EXHIBIT 1

CORPORATE INTEGRITY AGREEMENT
BETWEEN THE
OFFICE OF INSPECTOR GENERAL
OF THE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
AND
WEST CENTRAL FAMILY AND COUNSELING, LTD.

I. PREAMBLE

West Central Family and Counseling, Ltd. ("WCFC") hereby enters into this Corporate Integrity Agreement ("CIA") with the Office of Inspector General ("OIG") of the United States Department of Health and Human Services ("HHS") to promote compliance by its officers, directors, employees, physicians, contractors and agents ("Covered Persons") with the statutes, regulations and written directives of Medicare, Medicaid and all other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)). Contemporaneously with this CIA, WCFC is entering into a Settlement Agreement with the United States, and this CIA is incorporated by reference into that Settlement Agreement.

II. TERM OF THE CIA

The period of the compliance obligations assumed by WCFC under this CIA shall be 7 years from the effective date of this CIA or until the final payment is made under the Settlement Agreement, but in no event less than 5 years from the effective date of this CIA. The effective date of this CIA shall be the date on which the final signatory of this CIA executes this CIA.

Sections VII, VIII, IX, X and XI shall remain in effect until WCFC submits all information required by OIG as part of the final Annual Report.

III. CORPORATE INTEGRITY OBLIGATIONS

Prior to the effective date of this CIA, WCFC implemented its own Corporate Compliance Plan. If there are any inconsistencies between WCFC's Corporate Compliance Plan and this CIA, the CIA shall control. WCFC hereby agrees to maintain a Compliance Program that includes the following elements:

A. Compliance Officer and Committee.

1. *Compliance Officer*. Prior to the effective date of this CIA, WCFC appointed an individual to serve as its Compliance Officer. For at least the duration of this CIA, WCFC shall continue to employ an individual to serve as Compliance Officer, who shall be responsible for developing and implementing policies, procedures and practices designed to ensure compliance with the requirements set forth in this CIA and with Federal health care program statutes, regulations and written directives. The Compliance Officer shall be a member of senior management of WCFC, shall make periodic (at least quarterly) reports regarding compliance matters directly to the CEO and/or to the Board of Directors of WCFC, and shall be authorized to report on such matters to the Board of Directors at any time. The Compliance Officer shall be responsible for monitoring the day-to-day compliance activities engaged in by WCFC as well as for any reporting obligations created under this CIA.

Any changes in the identity or position description of the Compliance Officer, or any actions or changes that would affect the Compliance Officer's ability to perform the duties necessary to meet the obligations in this CIA, must be reported to OIG, in writing, within 15 days of such a change.

2. *Compliance Committee*. Prior to the effective date of this CIA, WCFC appointed a Compliance Committee. The Compliance Committee shall, at a minimum, include the Compliance Officer and any other members of senior management necessary to meet the requirements of this CIA (*e.g.*, senior executives of each major area, such as billing, clinical and human resources.). The Compliance Officer shall chair the Compliance Committee and the Committee shall support the Compliance Officer in fulfilling his/her responsibilities (*e.g.*, shall assist in the analysis of the organization's risk areas and shall oversee monitoring of internal and external audits and investigations).

Any changes in the composition of the Compliance Committee, or any actions or changes that would affect the Compliance Committee's ability to perform the duties necessary to meet the obligations in this CIA, must be reported to OIG, in writing, within 15 days of such a change.

B. Written Standards.

1. *Standards of Conduct.* Prior to the effective date of this CIA, WCFC implemented its Corporate Compliance Plan which contains a mission statement and written standards of conduct (together referred to as "Standards of Conduct"). The Standards of Conduct shall be distributed to all Covered Persons within 90 days of the effective date of this CIA. WCFC shall make the promotion of, and adherence to, the Standards of Conduct an element in evaluating the performance of all employees. Within 90 days of the effective date of this CIA, WCFC shall review its Standards of Conduct, and revise as appropriate, to ensure that the Standards of Conduct, at a minimum, set forth the following:

a. WCFC's commitment to full compliance with all Federal health care program statutes, regulations and written directives, including its commitment to prepare and submit accurate claims consistent with such requirements;

b. WCFC's requirement that all Covered Persons shall be expected to comply with all Federal health care program statutes, regulations and written directives and with WCFC's own Compliance Policies and Procedures as implemented pursuant to section III.B (including the requirements of this CIA);

c. the requirement that all Covered Persons shall be expected to report to the Compliance Officer or any member of the Compliance Committee suspected violations of any Federal health care program statutes, regulations and written directives or of WCFC's own Compliance Policies and Procedures;

d. the possible consequences to both WCFC and Covered Persons of failure to comply with all Federal health care program statutes, regulations and written directives and with WCFC's own

Compliance Policies and Procedures or of failure to report such non-compliance; and

e. the right of all individuals to use the Confidential Disclosure Program described in section III.E, including the right to make anonymous, confidential reports and disclosures, and WCFC's commitment to maintain confidentiality, as appropriate, and non-retaliation with respect to disclosures.

