

**CORPORATE INTEGRITY AGREEMENT  
BETWEEN THE  
NEW YORK STATE OFFICE OF THE MEDICAID INSPECTOR GENERAL  
AND  
EXTENDED NURSING PERSONNEL CHHA, LLC**

**December 15, 2009**

12/15/2009

## CORPORATE INTEGRITY AGREEMENT

### BETWEEN THE NEW YORK STATE OFFICE OF THE MEDICAID INSPECTOR GENERAL AND EXTENDED NURSING PERSONNEL CHHA, LLC

#### I. Preamble

**EXTENDED NURSING PERSONNEL CHHA, LLC** (doing business as **Extended Home Care ("EXTENDED")**), a Certified Home Health Agency ("CHHA"), enters into this Corporate Integrity Agreement ("CIA") with the New York State Office of the Medicaid Inspector General ("OMIG") to promote compliance by EXTENDED's officers, managers, employees, and contractors with the requirements of New York's medical assistance program.

Contemporaneously with this CIA, EXTENDED is entering into Settlement Agreements (collectively, "Settlement Agreements") with the Medicaid Fraud Control Unit of the New York State Office of the Attorney General ("MFCU") and with the United States of America, acting through the Department of Justice ("DOJ"). Pursuant to the Settlement Agreements, and without any admission of liability on EXTENDED's part, EXTENDED is settling allegations that it caused claims to be submitted to Medicaid, and received payment thereon, for services purportedly provided by individuals who presented certificates indicating satisfactory completion of a home health aide training course, when, in fact, such individuals had never received the required training or valid certification.

#### II. Term of the CIA

This CIA and the compliance obligations assumed by EXTENDED hereunder shall expire five years from the Effective Date (as defined below) of this CIA, except that the obligation to retain an Independent Review Organization ("IRO") shall run for three years from the Effective Date unless further extended in OMIG's discretion as specifically permitted in sections VII.B.2 and VII.B.5 of this CIA.

The Effective Date of this CIA shall be the date on which OMIG executes it.

#### III. Definitions

This CIA shall be governed by the following definitions:

"Covered Persons" means all officers, managers and employees of EXTENDED. Covered Persons shall also mean contractors of EXTENDED responsible for the submission of claims or for the hiring, credentialing, exclusion checks or training of those responsible for patient care or claims submission;

"Relevant Covered Persons" means all officers, managers, employees and contractors responsible for the submission of claims or for the hiring, credentialing, exclusion checks or training of of those responsible for patient care or claims submission.

#### IV. Compliance Program

Within 30 days of the Effective Date of this CIA, except for specific implementation deadlines set forth herein, EXTENDED shall establish and maintain an effective Compliance Program (“Compliance Program”) that comports with the requirements of Social Services Law § 363-d and 18 NYCRR Part 521. Implementation of the Compliance Program shall include, but not be limited to, the following:

##### A. Compliance Officer and Compliance Committees.

1. Compliance Officer. Within 30 days after the Effective Date, EXTENDED shall appoint an individual to serve as its Compliance Officer and shall maintain a Compliance Officer for the term of the CIA. The Compliance Officer shall be responsible for developing and implementing policies, procedures, and practices designed to ensure compliance with the obligations set forth in this CIA and with the requirements of New York’s medical assistance program. The Compliance Officer shall be a member of senior management of EXTENDED, shall make periodic (at least quarterly) reports regarding compliance matters directly to the Board of Managers (“Board”) of EXTENDED, shall meet with the full Board in executive session at least twice a year, which sessions shall be prescheduled, and shall be authorized to report on compliance matters to the Board at any time. The Compliance Officer shall not be, or be subordinate to, the Chief Financial Officer or General Counsel, if any.

EXTENDED shall report to OMIG, in writing, any change in the identity or position description of the Compliance Officer, or any action or change that would affect the Compliance Officer’s ability to perform the duties necessary to meet the obligations in this CIA, within 15 days after such a change.

2. Staff Compliance Committee. Within 30 days after the Effective Date, EXTENDED shall appoint a Staff Compliance Committee (“Staff Committee”). The Staff Committee shall, at a minimum, include the Compliance Officer and other members of senior management necessary to meet the requirements of this CIA, including members of: finance, human resources, clinical staff oversight (including credentialing and training), information technology, and operations. The Staff Committee shall meet at least monthly and shall assist the Compliance Officer in the development, implementation and maintenance of EXTENDED’s Compliance Program, including assessing organizational risk areas and overseeing the monitoring of internal and external audits and/or investigations.

EXTENDED shall report to OMIG, in writing, any change in the composition of the Staff Committee, or any action or change that would affect the Staff Committee’s ability to perform the duties necessary to meet the obligations in this CIA, within 15 days after such a change.

3. Compliance Committee of the Board. During the term of the CIA, EXTENDED shall maintain a Compliance Committee comprised of either its Board of Managers or a designated committee thereof (“Board Committee”). The Board Committee shall be responsible for the review and oversight of matters related to compliance with the obligations set forth in this CIA and with the requirements of New York’s medical assistance program,

including the performance of the Compliance Officer and the Staff Compliance Committee. The Compliance Officer shall be the staff person for the Board Committee. The Board Committee shall meet at least quarterly; it may be combined with other committees and have other responsibilities. The Board Committee or any individual member thereof shall have the discretion, at any time, at EXTENDED's expense and without prior approval of the full Board of Managers or any other officer or representative of EXTENDED, to seek compliance-related advice from an independent expert.

Annually, the Board Committee shall adopt a resolution, signed by each of its members, summarizing its review and oversight of EXTENDED's compliance with the requirements of New York's medical assistance program. At a minimum, the resolution shall include the following language:

"The EXTENDED Board Compliance Committee has made reasonable and due inquiry into the operations of EXTENDED's Compliance Program, including the performance of the Compliance Officer and the Compliance Committee. Based on that inquiry, the Board Compliance Committee has concluded that, to the best of its knowledge, EXTENDED has implemented an effective Compliance Program to meet the requirements of New York's medical assistance program and the obligations of this CIA.

