CORPORATE INTEGRITY PROGRAM
AMERICAN AMBULANCE AND OXYGEN SERVICE

I. Preamble

American Ambulance and Oxygen Service, Inc. (American Ambulance), a subchapter S corporation organized pursuant to the laws of Maryland with no board of directors, has agreed to implement the Corporate Integrity Program (the Program) to prevent fraud, abuse, and false billing to Medicare by American Ambulance, its subsidiaries, its employees, and third parties whose services are ordered, or certified as medically necessary by American Ambulance personnel. The Program shall include the provisions listed below. The Program shall be maintained so as to ensure, to the extent reasonably possible, that American Ambulance and each of its officers, employees and contractors maintain the business integrity required of a participant in federally-funded health care Programs, and that American Ambulance's delivery of medical care is in compliance with all laws and regulations applicable to such Programs and with the terms forth below.

II. Certification and Report Requirements

The period of future compliance obligations assumed by American Ambulance under this Program shall be five (5) years from the date of execution of this Program. The annual submissions required under the Program shall be submitted on the anniversary date of the execution of this Program. All reports and notifications required under this Program shall be sent to:

ATTN: Eileen T. Boyd
Deputy Inspector General
Office of Enforcement and Compliance
U.S. Department of Health and Human Services
Cohen Building Room 5600
330 Independence Avenue, S.W.
Washington, D.C. 20201
(202) 619-0070

The Program shall be approved by the Office of Inspector General, Office of Enforcement and Compliance, and implementation shall be complete within 120 days of the date of the execution of this Agreement.

A. Corporate Compliance Committee

A corporate officer, appointed by the management of American Ambulance shall be appointed as the Compliance Officer and shall chair a compliance committee that shall be responsible for the Corporate Integrity Program. The members of the Compliance Committee shall include the Compliance Officer with responsibility for compliance operations and reporting requirements, an additional senior officer of American Ambulance, and an outside accountant, who shall be appointed by the management of American Ambulance. The Compliance Officer shall submit annual reports (or more frequent, if circumstances require) to the management of American Ambulance and to the HHS/OIG Office of Enforcement and Compliance.

B. Billing Procedures

American Ambulance shall contract with an independent professional organization, such as an accounting or law firm, to review on an annual basis, the billing policies, procedures and practices of American Ambulance. American (or its designee) shall prepare and submit for review to OEC, an audit work plan designed to determine the accuracy and validity of claims submitted to Medicare and Medicaid for reimbursement. The review shall be aimed at ensuring that the federally-funded health care Programs are billed appropriately for services which are rendered as claimed. If such audits indicate possible billings which violate Medicare and Medicaid rules and regulations, American Ambulance shall notify HHS/OIG and remedy any such potential violations within 60 days.

If such audits indicate material deficiencies in American Ambulance's Medicare and Medicaid billing process, American Ambulance shall report promptly to HHS/OIG (1) its findings concerning the material violation, (2) American Ambulance's actions to correct such material violation, and (3) any further steps American Ambulance plans to take to address such material violation and prevent it from reoccurring in the future. A material violation is one which has a significant, adverse financial impact on the Medicare and/or Medicaid programs.

C. Corporate Integrity Policy

Pursuant to the Program, American Ambulance shall implement written policies regarding its commitment to accurate billings consistent with published Medicare and Medicaid regulations and procedures. These policies shall be adopted by the management of American Ambulance and distributed to all employees and independent contractors involved in submitting or preparing Medicare and Medicaid bills at American Ambulance, advising employees of American ambulance's commitment to accurate billing consistent with Medicare and Medicaid regulations and procedures.

American Ambulance shall post in a prominent place accessible to each employee, a notice detailing its commitment to comply with all applicable Medicare and Medicaid laws and

regulations in the conduct of its business. A copy of the policies and notice will be available upon request, for review by HHS/OIG.

E. Information and Education

American Ambulance shall institute and maintain an information and education program designed to ensure that each officer and employee is aware of all applicable health care laws including Medicare and Medicaid laws, regulations and standards of business conduct that such individual is expected to follow and the consequences both to the individual and American Ambulance that may ensue from any violation of such requirements. Each officer and employee shall receive at least one hour of initial training regarding the American Ambulance Corporate Integrity Program. A schedule and topic outline of the training shall be included in the annual report submitted to HHS/OIG.

American Ambulance shall also implement a training Program for all employees involved in preparing of submitting Medicare bills through American Ambulance. This Program shall provide for not less than four (4) hours annually of formal training in: (i) the proper billing standards and procedures and the submission of accurate bills for services rendered and/or items provided to Medicare and Medicaid patients, (ii) the personal obligation of each individual involved in the billing process to ensure that such billings are accurate; and (iii) the legal sanctions for improper billings and examples of improper billing practices. Such training shall also be included in the formal orientation of all employees. American Ambulance shall certify that such training has been provided and set forth generally the format, dates and materials provided in its annual report to HHS/OIG.