No later than September 30, 2000, each Covered Person shall certify, in writing, that he or she has received, read, understood and will abide by WCFC's Standards of Conduct. New Covered Persons shall receive the Standards of Conduct and shall complete the required certification within 30 days after becoming a Covered Person or by September 30, 2000, whichever is later.

WCFC shall annually (or more frequently, if appropriate) review the Standards of Conduct to determine if revisions are appropriate and shall make any necessary revisions based on such a review. Any such revised Standards of Conduct shall be distributed within 30 days of finalizing such changes. Covered Persons shall certify that they have received, read, understood and will abide by the revised Standards of Conduct within 30 days of the finalization of such revisions.

2. *Compliance Policies and Procedures*. Prior to the effective date of this CIA, WCFC implemented its Corporate Compliance Plan, which contains written Compliance Policies and Procedures regarding the operation of WCFC's compliance program. Within 90 days of the effective date of this CIA, WCFC shall review its Compliance Policies and Procedures, and, to the extent not already accomplished, WCFC shall amend or establish Compliance Policies and Procedures to, at a minimum, address:

a. the subjects relating to the Standards of Conduct identified in section III.B.1; and

b. compliance with Federal health care program statutes, regulations and written directives.

Within 90 days of the effective date of this Agreement, the Compliance Policies and Procedures, including any amendments, shall be sent to OIG.

Within 90 days of the effective date of this CIA, the relevant portions of the Compliance Policies and Procedures shall be distributed to all individuals whose job functions are related to those Compliance Policies and Procedures. Appropriate and knowledgeable staff should be available to explain the Compliance Policies and Procedures.

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

C. Reporting.

1. *Overpayments*

a. Definition of Overpayments. For purposes of this CIA, an "overpayment" shall mean the amount of money WCFC has received in excess of the amount due and payable under any Federal health care program statute, regulation or written directive. WCFC may not subtract any underpayments for purposes of determining the amount of relevant "overpayments."

b. Reporting of Overpayments. If, at any time, WCFC identifies or learns of any overpayments, WCFC shall notify the payor (*e.g.*, Medicare fiscal intermediary or carrier) and repay any identified overpayments within 30 days of discovery and take remedial steps within 60 days of discovery (or such additional time as may be agreed to by the payor) to correct the problem, including preventing the underlying problem and the overpayments from recurring. Notification and repayment to the contractor should be done in accordance with the contractor policies, and for Medicare contractors, must include the information contained on the Overpayment Refund Form, provided as Attachment 1 to this CIA.

2. *Material Deficiencies.*

a. Definition of Material Deficiency. For purposes of this CIA, a "Material Deficiency" means anything that involves:

(i) a substantial overpayment; or

(ii) a matter that a reasonable person would consider a potential violation of criminal, civil or administrative laws applicable to any Federal health care program for which penalties or exclusion may be authorized.

A Material Deficiency may be the result of an isolated event or a series of occurrences.

b. Reporting of Material Deficiencies. If WCFC determines that there is a Material Deficiency, WCFC shall notify OIG, in writing, within 30 days of making the determination that the Material Deficiency exists. The report to the OIG shall include the following information:

(i) If the Material Deficiency results in an overpayment, the report to the OIG shall be made at the same time as the notification to the payor required in section III.C.1, and shall include all of the information on the Overpayment Refund Form, as well as:

(A) the payor's name, address, and contact person to whom the overpayment was sent; and

(B) the date of the check and identification number (or electronic transaction number) on which the overpayment was repaid/refunded;

(ii) a complete description of the Material Deficiency, including the relevant facts, persons involved, and legal and Federal health care program authorities implicated; and

(iii) a description of any actions WCFC has taken, or plans to take, to correct the Material Deficiency and prevent it from recurring.

D. Review Procedures.

For the first, third, fifth and seventh years of this CIA, WCFC shall retain an entity, such as an accounting, auditing or consulting firm (hereinafter "Independent Review Organization") to perform review procedures to assist WCFC in assessing the adequacy of its billing and compliance practices pursuant to this CIA. For the second, fourth and sixth years of this CIA, the annual review may be performed by qualified WCFC employees. This shall be an annual requirement and shall cover a 12-month period. The Independent Review Organization or WCFC reviewers must have expertise in the billing, coding, reporting and other requirements of the Federal health care programs from which WCFC seeks reimbursement. The Independent Review Organization must be retained to conduct the audit of the first year within 90 days of the effective date of this CIA.