If the Board Committee is unable to provide such a resolution, it shall provide a written explanation of the reasons for its inability and detail the steps it is taking to address the identified deficiencies.

EXTENDED shall report to OMIG any change in the composition of the Board Committee, or any action or change that would affect the Board Committee's ability to perform the duties necessary to meet the obligations in this CIA, within 15 days after such a change.

B. Written Standards.

1. Code of Conduct. Within 60 days after the Effective Date, EXTENDED shall develop, implement, and distribute to all Covered Persons a written Code of Conduct. EXTENDED shall make the promotion of, and adherence to, the Code of Conduct an element in evaluating the performance of its employees. The Code of Conduct shall, at a minimum, set forth:

a. EXTENDED's commitment to full compliance with the requirements of New York's medical assistance program;

b. the requirement that all Covered Persons comply with the Policies and Procedures implemented pursuant to this CIA;

c. the requirement that all Covered Persons report to the Compliance Officer (or to another individual with authority to act on such a report) any suspected illegal activity and any violations of the requirements of New York's medical assistance program or of the Policies and Procedures implemented pursuant to this CIA;

d. the possible consequences for EXTENDED and/or a Covered Person of failing to comply with the requirements of New York's medical assistance program or to report such noncompliance; and

e. the right of all Covered Persons to use the Compliance Reporting Program described below, and EXTENDED's commitment to non-retaliation and to maintain confidentiality and anonymity, to the extent feasible, with respect to disclosures.

Within 90 days after the Effective Date, each Covered Person shall receive a copy of EXTENDED's Code of Conduct. New Covered Persons shall receive the Code of Conduct within 30 days after becoming a Covered Person.

EXTENDED shall periodically review the Code of Conduct to determine if revisions are appropriate to make it more effective and shall make any necessary revisions. Any revised Code of Conduct shall be distributed within 30 days of its completion. Within 30 days after its distribution, each Covered Person shall certify, in writing, that such Covered Person has received, read, understood, and shall abide by the revised Code of Conduct.

EXTENDED shall also have all Covered Persons sign a Conflict of Interest disclosure as a condition of employment/affiliation.

2. Policies and Procedures. Within 90 days after the Effective Date, EXTENDED shall develop and implement written Policies and Procedures regarding the operation of EXTENDED's Compliance Program. At a minimum, the Policies and Procedures shall address:

a. The subjects relating to the Code of Conduct identified in Section I.V.B.1.

b. The proper documentation of services provided and preparation of true and accurate claims submitted for reimbursement for home health items and services in accordance with 10 NYCRR § 505.23 and 10 NYCRR Part 763.

c. Each of the risk areas identified in the Office of Inspector General's ("OIG") Compliance Program Guidance for Home Health Agencies, to the extent applicable to EXTENDED's operations. See 63 Federal Register 42,409 (August 7, 1998) and similar compliance guidance, if any, published by the OMIG.

Within 90 days after the Effective Date, the relevant portions of the Policies and Procedures shall be distributed to all individuals whose job functions relate thereto. Knowledgeable staff shall be available to explain the Policies and Procedures. At least annually, EXTENDED shall assess and update, as necessary, its Policies and Procedures. Within 30 days after the effective date of any revisions, the relevant portions of the revised Policies and Procedures shall be distributed to all individuals whose job functions relate thereto.

C. Training and Education.

1. General Training. Within 90 days after the Effective Date, EXTENDED shall provide at least one hour of General Training to each Covered Person. This training, at a minimum, shall explain the CIA requirements and EXTENDED's Compliance Program, including the Code of Conduct. New Covered Persons shall receive the General Training described above within 30 days after becoming a Covered Person. Each Covered Person shall receive at least one hour of General Training in each subsequent year.

2. Specific Training. Within 120 days after the Effective Date, each Relevant Covered Person shall receive at least three hours of Specific Training in addition to the required General Training. This Specific Training shall include a discussion of the compliance obligations and Policies and Procedures tailored to the job function of each Relevant Covered Person.

New Relevant Covered Persons shall receive this training within 60 days of their becoming Relevant Covered Persons. Until a new Relevant Covered Person completes his or her Specific Training, an EXTENDED employee who has completed the Specific Training shall review the Relevant Covered Person's work.

Each Relevant Covered Person shall receive at least three additional hours of Specific Training in each subsequent year.

3. Contractors. Notwithstanding subparagraphs 1 and 2 of this section, if EXTENDED uses any contractor or subcontractor to assist it in patient care, submission of claims to the New York medical assistance program or in the hiring and screening of those responsible for patient care, including credentialing, exclusion checks and training, it shall take appropriate steps to ensure that the entity is qualified and shares EXTENDED's commitment to full compliance with the requirements of the New York medical assistance program. No such contractor or subcontractor may be utilized unless either (i) it demonstrates to EXTENDED's reasonable satisfaction that it has performed compliance training for those individuals whom it intends to engage to provide services for, or on behalf of, EXTENDED, and that it has a compliance reporting program, in both cases comparable to the type of such program required by New York Social Services Law § 363-d and its implementing regulations (18 NYCRR Part 521), or (ii) participates in the training described in subparagraphs 1 and 2 of this section, or (iii) OMIG agrees to waive this requirement.

4. Certification. Each individual who is required to attend training shall certify, in writing or in electronic form, that he or she has received the required training. The certification shall specify the type of training received and the date received. For general training, the certification shall include a statement that the employee has received, read, understood, and shall abide by the Code of Conduct. The Compliance Officer (or designee) shall retain the certifications, along with all course materials, which shall be made available to OMIG upon request.

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

6. Update of Training. EXTENDED shall review and update the training annually to reflect changes in the requirements of New York's medical assistance program, any issues discovered during internal audits or IRO reviews, and any other relevant information.

