CORPORATE INTEGRITY AGREEMENT
Between The
Office of Inspector General
Of The
Department of Health and Human Services
And
Deborah Heart and Lung Center

This Corporate Integrity Agreement is entered into between Deborah Heart and Lung Center (the "Center"); its related Deborah Heart and Lung Center Professional Service Fund and its related Anesthesia Professional Service Fund (collectively, the "Professional Service Funds") (the Center and the Professional Service Funds being herein collectively "Deborah"); and the Office of Inspector General ("OIG") of the Department of Health and Human Services ("HHS"). Pursuant to this Agreement, Deborah agrees to undertake the compliance provisions outlined below.

I. PREAMBLE

Deborah agrees to implement this Corporate Integrity Agreement (the "Agreement") so as to ensure, to the extent reasonably possible, that Deborah and each of its Executive Board, officers, employees and contractors maintain the business integrity required of a participant in Medicare, Medicaid and other federal health care programs, as defined in 42 U.S.C. 1320a-7b(f), and that Deborah is in compliance with all laws and regulations applicable to such programs and with the terms of this Agreement. The period of future integrity obligations assumed by Deborah under this Agreement shall be three (3) years from the date of execution of this Agreement. The date of execution of this Agreement is the date the final signature is obtained.

II. CORPORATE COMPLIANCE PROGRAM

Deborah agrees to continue to implement and maintain its voluntary "Corporate Compliance Program" which has been adopted by Deborah's Executive Board. This document is attached to this Agreement, and incorporated by reference, as Attachment A. To the extent that any of the obligations required by this Agreement replicate provisions contained in the attached Corporate Compliance Program, those provisions are deemed acceptable for the purpose of Deborah meeting its obligations under this Agreement.

III. CORPORATE INTEGRITY PROGRAM

Within one hundred twenty (120) days of the date of execution of this Agreement, Deborah agrees to implement a Corporate Integrity Program (the "Program"), which shall include the provisions listed herein. Within one hundred eighty (180) days of the date of execution of this Agreement, Deborah will provide OIG with an Interim Report demonstrating that Deborah has complied with all of the Program's requirements contained in Sections III. A, C, D, E, and F of this Agreement. The Interim Report shall also identify the Compliance Officer and the members of the Compliance Committee.

A. Corporate Compliance Committee and Corporate Compliance Officer

Within ninety (90) days of the date of execution of this Agreement, the Executive Board of Deborah shall: (i) direct the creation of a Corporate Compliance Committee (the "Compliance Committee"); (ii) charge the Compliance Committee with the responsibility to establish and implement the Program; and (iii) appoint an individual to serve as the Compliance Officer ("CO").

The members of the Compliance Committee shall be appointed by the President of Deborah, and shall include the Compliance Officer, the Chief Financial Officer, an outside Executive Board member and any others that Deborah deems appropriate.

The Compliance Officer shall chair the Compliance Committee and shall be responsible for the day-to-day activities engaged in by Deborah to further the operations of the Program.

The Compliance Officer shall submit annual reports to OIG's Office of Counsel to the Inspector General ("OCIG") of the United States Department of Health and Human Services ("HHS"), in accordance with the terms of this Agreement.

B. Annual Audit

Deborah shall, on an annual basis commencing with Deborah's fiscal year beginning on January 1, 1999, perform an audit to review its billing policies, procedures and practices of its Professional Service Funds. The annual audit may be performed by an independent professional organization, such as an accounting, law or consulting firm with expertise in Medicare, Medicaid and other federal health care programs' billing policies, procedures and practices, or by employees of Deborah with similar

expertise. At a minimum, the audit work plans must show that the audits are designed to determine the accuracy and validity of claims submitted for reimbursement to Medicare, Medicaid and all other federal health care programs. The audits shall be aimed at ensuring that the federal health care programs are billed appropriately. The audits shall be conducted by selecting a statistically valid random sample of claims.