The Independent Review Organization or WCFC reviewers will conduct two separate engagements. One will be an analysis of WCFC's billing to the Medicare program to assist the WCFC and OIG in determining compliance with all applicable statutes, regulations, and written directives ("billing engagement"). The second engagement will determine whether WCFC is in compliance with this CIA ("compliance engagement").

1. *Billing Engagement.* The billing engagement shall consist of a review of a statistically valid sample of Medicare claims that can be projected to the population of claims for the relevant period. The sample size shall be determined through the use of a probe sample. At a minimum, the full sample must be within a 90 percent confidence level and a precision of 25 percent. The probe sample must contain at least 30 sample units and cannot be used as part of the full sample. Both the probe sample and the sample must be selected through random numbers. WCFC shall use OIG's Office of Audit Services Statistical Sampling Software, also known as "RAT-STATS," which is available through the Internet at "www.hhs.gov/progorg/oas/ratstat.html".

Each annual billing engagement analysis shall include the following components in its methodology:

a. Billing Engagement Objective: A statement stating clearly the objective intended to be achieved by the billing engagement and the procedure or combination of procedures that will be applied to achieve the objective.

b. Billing Engagement Population: Identify the population, which is the group about which information is needed. Explain the methodology used to develop the population and provide the basis for this determination.

c. Sources of Data: Provide a full description of the source of the information upon which the billing engagement conclusions will be based, including the legal or other standards applied, documents relied upon, payment data, and/or any contractual obligations.

d. Sampling Unit: Define the sampling unit, which is any of the designated elements that comprise the population of interest.

e. Sampling Frame: Identify the sampling frame, which is the totality of the sampling units from which the sample will be selected.

The billing engagement shall provide:

a. findings regarding WCFC's Medicare billing and coding operation (including, but not limited to, the operation of the billing system, strengths and weaknesses of this system, internal controls, effectiveness of the system);

b. findings regarding whether WCFC is submitting accurate claims for services billed to the Medicare program.

c. findings regarding WCFC's procedures to correct inaccurate billing or coding of claims submitted to the Medicare program;

d. findings regarding whether services billed by WCFC were reasonable and necessary and covered under the Medicare program;

e. findings regarding whether claims submitted to Medicare for services performed by physicians were, in fact, performed by physicians; and

f. findings regarding the steps WCFC is taking to bring its operations into compliance or to correct problems identified by the audit.

2. *Compliance Engagement.* The compliance engagement, which shall be conducted on an annual basis, shall provide findings regarding whether WCFC's program, policies, procedures and operations comply with the terms of this CIA. This engagement shall include section-by-section findings regarding the requirements of this CIA.

A complete copy of the billing and compliance engagements shall be included in each of WCFC's Annual Reports to OIG.

E. Confidential Disclosure Policies and Procedures.

Prior to the effective date of this CIA, WCFC established policies and procedures for confidential disclosure. Within 90 days after the effective date of this CIA, WCFC shall review (and revise, as appropriate) its confidential disclosure policies and procedures to ensure that they conform to the requirements of this section. The confidential disclosure policies and procedures shall include a mechanism to enable individuals to disclose, to the Compliance Officer or some other person who is not in the disclosing individual's chain of command, any identified issues or questions associated with WCFC's policies, practices or procedures with respect to a Federal health care program, believed by the individual to be a potential violation of criminal, civil or administrative law. WCFC shall publicize the existence of the confidential disclosure mechanism (*e.g.*, via periodic e-mails to employees or by posting the information in prominent common areas).

The Confidential Disclosure Policies and Procedures shall emphasize a non-retribution, non-retaliation policy, and shall include a reporting mechanism for anonymous, confidential communications. Upon receipt of a disclosure, the Compliance Officer (or designee) shall gather all relevant information from the disclosing individual.

The Compliance Officer (or designee) shall make a preliminary, good faith inquiry into the allegations set forth in every disclosure to ensure that he or she has obtained all of the information necessary to determine whether a further review should be conducted. For any disclosure that is sufficiently specific so that it reasonably: (1) permits a determination of the appropriateness of the alleged improper practice; and (2) provides an opportunity for taking corrective action, WCFC shall conduct an internal review of the allegations set forth in such a disclosure and ensure that proper follow-up is conducted.

The Compliance Officer (or his or her designee) shall maintain a confidential disclosure log, which shall include a record and summary of each disclosure received, the status of the respective internal reviews and any corrective action taken in response to the internal reviews. The confidential disclosure log shall be available to OIG upon request.

F. Ineligible Persons.

1. *Definition.* For purposes of this CIA, an "Ineligible Person" shall be any individual or entity who: (a) is currently excluded, debarred or otherwise ineligible to participate in the Federal health care programs or in Federal procurement or non-procurement programs; or (b) has been convicted of a criminal offense related to the provision of health care items or services, but has not yet been excluded, debarred or otherwise declared ineligible.

