpayment. Replacement sampling for Paid Claims with missing documentation is not permitted.
  - b. Use of First Samples Drawn. For the purposes of all samples (Discovery Sample(s) and Full Sample(s)) discussed in this Appendix, the Paid Claims

associated with the Items selected in each first sample (or first sample for each strata, if applicable) shall be used. In other words, it is not permissible to generate more than one list of random samples and then select one for use with the Discovery Sample or Full Sample.

**B. Claims Review Report.** The following information shall be included in the Claims Review Report for each Discovery Sample and Full Sample (if applicable).

**1. Claims Review Methodology.**

a. Sampling Unit. A description of the Item as that term is utilized for the Claims Review. For purposes of this Claims Review, the term “Item” may refer to any discrete unit that can be sampled (e.g., claim, line item, beneficiary, patient encounter, etc.).

b. Claims Review Population. A description of the Population subject to the Claims Review.

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

d. Sampling Frame: A description of the sampling frame, which is the totality of Items from which the Discovery Sample and, if any, Full 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. Source 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. Claims Review Findings.**

a. a description of the Mehtas’ billing and coding system(s), including the identification, by position description, of the personnel involved in coding

and billing;

b. the IRO's findings, supporting rationale, and a summary of such findings and rationale regarding the Claims Review, including the results of the Discovery Sample, and the results of the Full Sample (if any) with the gross Overpayment amount, the net Overpayment amount, and the corresponding Error Rate(s) related to the net Overpayment. Note: for the purpose of this reporting, any potential cost settlements or other supplemental payments should not be included in the net Overpayment calculation. Rather, only underpayments identified as part of the Discovery Sample or Full Sample (as applicable) shall be included as part of the net Overpayment calculation; and

c. the IRO's findings and recommendations concerning the Systems Review (if any).

### **3. Statistical Sampling Documentation.**

a. The number of Items appraised in the Discovery Sample and, if applicable, in the Full Sample.

b. A copy of the printout of the random numbers generated by the "Random Numbers" function of the statistical sampling software used by the IRO.

c. A copy of the statistical software printout(s) estimating how many Items are to be included in the Full Sample.

d. A description or identification of the statistical sampling software package used to conduct the sampling.

### **4. Claims Review Results.**

a. Total number and percentage of instances in which the IRO determined that the Paid Claims submitted by the Mehtas ("Claims 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 the Mehtas.

c. Total dollar amount of paid Items included in the sample and the net Overpayment associated with the sample.

d. Error Rate in the sample(s).

e. A spreadsheet of the Claims Review results 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. (See Attachment 1 to this Appendix.)

5. **Systems Review.** Observations and recommendations on possible improvements to the system(s) and process(es) that generated the Overpayment(s) in the sample Population.

6. **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.