If any of these annual audits uncover billing policies, procedures and/or practices that result in material billing deficiencies, Deborah shall notify the Medicare carrier or other payor within sixty (60) days of discovering the deficiency and provide the carrier with the following (i) the methodology as to how the overpayment was determined; (ii) any claim specific information used to determine the overpayment; (iii) a check for the overpayment, and (iv) a notice to the carrier or other payor that the repayment is being made in accordance with this Agreement. Deborah shall take remedial steps within thirty (30) days (or such additional time as may be agreed to by the carrier or other payor) to correct the problem, including preventing the deficiency from recurring. For purposes of this Agreement, a "material billing deficiency" shall mean anything that has a material adverse financial impact upon the Medicare and/or Medicaid programs, which may be the result of an isolated event or a series of occurrences, and which lacks conformity with Medicare and Medicaid statutes, regulations and written directives and reimbursement principles issued by the Health Care Financing Administration ("HCFA") and its agents.

Contemporaneous to Deborah's notification to the Medicare carrier as provided above, Deborah shall notify OCIG of: (i) its findings concerning the material billing deficiency; (ii) Deborah's actions to correct such material billing deficiency, and (iii) any further steps Deborah plans to take to address such material billing deficiency and prevent it from recurring.

While this reporting requirement focuses on occurrences having a "material" adverse financial impact, this provision does not excuse Deborah's statutory obligation as a Medicare participant to bring any other billing deficiencies, however de minimis, to a payor's attention, make appropriate refunds and take any steps necessary to prevent the recurrence of such deficiency.

C. Corporate Integrity Policy

Within one hundred twenty (120) days of the date of execution of this Agreement, Deborah shall develop and implement written policies regarding its commitment to accurate billings consistent with published

Medicare and Medicaid statutes, regulations, program requirements and other written directives from HCFA or its agents.

These policies shall be adopted by Deborah's Executive Board and distributed to all employees and independent contractors involved in submitting or preparing bills or claims on behalf of Deborah to the Medicare, Medicaid or other federal health care programs. Deborah shall post in a prominent place accessible to each employee a notice detailing its commitment to comply with all applicable Medicare, Medicaid and other federal health care programs' statutes, regulations, written directives and program requirements in the conduct of its business. A copy of the policies and notices will be available, upon request, for review by OIG or its duly authorized representative.

D. Information and Education

Within one hundred fifty (150) days of the date of execution of this Agreement, Deborah shall develop and institute an information and education program designed to ensure that each officer, Executive Board member and employee who is involved directly or indirectly in the preparation or submission of claims for reimbursement to the Medicare, Medicaid and other federal health care programs is aware of all applicable statutes, regulations and written HCFA directives. The information and education program should also convey the standards of business conduct that each individual is expected to follow and the consequences both to the individual and Deborah that will ensue from any violation of these requirements.

The information and education program shall provide for no less than three (3) hours of formal training on an annual basis in: (i) the Corporate Integrity Program; (ii) the submission of accurate bills for services rendered to Medicare, Medicaid and other federal health care program patients; (iii) the personal obligation of each individual involved in the billing process to ensure that such billings are accurate; (iv) applicable reimbursement rules and laws, and (v) the legal sanctions for improper billings and examples of improper billing practices. Information concerning the format, dates, and a copy of the materials provided will be available, upon request, for review by OIG.

The above-described training requirements shall be included in the formal orientation for new officers, Executive Board members and employees covered by this section.

E. Confidential Disclosure Program

Within ninety (90) days of the date of execution of this Agreement, Deborah shall establish a confidential disclosure program enabling employees to disclose any practices or billing procedures alleged by the employee to be inappropriate, to an identified individual not in that employee's direct chain of command. Deborah shall, as part of this disclosure program, require the internal review of any disclosure that is sufficiently specific so that it: (i) permits a determination of the appropriateness of the practice alleged to be involved; and (ii) reasonably permits corrective action to be taken and ensure that proper follow-up is conducted. In an effort to address every disclosure, however, Deborah shall, in good faith, make a preliminary inquiry for every disclosure instance to ensure that it has obtained all of the necessary information that is reasonably required to determine whether an internal review, in accordance with the language above, should be conducted. Deborah agrees that it will not take any retaliatory or adverse actions against any employee who makes a confidential disclosure and that, to the extent possible, it will protect the anonymity of the person making the disclosure. This section does not preclude Deborah from taking disciplinary action (up to and including termination) against an employee for actions or conduct unrelated to the making of the confidential disclosure.