2. *Screening Requirements.* WCFC shall not knowingly hire an employee, or engage a contractor, who is an Ineligible Person. To prevent hiring or contracting with any Ineligible Person, WCFC shall screen all prospective employees and prospective contractors prior to engaging their services by: (a) requiring applicants to disclose whether they are Ineligible Persons; and (b) reviewing the General Services Administration's List of Parties Excluded from Federal Programs (available through the Internet at http://epls.arnet.gov) and the HHS/OIG List of Excluded Individuals/Entities (available through the Internet at http://www.hhs.gov/oig) (these lists will hereinafter be referred to as the "Exclusion Lists").

3. *Review and Removal Requirement.* Within 90 days of the effective date of this CIA, WCFC shall review its list of current employees and contractors against the Exclusion Lists. Thereafter, WCFC shall review the list semi-annually. In addition, WCFC shall require employees and contractors to disclose immediately any debarment, exclusion or other event that makes the employee an Ineligible Person.

If WCFC has notice that an employee or contractor has become an Ineligible Person, WCFC shall remove such person from responsibility for, or involvement with, WCFC's business operations related to the Federal health care programs and shall remove such person from any position for which the person's salary or the items or services rendered, ordered or prescribed by the person are paid in whole or part, directly or indirectly, by Federal health care programs or otherwise with Federal funds at least until such time as the person is reinstated into participation in the Federal health care programs.

4. *Pending Charges and Proposed Exclusions*. If WCFC has notice that an employee or contractor is charged with a criminal offense related to any Federal health care program, or is proposed for exclusion during his or her employment or contract, the WCFC shall take all appropriate actions to ensure that the responsibilities of that employee or contractor have not and shall not adversely affect the quality of care rendered to any beneficiary, patient or resident, or the accuracy of any claims submitted to any Federal health care program.

G. Notification of Government Investigation or Legal Proceedings.

Within 30 days of discovery, WCFC shall notify OIG, in writing, of any ongoing government investigation or legal proceeding conducted or brought by a governmental entity or its agents involving an allegation that WCFC has committed a crime or has engaged in fraudulent activities. This notification shall include a description of the allegation, the identity of the investigating or prosecuting agency and the status of such investigation or legal proceeding. WCFC shall also provide written notice to OIG within 30 days of the resolution of the matter, and shall provide OIG with a description of the findings and/or results of the investigation or legal proceeding.

H. Training.

1. *General Training*. No later than September 30, 2000, WCFC shall provide at least one hour of general training to each Covered Person. This training shall explain WCFC's:

a. CIA requirements;

b. Compliance Program (including the Standards of Conduct and the Compliance Policies and Procedures as they pertain to general compliance issues);

c. Confidential Disclosure Program;

d. Reporting Overpayments and Material Deficiencies; and

e. Policy on Ineligible Persons.

New Covered Persons shall receive the general training described above within 30 days of becoming a Covered Person or by September 30, 2000, whichever is later. After receiving the initial training described above, each Covered Person shall receive at least one hour of general training annually.

2. *Specific Training*. No later than September 30, 2000, each Covered Person who is involved in the delivery of patient care items or services and/or in the preparation or submission of claims for reimbursement from any Federal health care program (hereinafter referred to as "Relevant Covered Persons") shall receive at least 2 hours of specific training in addition to the general training required above. Thereafter each Relevant Covered Person shall receive at least 2 hours of specific training annually. This specific training shall include a discussion of:

a. the submission of accurate bills for services rendered to Federal health care program beneficiaries;

b. policies, procedures and other requirements applicable to the documentation of medical records;

c. the personal obligation of each individual involved in the billing and coding process to ensure that such billings are accurate;

d. applicable reimbursement statutes, regulations and written directives;

e. the legal sanctions for improper billings; and

f. examples of proper and improper billing practices.

All training materials shall be sent to OIG no later than September 30, 2000. Persons providing the training must be knowledgeable about the subject area.

New Relevant Covered Persons shall receive the training described above within 30 days of the beginning of their employment or becoming Relevant Covered Persons or by September 30, 2000, whichever is later. A WCFC employee who has completed the specific training shall review a new Relevant Covered Person's work, to the extent that the work relates to the delivery of patient care items or services and/or in the preparation or submission of claims for reimbursement from any Federal health care program, until such time as the new Relevant Covered Person completes applicable training.

3. *Certification.* Each individual who is required to attend training shall certify, in writing, that he or she has received the required training. The certification shall specify the type of training received and the date received. The Compliance Officer (or his or her designee) shall retain the certifications, along with all course materials. These shall be made available to OIG, upon request.