D. Compliance Reporting Program.

Within 60 days of the Effective Date, EXTENDED shall establish a Compliance Reporting Program to enable individuals to report to the Compliance Officer (or to another individual with authority to act on such a report) issues or questions associated with EXTENDED's policies, practices, or procedures with respect to the New York medical assistance program. EXTENDED shall publicize the existence of the reporting program via periodic e-mails to employees or by posting the information in prominent common areas.

The Compliance Reporting Program shall emphasize a non-retribution, non-retaliation policy, and shall include a mechanism for anonymous communications for which confidentiality shall be maintained to the extent feasible. The Compliance Officer (or designee) shall conduct a review of the allegations set forth in the communication and ensure that timely corrective action is taken, if warranted.

The Compliance Officer (or designee) shall maintain a disclosure log, including a summary of each question or allegation received (whether anonymous or not), the status of the internal review, and any corrective action taken. The disclosure log shall be made available to the IRO and to OMIG upon request.

E. Self-Disclosure Program.

Within 60 days of the Effective Date, EXTENDED shall establish a Self-Disclosure program to report Overpayments and Reportable Events (as defined below).

1. Overpayments.

a. Definition of Overpayments. For purposes of this CIA, an "Overpayment" shall mean any amount not authorized to be paid under the applicable requirements of the Medicaid or Medicare programs, whether as the result of inaccurate or improper cost reporting, improper claiming, unacceptable practices, fraud, abuse, or mistake.

b. Report of Overpayments. If EXTENDED identifies an Overpayment, it shall notify OMIG within 30 days and take prompt remedial steps to prevent the Overpayment from recurring. To the extent such Overpayment has been quantified, EXTENDED shall repay the Overpayment. If the Overpayment has not been quantified within 30 days of identification, EXTENDED shall notify OMIG of its efforts to quantify the amount of such Overpayment along with an estimate of when such work is expected to be completed. Notification and repayment to the Medicare program shall be done in accordance with the OIG's Self-Disclosure Protocol, as appropriate. Notification and repayment to the Medicaid Program shall be done in accordance with OMIG's Self-Disclosure Protocol. (Notwithstanding the above, notification and repayment of any Overpayment that routinely is reconciled or adjusted pursuant to the administrative processes of the applicable payor may continue to be handled in accordance with such policies.) Nothing in this section shall be deemed to limit the authority or remedies available to any New York State agency. EXTENDED shall maintain a log of all repayments made and shall retain such log for 6 years from expiration of this CIA.

2. Reportable Events.

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

i. employing or contracting with any individual who is not appropriately certified, licensed or otherwise qualified to perform his or her function;

ii. any conduct that would constitute an "unacceptable practice" under 18 NYCRR § 515.2;

iii. a matter that a reasonable person would consider a probable violation of criminal, civil, or administrative laws applicable to the New York medical assistance program for which penalties or exclusion may be authorized;

iv. the preparation of or actual filing of a bankruptcy petition by EXTENDED; or

v. the change of location, closure of a business unit or location, purchase or establishment of a new business unit or location, or proposal to sell any or all of its business units or locations that are subject to this CIA.

b. Reporting of Reportable Events. If EXTENDED determines that there is a Reportable Event, it shall notify OMIG, in writing, within 30 days after making the determination. The report to OMIG shall include all information required in OMIG's Self-Disclosure process. If the Reportable Event involves the filing of a bankruptcy petition, the report shall include documentation of the filing and a description of any medical assistance program issues implicated.

F. Ineligible Persons.

1. Definitions. For purposes of this CIA:

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

i. is currently excluded, debarred, suspended, or otherwise ineligible to participate in the New York medical assistance program or in Federal procurement or non-procurement programs; or

ii. EXTENDED knows or reasonably should know has pled guilty, been found guilty or has otherwise been convicted of a criminal offense that falls within the scope of 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible.

b. "Exclusion Lists" include:

i. the OMIG list of Restricted, Terminated or Excluded Individuals (available through the internet at [www.omig.state.ny.us](http://www.omig.state.ny.us));

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

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

2. *Screening Requirements.* EXTENDED shall ensure that all prospective and current Covered Persons are not Ineligible Persons, by implementing the following screening requirements:

a. EXTENDED shall screen all prospective and current Covered Persons against the Exclusion Lists prior to engaging their services and, as part of the hiring or contracting process, shall require such Covered Persons to disclose whether they are Ineligible Persons.

b. EXTENDED shall screen all Covered Persons against the Exclusion Lists within 90 days after the Effective Date of this Agreement and at least every six months thereafter.

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

Nothing in this Section affects the responsibility of (or liability for) EXTENDED to refrain from billing Medicaid or Medicare for items or services furnished, ordered, or prescribed by an Ineligible Person or its liability for such billing. EXTENDED understands that items or services furnished by excluded persons are not payable by the Medicaid or Medicare programs in accordance with applicable law and that EXTENDED may be liable for overpayments and/or criminal, civil, and administrative sanctions for employing or contracting with an excluded person regardless of whether it has met the requirements of this subsection IV.F.

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

4. *Pending Charges and Proposed Exclusions.* If EXTENDED has actual notice that a Covered Person is charged with a criminal offense that falls within the scope of 18 NYCRR § 515.7 and/or 42 U.S.C. §§ 1320a-7(a), 1320a-7(b)(1)-(3), or is proposed for exclusion during such person's employment or contract term, EXTENDED shall take all appropriate actions to ensure that the responsibilities of such Covered Person have not adversely affected and shall not adversely affect either the quality of care rendered to any beneficiary or the integrity of any claims submitted to Medicaid and Medicare.

G. Notification of Government Investigation or Legal Proceedings.

Within 30 days after discovery, EXTENDED shall notify OMIG, in writing, of any ongoing investigation or legal proceeding that it knows is being conducted or brought by a governmental entity or its agents involving an allegation that EXTENDED has committed a crime or has engaged in fraudulent activities. This notification shall include a description of the allegation to the extent known by Extended, the identity of the investigating or prosecuting agency, and the status of such investigation or legal proceeding. Within 30 days of EXTENDED's knowledge thereof, Extended shall also provide OMIG with a written description of the findings and/or results of the investigation or proceedings, if any.