Deborah shall include in its Annual Report to OCIG a summary of communications received from the Confidential Disclosure Program and the results of any investigations performed as a result of these disclosures. At OCIG's option, OCIG may also review the documentation on Deborah's premises. In turn, Deborah agrees to maintain such reports in a manner agreeable to OCIG so that they will be readily available to OCIG for a minimum of four (4) years or one (1) year longer than the duration of this Agreement.

F. Dealing with Excluded or Convicted Persons or Entities

Within ninety (90) days of the date of the execution of this Agreement, Deborah shall implement a written internal operating policy that Deborah shall not knowingly employ or enter into a consultant agreement, directly or indirectly, with or without pay, an individual or entity that is listed by a federal agency as excluded, suspended or otherwise ineligible for participation in federal programs. In order to carry out the policy, Deborah shall make a reasonable inquiry into the status of any current or potential employee or consultant. Such a reasonable inquiry shall include, at a minimum, a review of the OIG's Cumulative Sanctions Report and the

General Services Administration's ("GSA's") List of Parties Excluded from Federal Procurement and Non-Procurement Programs. Among other places, these reports can be found in the "Internet" at *www.dhhs.gov./progorg/oig* and *www.arnet.gov/epls*, respectively.

It is understood that Deborah's policy need not require Deborah to terminate the employment of, or consultant agreement with, individuals or entities who become proposed for exclusion or suspension during their employment with Deborah. Deborah will, upon discovery of such event, remove such employees or consultants from responsibility for, or involvement with, Deborah's Medicare, Medicaid and other federal health care programs' business operations until the resolution of such, proposed exclusion or suspension. If any employee or consultant of Deborah is charged with a criminal offense relating to its Medicare, Medicaid or other federal health care program business, Deborah will, upon discovery of such event, remove that employee or consultant immediately from responsibility for or involvement with Deborah's Medicare, Medicaid or other federal health care program business affairs. If the employee or consultant is convicted or debarred, Deborah's policy will require that the employee or consultant agreement be terminated. Deborah shall notify OCIG of each such personnel action taken and the reasons therefor, in its Annual Report to OIG.

Deborah shall not knowingly 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 or Executive Board member of Deborah, or any of its subsidiaries either through an employment agreement or an independent contract.

Should Deborah discover that it has employed an individual or entered into a consultant agreement in contravention of this provision, Deborah will have thirty (30) days to take the necessary steps to cure the problem, in accordance with this section,

G. <u>Reporting on Investigations</u>

Within fourteen (14) days of becoming aware of the existence of any investigation or legal proceeding conducted or brought by a governmental entity involving an allegation that Deborah has committed a crime or has engaged in fraudulent activities, Deborah shall notify OCIG of such investigation or legal proceeding. The 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. Within fourteen (14) days of the resolution of the investigation or legal proceeding, Deborah shall notify OCIG, identifying the findings or results of the investigation or legal proceeding.

IV. OIG INSPECTION, AUDIT AND REVIEW RIGHTS

In addition to any other right OIG may have by statute, regulation, contract or pursuant to this Agreement, OIG or its duly authorized representative(s) may examine Deborah's books, records, and other company documents and supporting materials for the purpose of verifying and evaluating: (i) Deborah's compliance with the terms of this Agreement; and (ii) Deborah's compliance with the requirements of the Medicare, Medicaid and other federal health care programs. The documentation described above shall be made available by Deborah at all reasonable times for inspection, audit or reproduction. Furthermore, for purposes of this provision, OIG or its authorized representative(s) may interview any of Deborah's employees who consent 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 OIG. Deborah agrees to assist OIG in contacting and arranging interviews with such employees upon OIG's request. Deborah's employees may elect to be interviewed with or without a representative of Deborah present.

V. REPORTS

The CO of Deborah shall be responsible for the submission of all reports and notifications to OCIG as required by this Agreement.

A. Interim Report

Within one hundred eighty days (180) of the execution of this Agreement, Deborah shall submit to OCIG the Interim Report as required by section III. of this Agreement. As part of this Interim Report, Deborah will submit the names of the Compliance Officer and members of the Compliance Committee.