IV. NEW BUSINESS UNITS OR LOCATIONS

In the event that, after the effective date of this CIA, WCFC changes locations or purchases or establishes new business units related to the furnishing of items or services that may be reimbursed by Federal health care programs, WCFC shall notify OIG of this fact as soon as possible, but no later than within 30 days of the date of change of location, purchase or establishment. This notification shall include the location of the new operation(s), phone number, fax number, Medicare and Medicaid provider number(s) (if any) and the corresponding contractor's or state agency's name and address that has issued each Medicare provider number. All Covered Persons at such locations shall be subject to the applicable requirements in this CIA (*e.g.,* completing certifications and undergoing training).

V. IMPLEMENTATION AND ANNUAL REPORTS

A. Implementation Report. Within 150 days after the effective date of this CIA, WCFC shall submit a written report to OIG summarizing the status of its implementation of the requirements of this CIA. This Implementation Report shall include:

1. the name, address, phone number and position description of the Compliance Officer required by section III.A;

2. the names and positions of the members of the Compliance Committee required by section III.A;

3. a copy of WCFC's Standards of Conduct required by section III.B.1;

4. a copy of any amendments or changes to the Compliance Policies and Procedures previously submitted to OIG pursuant to section III.B.2;

5. a description of the training required by section III.H., including, the dates, a description of the targeted audiences, length of sessions, which sessions were mandatory and for whom, percentage of attendance and a schedule of when the training sessions were held;

6. a certification by the Compliance Officer that:

   a. the Compliance Policies and Procedures required by section III.B have been developed, are being implemented and have been distributed to all appropriate Covered Persons;

   b. all Covered Persons have completed the Code of Conduct certification required by section III.B.1; and

   c. all Covered Persons and Relevant Covered Persons have completed the applicable training and executed the certification(s) required by section III.H. The certifications shall be made available to OIG upon request;

7. a description of the confidential disclosure policies and procedures required by section III.E;

8. the identity of the Independent Review Organization(s) and the proposed start and completion dates of the first annual review;

9. a summary of personnel actions, other than hiring, taken pursuant to section III.F.;

10. a list of all of WCFC's locations (including locations and mailing addresses), the corresponding name under which each location is doing business, the corresponding phone numbers and fax numbers, each location's Medicare and Medicaid provider identification number(s) and the contractor's or state agency's name and address that issued each provider identification number; and

11. To the extent not already furnished to OIG, or if modified, a description of WCFC's corporate structure, including identification of any parent, any company affiliated with WCFC, subsidiaries and their respective lines of business.

B. Annual Reports. WCFC shall submit to OIG Annual Reports with respect to the status of and findings regarding of WCFC's compliance activities for each of the one-year periods, during which this CIA is in effect, beginning on the effective date of this CIA. (The one-year period covered by each Annual Report shall be referred to as "the Reporting Period").

Each Annual Report shall include:

1. any change in the identity or position description of the Compliance Officer and/or members of the Compliance Committee described in section III.A;

2. a certification by the Compliance Officer that:

a. all Covered Persons have completed the annual Standards of Conduct certification required by section III.B.1;

b. all Covered Persons and Relevant Covered Persons have completed the applicable training and executed the certification(s) required by section III.H;

c. WCFC has complied with its obligations under the Settlement Agreement: (i) not to resubmit to any Federal health care program payors any previously denied claims related to the Covered Conduct addressed in the Settlement Agreement, and not to appeal any such denials of claims; (ii) not to charge to or otherwise seek payment from Federal or state payors for unallowable costs (as defined in the Settlement Agreement); and (iii) to identify and adjust any past charges or claims for unallowable costs. The documentation supporting compliance with these obligations hall be available to OIG upon request.

3. a summary of any significant changes or amendments to the Compliance Policies and Procedures required by section III.B and the reasons for such changes (*e.g.*, change in contractor policy);

4. a description of the training required by section III.H conducted during the Reporting Period, including a description of the targeted audiences, length of sessions, which sessions were mandatory and for whom, percentage of attendance and a schedule of when the training sessions were held;

5. a complete copy of all reports prepared pursuant to the Independent Review Organization's billing and compliance engagements, including a copy of the methodology used, along with a copy of the Independent Review Organization's engagement letter;

6. WCFC's response and corrective action plan(s) related to any issues raised by the Independent Review Organization(s);

7. a summary of Material Deficiencies (as defined in III.C) identified during the Reporting Period and the status of any corrective and preventative action relating to all such Material Deficiencies;

8. a report of the aggregate overpayments that have been returned to the Federal health care programs. Overpayment amounts should be broken down into the following categories: inpatient Medicare, outpatient

Medicare, Medicaid (report each applicable state separately) and other Federal health care programs;

9. a summary of the disclosures in the confidential disclosure log required by section III.E that relate to Federal health care programs;

10. a description of any personnel actions (other than hiring) taken by WCFC as a result of the obligations in section III.F, and the name, title, and responsibilities of any person that falls within the ambit of section III.F.4, and the actions taken in response to the obligations set forth in that section;

11. a summary describing any ongoing investigation or legal proceeding required to have been reported pursuant to section III.G. The summary shall include a description of the allegation, the identity of the investigating or prosecuting agency and the status of such investigation or legal proceeding; and

12. a description of all changes to the most recently provided list (as updated) of WCFC's locations (including locations and mailing addresses) as required by section V.A.10, the corresponding name under which each location is doing business, the corresponding phone numbers and fax numbers, each location's Federal health care program provider identification number(s) and the contractor name and address that issued each provider identification number.