V. Corporate Integrity Obligations

A. Reports.

1. Implementation Report. Within 150 days after the Effective Date, EXTENDED shall submit a written report to OMIG summarizing the status of its implementation of the requirements of this CIA. The Implementation Report shall, at a minimum, include:

- a. A copy of the Code of Conduct;
- b. The name, address, telephone number, and position description of the Compliance Officer, including any noncompliance job responsibilities he or she may have;
- c. A list of dates for the upcoming year that the Compliance Officer is scheduled to meet with the Board of Managers;
- d. A copy of Policies and Procedures implemented pursuant to this CIA;
- e. A certification that EXTENDED has screened all current employees and contractors to determine that they have not been excluded from participation in the medical assistance program;
- f. A description of all training provided, including, but not limited to:
  - i. A summary of the topics covered, length of sessions, and a schedule of training sessions;

ii. The number of individuals required to be trained, the percentage of such individuals actually trained, and an explanation of any exceptions.

Documentation supporting this information and a copy of all training materials shall be available to OMIG upon request.

g. The following information regarding the IRO:

i. Identity, address, and telephone number;

ii. A copy of the engagement letter; and

iii. A summary and description of any other current or prior engagements or agreements between EXTENDED and the IRO.

The Implementation Report shall include a certification by the Compliance Officer and Extended's Chief Administrative Officer (or, if no individual holds that title, the individual within Extended's senior management then holding the equivalent position), (a) that they have reviewed the report and have made reasonable inquiry regarding its content and believe the information in the report is accurate; and (b) that to the best of their knowledge, EXTENDED has complied with its obligations under the CIA. If the Compliance Officer and Chief Administrative Officer are unable to provide a complete certification, they shall provide written explanation of the reasons for such inability and identify the steps taken to implement each element that is not certified.

2. Annual Reports. EXTENDED shall submit to OMIG an Annual Report with respect to the status of its compliance efforts. The first Annual Report shall be submitted no later than one year after the Effective Date of the CIA. The second Annual Report shall be submitted one year later. The third Annual Report shall be submitted nine months later. Any subsequent report shall be submitted at a time designated by OMIG. Each Annual Report shall include, at a minimum:

a. A summary of any significant change or amendment to any policies or procedures and the reasons for such change;

b. A certification that at least once every six months during the period EXTENDED has screened all current employees and contractors to determine that they have not been excluded from participation in the medical assistance program;

c. A description of all training provided during the period including:

i. A summary of the topics covered, length of sessions, and a schedule of training sessions;

ii. The number of individuals required to be trained, the percentage of such individuals actually trained, and an explanation of those exempt from training.

Documents supporting this information and a copy of all training material shall be available to OMIG upon request.

d. A summary of all reports of Overpayments and Reportable Events identified during the period and the status of any corrective and preventative action relating thereto;

e. A summary of all communications relating to the medical assistance program that have been made under the Compliance Reporting Program during the period;

f. A copy of all reports prepared by the IRO during the period;

g. A summary and description of any engagements or agreements between EXTENDED and the IRO that are different from those previously submitted.

h. The Board Committee certification described in Part IV.A.3 above.

B. Communications.

EXTENDED shall submit to OMIG, within 5 calendar days of receipt from the IRO, any reports and/or communications that the IRO has issued to EXTENDED addressing any guidance or recommendations, and any evaluations or progress updates pertaining to EXTENDED's obligations under this CIA.

C. Certifications.

The Annual Reports shall include a certification by the Compliance Officer and the Chief Administrative Officer that they have reviewed the report, have made reasonable inquiry regarding its content, believe that the information in the report is accurate and, based on the report, certify:

a. that to the best of their knowledge and except as otherwise described in the applicable report, EXTENDED has an effective compliance program and is in compliance with Social Services Law § 363-b and any regulations promulgated thereunder;

b. that to the best of their knowledge EXTENDED has complied with its obligations under this CIA and the Settlement Agreement;

c. that, to the best of their knowledge, EXTENDED has timely created and appropriately maintained all required documentation for all care, supplies, and services provided;

d. that EXTENDED has taken all appropriate steps to ensure that its employees and contractors under this CIA are trained and credentialed as required by law;

e. that EXTENDED has screened all current employees and contractors at least once every six months to determine whether they have been excluded from participation in the medical assistance program;

f. that EXTENDED has disclosed all known instances of noncompliance with the requirements of New York's medical assistance program in circumstances where the noncompliance affects EXTENDED's right to receive payment for services rendered;

If the Compliance Officer and the Chief Administrative Officer are unable to provide a complete certification, they shall provide written explanation of the reasons for such inability and identify the steps taken to implement each element that is not certified.

EXTENDED shall clearly identify any portion of its submissions that it believes is a trade secret or otherwise potentially exempt from disclosure under the Freedom of Information Law, New York Public Officers Law § 84 *et seq.*, and provide a written explanation therefor.

## VI. Independent Review Organization

### A. Certifications.

Upon engagement and included as part of every submission to OMIG, the IRO shall certify that it has evaluated its professional independence and objectivity with respect to the engagement or submission and that it is, in fact, independent and objective.

### B. IRO Duties.

1. *Engagement of Independent Review Organization.* Within 60 days after the Effective Date, EXTENDED shall engage an entity (or entities), such as an accounting, auditing, or consulting firm (hereinafter "Independent Review Organization" or "IRO"), acceptable to the OMIG, to perform reviews to assist EXTENDED in assessing and evaluating its billing and coding practices and certain other obligations pursuant to this CIA and the Settlement Agreements. The applicable requirements relating to the IRO are outlined in Appendix A to this CIA, which is incorporated by reference.