B. Annual Reports

Deborah shall make Annual Reports (each one of which is referred to throughout this Agreement as the "Annual Report") to OCIG describing the measures Deborah has taken to implement the Corporate Integrity Program and ensure compliance with the terms of this Agreement. In accordance with the provisions above, the Annual Report shall include the following:

1. In the first Annual Report, copies of the document or documents that comprise Deborah's Corporate Integrity Program established under section III. of this Agreement as adopted by Deborah's Executive Board and implemented by the Corporate Compliance Committee. For subsequent years, Deborah shall note in the Annual Report any amendments or revisions to the Program documents made during the year covered by the Annual Report.

2. A detailed description of the findings made during the annual audits conducted pursuant to section III. B. of this Agreement relating to the year covered by the Annual Report, a summary of the disclosure or notice documents made by Deborah pursuant to this section, a description of the corrective actions taken and proof of a refund to the pertinent payor (where applicable).

3. A description of the training programs implemented pursuant to section III. D. of this Agreement and a summary of the activities performed in furtherance of the training programs, including a schedule and topic outline of the training sessions.

4. A summary of communications received from the Confidential Disclosure Program established pursuant to section III. E. and the results of any investigations performed as a result of any disclosures.

5. A summary of the background inquiries conducted pursuant to section III. F. of this Agreement and any personnel actions taken (other than hiring) as a result of these inquiries.

6. A summary of any ongoing investigation or legal proceeding conducted or brought by a governmental entity involving an allegation that Deborah has committed a crime or has engaged in fraudulent activities. The statement shall include a description of the allegation, the identity of the investigating or prosecuting agency, and the status of such investigation or legal proceeding as required by section III. G. of this Agreement.

7. The names of Deborah's officers, Executive Board members and Compliance Committee members.

8. A resolution (or its equivalent) from Deborah's Executive Board certifying that it has reviewed the Annual Report and agrees with the statements made therein.

Where applicable, the report shall include a statement that no events identified in subparagraphs 1 through 6 of this section occurred. Each Annual Report shall be submitted to OCIG one hundred twenty (120) days after the end of the fiscal years ending December 31, 1999, 2000 and 2001. The obligation to submit the last Annual Report will continue despite the other obligations of this Corporate Integrity Agreement having terminated under section I. of this Agreement.

VI. NOTIFICATION 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, in writing, to the following:

If to OCIG:

U.S. Department of Health and Human Services
Office of Counsel to the Inspector General
Civil Recoveries Branch - Compliance Unit
330 Independence Avenue, SW
Cohen Building, Room 5527
Washington, D.C. 20201
Telephone: 202.619.2078
Fax: 202.205.0604

If to Deborah:

Brian F. Sherin
Chief Compliance Officer
Deborah Heart and Lung Center
Browns Mills, New Jersey 08015
Telephone: 609.893.1200 Ext. 5820
Fax: 609.735.0185

VII. DOCUMENT AND RECORD RETENTION

Deborah shall maintain for inspection, documents and records relating to (i) Medicare, Medicaid and other federal health care programs reimbursement and (ii) its obligations under the terms of this Agreement, for a period of four (4) years, or longer if otherwise required by law, following the execution of this Agreement.

VIII. STIPULATED PENALTIES

Deborah's compliance with the terms and conditions of this Agreement shall constitute an element of Deborah's present responsibility with regard to participation in Medicare, Medicaid and other federal health care programs. Pursuant to section XVI. of this Agreement, any and all modifications to this Agreement (including changes to dates on which an obligation is due to be met) shall be requested in writing and agreed to by OIG in writing prior to the date on which the modification is expected to take effect. Absent such written modifications, Deborah agrees to the following stipulated penalties.

A. Deborah shall pay a stipulated penalty of $2,500 for each day it fails to comply with any of the following terms, which stipulated penalty shall begin to accrue one day after the date the obligation becomes due.