The first Annual Report shall be received by the OIG no later than one year and 60 days after the end of the first Reporting Period. Subsequent Annual Reports shall be received by OIG no later than the anniversary date of the due date of the first Annual Report.

C. Certifications. The Implementation Report and Annual Reports shall include a certification by the Compliance Officer that: (1) except as otherwise described in the applicable report, WCFC is in compliance with all of the requirements of this CIA, to the best of his or her knowledge; and (2) the Compliance Officer has reviewed the Report and has made reasonable inquiry regarding its content and believes that the information is accurate and truthful.

D. Designation of Information: WCFC shall clearly identify any portions of its submissions that it believes are trade secrets, or information that is commercial or financial and therefore privileged or confidential, and exempt from disclosure under the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552. WCFC shall refrain from identifying any information as exempt from disclosure if that information does not meet the criteria for exemption from disclosure under FOIA.

VI. NOTIFICATIONS AND SUBMISSION OF REPORTS

Unless otherwise stated in writing after the effective date of this CIA, all notifications and reports required under this CIA shall be submitted to the following entities:

OIG:

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

WCFC:

Steven P. Marcus, President
West Central Family and Counseling, Ltd.
350 Memorial Drive
Chicopee, Massachusetts 01020
Tel: 413.592.1980
Fax: 413.592.1674
Medicare Provider Number:
Medicaid Provider Number:

Unless otherwise specified, all notifications and reports required by this CIA may be made by certified mail, overnight mail, hand delivery or other means, provided that there is proof that such notification was received. For purposes of this requirement, internal facsimile confirmation sheets do not constitute proof of receipt.

VII. OIG INSPECTION, AUDIT AND REVIEW RIGHTS

In addition to any other rights OIG may have by statute, regulation or contract, OIG or its duly authorized representative(s) may examine or request copies of WCFC's books, records and other documents and supporting materials and/or conduct on-site reviews of any of WCFC's locations for the purpose of verifying and evaluating: (a) WCFC's compliance with the terms of this CIA; and (b) WCFC's compliance with applicable Federal health care programs statutes, regulations and written directives. The documentation described above shall be made available by WCFC to OIG or its duly authorized representative(s) at all reasonable times for inspection, audit or reproduction. Furthermore, for purposes of this provision, OIG or its duly authorized representative(s) may interview any of WCFC's employees, contractors or agents who consent to be interviewed at the individual's place of business during normal business hours or at such other place and time as may be mutually agreed upon between the individual and OIG. WCFC agrees to assist OIG or its duly authorized representative(s) in contacting and arranging interviews with such individuals upon OIG's request. WCFC's employees may elect to be interviewed with or without a representative of WCFC present.

VIII. DOCUMENT AND RECORD RETENTION

WCFC shall maintain for inspection all documents and records relating to reimbursement from the Federal health care programs, or to compliance with this CIA, for one year longer than the term of this CIA (or longer if otherwise required by law).

IX. DISCLOSURES

Consistent with HHS's FOIA procedures, set forth in 45 C.F.R. Part 5, OIG shall make a reasonable effort to notify WCFC prior to any release by OIG of information submitted by WCFC pursuant to its obligations under this CIA and identified upon submission by WCFC as trade secrets, commercial or financial information and therefore privileged or confidential, and exempt from disclosure under the FOIA rules. With respect to such releases, WCFC shall have the rights set forth at 45 C.F.R. § 5.65(d). WCFC shall refrain from identifying any information as exempt from release if that information does not meet the criteria for exemption from disclosure under FOIA.

X. BREACH AND DEFAULT PROVISIONS

WCFC is expected to fully and timely comply with all of its CIA obligations.

A. Stipulated Penalties for Failure to Comply with Certain Obligations. As a contractual remedy, WCFC and OIG hereby agree that failure to comply with certain obligations set forth in this CIA may lead to the imposition of the following monetary penalties (hereinafter referred to as "Stipulated Penalties") in accordance with the following provisions.

1. A Stipulated Penalty of $2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day WCFC fails to have in place any of the following:

a. a Compliance Officer as described by section III.A.1;

b. a Compliance Committee as described by section III.A.2;

c. a written Standards of Conduct as described by section III.B.1;

d. written Compliance Policies and Procedures as described by section III.B.2;

e. a training program as described in section III.H; and

f. a Confidential Disclosure Program as described in section III.E.