The IRO shall evaluate and analyze EXTENDED's coding, billing, and claims submission to New York's Medicaid program and the reimbursement received (Claims Review), and shall analyze whether EXTENDED sought payment for certain unallowable costs (Unallowable Cost Review).

2. *Claims Review.* The IRO shall evaluate and analyze EXTENDED's coding, billing, and claims submission to New York's medical assistance program and the reimbursement received (Claims Review). The Claims Review shall include a Discovery Sample of 100 Paid Claims and, if the Error Rate for the Discovery Sample is 5% or greater, a Full Sample and Systems Review. The applicable definitions, procedures, and reporting requirements are outlined in Appendix B to this CIA, which is incorporated by reference. The Claims Review shall be performed annually for a term of three years, except that if EXTENDED

is required to undergo a Full Sample and Systems Review during any Claims Review over the course of the first three years, OMIG shall retain the discretion to extend the IRO engagement for a maximum of an additional two years. In the event that OMIG exercises its discretion to extend the IRO retention period, OMIG shall provide notice in writing to EXTENDED no later than 15 business days after the OMIG receives the Claims Review Report (as defined below) issued by the IRO for the third year of the term of the CIA. The IRO shall perform all components of each annual Claims Review.

3. *Claims Review Report.* The IRO shall prepare a report based upon each Claims Review performed (Claims Review Report). Information to be included in the Claims Review Report is described in Appendix B.

4. *Unallowable Cost Review.* The IRO shall analyze whether EXTENDED sought payment for Unallowable Costs (as defined in the Settlement Agreement) for dates of service on or after July 1, 2006 (Unallowable Cost Review).

The IRO shall determine whether EXTENDED has complied with its obligations not to charge to, or otherwise seek payment from, federal or state payors for Unallowable Costs (as defined in the Settlement Agreements) and its obligation to identify to applicable federal or state payors any Unallowable Costs included in payments previously sought from the United States or from any state Medicaid program. The Unallowable Cost Review shall include, but not be limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by EXTENDED or any affiliates for dates of service on or after July 1, 2006. To the extent that such cost reports, cost statements, information reports, or payment requests, even if already settled, have been adjusted to account for the effect of the inclusion of any Unallowable Costs, the IRO shall determine whether such adjustments were proper. In making this determination, the IRO may need to review cost reports and/or financial statements from the year in which the Settlement Agreements were executed, as well as from previous years.

5. *Frequency of Unallowable Cost Review.* The IRO shall perform the Unallowable Cost Review annually for the initial three years that the CIA is in effect. The OMIG shall retain the discretion to extend the IRO's obligation to perform Unallowable Cost Reviews for the remaining two years of the term of the CIA if the IRO determines that Extended did not materially comply with its obligations respecting the removal of Unallowable Costs as set forth in the Settlement Agreements. In the event that OMIG exercises its discretion to extend the IRO retention period, OMIG shall provide notice in writing to EXTENDED no later than 15 business days after the OMIG receives the Unallowable Cost Review Report (as defined below) issued by the IRO for the third year of the term of the CIA.

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

7. *Retention of Records.* The IRO and EXTENDED shall retain and make available to OMIG, upon request, all work papers, supporting documentation, correspondence, and draft reports exchanged between the IRO and EXTENDED related to any Claims Review or Unallowable Cost Review performed hereunder.

VII. OMIG Inspection, Audit and Review Rights

A. General Rights.

In addition to any other rights it may have by statute, regulation, or contract, OMIG or its duly authorized representative(s) may, without advance notice, examine or request copies of EXTENDED's books, records, and other documents and conduct on-site inspections of any of EXTENDED's locations for the purpose of verifying: (a) EXTENDED's compliance with the terms of this CIA; and (b) EXTENDED's compliance with the requirements of the New York medical assistance program. The documentation described above shall be made available to OMIG or its duly authorized representative(s) at any reasonable time for inspection, audit, or reproduction. Furthermore, OMIG or its duly authorized representative(s) may interview any of EXTENDED's employees, contractors, or agents who consent to be interviewed either at the individual's place of business during normal business hours or at such other place and time as may be agreed upon. EXTENDED shall assist OMIG or its duly authorized representative(s) in arranging such interviews. Employees may be interviewed with a representative present if desired. OMIG may delegate any right or duty under this provision to the IRO or MFCU, or collaborate with such entities in carrying out these functions.

B. Validation Review.

If OMIG has reason to believe that EXTENDED is failing to conform to the requirements of this CIA, it may, in its sole discretion, conduct its own Validation Review. OMIG will attempt to resolve any issues with EXTENDED prior to conducting a Validation Review.

VIII. Breach and Default Provisions

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

EXTENDED and OMIG hereby agree that failure to comply with this CIA may lead to the imposition of the monetary penalties ("Stipulated Penalties") set forth below. The Stipulated Penalties shall be in addition to any other remedy available under law and under this CIA.

1. A Stipulated Penalty of \$1,000 (which shall begin to accrue the day after the obligation becomes due) for each day EXTENDED fails to implement any of the following obligations in accordance with the terms of this CIA:

- a. the Compliance Officer;
- b. the Board Compliance Committee;

- c. a written Code of Conduct;
- d. written Policies and Procedures;
- e. the training of Covered Persons and Relevant Covered Persons;
- f. a Self-Disclosure Program;
- g. a program to screen and remove employees who are Ineligible Persons.

2. A Stipulated Penalty of \$1,000 (which shall begin to accrue the day after the obligation becomes due) for each day EXTENDED fails to engage an IRO as required above.

3. A Stipulated Penalty of \$1,000 (which shall begin to accrue the day after the obligation becomes due) for each day EXTENDED fails to submit to OMIG the Implementation Report or any Annual Report by the deadline for submission.

4. A Stipulated Penalty of \$1,000 for each day EXTENDED fails to grant access as required. (This Stipulated Penalty shall begin to accrue the day EXTENDED fails to grant access.)