F. Confidential Disclosure Program

American Ambulance shall establish a confidential disclosure program enabling employees to disclose any Medicare or Medicaid billing practices or procedures deemed by the employee to be inappropriate, to an identified individual not in that employee's direct chain of command. American Ambulance shall, as part of the Program, require the internal review of any such disclosure and ensure that proper follow-up is conducted. American Ambulance shall include in its annual report to HHS/OIG a summary of communication concerning potentially inappropriate Medicare or Medicaid billings under the confidential disclosure program, and the results of any internal review and follow-up of such disclosures.

G. Dealing with Excluded or Convicted Persons or Entities

American Ambulance shall implement a written internal operating policy that American Ambulance shall not knowingly employ, with or without pay, an individual or entity that is listed by a federal agency as debarred, suspended or otherwise ineligible for federal Programs. In order to carry out the policy, American Ambulance shall make reasonable inquiry into the status of any potential employee or consultant. Such reasonable inquiry shall include, at a minimum, review

of the HHS/OIG Cumulative Sanctions Report and the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs.

American Ambulance's policy does not require American Ambulance to terminate the employment of individuals who become suspended or are proposed for debarment during their employment with American Ambulance. American Ambulance, however, will remove such employees from responsibility for, or involvement with, American Ambulance's Medicare or Medicaid billing and reimbursement functions until the resolution of such suspension or proposed debarment. In addition, if any employee of American Ambulance is charge with a criminal offense relating to its Medicare or Medicaid business. American Ambulance will remove that employee immediately from responsibility for or involvement with American Ambulance's Medicare or Medicaid billing and reimbursement functions. If the employee is convicted or debarred, American Ambulance's policy requires that the employee will be terminated from employment with American Ambulance. American Ambulance shall notify HHS/OIG of each such personnel actions taken and the reasons therefore, within 15 days of the action.

American Ambulance shall not allow, or cause to be allowed, any person convicted in any local, state or federal court of any felony involving health care matters to hold the position of officer of American Ambulance.

III. OIG Inspection, Audit and Review Rights

In addition to any other right that HHS/OIG may have be statute, regulation, contract or pursuant to this Program. HHS or its duly authorized representative(s) may examine American Ambulance's books, records, and other company documents and supporting materials for the purpose of verifying and evaluating: (a) American Ambulance's compliance with the terms of this Program; (b) American Ambulance's business conduct in its dealing with the United States Government, or any agencies or agents thereof; and (c) American Ambulance's compliance with the billing and reimbursement requirements of the Medicare and Medicaid Programs and other federally-funded health care Programs. The documentation described above shall be made available by American Ambulance at all reasonable times for inspection, audit or reproduction. Furthermore, for purposes of this provision, HHS or its authorized representative(s) may interview any American Ambulance employee who consents to be interviewed at the employee's place of business during normal business hours or at such other place and time as may be mutually agreed upon between the employee and HHS. Employees may elect to be interviewed with or without a representative of American Ambulance present.

IV. Document Record Retention

American Ambulance shall maintain for inspection documents and records relating to its Medicare and Medicaid billing and reimbursements for a period of five (5) years following the implementation of this Program.

V. Breach and Default Provisions

American Ambulance's compliance with the terms and conditions of this Program shall constitute an element of American Ambulance's present responsibility with regards to participation in federally-funded Programs. American Ambulance's failure to meet any of its obligations pursuant to the terms and conditions of this Program constitutes a separate cause for exclusion.

In the event that HHS/OIG believes American Ambulance has breached one or more of its obligations under the Program, HHS/OIG will notify American Ambulance of the alleged breach by certified mail, specifying the circumstances of the alleged breach. American Ambulance will have thirty (30) days from receipt of the notice to cure said breach or otherwise satisfy the government that it is in full compliance with this Program.

If, at the end of the thirty day period described above, HHS/OIG determines that American Ambulance continues to be in breach of one or more of its obligations under this Program, HHS/OIG may declare American Ambulance to be in default and exclude American Ambulance from participation in the Title XVIII (Medicare) Program, the Title XIX (Medicaid) Program and other State health Programs as defined in Title 42 U.S.C. section 1320a-7(h) until such time as the breach is cured.

Upon notification by HHS/OIG of its intent to exclude, American Ambulance is entitled to the due process afforded a provider under 42 U.S.C. section 1320a-7(f). 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 breach of this Program shall be (1) whether American Ambulance was in breach of one or more of its obligations under this Program, at the time of and as specified in the notice given to American Ambulance, and (2) whether such breach was continuing on the date on which HHS/OIG notified American Ambulance of its proposal to exclude.

VI. Costs Related to Compliance Plans

In addition to the obligations assumed by American Ambulance under the Program and as described above. If HHS/OIG determines that it is necessary to conduct an independent audit or review to determine whether or to the extent to which American Ambulance is complying with its obligation under this Program, American Ambulance agrees to pay for the reasonable cost of any such audit or review.

3/31/97
Date

Lewis Morris
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Department of Helath and Human Services

3/31/97
Date

American Ambulance

3/31/97
Date

Counsel for American Ambulance