1. The creation of a Corporate Compliance Committee and the appointment of Corporate Compliance Officer within ninety (90) days of the execution of this Agreement;

2. Submission of the Interim Report within one hundred eighty (180) days of the execution of this Agreement;

3. Submission of the Annual Report by the due date required in section V. of this Agreement;

4. Establishment of a confidential disclosure program within ninety (90) days of the execution date of this Agreement.

B. A stipulated penalty of $2,500 for each day Deborah fails to comply by having fully in force during the term of this Agreement any of the following, which stipulated penalty shall begin to accrue on the date of receipt of the OIG's notice of noncompliance or as otherwise indicated in OIG's notice in accordance with section IX. below.

1. Implementation and maintenance of the written Corporate Integrity Policy, as required by section III. C. of this Agreement;

2. Granting access to the information or documentation necessary to exercise OCIG's inspection, audit and review rights, as set forth in section IV. of this Agreement;

3. Implementation and maintenance of the information and education program, as required by section III. D. of this Agreement;

4. Notification to OCIG of the existence or conclusion of any investigation or legal proceeding, as required by section III. G. of this Agreement.

C. Deborah shall pay a stipulated penalty of $1,500 for each day it employs or contracts with an individual or entity, in violation of section III. F. of this Agreement, after that individual or entity has been listed by a federal agency as debarred, suspended or otherwise ineligible for federal health care program participation. This stipulated penalty shall not be applied if Deborah can demonstrate that it made a reasonable inquiry, as described in section III. F. of this Agreement, into the current or potential employee's or consultant's status. This penalty shall begin to accrue upon Deborah's receipt of OIG's notice of noncompliance or as otherwise indicated in OIG's notice in accordance with section IX. below.

D. Deborah shall pay a stipulated penalty of $500 per day for each violation of any other requirement of this Agreement which is not covered by the stipulated penalties in subsections A., B. and C. above, which stipulated penalty shall begin to accrue on the date of receipt of OIG's notice of noncompliance or as otherwise indicated in OIG's notice in accordance with section IX. below.

IX. PAYMENT OF STIPULATED PENALTIES

Upon finding that Deborah has failed to comply with any of the above-enumerated obligations, OIG shall notify Deborah by certified mail of: (i) Deborah's failure to comply; and (ii) OIG's exercise of its contractual right to demand payment of the stipulated penalties payable under this Agreement (this letter is hereinafter referred to as the "Demand Letter"). The applicable stipulated penalties shall begin to accrue on the date specified in section VIII., which date shall be indicated in the Demand Letter.

Within thirty (30) days of the receipt of the Demand Letter, Deborah shall do either of the following: (i) cure the breach to the OIG's satisfaction and pay the applicable stipulated penalties; or (ii) request a hearing before an HHS administrative law judge to dispute the OIG's determination of noncompliance, pursuant to the agreed upon provisions set forth in section XI. of this Agreement. Failure to respond as required above shall constitute a material breach of this Agreement, as set forth in section X. of this Agreement.

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 OCIG at the address set forth in section VI. of this Agreement.

These provisions for payment of stipulated penalties shall not affect or otherwise set a standard for the OIG's determination that Deborah has materially breached this Agreement, which decision shall be made at the OIG's discretion and governed by the provisions in section X. of this Agreement.

If OIG makes a determination to impose stipulated penalties in accordance with this provision, Deborah shall have the right to dispute OIG's determination in accordance with the agreed upon provisions set forth in section XI. of this Agreement.

X. REMEDIES FOR MATERIAL BREACH OF THIS AGREEMENT

If Deborah engages in conduct that OIG determines to be a material breach of this Agreement, OIG may seek exclusion of Deborah from participation in the Medicare, Medicaid and any other federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)). Upon making its determination, OIG shall notify Deborah of the alleged material breach by certified mail and of its intent to exclude as a result thereof (this letter shall be referred to hereinafter as the "Intent to Exclude Letter"). Deborah shall have thirty-five (35) days from the date of receipt of the letter to proceed as follows:

(1) cure the alleged material breach; or

(2) demonstrate to the OIG's satisfaction that: (a) Deborah is in full compliance with this Agreement; or (b) the material breach cannot be cured within the thirty-five (35) day period, but that Deborah has begun to take action to cure the material breach, that Deborah will pursue such an action with due diligence, and that Deborah will give the OIG a timetable for curing the material breach.