5. A Stipulated Penalty of up to \$25,000 for each false certification submitted by or on behalf of EXTENDED as part of its Implementation Report, Annual Report, additional documentation submitted in connection with a report (as requested by the OMIG), or otherwise required by this CIA. This penalty will be imposed only if the senior management of EXTENDED knew or reasonably should have known of the falsity. Before such a penalty is imposed, OMIG shall afford EXTENDED a fair opportunity to be heard as to why its imposition is unwarranted.

6. A Stipulated Penalty of \$1,000 for each day EXTENDED fails to comply with any other obligation of this CIA. OMIG shall provide notice to EXTENDED stating the specific ground for its determination that EXTENDED has failed to comply with such an obligation and the steps that EXTENDED must take to ensure compliance. This Stipulated Penalty shall begin to accrue 30 days after EXTENDED receives OMIG's notice but only if it has not remedied the noncompliance within the 30-day period. The Stipulated Penalty shall be in addition to any other remedy available under law.

7. Timely Written Requests for Extensions. EXTENDED may submit a timely written request for an extension of time to perform any act or file any notification or report required by this CIA. If OMIG grants the request, the Stipulated Penalties shall not begin to accrue until one day after EXTENDED fails to meet the revised deadline. If OMIG denies the request, the Stipulated Penalties shall not begin to accrue until five business days after the date OMIG mails the written denial or the original due date, whichever is later. A "timely written request" is a written request received by OMIG at least five business days prior to the date by which an act is due to be performed or a notification or report is due to be filed.

**B. Payment of Stipulated Penalties.**

1. Demand Letter. Upon a finding that a Stipulated Penalty is appropriate, OMIG shall so notify EXTENDED (the "Demand Letter").

2. Response to Demand Letter. Within 10 days after the receipt of the Demand Letter, EXTENDED shall either: (a) cure the breach to OMIG's satisfaction and pay the applicable Stipulated Penalties or (b) request a hearing before a New York State Department of Health administrative law judge (DOH ALJ) to dispute OMIG's determination of noncompliance, pursuant to the agreed upon provisions set forth below in Section IX.E. In the event EXTENDED elects to request an ALJ hearing, the Stipulated Penalties shall continue to accrue until EXTENDED cures, to OMIG's satisfaction, the alleged breach in dispute. Failure to respond to the Demand Letter in one of these two manners within the allowed time period shall be considered a material breach of this CIA and shall be grounds for exclusion under Section IX.D.

3. Form of Payment. Payment of the Stipulated Penalties shall be made by wire transfer pursuant to OMIG's instructions.

**C. Exclusion for Material Breach of this CIA.**

1. Definition of Material Breach. A material breach of this CIA shall mean any of the following: a) any intentional violation of any of EXTENDED's obligations under this CIA; or b) any unintentional violation of any of the obligations under this CIA as to which EXTENDED fails to undertake appropriate corrective actions upon notice from OMIG within the cure period that this CIA prescribes for such obligations.

2. Upon a determination that EXTENDED has materially breached this CIA, OMIG shall so notify EXTENDED ("Notice of Material Breach").

3. Opportunity to Cure. EXTENDED shall have 30 days from the date of receipt of a Notice of Material Breach to demonstrate to OMIG's sole satisfaction that:

- a. the alleged material breach has been cured; or
- b. the alleged material breach cannot be cured within the 30-day period, but that EXTENDED (i) has begun to take action to cure the material breach; (ii) is pursuing such action with due diligence; and (iii) has provided OMIG a reasonable timetable for curing the material breach.

c. Nothing in this section shall be deemed to limit the authority of OMIG or any other State agency to exclude, or seek exclusion, of EXTENDED, or to take other action with respect to any criminal act or other act that endangers the public health, safety, and welfare.

4. Exclusion Notice. If EXTENDED fails to satisfy the requirements of paragraph 3 above, OMIG may exclude EXTENDED from participation in the medical assistance program. OMIG shall notify EXTENDED in writing of its determination to exclude

(the "Exclusion Notice"). The exclusion shall go into effect 30 days after the date of EXTENDED's receipt of the Exclusion Notice. Reinstatement to the medical assistance program participation is not automatic. After the end of the period of exclusion, EXTENDED may apply for reinstatement by submitting a written request for reinstatement in accordance with the provisions at 18 NYCRR § 504.

D. Dispute Resolution

1. *Review Rights.* Upon OMIG's delivery to EXTENDED of its Demand Letter or of its Exclusion Letter, and as an agreed-upon contractual remedy for the resolution of disputes arising under this CIA, EXTENDED shall be afforded certain review rights comparable to the ones that are provided under 18 NYCRR Part 519 as if they applied to the Stipulated Penalties or exclusion sought pursuant to this CIA. Specifically, OMIG's determination to demand payment of Stipulated Penalties or to seek exclusion shall be subject to review by a DOH ALJ. Notwithstanding the language in 18 NYCRR § 519.7, 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 11 of the NYS Social Services Law or Titles 10 and 18 of the New York Codes, Rules and Regulations, the only issues in a proceeding for Stipulated Penalties under this CIA shall be: (a) whether EXTENDED was in full and timely compliance with the obligations of this CIA for which OMIG demands payment; and (b) the period of noncompliance. EXTENDED shall have the burden of proving its full and timely compliance and the steps taken to cure the noncompliance, if any. EXTENDED shall have the right to appeal an adverse ALJ decision by filing an Article 78 petition in New York Supreme Court. OMIG shall not have the right to appeal an adverse ALJ decision related to Stipulated Penalties.

3. *Exclusion Review.* Notwithstanding any provision of Title 11 of the NYS Social Services Law or Titles 10 and 18 of the New York Codes, Rules and Regulations, the only issues in a proceeding for exclusion based on a material breach of this CIA shall be:

- a. whether EXTENDED was in material breach of this CIA;
- b. whether such breach was continuing on the date of the Exclusion Letter; and
- c. whether the alleged material breach could not have been cured within the 30-day period, but that: (i) EXTENDED had begun to take action to cure the material breach within that period; (ii) EXTENDED has pursued and is pursuing such action with due diligence; and (iii) EXTENDED provided to OMIG within that period a reasonable timetable for curing the material breach and EXTENDED has followed the timetable.