2. A Stipulated Penalty of $2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day WCFC fails to retain an Independent Review Organization, as required in section III.D.

3. A Stipulated Penalty of $2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day WCFC fails to meet any of the deadlines for the submission of the Implementation Report or the Annual Reports to OIG.

4. A Stipulated Penalty of $2,000 (which shall begin to accrue on the date the failure to comply began) for each day WCFC knowingly employs or contracts with an

Ineligible Person and that person: (i) has responsibility for, or involvement with, WCFC's business operations related to the Federal health care programs; or (ii) is in a position for which the person's salary or the items or services rendered, ordered or prescribed by the person are paid in whole or part, directly or indirectly, by Federal health care programs or otherwise with Federal funds (the Stipulated Penalty described in this paragraph shall not be demanded for any time period during which WCFC can demonstrate that it did not discover the person's exclusion or other ineligibility after making a reasonable inquiry (as described in section III.F) as to the status of the person).

5. A Stipulated Penalty of $1,500 for each day WCFC fails to grant access to the information or documentation as required in section VII of this CIA. (This Stipulated Penalty shall begin to accrue on the date WCFC fails to grant access.)

6. A Stipulated Penalty of $1,000 for each day WCFC fails to comply fully and adequately with any obligation of this CIA not already covered in sections X. A.1. through 5. In its notice to WCFC, OIG shall state the specific grounds for its determination that WCFC has failed to comply fully and adequately with the CIA obligation(s) at issue and steps the WCFC must take to comply with the CIA. (This Stipulated Penalty shall begin to accrue 10 days after the date that OIG provides notice to WCFC of the failure to comply.)

B. Timely Written Requests for Extensions. WCFC may, in advance of the due date, submit a timely written request for an extension of time to perform any act or file any notification or report required by this CIA. Notwithstanding any other provision in this section, if OIG grants the timely written request with respect to an act, notification or report, Stipulated Penalties for failure to perform the act or file the notification or report shall not begin to accrue until one day after WCFC fails to meet the revised deadline set by OIG. Notwithstanding any other provision in this section, if OIG denies such a timely written request, Stipulated Penalties for failure to perform the act or file the notification or report shall not begin to accrue until two business days after WCFC receives OIG's written denial of such request or the original due date, whichever is later. A "timely written request" is defined as a request in writing received by OIG at least five business days prior to the date by which any act is due to be performed or any notification or report is due to be filed.

C. Payment of Stipulated Penalties.

1. *Demand Letter.* Upon a finding that WCFC has failed to comply with any of the obligations described in section X.A and after determining that Stipulated Penalties are appropriate, OIG shall notify WCFC of: (a) WCFC's failure to comply; and (b) OIG's exercise of its contractual right to demand payment of the Stipulated Penalties (this notification is hereinafter referred to as the "Demand Letter").

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

3. *Form of Payment.* Payment of the Stipulated Penalties shall be made by certified or cashier's check, payable to: "Secretary of the Department of Health and Human Services," and submitted to OIG at the address set forth in section VI.

4. *Independence from Material Breach Determination.* Except as set forth in section X.D.1.c, these provisions for payment of Stipulated Penalties shall not affect or otherwise set a standard for OIG's decision that WCFC has materially breached this CIA, which decision shall be made at OIG's discretion and shall be governed by the provisions in section X.D, below.

D. Exclusion for Material Breach of this CIA

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

a. a failure by WCFC to report a material deficiency, take corrective action and make the appropriate refunds, as required in section III.C;

b. a repeated or flagrant violation of the obligations under this CIA, including, but not limited to, the obligations addressed in section X.A;

c. a failure to respond to a Demand Letter concerning the payment of Stipulated Penalties in accordance with section X.C; or

d. a failure to retain and use an Independent Review Organization in accordance with section III.E.

2. *Notice of Material Breach and Intent to Exclude*. The parties agree that a material breach of this CIA by WCFC constitutes an independent basis for WCFC's exclusion from participation in the Federal health care programs. Upon a determination by OIG that WCFC has materially breached this CIA and that exclusion should be imposed, OIG shall notify WCFC of: (a) WCFC's material breach; and (b) OIG's intent to exercise its contractual right to impose exclusion (this notification is hereinafter referred to as the "Notice of Material Breach and Intent to Exclude").