If at the conclusion of the thirty-five-day period (or other specific period as subsequently agreed by OIG and Deborah), Deborah fails to cure the material breach to OIG's satisfaction, and subject to the dispute resolution provisions in section XI. of this Agreement, OIG may exclude Deborah from participation in the Medicare, Medicaid and any other federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)). If OIG elects to exclude on this basis, OIG shall notify Deborah of the exclusion in an "Exclusion Letter." The exclusion shall take effect thirty (30) days after the date Deborah receives the Exclusion Letter. The exclusion shall have national effect and will also apply to all other federal procurement and non procurement programs.

For purposes of this section, a "material breach" is defined as follows: (i) a failure to report a material billing deficiency, take corrective action and pay the appropriate refunds, as provided in section III. B. of this Agreement; (ii) repeated or flagrant violations of the obligations under this Agreement, including, but not limited to, the obligations addressed in section VIII. of this Agreement; or (iii) failure to respond to a Demand Letter in the manner required in section IX of this Agreement.

In connection with the OIG's determination to exclude Deborah pursuant to this provision, Deborah shall have the right to dispute the OIG's determination in accordance with the agreed upon provisions set forth in section XI. of this Agreement.

XI. DISPUTE RESOLUTION

Upon OIG's delivery to Deborah of its Demand Letter or of its Exclusion Letter, and as an agreed upon contractual remedy for the resolution of disputes arising under the obligation of this Agreement, Deborah shall be afforded review rights comparable to the ones that are provided in 42 U.S.C. § 1320a-7(f) and 42 C.F.R. § 1005 as if they applied to the stipulated penalties or exclusion sought pursuant to this Agreement. Specifically, the OIG's determination to demand payment of stipulated penalties or to seek exclusion shall be subject to review by an HHS administrative law judge in a manner consistent with the provisions in 42 C.F.R. §§ 1005.2-1005.21. The administrative law judge's decision, in turn, may be appealed to HHS's Departmental Appeals Board ("DAB") in a manner consistent with the provisions in 42 C. F. R. § 1005.21.

Notwithstanding any provision of Title 42 of the United States Code or Chapter 42 of the Code of Federal Regulations, the only issues to be decided in a proceeding for stipulated penalties under this section shall be the following: (i) whether Deborah was in full and timely compliance with the obligations of this Agreement for which OIG demands payment; (ii) whether Deborah failed to cure; and (iii) the period of noncompliance. Deborah shall have the burden of proving that it was in full and timely compliance and the steps taken to effect the cure, if any. The OIG shall have the burden of proving Deborah's failure to cure. For purposes of paying stipulated penalties under this Agreement, and if Deborah chooses to seek review in lieu of curing the breach and paying the stipulated penalties, as set forth above, the administrative law judge's decision shall give rise to Deborah's obligation to pay. Thus, payment will be due immediately after the issuance of the administrative law judge's decision. Deborah's election of its contractual right to appeal to the DAB shall not excuse its obligation to make payment upon the issuance of the administrative law judge's decision.

Notwithstanding any provision of Title 42 of the United States Code or Chapter 42 of the Code of Federal Regulations, the only issues to be decided in a proceeding for exclusion based on a breach of this Agreement shall be the following: (i) whether Deborah was in material breach of one or more of its obligations under this Agreement, and (ii) whether such breach was continuing on the date of the Exclusion Letter. For purposes of the exclusion herein agreed to in the event of breach of this Agreement, the administrative law judge's decision shall be deemed to make the exclusion effective, at which time the OIG may proceed with its exclusion of Deborah if the administrative law judge finds in favor of the OIG. The administrative law judge's decision may be appealed to the DAB in a manner consistent with the provisions in 42 C.F.R. § 1005.21. Upon the conclusion of any period of exclusion, Deborah may apply for reinstatement in accordance with 42 C.F.R. §§ 1001.3001-3004.

Neither the review by an administrative law judge nor the potential subsequent review of the administrative law judge's decision by the DAB, as provided for above, shall 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 shall be considered final for all purposes under this Agreement and agree that they waive any right that they may have to appeal either administratively or judicially or otherwise to any court or other adjudicative forum.