Except as otherwise indicated herein, the process of exclusion shall follow the process set forth in 10 NYCRR Part 515.

4. *Finality of Decision.* The review by an ALJ provided for above shall not be considered to be an appeal right arising under any statutes or regulation. Notwithstanding the foregoing, EXTENDED shall have the right to appeal an adverse ALJ decision by filing an Article 78 petition in New York Supreme Court. OMIG shall not have the right to appeal an adverse ALJ decision related to exclusion. Both parties to this CIA agree that the Court's decision (or the ALJ's decision if not appealed by EXTENDED) shall be considered final for all purposes under this CIA.

IX. Contact Information

Unless otherwise stated in writing:

All notifications, certifications, disclosures and reports required to be submitted to OMIG under this CIA shall be sent to:

Assistant Medical Inspector General  
Bureau of Compliance  
NYS Office of the Medicaid Inspector General  
800 North Pearl Street  
Albany, NY 12204  
Telephone: 518-473-3782  
Facsimile: 518-474-6773

All correspondence from OMIG to EXTENDED shall be sent to:

Vincent Achilarré  
Chief Executive Officer  
EXTENDED NURSING PERSONNEL CHHA, LLC  
360 West 31<sup>st</sup> Street  
New York, NY 10001

With a copy to:

Stephen A. Warnke, Esq.  
ROPES & GRAY LLP  
1211 Avenue of the Americas  
New York, NY 10036-8704

Such submissions may be made by certified mail, overnight mail, hand delivery, or other means, provided there is proof of service. For purposes of this requirement, internal facsimile confirmation sheets do not constitute proof of service. OMIG may require EXTENDED to provide an electronic copy in a format acceptable to OMIG of each submission, either instead of or in addition to a paper copy.

X. Effective and Binding Agreement

EXTENDED and OMIG agree as follows:

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

B. This CIA shall become final and binding on the Effective Date;

C. This CIA constitutes the complete agreement between the parties and may not be amended except by written consent of the parties to this CIA;

D. OMIG may agree to a suspension of EXTENDED's obligations under the CIA in the event of EXTENDED's cessation of participation in the New York State Medicaid Program. If EXTENDED is relieved of its CIA obligations by OMIG, EXTENDED shall notify OMIG at least 30 days in advance of EXTENDED's intent to resume participating as a provider or supplier with the New York State Medicaid Program. Upon receipt of such notification, OMIG shall evaluate whether the CIA should be reactivated or modified.

E. The undersigned EXTENDED signatory represents and warrants that he is authorized to execute this CIA. The undersigned OMIG signatory represents that he is signing this CIA in his official capacity and that he is authorized to execute this CIA.

F. This CIA may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same CIA. Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this CIA.

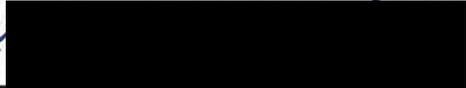
Agreed to:

On Behalf of EXTENDED NURSING PERSONNEL CHHA, LLC :

  
\_\_\_\_\_  
Vincent Achillarre  
Chief Executive Officer

12/15/09  
Date

On Behalf of the New York State Office of the Medicaid Inspector General:

  
\_\_\_\_\_  
Robert A. Hussar  
First Deputy Medicaid Inspector General

12/16/09  
Date

## APPENDIX A

### INDEPENDENT REVIEW ORGANIZATION

This Appendix contains the requirements relating to the Independent Review Organization (IRO) required by Section VI of the CIA.

#### A. IRO Engagement.

**EXTENDED NURSING PERSONNEL CHHA, LLC (doing business as Extended Home Care (“EXTENDED”))**, shall engage an IRO that possesses the qualifications set forth in Paragraph B, below, to perform the responsibilities in Paragraph C, below. The IRO shall conduct the review in a professionally independent and objective fashion, as set forth in Paragraph D.

1. EXTENDED and the proposed IRO shall submit the following information to OMIG for review:

- a. The identity and relevant qualifications of the proposed IRO;
- b. A summary and description of the nature, scope and duration of any prior or existing relationships, engagements and agreements between EXTENDED and the proposed IRO;
- c. Any opinion sought by EXTENDED from, or provided by, the proposed IRO related to EXTENDED’s alleged conduct giving rise to the CIA, EXTENDED’s compliance with Medicaid policies, rules and regulations and any assurances or commitments regarding the provision of the IRO activities under this CIA.
- d. Any additional information reasonably requested to assist OMIG in its review.

Within 30 days after OMIG receives all of the required/requested information, OMIG will notify EXTENDED if the IRO is unacceptable. OMIG may reject the proposed IRO in its sole discretion. Absent notification from OMIG that the IRO is unacceptable within the foregoing time-frame, the proposed IRO shall be conclusively deemed to be acceptable to OMIG, and EXTENDED may engage the IRO.

2. Any agreement with the IRO shall require it to retain and make available to OMIG, upon request, all work papers, supporting documentation, draft reports and correspondence between it and EXTENDED.

3. EXTENDED shall give the IRO full access, without limitation except as required by applicable law and at the IRO’s sole discretion, to all of its records, facilities and personnel.

**B. IRO Qualifications.**

The IRO shall:

1. assign individuals to conduct the engagement who have expertise in the billing, coding, reporting and other regulatory requirements of Certified Home Health Agencies and the New York Medicaid program;
2. assign individuals to design and select the Claims Review sample who are knowledgeable about, and have experience with, the appropriate statistical sampling techniques;
3. assign individuals to conduct coding review portions of the Claims Review who have nationally recognized coding certification (e.g., CCA, CCS, CCS-P, CPC, RRA, etc.) and who have maintained this certification (e.g., completed applicable continuing education requirements); and
4. assign sufficient staff and resources to conduct the reviews and produce the required reports on a timely basis.