3. *Opportunity to Cure*. WCFC shall have 30 days from the date of receipt of the Notice of Material Breach and Intent to Exclude to demonstrate to OIG's satisfaction that:

a. WCFC is in full compliance with this CIA;

b. the alleged material breach has been cured; or

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

4. *Exclusion Letter*. If at the conclusion of the 30-day period, WCFC fails to satisfy the requirements of section X.D.3, OIG may exclude WCFC from participation in the Federal health care programs. OIG will notify WCFC in writing of its determination to exclude WCFC (this letter shall be referred to hereinafter as the "Exclusion Letter"). Subject to the Dispute Resolution provisions in section X.E, below,

the exclusion shall go into effect 30 days after the date of the Exclusion Letter. The exclusion shall have national effect and shall also apply to all other Federal procurement and non-procurement programs. Reinstatement to program participation is not automatic. If at the end of the period of exclusion, WCFC wishes to apply for reinstatement, WCFC must submit a written request for reinstatement in accordance with the provisions at 42 C.F.R. §§ 1001.3001-.3004.

E. Dispute Resolution

1. *Review Rights.* Upon OIG's delivery to WCFC 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, WCFC shall be afforded certain review rights comparable to the ones that are provided in 42 U.S.C. § 1320a-7(f) and 42 C.F.R. Part 1005 as if they applied to the Stipulated Penalties or exclusion sought pursuant to this CIA. Specifically, OIG's determination to demand payment of Stipulated Penalties or to seek exclusion shall be subject to review by an ALJ and, in the event of an appeal, the Departmental Appeals Board ("DAB"), in a manner consistent with the provisions in 42 C.F.R. §§ 1005.2-1005.21. Notwithstanding the language in 42 C.F.R. § 1005.2(c), the request for a hearing involving Stipulated Penalties shall be made within 10 days of the receipt of the Demand Letter and the request for a hearing involving exclusion shall be made within 25 days of receipt of the Exclusion Letter.

2. *Stipulated Penalties Review.* Notwithstanding any provision of Title 42 of the United States Code or Chapter 42 of the Code of Federal Regulations, the only issues in a proceeding for Stipulated Penalties under this CIA shall be: (a) whether WCFC was in full and timely compliance with the obligations of this CIA for which OIG demands payment; and (b) the period of noncompliance. WCFC shall have the burden of proving its full and timely compliance and the steps taken to cure the noncompliance, if any. If the ALJ agrees with OIG with regard to a finding of a breach of this CIA and orders WCFC to pay Stipulated Penalties, such Stipulated Penalties shall become due and payable 20 days after the ALJ issues such a decision unless WCFC requests review of the ALJ decision by the DAB. If the ALJ decision is properly appealed to the DAB and the DAB upholds the determination of OIG, the Stipulated Penalties shall become due and payable 20 days after the DAB issues its decision.

3. *Exclusion Review.* Notwithstanding any provision of Title 42 of the United States Code or Chapter 42 of the Code of Federal Regulations, the only issues in a proceeding for exclusion based on a material breach of this CIA shall be:

a. whether WCFC 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) WCFC had begun to take action to cure the material breach within that period;

(ii) WCFC has pursued and is pursuing such action with due diligence; and

(iii) WCFC provided to OIG within that period a reasonable timetable for curing the material breach and WCFC has followed the timetable.

For purposes of the exclusion herein, exclusion shall take effect only after an ALJ decision favorable to OIG, or, if the ALJ rules for the WCFC, only after a DAB decision in favor of OIG. WCFC's election of its contractual right to appeal to the DAB shall not abrogate OIG's authority to exclude WCFC upon the issuance of an ALJ's decision in favor of OIG. If the ALJ sustains the determination of OIG and determines that exclusion is authorized, such exclusion shall take effect 20 days after the ALJ issues such a decision, notwithstanding that WCFC may request review of the ALJ decision by the DAB. If the DAB finds in favor of OIG after an ALJ decision adverse to OIG, the exclusion shall take effect 20 days after the DAB decision.

4. *Finality of Decision.* The review by an ALJ or DAB provided for above shall not be considered to be an appeal right arising under any statutes or regulations. Consequently, the parties to this CIA agree that the DAB's decision (or the ALJ's decision if not appealed) shall be considered final for all purposes under this CIA.

XI. EFFECTIVE AND BINDING AGREEMENT

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

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

B. This CIA shall become final and binding on the date the final signature is obtained on the CIA;

C. Any modifications to this CIA shall be made with the prior written consent of the parties to this CIA; and

D. The undersigned WCFC signatory represents and warrants that he is authorized to execute this CIA. The undersigned OIG signatory represents and warrants that he is signing this CIA in his official capacity and that he is authorized to execute this CIA.

ON BEHALF OF WEST CENTRAL FAMILY AND COUNSELING, LTD.

STEVEN P. MARCUS
President
West Central Family and Counseling, Ltd.

7/10/00
DATE

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

LEWIS MORRIS
Assistant Inspector General for Legal Affairs
Office of Inspector General
U. S. Department of Health and Human Services

7/3/00
DATE