All notices required under any of the aforementioned proceedings shall be given to the OIG in accordance with section VI. of this Agreement.

XII. COSTS RELATED TO ADDITIONAL AUDITS

In addition to the obligations assumed by Deborah under this Agreement and as described above, if OIG determines that it is necessary to conduct an independent audit or review to determine whether or the extent to which Deborah is complying, if at all, with their obligations under this Agreement, Deborah agrees to pay for the reasonable costs of any such audit or review by OIG or its duly authorized representative.

XIII. UNALLOWABLE COSTS

It is agreed that all costs (as defined in the Federal Acquisition Regulations ("FAR") 31.205-47) and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395 -1395ddd and 1396-1396v (1997), and the regulations promulgated thereunder) incurred by or on behalf of Deborah in connection with (a) the matters covered by this Corporate Integrity Agreement (but not including costs relating to Deborah's voluntary Corporate Compliance activities undertaken

prior to effective date of this Agreement); (b) the government's audits and investigations of the allegations which are the subject of this Agreement; (c) any of Deborah's investigative, defense and collective actions with respect to matters specifically covered by this Agreement, and (d) the negotiation of this Agreement, shall be unallowable costs for government contract accounting purposes and for purposes of seeking reimbursement from either the Medicare, Medicaid or other federal health care programs. Deborah shall account separately for these costs for government contract accounting purposes and for purposes of seeking reimbursement from the Medicare and other federal health care programs. Any sums owed by Deborah to the United States for payments made to Deborah by Medicare and/or Medicaid (federal share) for costs that are unallowable (as defined in this Paragraph) shall be paid by Deborah to HHS at HHS' discretion.

XIV. ACQUISITION COMPLIANCE

In the event that Deborah purchases or establishes new business units after the effective date of this Agreement, Deborah shall notify OIG of this fact within thirty (30) days of the date of purchase or establishment. Deborah shall implement all applicable provisions of this Agreement including any training or educational requirements, within one hundred twenty (120) days following such purchase or establishment, or by such other date agreed to by Deborah and OIG. If fifty (50) percent or more of the assets or fifty (50) percent or more of the issued and outstanding shares of common stock of Deborah are acquired by a third party, such third party shall assume the obligations contained in this Agreement.

XV. PRIVILEGES AND DISCLOSURES

Nothing in this Agreement shall constitute or be construed as a waiver by Deborah of its attorney-client or other applicable privileges. Subject to HHS's Freedom of Information Act ("FOIA") procedures, set forth in 45 C.F.R. Part 5, the OIG shall make a reasonable effort to notify Deborah prior to any release by OIG of information submitted by Deborah pursuant to its obligations under this Agreement and identified upon submission by Deborah as trade secrets, commercial or financial information and privileged or confidential under the FOIA rules. Deborah shall refrain from identifying any information as trade secrets, commercial or financial information and privileged or confidential that does not meet the criteria for exemption from disclosure under FOIA.

XVI. 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, Deborah and the OIG agrees as follows:

1. this Agreement shall be binding on the successors, assigns and transferees of Deborah;

2. this Agreement shall become final and binding only upon signing by each respective party hereto;

3. any modifications to this Agreement shall be made with the prior written consent of the parties to this Agreement;

4. and the undersigned signatory for Deborah represents and warrants that he is authorized to execute this Agreement. The undersigned OIG signatory represents that he is signing this Agreement in his official capacity and that he is authorized to execute this Agreement.

As Agreed By:

DEBORAH HEART AND LUNG CENTER

Dated: 10/12/98

By: _____
JOHN R. ERNST
Executive Director

PROFESSIONAL SERVICE FUND OF DEBORAH HEART AND LUNG CENTER

Dated: 10/12/98

By: _____
JOHN R. ERNST
Authorized Signatory

PROFESSIONAL SERVICE FUND - ANESTHESIA
OF DEBORAH HEART AND LUNG CENTER

Dated: 10/12/98

By: _____
JOHN R. ERNST
Authorized Signatory

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

10/15/98
Date

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