**C. IRO Responsibilities.**

The IRO shall:

1. conduct the Claims and Unallowable Cost Reviews as defined in and in accordance with the specific requirements of this CIA;
2. use review work plans and methods that meet acceptable professional standards and are reasonably calculated to test EXTENDED's compliance with the applicable Medicaid rules and reimbursement guidelines;
3. if in doubt of the application of a particular Medicaid policy or regulation, request clarification from the appropriate authority (e.g., fiscal agent or the New York State Department of Health (DOH) Office of Health Insurance Programs (OHIP));
4. respond to all OMIG inquiries in a prompt, objective, and factual manner; and
5. prepare timely, clear, well-written reports that include all the information required by this Appendix and the CIA.

**D. IRO Independence and Objectivity.**

The IRO must perform the Claims and Unallowable Cost Reviews in a professionally independent and objective fashion, as appropriate to the nature of the engagement, taking into account any other business relationships or engagements that may exist between the IRO and EXTENDED. Upon engagement and included as part of every submission to OMIG, the IRO shall certify to this independence and objectivity.

E. IRO Removal/Termination.

1. *Provider.* If EXTENDED desires to terminate its IRO during the course of the engagement, EXTENDED must provide OMIG with 15 days advance notice including a written explanation of why such step is appropriate. If OMIG does not object to EXTENDED's termination of the IRO, EXTENDED shall, within 30 days, engage a new IRO in accordance with Paragraph A of this Appendix. Absent extenuating circumstances, no termination shall be permitted within 60 days of the due date of a scheduled IRO report.

2. *OMIG Removal of IRO.* In the event OMIG has reason to believe that the IRO does not possess the qualifications described in Paragraph B, is not independent and/or objective as set forth in Paragraph D, or has failed to carry out its responsibilities as described in Paragraph C, OMIG may, at its sole discretion, require EXTENDED to engage a new IRO in accordance with Paragraph A of this Appendix.

Prior to requiring EXTENDED to engage a new IRO, OMIG shall notify EXTENDED of its intent to do so and provide a written explanation of why OMIG believes such a step is necessary. To resolve any concerns raised by OMIG, EXTENDED may request a meeting with OMIG to discuss any aspect of the IRO's qualifications, independence or performance of its responsibilities and to present additional information regarding these matters. EXTENDED shall provide any additional information as may be requested by OMIG under this Paragraph in an expedited manner. OMIG will attempt in good faith to resolve any differences regarding the IRO with EXTENDED prior to requiring EXTENDED to terminate the IRO. However, the final determination as to whether or not to require EXTENDED to engage a new IRO shall be made at the sole discretion of OMIG.

## APPENDIX B CLAIMS REVIEW

### A. Claims Review.

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

a. Overpayment: The amount of money **EXTENDED** has 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 **EXTENDED** and for which **EXTENDED** has received reimbursement from the Medicaid program.

d. Population: For the first Reporting Period, the Population shall be defined as all Items for which a code or line item has been submitted by or on behalf of **EXTENDED** and for which **EXTENDED** has received reimbursement from Medicaid (i.e., Paid Claim) during the 12-month period covered by the first Claims Review.

For the remaining Reporting Periods, the Population shall be defined as all Items for which **EXTENDED** has received reimbursement from Medicaid (i.e., 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 net Overpayments shall be calculated by subtracting all underpayments identified in the sample from all gross Overpayments identified in the sample. (Note: 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 Sample shall be included as part of the net Overpayment calculation.)

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. *Sample.* The IRO shall randomly select and review a sample of 100 Paid Claims submitted by or on behalf of **EXTENDED** (Discovery Sample). The Paid Claims shall be reviewed based on the supporting documentation available at **EXTENDED** office or under **EXTENDED** control and applicable billing and coding regulations and guidance to determine whether the claim was correctly coded, submitted, and reimbursed.

If the Error Rate (as defined above) for the Sample is less than 5%, a Systems Review is not required. (Note: The guidelines listed above do not imply that this is an acceptable error rate. Accordingly, **EXTENDED** should, as appropriate, further analyze any errors identified in the Discovery Sample. **EXTENDED** recognizes that OMIG or other DOH 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 Sample or any other segment of the universe.)

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

4. *Other Requirements.*

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

b. Replacement Sampling. Considering the Population shall consist only of Paid Claims and that Items with missing documentation cannot be replaced, there is no need to utilize alternate or replacement sampling units.

c. Use of First Samples Drawn. For the purposes of all samples 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 (i.e., it is not permissible to generate more than one list of random samples and then select one for use with the 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.

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 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 specific 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 (including title and policy number), CMS program memoranda (including title and issuance number), Medicaid carrier or intermediary manual or bulletins (including issue and date), 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 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.

3. *Claims Review Findings.*

a. Narrative Results.

- i. A description of **EXTENDED**'s billing and coding system(s), including the identification, by position description, of the personnel involved in coding and billing.
- ii. A narrative explanation of the IRO's findings and supporting rationale (including reasons for errors, patterns noted, etc.) regarding the Claims Review, including the results of the Sample.

b. Quantitative Results.

- i. Total number and percentage of instances in which the IRO determined that the Paid Claims submitted by **EXTENDED** (Claim Submitted) differed from what should have been the correct claim (Correct Claim), regardless of the effect on the payment.
- ii. 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 **EXTENDED**.
- iii. Total dollar amount of all Overpayments in the sample.
- iv. Total dollar amount of paid Items included in the sample and the net Overpayment associated with the sample.
- v. Error Rate in the sample.
- vi. A spreadsheet of the Claims Review results that includes the following information for each Paid Claim appraised: beneficiary health insurance claim number, date of service, code submitted (e.g., DRG, code, etc.), code reimbursed, allowed amount reimbursed by payor, correct 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. *Systems Review.* Observations, findings, and recommendations on possible improvements to the system(s) and process(es) that generated the Overpayment(s).

5. *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.